

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

MEETING DATE: September 26, 2006

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.
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES - Minutes of August 22, 2006, 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. 2004-846, CONSTRUCTION OF THE ALAHELENUI G.I. PIPELINE REPLACEMENT:

Bids were opened on September 15, 2006, at 2:00 p.m.; and following are the bid results:

Bidder	Amount
William C. Loeffler Construction, Inc.	\$303,735.00
Willocks Construction Corporation	\$402,388.00
Isemoto Contracting Co., Ltd.	\$443,211.00
Koga Engineering & Construction, Inc.	\$555,180.00
Yamada and Sons, Inc.	\$689,115.00

Project Scope: This project generally consists of installation of 6-inch D.I. pipeline and appurtenances to replace the existing 2-inch G.I. pipeline, which is in poor condition.

Project Cost:

1) Low Bidder (William C. Loeffler Construction, Inc.)	\$303,735.00
2) Construction Contingency (10%)	30,373.50
Total Construction Cost:	<u>\$334,108.50</u>

Funding for this project will be from the DWS C.I.P. Budget. The contractor will have 150 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2004-846, **CONSTRUCTION OF THE ALAHELENUI G.I. PIPELINE REPLACEMENT**, to the lowest responsible bidder, William C. Loeffler Construction, Inc., for their bid amount of \$303,735.00 plus \$30,373.50 for construction contingency for a total contract amount of \$334,108.50, and that either the Chairman or the Vice-Chairman be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

6) SOUTH KOHALA:

A. **WATER DEVELOPMENT AGREEMENT: BRIDGE AINA‘LEA, LLC:**

Bridge Aina‘lea, LLC (“Bridge”), owns approximately 3,000 acres of land in Waikoloa, South Kohala, Tax Map Key 6-8-001:portions of 025, 036, 037, 038, 039, and 040 (“Land”). Further, Bridge owns well sites in Ouli, South Kohala, Tax Map Key 6-2-001:087, 088, and 089, and has rights to well development options upon Tax Map Key 6-2-001:075 (“Ouli Well Field”).

To facilitate the development of its Land, Bridge is willing to develop the Ouli Well Field and design, construct, replace, and otherwise create and establish a transmission system and other necessary storage and distribution facilities required to connect to the Department’s existing water system within the Mauna Kea Uplands subdivision. With this connection, Bridge will be allowed to connect to the water system facilities in Lalamilo, which is being upgraded by Mauna Lani Services, Inc., and Mauna Kea Properties, Inc., under terms and conditions of the agreement executed with the Water Board on April 6, 2006.

The Lalamilo Water System currently services the areas from the Mauna Lani Resort and Puako Beach Drive to the Mauna Kea Resort to the Kawaihae Harbor/Industrial Subdivision. With the proposed improvements, the Mauna Kea Resort to the Kawaihae Harbor/Industrial Subdivision area will be served primarily from the Ouli Well Field. The Mauna Lani Resort and Puako Beach Drive area and Bridge’s Land will be served primarily from the Lalamilo/Parker Well Field. More importantly for the Department of Water Supply, the entire water system operations will become more efficient with the Ouli and Lalamilo/Parker well fields providing back-up water sources to the system.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the Water Development Agreement with Bridge Aina‘lea, LLC, and authorize either the Chairman or the Vice-Chairman to execute the Agreement subject to review and acceptance by the Office of the Corporation Counsel as to form and legality.

B. **RIGHT-OF-ENTRY AGREEMENT: SHELL WINDENERGY, INC.**

Shell Windenergy, Inc. (“Grantee”), is requesting vehicular and pedestrian right-of-entry over, across, and through the roads on the Water Board’s lease from the State of Hawai‘i, Department of Land and Natural Resources, for the Lalamilo Wells. The Grantee is in the due diligence process for a proposed wind powered electrical generation facility on portions of an adjacent property. The right-of-entry will terminate in 18 months from the date of approval.

Termination may also occur if the granting of this right-of-entry is found to be contrary to or not in strict compliance with the Water Board/Department's lease with the State and agreements with Hawaii Electric Light Company, Inc.

Should the Grantee proceed with the project, a permanent access will need to be pursued from the State. Further, due to its close proximity to the Lalamilo Well Field, the Department may be able to purchase less expensive energy.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the Right-of-Entry Agreement with Shellenergy, Inc., and authorize either the Chairman or the Vice-Chairman to execute the Agreement subject to review and acceptance by the Office of the Corporation Counsel as to form and legality.

7) NORTH KONA:

A. **JOB NO. 2004-853, BRIDGE CRANE REPAIR FOR KAHALU'U WATER SHAFT:**

Bids for this project were opened on August 24, 2006, at 2:00 p.m., and following are the bid results:

<u>Bidder</u>	<u>Bid Amount</u>
Aloha Machine and Welding, Ltd.	\$164,770.00
Abhe & Svoboda, Inc.	\$239,770.00
R. I. Namba Construction, Inc.	\$263,878.00

Project Scope: This project consists of repairing the bridge crane rail.

Project Cost:

1) Low Bidder (Aloha Machine and Welding, Ltd.)	\$164,770.00
2) Construction Contingency (~10%)	<u>15,230.00</u>
Total Construction Cost:	<u>\$180,000.00</u>

The bid amount is considered reasonable for the scope of work.

Funding for this project will be from the Deep Well Pump Replacement budget. The contractor will have 90 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2004-853, BRIDGE CRANE REPAIR FOR KAHALU'U WATER SHAFT, to the lowest responsible bidder, Aloha Machine and Welding, Ltd., for their bid amount of \$164,770.00 plus \$15,230.00 in construction contingency for a total contract amount of \$180,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

B. JOB NO. 2001-790, CONSTRUCTION OF THE KONA COASTVIEW/WONDER VIEW SUBDIVISION WATER SYSTEM IMPROVEMENTS:

The Department respectfully requests that Isemoto Contracting Co., Ltd., be granted a time extension of 64 calendar days so the Department may adequately notify their existing customers that the deadline to switch over to the new service laterals fronting their properties is October 31, 2006. In November, the contractor shall work to remove the old service laterals that are not within the Kona Coastview/Wonder View Subdivisions and complete the final requirements of their contract.

This is their third time extension request for this project. The first time extension request granted was for 92 calendar days to overexcavate and place additional structural backfill for the lava tubes encountered at Reservoir Site Nos. 1 and 2 and extended the contract completion date from March 29, 2006, to June 29, 2006. The second time extension request granted was 90 calendar days to re-pave the roads, extending the contract completion date from June 29, 2006, to September 27, 2006.

RECOMMENDATION: It is recommended that the Board grant Isemoto Contracting, Co., Ltd., this extension of contract time of 64 calendar days for JOB NO. 2001-790, CONSTRUCTION OF THE KONA COASTVIEW/WONDER VIEW SUBDIVISION WATER SYSTEM IMPROVEMENTS, from September 27, 2006 to November 30, 2006.

8) KAU:

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

The contractor, Isemoto Contracting Co., Ltd., has requested a 35-calendar day time extension. This fourth time extension request is due to scheduling and implementation of the railing modification work as requested by DWS for safety reasons (see attached request from the contractor).

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

Staff has reviewed the request and finds that the 35 working days are justified.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of thirty-five (35) calendar days from September 29, 2006, to November 3, 2006, to Isemoto Contracting Co., Ltd., for JOB NO. 2000-765, PAHALA 0.5 MG RESERVOIR.

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
KIKALA – KEOKEA RESIDENTIAL SUBDIVISION
Seller: State of Hawai'i, by its Board of Land and Natural Resources
TMK: (3) 1-2-043
E.W.O.: 2005-092
Facilities Charge: \$83,303.60
Final Inspection Date: June 19, 2006
Water System Cost: \$517,728.00

2. GRANT OF EASEMENT AND BILL OF SALE
O'OMA PLANTATION SUBDIVISION
Subdivision Application No. 2004-0073
Grantor: O'oma, LLC
TMK: (3) 7-3-007:080
E.W.O.: 2006-028
Lots: 2 existing, 17 additional, plus 1 Roadway Lot Zoning: FA-2a
Facilities Charge: \$95,880.00 Paid: August 15, 2005
Final Inspection Date: 9/13/2006
Water System Cost: \$225,145.00

GRANT OF EASEMENT - (O'oma Plantation Off-Site Waterline)
15-foot-wide Waterline Easement
Grantor: Martin Ohan
TMK: (3) 7-3-005:112
Waterline traverses this property to serve O'oma Plantation Subdivision.

3. BILL OF SALE
"KAPEHE STREET WATERLINE EXTENSION"
Subdivision Application No. 2004-0075
Seller: Waikii Ventures, Inc., and Fritz & Christine Harries-Glade
TMK: (3) 7-3-027:010
E.W.O.: 2006-034
Facilities Charge: \$5,500.00 Paid: August 30, 2006
Final Inspection Date: 2/22/2006
Water System Cost: \$22,000.00

4. GRANT OF EASEMENT AND BILL OF SALE
"EKELA PLACE SUBDIVISION"
Subdivision Application No. 2003-0170

Grantor: Heahea Heights LLC
TMK: (3) 2-4-016:044, 045 & 071
E.W.O.: 2006-053
Lots: 3 Existing, 28 additional, & 2 Roadway Lots Zoning: RS-15
Facilities Charge: \$139,880.00 Paid: March 28, 2006
Final Inspection Date: August 17, 2006
Water System Cost: \$64,000.00

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. MONTHLY PROGRESS REPORT:

Submission of Progress Report of Projects by Department (see attached). Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

C. 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.

D. MANAGER'S REPORT:

- 1) The Manager will provide a report/update of the construction/status of the Kona Coastview/Wonderview Improvement District project.
- 2) The Manager will provide an update on the ending of the USGS Drilling Program and the process to sell off assets.
- 3) The Manager will provide a report on Kona water quality and various steps being undertaken to improve said water quality, including the obtaining of corridors from various developers/private landowners.
- 4) The Manager will report on water service to Kona Hospital.
- 5) The Manager will provide the status of the Palani Road Transmission Waterline project.

E. 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 October 24, 2006, 10:00 a.m., at the Ocean View Community Center; Leilani Parkway, Ocean View, 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, 25 Aupuni Street, Hilo, Hawai'i 96720.