

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

MEETING DATE: October 24, 2006

TIME: 10:00 a.m.

PLACE: **Ocean View Community Center**

Leilani Parkway, off Hawai‘i Belt Road (mauka between 77-mile and 78-mile markers),
past the cross streets of *Luau, Coral, and Kona*; large blue building on the right

- 1) CALL TO ORDER - 10:00 a.m.
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES - Minutes of the September 26, 2006, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(**Note: Addendum requires Roll Call Vote**)

5) PUNA:

A. **JOB NO. 2003-833, OLA‘A NO. 3 DEEP WELL REPAIR:**

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension of 90 calendar days (see attached). This is due to a delay in the manufacture of the spare Byron Jackson submersible motor. The contractor’s supplier has scheduled a shipping date of January 8, 2007, from the east coast.

This will be the first time extension to the contract. Engineering staff has reviewed the request and finds that the 90 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 90 calendar days to Beylik Drilling and Pump Service, Inc., for JOB NO. 2003-833, OLA‘A NO. 3 DEEP WELL REPAIR. If approved, the contract completion date will be extended from October 30, 2006, to January 29, 2007.

6) SOUTH HILO:

A. **JOB NO. 2003-812, CONSTRUCTION OF THE SOUTH HILO G. I. PIPELINE & SERVICE LATERAL REPLACEMENT – PART “A” & PART “B”:**

The contractor, Willocks Construction Corporation, requests a 220-calendar day extension to the contract time. The time extension is to compensate for the time delays the contractor

experienced with scheduling the asphaltic concrete scarifying and resurfacing work and to perform additional water system improvement work as requested by the Department of Water Supply.

Staff has reviewed the contractor's request and finds that the 220-calendar day extension is justified. A copy of the contractor's letter dated October 4, 2006, is attached for review. This is the first extension to the contract time.

RECOMMENDATION: It is recommended that the Water Board approve a contract time extension of 220 calendar days from April 4, 2006, to November 10, 2006, to Willocks Construction Corporation, for JOB NO. 2003-812, CONSTRUCTION OF THE SOUTH HILO G. I. PIPELINE & SERVICE LATERAL REPLACEMENT – PART “A” & PART “B.”

7) NORTH KOHALA:

A. **SITE ACQUISITION FOR THE PROPOSED KYNNERSLEY 0.30-MG RESERVOIR:**

The Department of Water Supply is seeking to acquire a site in the North Kohala district for a proposed 0.30-MG reservoir. The subject site is along Kynnersley Road and is adjacent to the existing 0.10-MG Kynnersley No. 1 Reservoir site at an elevation of approximately 950 feet. The 0.30-MG Reservoir will replace the 0.10-MG Reservoir which is nearing the end of its useful lifespan. The new site is 0.420 acres in size and was appraised by Lawrence Appraisal Group at \$315,000.00 (fee simple) as of April 1, 2006. In negotiations with the owner, Surety Kohala Corporation, the Department of Water Supply pointed out that the real estate market has cooled somewhat in recent months. In response, the owner has agreed to reduce the selling price to \$300,000.00. The site to be acquired is Tax Map Key 5-4-002:022. Additional expenses may include one half of the closing cost, which is estimated to be \$500.00. Funds are available in our current budget for this land acquisition.

RECOMMENDATION: It is recommended that the Water Board approve the purchase of the 18,295-square-foot site identified as Tax Map Key 5-4-002:022 for the purchase price of \$300,000.00 plus one half of the closing cost and further that the Chairman or Vice-Chairman be authorized to execute the appropriate purchase documents.

B. **JOB NO. 2002-805, MAKAPALA PRODUCTION WELL AND SUPPORTING FACILITIES:**

The contractor, Isemoto Contracting Co., Ltd., requests a 59-calendar day time extension. This request is due to delays resulting from Hawaii Electric Light Company, Inc.'s (HELCO), problems in trying to obtain their required easements. They will most likely need to redesign their pole layouts due to non-response from a landowner. (See attached letter from the contractor.) This is their fourth time extension request.

- First time extension - 170 calendar days (delays in the building permit processing, modifications to the access road and changes in the motor controls).
- Second time extension - 9 working days (rain-out days).

- Third time extension - 56 working days due to asphalt shortage and time to obtain easements.

Staff has reviewed the request and finds that the 59 calendar days are justified.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of fifty-nine (59) calendar days from October 31, 2006, to December 29, 2006, to Isemoto Contracting Co., Ltd., for JOB NO. 2002-805, MAKAPALA PRODUCTION WELL AND SUPPORTING FACILITIES.

8) NORTH KONA:

A. **JOB NO. 2005-880R, KAHALU‘U SHAFT BY-PASS HYDROELECTRIC PROJECT AT THE KAHALU‘U SHAFT:**

Bids for this project were opened on October 12, 2006, at 2:00 p.m.

Project Scope: This project involves the installation of a 40 kW hydroelectric generation unit at the Kahaluu Shaft Deep Well off Kamehameha III Road in North Kona.

Funding for this project will be from the General Obligation Bond. The contractor will have 270 calendar days to complete this project.

RECOMMENDATION: An update of the recommendation will be provided at the Water Board meeting.

B. **KONA COASTVIEW WONDERVIEW IMPROVEMENT DISTRICT PROJECT:**

Discussion of the transition procedures onto the newly completed system, and timelines.

9) KA‘U:

A. **HAWAIIAN OCEAN VIEW ESTATES WATER SYSTEM DEVELOPMENT:**

Introduction of consultant team and discussion of design criteria and timelines.

B. **REPORT FROM SUBCOMMITTEE FOR HAWAIIAN OCEAN VIEW TEST WELL:**

The subcommittee of four members of the Water Board met at Kahuku Park to view a possible site for the test well. Discussion will follow regarding their findings.

10) MISCELLANEOUS:

A. EQUIPMENT BID NO. 2006-09, SALE OF USED DRILL RIG AND APPURTENANCES FROM THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on October 11, 2006; and following are the bid results:

Bidder	Bid Amount Part A (Items on Big Island)	Bid Amount Part B (Items on Kauai)
Relo Construction, Inc.	\$400,600.00	\$2,500.00
Derrick Moreia Well Drilling	\$227,001.00	\$0
Beylik Drilling & Pump Service, Inc.	\$187,000.00	\$2,500.00
Techworld Solutions, LLC	\$110,000.00	\$0
RJR Services	\$75,050.00	\$0
Water Resources International, Inc.	\$35,000.00	\$1,600.00

Identical Part B bid amounts by Beylik Drilling & Pump Service, Inc., and Relo Construction, Inc., were submitted. Lots were drawn and Relo Construction, Inc. won.

As previously agreed upon with the Department of Water Supply (DWS), Counties of Maui and Kauai, the proceeds from this sale will be divided equally among the three DWS Counties of Maui, Kauai and Hawai'i. In addition, each of the DWS Counties had previously selected appurtenant equipment to keep (which was not included in the bid package). After dividing the proceeds equally, the value of the equipment that each DWS County decided to keep will be subtracted from their share of the proceeds. The values of the equipment were obtained by an independent appraiser on the mainland and by estimates obtained by the DWS County of Hawai'i. The agreed-upon estimates for the equipment that each County will keep are as follows:

County	Item	Estimated Value
Hawai'i	Forklift	\$3,000.00
Hawai'i Subtotal		\$3,000.00
Maui	1996 Freightliner Truck	\$12,500.00
	20'x8' Trailer	\$1,800.00
	12'x8' Utility Trailer	\$500.00
Maui Subtotal		\$14,800.00
Kauai	Welder	\$2,500.00
	40' Container	\$3,500.00
Kauai Subtotal		\$6,000.00
Total Estimated Value of Equipment:		\$23,800.00

The proceeds would then be divided as follows:

Total Sale of Equipment (\$400,600.00 + \$2,500.00):	\$403,100.00
Value of Equipment To Be Kept:	\$23,800.00
Total Value To Be Divided (\$403,100.00 + \$23,800.00):	\$426,900.00
Each County is Entitled To (\$426,900.00 divided by 3):	\$142,300.00

Subtracting the value of items that each County is keeping, the value to be paid to each County equals:

County of Hawai'i:	\$142,300.00 minus \$ 3,000.00 =	\$139,300.00
County of Maui:	\$142,300.00 minus \$14,800.00 =	\$127,500.00
County of Kauai:	\$142,300.00 minus \$ 6,000.00 =	\$136,300.00

RECOMMENDATION: It is recommended that the Board award EQUIPMENT BID NO. 2006-09, SALE OF USED DRILL RIG AND APPURTENANCES FROM THE DEPARTMENT OF WATER SUPPLY, to Relo Construction, Inc., for the bid price of \$403,100.00 and the proceeds to be divided by the Department of Water Supply Counties of Maui, Kauai, and Hawai'i, as shown above.

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. EARTHQUAKE DAMAGE RECOVERY:

Information to be provided on earthquake damage of October 15, 2006; recovery efforts; and current status.

E. MANAGER'S EVALUATION:

Attached is an evaluation form for Appointees/Managers, used by the Water Board for the yearly evaluation of the Manager.

RECOMMENDATION: It is recommended that each Board Member use the attached form to evaluate the Manager's past performance. Each Board Member shall then submit the

completed form to the Chairman, and the results discussed with the Manager under Executive Session at the next Water Board Meeting.

F. **MANAGER'S REPORT:**

1. 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.
2. The Manager will report on water service to Kona Hospital.
3. The Manager will provide the status of the Palani Road Transmission Waterline project.
4. Update of negotiations with Kamehameha Investment Corporation.

G. **EXECUTIVE SESSION:**

The Board anticipates convening an executive meeting regarding the following case, pursuant to Section 92-5(a)(4), Hawai'i Revised Statutes (HRS), as amended, for the purpose of consulting with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, including the current status of the litigation. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

1) *Department of Water Supply vs. Lillian Matsumoto, Civil No. 05-1-0080K*

H. **CHAIRMAN'S REPORT:**

Chairman 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 November 28, 2006, 10:00 a.m., at the Department of Water Supply, Hilo Operations Center Conference Room; 889 Leilani St., Hilo, HI.

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, 25 Aupuni Street, Hilo, Hawai'i 96720.