

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

AGENDA

MEETING DATE: February 28, 2006

PLACE: *Waimea Community Center* (next to Waimea Ball Park), Kamuela, 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 the January 24, 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, ÔLA'A NO. 3 DEEP WELL REPAIR:**

Bids for this project were opened on February 10, 2006, at 2:00 p.m.; and following are the bid results:

<u>Bidder</u>	<u>Bid Amount</u>
Beylik Drilling & Pump Service, Inc.	\$225,819.50
Mel's Water Works Hawaii, Inc.	No Bid

Project Scope: This project consists of replacement of submersible pump, motor, column pipe, power cable, and appurtenances at Olaa #3 Deep Well.

Project Cost:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$225,819.50
2) Construction Contingency (~10%)	<u>22,680.50</u>
Total Construction Cost:	<u>\$248,500.00</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 180 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2003-833, ÔLA‘A NO. 3 DEEP WELL REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$225,819.50 plus \$22,680.50 in construction contingency for a total contract amount of \$248,500.00, 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.

6) SOUTH HILO:

A. **JOB NO. 2004-840, HAAHEO WATER SYSTEM IMPROVEMENTS:**

The contractor, Inaba Engineering, Inc., has requested a contract time extension of 120 calendar days due to delays in completing the field survey of the pipeline route and alignment. This would be the second time extension to the contract. Engineering staff has reviewed the request and finds that the 120 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 120 calendar days to Inaba Engineering, Inc., for JOB NO. 2004-840, HAAHEO WATER SYSTEM IMPROVEMENTS. If approved, the contract completion date will be extended from January 29, 2006, to May 29, 2006.

7) HAMAKUA:

A. **JOB NO. 2005-866, AHUALOA WELL DEVELOPMENT – PHASE 1:**

The contractor, Tom Nance Water Resource Engineering, Inc. (TNWRE), has requested that their total contract price for consultant services be amended to include funding for reimbursable expenses (airfare and car rental). Their total estimate for reimbursable expenses is \$1,750.00. TNWRE included this estimate for reimbursable expenses in their original proposal, but these costs were not included in the “Payment to Consultant” section of the consultant agreement. Engineering staff has reviewed the request and finds that \$1,750.00 for reimbursable expenses is justified. This project is NOT on the Department’s 5-year C.I.P. list.

RECOMMENDATION: It is recommended that the Board grant the addition of \$1,750.00 to Tom Nance Water Resource Engineering, Inc.’s, total contract price for JOB NO. 2005-866, AHUALOA WELL DEVELOPMENT – PHASE 1. If approved, the total contract price will be changed from \$73,421.00 to \$75,171.00.

B. **KUKUIHAELE WELL “A” (REPLACE WAIULILI SPRING), PROJECT NO. DW133-0001; DRINKING WATER TREATMENT REVOLVING LOAN FUND:**

The Department intends to utilize the State Drinking Water Treatment Revolving Loan Fund program administered by the State of Hawai‘i, Department of Health, to fund this project. Supplemental Loan Agreement No. 1 outlines the conditions of the loan program specific to this project (see attached).

RECOMMENDATION: It is recommended that the Board approve Supplemental Loan Agreement No. 1 for Kukuihaele Well "A" (Replace Waiulili Spring), Project No. DW133-0001, and that either the Chairman the Vice-Chairman be authorized to sign the Agreement, subject to review and approval by Corporation Counsel.

8) NORTH KOHALA:

A. **JOB NO. 2003-815, AGREEMENT FOR CONSULTANT SERVICES - CONSTRUCTION OF THE KOKOIKI 0.1-M.G. CONCRETE RESERVOIR:**

(Refer to attached Change Order No. 1.) Mitsunaga & Associates, Inc., has submitted a change order proposal for additional work. The additional work involves providing the necessary professional services (engineering design and field survey) to construct 4,800 lineal feet of 6-inch diameter waterline along the Akoni Pule Highway to transmit water from the proposed Kokoiki 0.1-M.G. Concrete Reservoir to the Puakea Bay Ranch Subdivision. The 6-inch waterline was found to be a feasible solution to eliminate the anticipated reduction in water pressure and flow capability of the existing Hawi-Kokoiki water system, should the existing water system have been connected to the proposed 0.1-M.G. concrete reservoir. The reservoir will be located at a lower elevation than the reservoir that is currently servicing the Hawi-Kokoiki water system. Staff has reviewed the proposal and recommends acceptance of the items, in the amount of \$28,100.00. Funds for the additional work are available the Department's C.I.P. funds.

RECOMMENDATION: It is recommended that the Board approve Change Order No. 1, as submitted by Mitsunaga & Associates, Inc., for a total amount of \$28,100.00 for JOB NO. 2003-815 AGREEMENT FOR CONSULTANT SERVICES - CONSTRUCTION OF THE KOKOIKI 0.1-M.G. CONCRETE RESERVOIR, and further that the contract completion date be extended by 77 calendar days to July 31, 2007.

9) NORTH KONA:

A. **JOB NO. 2001-785, CONSTRUCTION OF THE WAIHAHA PRODUCTION WELL AND 2.0-MG RESERVOIR:**

Attached is a copy of a letter dated January 26, 2006, from the contractor, Isemoto Contracting Company, Ltd., requesting an extension of contract time. The contractor is requesting a 31-calendar day extension to allow for acquiring the Supervisory Control and Data Acquisition (SCADA) program from the Department of Water Supply and for the additional time to correct the discrepancy in the contract documents concerning the pump control equipment. This is the contractor's fifth time extension request. Staff has evaluated this request and finds that the 31-calendar day extension is justified. Previous extensions are listed below:

- 1st time extension July 5, 2005, to September 11, 2005 (Lava tube probing and backfilling).
- 2nd time extension September 11, 2005, to November 2, 2005 (Gaging and video logging the well casing).
- 3rd time extension November 2, 2005, to November 30, 2005 (Delay due to late shipment

- of equipment from supplier).
- 4th time extension November 30, 2005, to January 28, 2006 (Delay due to late provision of electrical power to operate deepwell pump to the site and redesign, fabrication, and shipping of booster pump control panel).

RECOMMENDATION: It is recommended that the Board grant Isemoto Contracting Company, Ltd., a 31-calendar day extension for JOB NO. 2001-785, CONSTRUCTION OF THE WAIAHA PRODUCTION WELL AND 2.0-MG RESERVOIR, from January 28, 2006, to February 28, 2006.

10) **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. **GRANT OF EASEMENT AND BILL OF SALE**

HAKALAU PLANTATION VILLAGE, LLC
 Subdivision Application No. 2004-042
 Grantor: Hakalau Plantation Village, LLC
 TMK: (3) 2-9-002:024
 E.W.O.: 2005-079
 Lots: 21 - plus 1 Road Lot Zoning: RS 7.5
 Facilities Charge: \$116,690.00 Paid: 2/11/2005
 (1-Lot @ \$1,190.00)
 (21-Lots @ \$5,500.00)
 Final Inspection Date: 01/04/2006
 Water System Cost: \$103,950.00

2. **GRANT OF EASEMENT AND BILL OF SALE**

SUBDIVISION OF LOT 8
 Subdivision Application No. 2004-050
 Grantor: Hart of Kona Realty, Inc.
 TMK: (3) 8-2-015:006
 E.W.O.: 2005-082
 Lots: 4 Zoning: RS 10
 Facilities Charge: \$7,200.00 (1-inch meter Paid 4-units) Paid: 6/17/91
 (4-Units @ \$1,800.00)
 Final Inspection Date: 12/21/2005
 Water System Cost: \$33,302.00

3. **GRANT OF EASEMENT AND BILL OF SALE**

SUGAR CANE LANE SUBDIVISION
 Subdivision Application No. 2004-070
 Grantor: Uluwehi Properties, LLC
 TMK: (3) 7-5-017:021

E.W.O.: 2005-078
Lots: 21 Zoning: RS - 15
Facilities Charge: \$110,000.00 (20-Lots @ \$5,500.00) Paid: May 2, 2005
Capital Assessment Fee: \$10,000.00 (20-Lots @ \$500.00) Paid: May 2, 2005
Final Inspection Date: 02/07/2006
Water System Cost: \$198,421.00

4. **GRANT OF EASEMENT AND BILL OF SALE**

LUALAI SUBDIVISION AT PARKER RANCH, PHASE 2

Subdivision Application No. 2003-046

Grantor: Kaomalo LLC

TMK: (3) 6-7-021: portion 061

E.W.O.: 2005-021

Lots: 87 (Phase 2 - 84; Phase 3 - 3) Zoning: RM - 5; RS - 7.5

Facilities Charge: \$186,615.00 (87 units @ \$5,500.00 less 61% credit)

Final Inspection Date: 2/16/2006

Water System Cost: \$281,911.40

5. **PARTIAL WITHDRAWAL FROM GENERAL LEASE NO. S-5539**

PROPOSED KOKOIKI RESERVOIR SITE

Lessor: State of Hawai'i, by its Board of Land and Natural Resources

Lessee: William T. S. Wong

TMK: (3) 5-5-004:portion 051

This document withdraws approximately 0.50 acre portion of land from General Lease No. S-5539 to William T. S. Wong, which in turn will be set aside through a Governor's Executive Order to the Water Board of the County of Hawai'i.

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. **GASOLINE BID NO. 2004-04, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY - PARTS A, B, AND C:**

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 Hawaii Petroleum, Inc. The gas prices have risen from the contract amount of \$1.8167/gallon for Part A (Hilo Baseyard), Part B (Kona Baseyard), and Part C (Waimea Baseyard) to \$2.2250/gallon for Hilo Baseyard and \$2.2440/gallon for the Kona and Waimea Baseyards. The price for diesel has risen from the contract amount of \$1.6995/gallon to \$1.9431 at the Kona Baseyard.

At the present rate of usage, which will be projected until the end of the fiscal year (June 30, 2006), it is estimated that the Department will require an additional \$50,000.00 to provide gasoline and diesel for the Department's vehicles.

RECOMMENDATION: It is recommended that the Board award an additional \$50,000.00 to Hawaii Petroleum, Inc., for GASOLINE BID NO. 2004-04, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY - PARTS A, B, AND C. The contract will increase from \$315,637.00 to \$365,637.00.

C. PUBLIC RELATIONS SPECIALIST, PUBLIC RELATIONS BRANCH - ADMINISTRATION DIVISION:

The Department proposes to amend its Table of Organization to create a **Public Relations Branch** with a **Public Relations Specialist** position. The branch and position are necessary in light of increasing issues that require interaction with the public and internally. The Water Board and the Department adopted its Strategic and Business Plan in 2004. The plan needs to be implemented, tracked, and updated.

Generally, the duties of the position are summarized as follows: plans, develops, and conducts a comprehensive public information program, that includes a variety of informational, educational, and interpretive activities, for a major operating department; maintains effective working relationships with members of the media, community groups, and other individuals in the public and private sectors; and performs other related duties as required. Sample duties will include public relations and strategic and business plan responsibilities.

Subject to consultation with Civil Service and the affected Union, the position is proposed to have a salary rating of SR-24 in Bargaining Unit 13. The salary range is \$45,840.00 to \$65,256.00. The intent is to recruit the position as soon as approvals from Civil Service and the Union are received.

RECOMMENDATION: It is recommended that the Water Board approve the amendment to the Table of Organization to create the Public Relations Branch and the Public Relations Specialist.

D. GROUND RENT FOR LALAMILO WIND-FARM, SOUTH KOHALA, HAWAI'I (G.L. NO. S-5240), TAX MAP KEY 6-6-01:02(PORTION):

General Lease S-5240 provides for re-determining the annual rent for the next five years beginning December 14, 2005. The Land Division of the State of Hawai'i, Department of Land and Natural Resources, has determined that the fair market rent should be \$6,400.00 per year. The previous amount was \$3,878.00. Inasmuch as Hawaii Electric Light Company, Inc. (HELCO), operates and maintains the windfarm, HELCO will be reimbursing the Department the full amount of the rent.

RECOMMENDATION: It is recommended that the Water Board accept the rent amount of \$6,400.00 per year, payable to the Land Division of the State of Hawai'i, Department of Land and Natural Resources (DLNR), for the next five years beginning December 14, 2005, and ending December 13, 2010, and that the Water Board authorize either the Chairman or the Vice-Chairman to execute DLNR's form indicating same.

E. **NATIONAL RAINWATER CONFERENCE - 2007:**

At the January 24, 2006, Water Board Meeting, a request for funding of \$28,000.00 to \$29,000.00 was made by the organizers of the National Rainwater Conference. This item is for discussion and/or action.

F. **PROFESSIONAL SERVICES AGREEMENT:**

Professional Services Agreement contracts for the following Department of Water Supply projects are being considered. However, the projects are not listed on the Department's current 5-year Capital Improvement Projects list.

- 1) Kukuihaele Treatment Plant and Supporting Facilities, consists of installing treatment processes, controls, building to house analyzers and appurtenances to treat the Waiulili Spring water. The spring has been classified as ground water under the influence of surface water, thus placing the Department in violation of the Surface Water Treatment Rule.

Consultant: To be determined

Fee: \$75,000.00 (estimate, subject to negotiation)

Construction cost estimate: \$800,000.00

- 2) DWS Kona Baseyard Facilities Expansion, consists of constructing a new warehouse-office building to provide additional office, workshop and storage space for use by employees of the Field, Plant, Building Maintenance, and Engineering-Construction sections. The additional space will help to relieve the crowded conditions of the existing warehouse-office building and to provide for future office space needs.

Consultant: To be determined.

Fee: \$25,000.00 (estimate, subject to negotiation)

Construction Cost Estimate: \$300,000.00

RECOMMENDATION: It is recommended that the Board approve the new projects, the professional services contracts 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.

G. **JOB NO. 2003-829, WATER MASTER PLAN AND WATER RATE STUDY:**

Consultant proposes to modify scope of work for the project and requests time extensions for 3 phases of the project as shown on the attached. Staff has reviewed the request and finds that the proposal is justified.

RECOMMENDATION: It is recommended that the Board approve a change of scope at no additional cost as well as the proposed time extensions to Phases 2, 3, and 4 of the project.

H. **TRI-PARTY WATER DEVELOPMENT AGREEMENT - MAUNA LANI SERVICES, INC., MAUNA KEA PROPERTIES, AND DEPARTMENT OF WATER SUPPLY:**

Mauna Lani Services (MLS) and Mauna Kea Properties (MKP) desire to develop Parker 3 and 4 Wells and related infrastructure that will connect to the existing Department of Water

Supply's (DWS) Lalamilo Water System. These improvements, critical to providing water to the lands previously owned and assured of water commitments from MLS/MKP (Exhibits 1 and 2), include the following (Exhibit 3):

- Two (2) 1,250 gpm deep wells,
- Two (2) 2.0-M.G. prestressed concrete tanks (1,103' and 610' elevations),
- 18,400 lf ductile iron pipe, and
- other appurtenances.

These improvements, totaling approximately \$15 million when completed, will be dedicated to the Water Board and operated by DWS. As MLS/MKP are solely funding this, the Agreement stipulates that they will be allocated ninety percent (90%) and DWS ten percent (10%) of the water.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the Agreement 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.

I. USGS MONITORING WELL AT HAWAIIAN OCEAN VIEW:

As requested during the January 24, 2006, Water Board Meeting, a discussion and decision needs to be made regarding the casing of the USGS monitor well at Hawaiian Ocean View Estates. The planned casing size is 4 inches. The residents want a 6-inch casing installed to be able to put a pump into the well. The status of the project will be given at the meeting.

J. HAWAIIAN OCEAN VIEW ESTATES \$6 MILLION APPROPRIATION RELEASE:

See attached correspondence. An update will be provided, and the Department will seek guidance from the Board.

K. CORPORATION COUNSEL'S SERVICES:

A description of services received by Corporation Counsel's Office will be given. Also, input from the Board will be solicited for future services.

L. CELL TOWER SPACE RENTAL:

For discussion and exploration of income producing opportunities by renting space for cell tower use on certain facility sites.

M. 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.

N. 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.

O. **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 status of the projects undertaken by the USGS Drilling Program and will discuss participation in the Program in general.
- 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) Report on Councilman Safarik's concerns in Puna
- 5) Update on negotiations with Kamehameha Investment Corp.
- 6) Retirement of Glenn Ahuna, Engineering Division Head
- 7) Board to determine place to hold April 25, 2006, Water Board Meeting

P. **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 March 28, 2006, 10:00 a.m., in the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona, Hawai'i.

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.