

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

MEETING DATE: May 22, 2007

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 April 24, 2007, 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, 2006:**

Copies of the Department's audited Financial Statements for the fiscal year ended June 30, 2006, were distributed to Board Members last month. 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. 2006-893, CONSTRUCTION OF WAIĀKEA OFFICE PLAZA
COVERED WALKWAY:**

Bids will be opened on May 18, 2007; and a report and recommendation will be provided at the meeting.

7) NORTH KONA:

A. **MAINTENANCE BID NO. 2007-03, REPAIR AND MAINTENANCE OF KAHALU'U
SHAFT HIL-A-VATOR, KONA:**

One bid was received and opened on May 9, 2007.

KONE, Inc., bid \$1,750.00/month to perform the repair and maintenance on the hil-a-vator for two years with a call-out cost of \$238.71/hour.

1. Cost of contract for two years (\$1,750.00 x 24 months)	\$42,000.00
2. Contingency	<u>8,000.00</u>
TOTAL	<u>\$50,000.00</u>

The last contract price was for \$2,000.00/month with a call-out cost of \$250.00/hour.

RECOMMENDATION: It is recommended that the Board award the contract for MAINTENANCE BID NO. 2007-03, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT HIL-A-VATOR, KONA, to KONE, Inc., for their bid amount of \$42,000.00, plus \$8,000.00 in contingency, for a total contract price of \$50,000.00, 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. The contract period shall be from July 1, 2007, to June 30, 2009.

B. KALOKO TANK #2 HYDROELECTRIC GENERATION PROJECT (JOB NO. 2006-898):

This project involves the installation of a 40 kW hydroelectric generation unit at the Kaloko Tank #2 location on Hina Lani Street in North Kona. The project consists of modifying the existing piping configuration of the boosters to allow the insertion of a 40 kW hydroelectric generation unit. The new system will parallel the existing system and allow operation of the system as it is now. The hydro unit will be electrically inter-tied to Hawaii Electric Light Company, Inc. (HELCO), service connection located on the control building. The electricity produced by the hydro unit will be sold back to HELCO based on the wholesale rate established in the HELCO’s Schedule Q rate schedule.

The purpose of HELCO’s Schedule Q contract is to allow DWS to sell the electricity produced by the hydro-unit at Kaloko Tank #2 back to the utility at an agreed upon wholesale rate (see attached agreement).

RECOMMENDATION: It is recommended that the Board approve the HELCO Schedule Q contract and that either the Chairman or the Vice-Chairman be authorized to execute the agreement subject to review and approval by Corporation Counsel.

C. JOB NO. 2003-834 (REVISED), CONSTRUCTION OF THE KONA BASEYARD FACILITY IMPROVEMENTS:

Attached is a copy of a letter dated May 7, 2007, from Central Construction, Inc., requesting an extension of contract time due to the building permit not being issued in a timely manner.

This is the contractor’s first time extension request. Staff has evaluated this request and finds that the 64-calendar day extension is justified.

RECOMMENDATION: It is recommended that the Board grant Central Construction, Inc., a 64-calendar day extension for JOB NO. 2003-834 (REVISED), CONSTRUCTION OF THE KONA BASEYARD FACILITY IMPROVEMENTS, from May 11, 2007, to July 14, 2007.

8) KA‘U:

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

Bids were opened on May 10, 2007, at 2:00 p.m.; and following are the bid results:

<u>Bidder</u>	<u>Total Bid</u>
Water Resources International, Inc.	\$777,040.00
Beylik Drilling & Pump Service, Inc.	\$836,700.00

Project Scope:

This project consists of performing the drilling, casing and pump testing the proposed 14-inch cased well at elevation 1620 feet in Waiohinu Homesteads, Ka‘u.

Project Cost:

1) Low Bidder (Water Resources International, Inc.)	\$777,040.00
2) Construction Contingency (8%)	<u>\$ 62,160.00</u>
Total Construction Cost:	= <u>\$839,200.00</u>

Funding for this project will be from the Department of Water Supply Capital Improvement Project (C.I.P.) Budget. Engineers estimated cost - \$1,000,000.00.

The contractor will have 240 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2000-758, CONSTRUCTION OF THE WAIOHINU WELL DEVELOPMENT – PHASE 1, to the lowest responsible bidder, Water Resources International, Inc., for their bid amount of \$777,040.00 plus \$62,160.00 in construction contingency for a total contract amount of \$839,200.00, subject to review as to form and legality of the contract by Corporation Counsel.

9) 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
INDEMNIFICATION AGREEMENT
DEED (for 3-Tank Sites)**

BILL OF SALE (for 3-Tank Sites)

Hokuli'a, Phase 1, Package 1
Subdivision Application No. 98-124
Grantor: 1250 Oceanside Partners
TMK: (3) 8-1-004:Portion 003
E.W.O.: 2001-049
Lots: 284
Facilities Charge: \$952,876.00
Final Inspection Date: Recommend defer
Water System Cost: \$3,721,569.00

Zoning: A-1A
Date Paid: 9/17/99

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

Grantor/Seller: John D. Heide and Janice B. Heide
TMK: (3) 7-9-005:060
E.W.O.: 2006-029
Lots: 7
Facilities Charge: \$32,100.00
Final Inspection Date: 5/10/2007
Water System Cost: \$316,171.00

Zoning: A-1A
Date Paid: 3/12/07

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

Lokahi Makai, Phase 5
Grantor/Seller: Sonny Ventures, LLC
TMK: (3) 7-3-061:051
E.W.O.: 2007-031
Lots: 22, 1-Existing
Facilities Charge: \$121,000.00
CAF: \$3,500.00
Final Inspection Date: 5/08/2007
Water System Cost: \$134,683.00

Zoning: RS-10
Date Paid: 11/20/2006

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. VEHICLE BID NO. 2007-05, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 9, 2007, at 2:00 p.m.; and following are the bid results:

		Clark Automotive Group, Inc., dba Island Chevrolet, Buick, Cadillac, Pontiac, GMC	Orchid Isle Auto Center
	Part "A"		
1.	2007 or later ½-ton compact pickup with lift gate, regular or extended cab, 4WD	\$21,470.54	\$23,850.00
2.	Applicable Taxes and Fees	+894.46	Included
3.	Total delivery price	\$22,365.00	\$23,850.00
4.	Delivery time (calendar days)	180	210

		Clark Automotive Group, Inc., dba Island Chevrolet, Buick, Cadillac, Pontiac, GMC	Orchid Isle Auto Center
	Part "B"		
1.	2007 or later ½-ton compact pickup with lift gate, regular or extended cab, 4WD	\$20,097.73	\$23,700.00
2.	Applicable taxes and fees	+837.27	Included
3.	Total delivery price	\$20,935.00	\$23,700.00
4.	Delivery time (calendar days)	180	210
	Part "C"		
1.	2007 or later ½-ton compact pickup with extended cab, 4WD	\$20,779.33	\$20,725.00
2.	Applicable taxes and fees	+865.67	Included
3.	Total delivery price	\$21,645.00	\$20,725.00
4.	Delivery time (calendar days)	180	150

RECOMMENDATION: It is recommended that the Board award VEHICLE BID NO. 2007-05, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, to Clark Automotive Group, Inc., dba Island Chevrolet, for Parts "A" and "B" at a cost of \$43,300.00, and to Orchid Isle Auto Center for Part "C" at a cost of \$20,725.00 and that either the Chairman or the Vice-Chairman be authorized to sign the contracts subject to approval of the contracts as to form and legality by Corporation Counsel. *The total amount for the vehicles is \$64,025.00.*

C. MATERIAL BID NO. 2007-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 9, 2007, at 2:30 p.m.; and following are the bid results:

		Yamada & Sons, Inc.	Grace Pacific Corporation	Island Cement
	DISTRICT I - Hilo:			
A.	3/4-Inch Base Course (Cost per ton)	\$18.25	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	\$17.75	"	"
C.	No. 3F Rock (Cost per ton)	\$20.30	"	"
D.	#4 Sand (Cost per ton)	\$31.25	"	"
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	"	"
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	"	\$10.34
G.	Cold Mix - ASTM D4215-87 (Cost per ton)	\$83.33	"	No Bid
H.	Blended Material (Cost per ton)	\$36.45	"	"
I.	Hot Mix	\$73.00	"	"

		Yamada & Sons, Inc.	Grace Pacific Corporation	Island Cement
	DISTRICT II - Waimea:			
A.	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	“	“	“
C.	No. 3F Rock (Cost per ton)	“	“	“
D.	#4 Sand (Cost per ton)	“	“	“
E.	Mortar Sand - ASTM C144 (Cost per ton)	“	“	“
F.	Portland Cement 94 lb. bags (Cost per bag)	“	“	\$14.00
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	“	\$120.00	No Bid
	DISTRICT III - Kona:			
A.	3/4-Inch Base Course (Cost per ton)	No Bid	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	“	“	“
C.	No. 3F Rock (Cost per ton)	“	“	“
D.	#4 Sand (Cost per ton)	“	“	“
E.	Mortar Sand - ASTM C144 (Cost per ton)	“	“	“
F.	Portland Cement 94 lb. bags (Cost per bag)	“	“	\$11.30
G.	Cold Mix–ASTM D4215-87 (Cost per ton)	“	\$114.00	No bid
H.	Hot Mix - County Mix IV (Cost per ton)	“	\$104.00	“

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2007-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY, by Parts to the following for the amounts shown above, and that either the Chairman or the Vice-Chairman be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

District I – Parts A, B, C, D, G, H, and I to Yamada & Sons, Inc.

Part F to Island Cement

District II – Part F to Island Cement

Part G to Grace Pacific Corporation

District III –Part F to Island Cement

Parts G and H to Grace Pacific Corporation

For the Parts where no bids were received, staff shall obtain quotations in the best interest of the Department. The contract period shall be from July 1, 2007, to June 30, 2008.

D. MATERIAL BID NO. 2007-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

Bids will be opened on May 17, 2007, at 2:00 p.m.; and a report and recommendation will be provided at the meeting.

E. JOB NO. 2006-900, EMERGENCY BACKUP POWER FOR CRITICAL SITES:

Bids will be opened on May 17, 2007, at 1:30 p.m.; and a report and recommendation will be provided at the meeting.

F. 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.

G. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2007-2008:

Review and/or comments on the proposed budgets.

H. 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.

I. WRITE-OFF DELINQUENT ACCOUNT #77030030-2, KALUA KALAE RANCH:

Background: Account #77030030-2, Kalua Kalae Ranch, services a Department of Hawaiian Home Lands (DHHL) pasture located off Mana Road in the Puukapu-Nienie (Waimea) area. The account was established in August 1990 by account holder, Lynn Flores. The account was closed in November 1998 and assigned to the Frank Huff collection agency in October 2001. A total of \$784.01 was collected between January 1998 and November 2002. Frank Huff returned the account to the Department in February 2007. The account was then referred to Corporation Counsel for additional collection/investigation. Corporation Counsel determined that the account holder, Lynn Flores, died in January 1997 and that no further recourse was available to the Department. Corporation Counsel recommends write-off of the account.

RECOMMENDATION: Per recommendation from Deputy Corporation Counsel, Diane Noda, the Department requests approval to write off Account #77030030-2, Kalua Kalae Ranch for \$10,157.27.

J. 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 Waimea Clearwater Reservoir Repair.
- 3) The Manager will provide a status of the Hawaiian Ocean View exploratory well.
- 4) The Manager will provide a status of the Kona Water Quality.
- 5) Retiree of the Department of Water Supply - Mr. Bruce Hirano
- 6) Employee of the Quarter Presentation (1st Quarter 2007) - Ms. Dolores Degele

K. 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 June 19, 2007, in the Hilo Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i as follows:

9:30 a.m. - Public Hearing on the Proposed Operating Budget and Capital Improvements Budget for Fiscal Year July 1, 2007, to June 30, 2008

10:30 a.m. - Regular Water Board Meeting

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