

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

MEETING DATE: June 27, 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 the May 23, 2006, 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, 2005:**

Copies of the Department’s audited Financial Statements for the fiscal year ended June 30, 2005, 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. A management letter was not issued in conjunction with the audit report.

6) **SOUTH HILO:**

A. **JOB NO. 2002-798, CONSTRUCTION OF THE ‘ĀINAKŌ AND AINA-NANI WATERLINE REPLACEMENT:**

Bids will be opened on June 23, 2006, at 2:00 p.m.; and the results will be provided at the meeting.

B. **INDIVIDUAL’S REQUEST PURCHASE A PORTION OF DWS PROPERTY:**

Ms. Kimberly Agpoon, owner of Tax Map Key (TMK) 2-6-015:014 and adjacent to the Department of Water Supply’s Haaheo Booster Pump Station on TMK 2-6-015:042 has submitted a request to purchase approximately 2,000 square feet (25-foot strip) of the northerly portion of TMK 2-6-015:042. Ms. Agpoon intends to consolidate this piece of property with TMK 2-6-015:014 to change the building set-back on the south boundary of her property.

Staff has reviewed this request and finds that the portion of the property Ms. Agpoon intends to purchase is unusable, and the sale of this piece will not adversely affect the Department's operation of the booster pump station.

RECOMMENDATION: Staff recommends sale of the property, subject to expenses, survey, appraisal, and consolidation/re-subdivision of the properties to be borne by the purchaser.

7) HAMAKUA:

A. **JOB NO. 2005-866, CONSTRUCTION OF THE ĀHUALOA WELL DEVELOPMENT – PHASE 1:**

Bids were opened on June 15, 2006, at 2:30 p.m.; and following are the bid results:

Bidder	Amount
Water Resources International, Inc.	\$1,488,600.00
Beylik Drilling & Pump Service, Inc.	\$1,770,000.00

Project Scope: This project consists of the drilling, casing, and testing of an exploratory well and also includes grading of an access road and drilling pad within the project site.

Project Cost:

1) Low Bidder (Water Resources International, Inc.)	\$1,488,600.00
2) Construction Contingency (10%)	<u>\$148,860.00</u>
Total Construction Cost:	<u>\$1,637,460.00</u>

Funding for this project will initially be from DWS C.I.P. budget, however, DWS is currently pursuing funding from the State Drinking Water Revolving Fund program for reimbursement. The contractor will have 360 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2005-866, ĀHUALOA WELL DEVELOPMENT – PHASE 1, to the lowest responsible bidder, Water Resources International, Inc., for their bid amount of \$1,488,600.00 plus \$148,860.00 in construction contingency for a total contract amount of \$1,637,460.00, 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.

8) NORTH AND SOUTH KOHALA:

A. **JOB NO. 2006-888, NON-REVENUE WATER LOSS – PHASE II:**

A report and recommendation will be provided at the meeting.

9) NORTH KONA:

A. **JOB NO. 2003-821, CONSTRUCTION OF THE KUAKINI HIGHWAY
16-INCH WATERLINE IMPROVEMENTS:**

The contractor, E. M. Rivera & Sons, Inc., requests a contract time extension of 25 calendar days due to obstruction of ancient human remains in the path of trenching. Work stoppage was on February 16, 2006, due to the recovery and reburial process. On April 19, 2006, additional remains were found by the consulting archaeologist (Rechtman Consulting, LLC) retained by the contractor. The recovery process is complete, and the contractor is waiting on the final report of the monitoring of these finds to the Department of Land and Natural Resources and completion of the reburial process. An additional delay is due to an asphalt shortage. Subject to the asphalt shortage, the paving subcontractor cannot schedule completion of the remaining portion of the paving until the third week in June 2006.

This is the first time extension to the contract. Engineering staff has reviewed the request and finds 25 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 25 calendar days to E. M. Rivera & Sons, Inc., for JOB NO. 2003-821, CONSTRUCTION OF THE KUAKINI 16-INCH WATERLINE IMPROVEMENTS. If approved, the contract completion date will be extended from June 5, 2006, to June 30, 2006.

B. **AGREEMENT TO CONVEY WELL AND RESERVOIR SITE - RONALD A. BROWN:**

Ronald A. Brown (Owner) is the fee simple owner of, and is desirous of, developing that certain parcels of real property situate at Kealakehe, District of North Kona, Island and County of Hawai'i, State of Hawai'i, commonly known as a portion of "Kealakehe Homesteads," Tax Map Keys 7-4-004:014, 091, and 092, and containing a combined area of approximately thirteen (13) acres (the "Land"). The DWS' existing system is within the vicinity of the Land, but does not have the capacity to satisfy the requirements of the proposed development of the Land by the Owner.

Owner desires to enter into an Agreement to Convey Well and Reservoir Site consisting of a 1-acre portion of Tax Map Keys 7-3-006:036 and 037, containing approximately 3 acres each in exchange for 82 water units, 80 units of which is to be assigned to the Land, and 1 unit each to Tax Map Keys 7-3-006:036 and 037.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the Agreement to Convey Well and Reservoir Site with Ronald A. Brown 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.

C. JOB NO. 2002-806, CONSTRUCTION OF THE MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2:

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

Bidder	Amount
Isemoto Contracting Co., Ltd.	\$1,350,740.00

Project Scope: This project generally consists of demolition work and the construction of pressure reducing valve units with flow meters and appurtenances, new and modifications to existing tank inlet control units, piping and appurtenances, including electrical and communication work.

Project Cost:

1) Low Bidder (Isemoto Contracting Co., Ltd.)	\$1,350,740.00
2) Construction Contingency (10%)	<u>135,074.00</u>
Total Construction Cost:	<u>\$1,485,814.00</u>

DWS staff and its consultant, BK, Inc., have reviewed the bid and find it to be fair and reasonable.

Funding for this project will be from DWS C.I.P. Budget. The contractor will have 120 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2002-806, CONSTRUCTION OF THE MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$1,350,740.00 plus \$135,074.00 for construction contingency for a total contract amount of \$1,485,814.00, 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.

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

Bids will be opened on June 23, 2006, at 2:30 p.m.; and the results will be provided at the meeting.

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

Attached is Change Order No. 3 dated June 19, 2006, from the contractor, Isemoto Contracting Co., Ltd., requesting for an extension of contract time. The additional calendar days (90) are caused by a change order to pave the streets within Kona Coastview and Kona Wonderview

Subdivisions. The additional funding is provided from the County of Hawai'i, Department of Public Works.

This is the second time extension request. The first time extension was granted on August 23, 2005, for 92 calendar days to overexcavate and place additional structural backfill for the lava tubes encountered at Reservoir Sites No. 1 and No. 2, in addition to the collapse and backfill of a lava tube in Ahikawa Street.

Staff has reviewed this second time extension request and finds that the 90 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant Isemoto Contracting, Co., Ltd., this extension of contract time from June 29, 2006, to September 27, 2006, for JOB NO. 2001-790, CONSTRUCTION OF KONA COASTVIEW/WONDER VIEW SUBDIVISION WATER SYSTEM IMPROVEMENTS.

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

ALII HEIGHTS, UNIT 2, PHASE V
Subdivision Application No. 2005-118
Grantor: Towne Keauhou LLC
TMK: (3) 7-7-008:por. 011
E.W.O.: 2005-072
Lots: 22 plus 2 roadway lots
Facilities Charge: \$115,500.00
Final Inspection Date: June 8, 2006
Water System Cost: \$176,037.00

Zoning: RS - 15
Paid: July 1, 2004

2. GRANT OF EASEMENT AND BILL OF SALE

PUALANI ESTATES PHASE 2
Subdivision Application No. 90-143
Grantor: D. R. Horton – Schuler Homes, LLC
TMK: (3) 7-5-017:029 portion
E.W.O.: 2005-035
Lots: 15 Lots being serviced
Facilities Charge: Previously Paid
Final Inspection Date: February 15, 2006
Water System Cost: \$911,725.00

3. GRANT OF NON-EXCLUSIVE EASEMENT

UTILITY EASEMENT AT PIIHONUA RESERVOIR NO. 1 (Power poles)

Grantor: State of Hawai‘i, by its Board of Land and Natural Resources

TMK: (3) 2-5-009:portion 002, 003 & 004

4. GRANT OF EASEMENT AND BILL OF SALE

KAMULANI SUBDIVISION

Subdivision Application No. 82-179

Grantor: Gary Ahu

TMK: (3) 2-5-060:001 portion

E.W.O.: 92-100

Lots: 8 plus 1 roadway lot

Zoning: A-5a

Facilities Charge: \$38,500.00

Paid: July 21, 2005

Final Inspection Date: July 19, 2005

Water System Cost: \$36,195.00

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. WELL DEVELOPMENT AGREEMENT: LANIHAU PROPERTIES, LLC, WEST HAWAII BUSINESS PARK, LLC, AND PALANI RANCH COMPANY INC.

Lanihau Properties, LLC, West Hawaii Business Park, LLC, and Palani Ranch Company, Inc., desire to develop a potable water well, well site improvements, and transmission improvements that will be acceptable for dedication to the Water Board as part of the Department of Water Supply’s water system. In consideration for their development of the water system improvements for the purpose of dedication to the Water Board and their conveyance to the Board of fee simple title to their respective interests in the well, the well site, the well site improvements, storage reservoir, transmission improvements, including all appropriate easements necessary for the maintenance and operation of the water system, the owners desire to obtain water allocations for their Honokohau Properties from the Board.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the Well Development Agreement with Lanihau Properties, LLC, Palani Ranch Company, Inc., and West Hawaii Business Park, 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.

C. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2006-2007:

The proposed Operating and Capital Improvement Budgets for Fiscal Year 2006-2007 were published in the newspapers for presentation at the Public Hearing held on June 27, 2006, at 9:30 a.m.

RECOMMENDATION: It is recommended that the Board approve the proposed Operating and Capital Improvement Budgets for the Fiscal Year 2006-2007.

D. 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.

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. 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) 2006 Water Board Meeting Schedule - Board to set meeting place for Ocean View for the August 22, 2006, Water Board Meeting.

G. COST OF GOVERNMENT COMMISSION:

The Board received a letter from the Cost of Government Commission, dated April 10, 2006, asking for input. For Board discussion and/or recommendation.

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 July 25, 2006, 10:00 a.m. in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, 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.