

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

**AGENDA
WATER BOARD MEETING**

MEETING DATE: July 27, 2004

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 - June 22, 2004, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Addendum requires Roll Call Vote)

5) SOUTH HILO:

A. **AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2003:**

Ralph Kanetoku, Partner, from the accounting firm of KPMG LLP is here to present their audit report of the Department for the year ended June 30, 2003, and to answer any questions of the Board regarding the audit.

B. **JOB NO. 99-737, CONSTRUCTION OF THE AKAKA FALLS ROAD
WATERLINE REPLACEMENT:**

Bids for this project were opened on July 15, 2004, at 2:00 p.m.; and following are the bid results:

| Bidder | Amount |
|--|---------------|
| Willocks Construction Corporation | \$326,410.96 |
| William C. Loeffler Construction, Inc. | \$327,931.00 |
| Yamada & Sons, Inc. | \$365,845.10 |
| Ed Higa General Contracting | \$422,438.00 |
| Big Island Excavating, LLC | \$427,729.00 |
| Isemoto Contracting Co., Ltd. | \$446,996.00 |
| Jas W. Glover, Ltd. | \$507,578.00 |

Project Scope: This project consists of furnishing and paying for all labor, materials, tools, and equipment necessary for installing 2,200 feet of 8-inch and 150 feet of 6-inch double poly-

wrap DI waterline, fire hydrants, related service laterals, and road resurfacing within Stable Camp Road in Honomu.

Project Cost:

| | |
|---|----------------------|
| 1) Low Bidder (Willocks Construction Corporation) | \$326,410.96 |
| 2) Construction Contingency (15%) | \$ 48,961.64 |
| Total Construction Cost: | <u>\$ 375,372.60</u> |

Funding for this project will be from the CIP funds.

The contractor will have 120 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 99-737, CONSTRUCTION OF THE AKAKA FALLS ROAD WATERLINE REPLACEMENT to the lowest responsible bidder, Willocks Construction Corporation, for their bid amount of \$326,410.96 plus \$48,961.64 in construction contingency for a total contract amount of \$375,372.60, and that either the Chairman or the Vice-Chairman be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

C. JOB NO. 98-705, HONOMU EXPLORATORY WELL:

Staff requests a 90-calendar day time extension. This request is due to the lack of a Well Construction Permit for the well drilling. Due to a misunderstanding between staff and the State Commission on Water Resource Management (CWRM), the Well Construction permit was not fully executed. Staff, via the consultant submitted the Well Construction application in mid-2002 to CWRM. However, unknown to staff CWRM did not process the permit due to the project's pending Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

In April 2004, staff discovered that the Well Construction Permit was not executed and informed the contractor. Staff contacted CWRM for the status, at which time they informed us that it was not executed due to EA/FONSI issue. Staff informed CWRM that EA/FONSI was complete and published in the September 8, 2002 QEQC Bulletin and forwarded copies as CWRM requested. CWRM stated they would process the permit. To this date, we have not received an executed Well Construction Permit.

This is the second time extension request for the project. A previous request for a 59-working day extension was granted at the April 27, 2004, Water Board meeting.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of ninety (90) calendar days from August 12, 2004 to November 10, 2004 for JOB NO. 98-705, HONOMU EXPLORATORY WELL.

D. RESOLUTION NO. 04-03:

This resolution is being introduced for the condemnation of a portion of Tax Map key 2-5-008:024 for the purpose of constructing a 2.0 mg reservoir, transmission waterline, and related road. This storage is to replace an existing reservoir in Chong Subdivision that has no practical storage and be able to transmit water to the Hilo service area.

This condemnation is necessitated because the landowner has not been responsive to our repeated inquiries as to the purchase of affected real property.

RECOMMENDATION: It is recommended that the Board approve this resolution and authorize the Department and Corporation Counsel to continue with the condemnation process.

6) SOUTH KOHALA:

A. **JOB NO. 97-684, CONSTRUCTION OF THE PUUKAPU-NIENIE BOOSTER PUMP STATION NO. 1 & NO. 2 REPLACEMENT:**

Attached is a copy of a letter dated June 14, 2004, from Dick Pacific Construction Company, Ltd., requesting an extension of contract time.

This would be the second time extension to the contract. Staff has evaluated this request and finds that the 31-calendar day extension is justified.

RECOMMENDATION: It is recommended that the Board grant Dick Pacific Construction Company, Ltd., a 31-calendar day extension for JOB NO. 97-684, CONSTRUCTION OF THE PUUKAPU-NIENIE BOOSTER PUMP STATION NO. 1 & NO. 2 REPLACEMENT, from July 30, 2004, to August 31, 2004.

7) NORTH KONA:

A. **WAIAHA WATER SYTEM MEMORANDUM OF AGREEMENT:**

The Department has been in negotiations with the Waiaha Water System LLC, Dan Bolton, as their Managing Member, to forge a formal agreement memorializing respective responsibilities of each party for the construction of a water transmission and storage system from the new Waiaha Well to service portions of Kailua. Despite these negotiations, there are several remaining items that need to be more clearly defined or quantified, such as the exact number of participants in the LLC, total cost of the water system, respective water units and pro-rata cost allocation to all parties.

The Department is desirous of completing such a water system which would allow the transmission of water to Kailua in order to responsibly meet the water needs of the area. Collaterally, participants in the LLC, as developers, are seeking additional water for their respective developments. As such, it is in the best interest of the Department, the community, and the LLC to be able to continue these negotiations such that a definitive formal agreement can be finalized.

Therefore, it has been decided to prepare and execute a memorandum of agreement to memorialize prior agreed to items; to enable the LLC to continue the design, engineering; an acquisition of property rights, title and interests such that a Final Agreement can be prepared with the mutual satisfaction of all parties.

RECOMMENDATION: It is recommended that the Board approve the Memorandum of Agreement, subject to the approval of the Corporation Counsel as to form and legality and that either the Chairman or the Vice-Chairman be authorized to sign the document.

B. GREENWELL WATERLINE EASEMENT:

This item is being listed for discussion and possible Board action, contingent on resolution of pending real estate transaction.

More information will be distributed at meeting.

8) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

We 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

(For Waterline Purposes)

Grantors: Robert Kelshaw Greenwell

TMK: (3) 7-4-008: Portion 047

2. GRANT OF EASEMENT AND BILL OF SALE

Miyamoto Lots (Subdivision Application No. 2002-012)

E.W.O. NO.: 2004-042

Grantor: Michael M. Miyamoto, et al.

TMK: (3) 2-2-048:por. 014 and 091

Lots: 6

Zoning: FA-1A

Facilities Charge: \$22,000.00

Final Inspection Date: 01/05/2004

Water System Cost: \$18,550.00

3. GRANT OF EASEMENT AND BILL OF SALE

Moana Vista, Phase 2 (Subdivision Application No. 2002-124)

E.W.O. NO.: 2004-036, 2004-039

Grantor: Keven H. and Patricia D. Rinkenbach and Charles Adams

TMK: (3) 7-3-005:098

Lots: 8
Zoning: RS-15
Facilities Charge: \$25,850.00
Capital Assessment Fee: \$4,000.00
Final Inspection Date: 07/01/2004
Water System Cost: \$115,000.00

4. GRANT OF EASEMENT AND BILL OF SALE

Kuakini Self Storage Facility
E.W.O. NO.: 2004-035
Grantor: Kuakini Self Storage, LLC
TMK: (3) 7-6-024:034
Final Inspection Date: 07/06/2004
Water System Cost: \$15,309.33

5. GRANT OF EASEMENT AND BILL OF SALE

Laupahoehoe Seacliffs (Subdivision Application No. 95-062)
E.W.O. No.: 2001-082
Grantor: James Randall Herold
TMK: (3) 3-5-004:002
Lots: 6
Zoning: A-1a
Facilities Charge: \$28,690.00
Final Inspection Date: 11/25/2003
Water System Cost: \$55,025.00

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. STRATEGIC PLAN/ANNUAL BUSINESS PLAN:

Informational presentation to be made by the “champions” of the first three Strategic Initiatives and Tactics listed in the 2004-2005 Annual Business Plan.

- 1) Wanda Kapahu – Identify core competencies for current and future needs.
- 2) Keith Okamoto – Review/revise/create/adhere to business processes to efficiently utilize human resources and proactively address standards and regulations.
- 3) Daryl Ikeda – Review and revise annual job performance evaluation process to best utilize human resources and achieve goals.

C. WATER BOARD GOVERNANCE POLICIES:

A draft set of water board policies was given to Board members at the June 22, 2004, Water Board meeting. These are up for review, discussion, and/or revisions.

D. SPECIAL ATTORNEY – FOR DISCUSSION AND APPROPRIATE ACTION:

This is a continuing discussion from the previous meeting. Corporation Counsel was to determine whether the contract for the Special Attorney included a provision for a contract time extension. Also, briefly discussed was the process in procuring the services of a Special Attorney.

E. PROFESSIONAL SERVICES AGREEMENT:

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

- 1) Kahaluu Shaft Water Quality Enhancement. Part I (consists of a feasibility study to assess treatment alternatives and costs)
Consultant: Brown and Caldwell
Fee: \$70,000.00 (estimate, subject to negotiation)

RECOMMENDATION: It is recommended that the Board award the consultant contract to Brown and Caldwell for an estimated fee of \$70,000.00, and that either the Chairman or Vice-Chairman be authorized to sign the documents, subject to approval of Corporation Counsel.

F. MONTHLY PROGRESS REPORT:

Review of progress report of projects.

G. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Review of financial statements and information.

H. REFERRAL FOR EXECUTIVE SESSION:

The purpose of this Executive Session is to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to H.R.S. 92-4 and 92-5(a)(4) regarding Harris Computer Systems.

I. MANAGER'S REPORT:

1. Employee of the Quarter presentation - Mr. Richard Sumada
2. Kona Coastview/Wonderview status
3. USGS Drilling Program
4. Proposed Improvement District, Andrade Camp
5. Kona Water Quality Progress

J. **CHAIRMAN'S REPORT:**

9) **ANNOUNCEMENTS:**

Next Meeting:

The next meeting of the Water Board will be August 24, 2004, in the Royal Kona Resort, Discovery Room; 75-5852 Ali'i Drive, Kailua-Kona, Hawai'i, as follows:

1. 9:30 a.m. - Public Hearing on the proposed amendment to the Rules and Regulations
2. 10:00 a.m. - Regular Water Board Meeting

10) **STATEMENTS FROM THE PUBLIC**

11) **ADJOURNMENT**

If you require an accommodation or auxiliary aid and/or services to participate in this meeting (i.e., sign language, interpreter, and large print), please call this number 961-8050.

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