

SPECIAL MEETING MINUTES
BOARD OF WATER SUPPLY
Monday, July 26, 2010

The Board of Water Supply, County of Kaua'i, met in special meeting at its office in Lihu'e on Monday, July 26, 2010. Chairperson Randall Nishimura called the meeting to order at 2:03 p.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Ian Costa
Mr. Donald Fujimoto
Mr. Leland Kahawai
Mr. Raymond McCormick
Mr. Roy Oyama (*present at about 2:10 p.m.*)

Absent & Excused: Mr. Dee Crowell

Quorum was achieved.

STAFF: Mr. David Craddick
Mr. William Eddy
Mr. Keith Aoki
Mr. Paul Ganaden
DOW Deputy County Attorney Andrea Suzuki
First Deputy County Attorney Amy Esaki

AGENDA:

Mr. Costa moved to accept the Agenda; seconded by Mr. Fujimoto; by a unanimous vote; motion was carried.

NEW BUSINESS

MANAGERS REPORT 11-7 - Re: Request Board Approval to Allow Extending an Additional 1,000 feet of our Waterline for the Department of Transportation, Highway Division's Ongoing Kaumuali'i Highway Waterline

Board approval was requested to increase the appropriation for the Kaumuali'i Road Widening pipe replacement from 16" to 24" from the \$2.5 million previously approved to **\$4.5 million**.

The original request was for approximately 6,000 feet of line including removal of the existing 16" ACP and D.I. line. This amounts to about \$0.5K per foot. This also included the State paying for the original 16" line. The final change order price of this was **\$2.78 million**. This is \$0.28K less than approved but we are awaiting design change pricing.

The contractor is now asking for an additional **\$1.26 million** for an additional 1,000 feet of line. This comes to \$1.3K per foot, or 2.3 times more per foot. We are requesting this additional work because the pavement is extending beyond the current end of the pipeline. Portions of the 16" pipe are being relocated by the State DOT because it is in the way of some very large storm drains. The storm drains that the DOW pipes intersect does not extend as far as the pavement.

The road widening pavement is concrete and it is very expensive if we must work under concrete pavement in the future to do pipe repairs. This is part of the reason we are asking for this work. The other part of the reasoning is that in the future, water will most likely be coming from the Koloa area to service Lihue and this would be the DOW's main transmission line so it does not pay to undersize a line that is required, for the most part, to be moved. The \$0.5 million difference between the sum of the two costs and what we are asking for is that the feed line from the wells is also a 16" line not in the way of the drain lines but still crossing under the concrete pavement and it should be removed.

There is an argument that this could delay the job by nine weeks. Delays for the job amount to about \$4K per day. We have had a meeting with the State project engineer, their Construction Manager, and the Contractor; and with your approval of this amount, we expect to move forward on a force account basis as we do not believe the cost per foot should not be that much different. I do not have a price for this force account work at this time but we expect it to be less than the cost currently being approved and if this is approved we will not be spending more than is needed.

In addition to the current request, we are looking at the other end of the line and we now know it is extending an additional 1,000 feet in the westerly direction and it may be advantageous to extend this portion also. This is not part of this request but I just bring it up as we may need to return to the Board when we have better information.

We look forward to having a better system with reduced maintenance costs with your approval of this request.

DISCUSSION

Chair Nishimura requested that the Department make their presentation. Manager Craddick stated that approval was requested to increase the appropriation to \$4.5 million; fire hydrants were eliminated to try and bring the price down.

Upon query from Mr. Fujimoto, Manager Craddick clarified that the \$0.28k also needed approval as the original approval amount was \$2.5 million and the change order price was \$2.78 million, in addition to the 1,000 feet. The 1,000 feet is \$1.26 million. The State is not paying for the relocation or removal of the other 16" line. The 16" line is being relocated because it is in the way of some large storm drains. With the extra \$0.5 million being requested, if you add the two together, it brings the total to slightly over \$4 million and the Department is asking for another \$500k because we have a 16" line further up that is AC running perpendicular to our main transmission line and we wanted to also replace that so we have no AC under this concrete roadway.

Manager Craddick noted that we are still looking at DOW supplying some of the materials. They want \$4k per day in delay charges and possibly nine weeks of delay. They ordered the pipe but did not order the valves. The price is not totally firm just yet, but this is the worst case scenario. In addition to this request, we are looking at the other end of the pipe, which is the Kauai Community College end, the road is going another 1,000 feet in that direction. We really have no services out there, this would just be for the future if we need to get to the Koloa area and follow the road widening to the Tree Tunnel where we know that we have good sources of water we could bring in. We need to look into this further. We are requesting \$4.5 million up from the \$2.5 million. The funding for the additional work will be funded with Bond funds.

Upon query from Mr. Costa, Manager Craddick clarified the last sentence of the second paragraph of the Report. The Board previously approved \$2.5 million and the change order

price came in at \$2.78 million, so we are currently approved at \$0.28k less than it needs to be. Upon query from Mr. Fujimoto, Manager Craddick confirmed that the request is for \$1.26 million plus \$0.28 million, plus \$0.5 million to do the other 16" replacement line. The \$4k per day is included in the \$1.26 million.

Upon query from Mr. Kahawai, Manager Craddick stated that the definition of a "force account" is where you are paying for men, materials and equipment and you know exactly what you are paying, there is a fixed mark-up. It is also known as "time and materials". Manager Craddick believes it will be less expensive this way.

Mr. Kahawai also asked, as this is from the Bond Fund, which project will be funded \$2 million less. Mr. Fujimoto noted that we still have the SRF as a backup. Manager Craddick stated that for the Bond Fund, the first projects that come in are the first ones that get funded. Mr. Costa also concurred that the Board was aware that the cost of the list of projects was well more than the amount of funding available.

Mr. McCormick expressed concern over the impact of removing the fire hydrants servicing businesses in the area, three currently, but there will be more needed, about ten, and he hoped the savings would be big enough to offset some of impacts to the businesses in the area. Manager Craddick stated that we are not doing this because of the savings, but typically the transmission lines do not have services and hydrants on it, because the pressures in it can go negative, depending upon how you are flowing water, especially over the top of a hill like this, you can actually have no pressure in the hydrant. That is why we do not want any hydrants here because we cannot guarantee the pressure. We had a meeting with DOT who brought up the fire hydrant issue. We have signed off on the plans for the Safeway store, so if we remove the hydrants from here, we may have to put them in the distribution system so that we keep the number of hydrants necessary for the fire flow, but we still would not put them on this line but extend the distribution line and keep with positive pressure all the time.

Mr. Costa wanted to ensure that the approach and improvements we are doing are not somehow forced upon us by the DOT. Manager Craddick stated this was actually an opportunity for us as they are widening the road to make sure that we do not have to repair anything under the concrete road. Mr. Costa just wanted to make sure, as our Board member is a DOT representative, that there is no conflict.

Upon query from Mr. Fujimoto, Manager Craddick confirmed the new pipe will be ductile iron. Manager Craddick noted that the concrete cylinder pipes are pre-stressed and wrapped with thin wire, which gives it strength, but if the wires get cut through or rust and it unwinds, it is finished. It is also hard to transition from the concrete pipe to service laterals. Manager Craddick is trying to get the materials from Maui; they have six miles of 24" pipe there. Mr. Fujimoto stated that the same potential issue with the DI pipe is possible if it is not wrapped correctly, it could also deteriorate.

Mr. Fujimoto moved to approve the Manager's Request to fund this Project for \$1.26 million plus \$0.28k, to fund the shortfall on the change order, plus \$0.5 million for another 1,000 feet; seconded by Mr. Oyama.

The amounts were recapped again, and this brings the total to about \$20,000 over \$4.5 million. Chair Nishimura requested that Mr. Fujimoto withdraw his motion, and bring it up to \$4.5 million and if any of the Board members wanted to add amendments to that, it may be easier. Mr. Fujimoto moved to withdraw his original motion, Mr. Oyama withdrew his second.

Mr. Costa recapped that the request was to increase from \$2.5 million to \$4.5 million, which is an additional \$2 million. Mr. Fujimoto stated that we could make it \$4.6 million, so that the Department would not have to come back to the Board again. Manager Craddick stated we may have to come back to the Board again when we know final prices for the 1,000 feet. Mr. Fujimoto said there is already a nine week delay on a project that is important for the island, and he did not want to be the cause of further delay by another special meeting and was willing to give the Department a budget figure to finish the project and return any overage monies.

Mr. Fujimoto then moved to approve the \$4.5 million; seconded by Mr. Oyama.

Mr. Costa recapped the motion, which was Requesting Board approval to Allow Extending an Additional 1,000 feet of our Waterline for the Department of Transportation, Highway Division's Ongoing Kaunualii Highway Waterline, to increase the appropriation for the Kaunualii Road Widening pipe replacement from 16" to 24" from the \$2.5 million previously approved to a total of \$4.5 million. Chair Nishimura stated that the job number is needed.

Chair Nishimura returned to the DOT's concern over the fire hydrants. DOW is responsible for replacing the fire hydrants with the distribution system; the new Safeway area lies between the Hana Kukui building - Rapozo Crossing and the Chiefess Kamakahalei crossing. Deputy Eddy stated the distribution lines intersect with the highway in just a few places. Upon query from Chair Nishimura, Manager Craddick stated the system would have more than enough capacity to take care of the fire flow. Chair Nishimura wanted to ensure that by this action we also take care of those land parcels and make sure they are not strapped with the responsibility because of Board actions today.

Mr. Costa moved to amend the original motion, by inserting the Department's Job No. 10-02, after reference to Kaunualii Road widening; seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Chair Nishimura cautioned about obtaining the materials from Maui. Though the Department may realize cost savings, it could complicate the ability of the Department to enforce warranty service. Manager Craddick has actually seen the pipe, which is in good condition and stored in a dry area; it would just need disinfection.

With no further discussion; by a unanimous vote; motion was carried.

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 2:37 p.m.

Respectfully submitted,



Carol Beardmore, Commission Support Clerk

APPROVED:



David R. Craddick, P.E.
Manager and Chief Engineer

cab