



HONOLULU AUTHORITY for RAPID TRANSPORTATION

## MINUTES

**Joint Meeting of Finance Committee and  
Project Oversight Committee  
Alii Place, Suite 150  
1099 Alakea Street, Honolulu, Hawaii  
Thursday, February 18, 2016, 9:00 am**

**PRESENT:**

Ivan Lui-Kwan  
Colleen Hanabusa  
Donald G. Horner  
Terrence Lee

Damien Kim  
George Atta  
William "Buzz" Hong  
Terri Fujii

**ALSO IN ATTENDANCE:**  
(Sign-In Sheet and Staff)

Daniel Grabauskas  
Charles "Sam" Carnaggio  
Kai Nani Kraut  
Russell Honma  
Brian McLaughlin  
Natalie Iwasa  
Morris Atta  
Mark Garrity  
Jesse Souki

Lisa Hirahara  
Joyce Oliveira  
Cindy Matsushita  
Talita Sulunga  
Randall Ishikawa  
Diane Arakaki,  
Chuck Bayne  
John Moore  
Corey Ellis  
Henry Miranda

**EXCUSED:**

Michael Formby

Ford Fuchigami

**I. Call to Order by Chair**

Project Oversight Committee Chair Colleen Hanabusa called the meeting to order at 9:09 a.m.

**II. Public Testimony on all Agenda Items**

Ms. Hanabusa called for public testimony.

Natalie Iwasa requested that in the presentation for the traffic signals change order, that photographs of the same intersection before and after the traffic signals were changed be incorporated. She asked that HART keep costs down with regard to the number of traffic signal heads. Lastly, she requested that HART's change orders be mathematically correct.

III. Approval of the January 28, 2016 Minutes of the Joint Meeting of the Finance Committee and Project Oversight Committee

Ms. Hanabusa called for the approval of the January 28, 2016 minutes of the meeting of the joint Finance and Project Oversight Committee. Committee member Damien Kim so moved, and Committee member Terri Fujii seconded the motion. The minutes were unanimously adopted, with the exception of Committee member Terrence Lee, who abstained as he was not in attendance at the January 28, 2016 meeting.

IV. HART-Related Legislative Measures

HART Director of Government Relations, Joyce Oliveira, updated the joint Committee on legislative matters relating to HART, a list of which is attached hereto as Attachment A. In 2015, the HART Board took positions on the various measures. Ms. Oliveira said that the proposed legislation fell into five main categories: assistance for businesses impacted by rail construction, audit of HART, general excise tax (GET) surcharge and the administrative fee retained by the State of Hawaii, transit oriented development, and procurement.

Mr. Kim asked about any measures that had not moved forward. Ms. Oliveira replied that HB1588 had not proceeded because of a technical flaw, but that HB2518 and HB2692, also relating to assistance for businesses impacted by rail construction, would move forward.

Committee member Ivan Lui-Kwan noted that the legislative members would expect HART to be present at hearings, and that HART Executive Director and CEO Daniel Grabauskas needed guidance from the Board in that regard. He said that the Board's position regarding transit oriented development (TOD) and the GET should be consistent with its position in previous legislative sessions. He suggested that, due to the legislature's fast-moving schedule, Mr. Grabauskas communicate directly with the chairs of the Board and committees as needed to solicit input.

Mr. Grabauskas cautioned that the Board members must be mindful of the requirements of Sunshine Law. Mr. Grabauskas noted that in previous years, the Board had provided a general position to him on certain subject matter, so that he could provide testimony. Deputy Corporation Counsel, Lisa Hirahara, said that Board decisions could not be made outside of a public meeting.

Ms. Hanabusa noted that the legislature would prefer that organizations put forth their position on an issue. Committee member William "Buzz" Hong suggested that individual members oppose or support individual bills. Mr. Horner said that the entire Board of Directors should provide its position, and not testify as individual members.

A discussion ensued regarding members' ability to weigh in on legislation while complying with the Sunshine Law.

Mr. Horner suggested that the Board authorize Mr. Grabauskas to provide testimony, but not on the Board's position on specific pieces of legislation. Mr. Lui-Kwan agreed, but asked how the legislature would react. Mr. Hong agreed, but pointed out that members could also appear as individuals.

Ms. Hanabusa said that the Board would have a better idea of which bills were progressing after first crossover, at which time HART should take a position on those pieces of legislation. She suggested that Mr. Grabauskas be authorized to provide testimony regarding the facts of the projects. Ms. Oliveira advised that the crossover deadline is March 10, 2016, and that the next HART Board meeting is March 17, 2016. Ms. Hanabusa pointed out that the Senate has a shorter timeline than the House of Representatives. She suggested confirming Mr. Grabauskas' authority to speak on the Board's behalf before the legislature, and taking a formal position on surviving legislation at the next Board meeting. She said that members would not be prohibited from testifying as individuals.

Mr. Lui-Kwan asked Mr. Grabauskas his opinion. Mr. Grabauskas replied that the matter would be included on the agenda for the March meeting, at which time the Board could take a position on pending legislation.

Mr. Lui-Kwan made a motion to authorize Mr. Grabauskas to testify on factual matters relating to the rail project, and to inform the legislature that he would need to seek the Board's position when necessary. Mr. Kim seconded the motion.

Committee member George Atta asked whether the authority would extend to Mr. Grabauskas' testimony on the Board's past policy decisions, which are factual in nature, and Ms. Hanabusa and Mr. Lui-Kwan agreed that it would.

Mr. Horner noted the need to be responsive to the Legislature and City Council, and suggested that the same rules being set forth apply to both. Ms. Hanabusa replied that as the agenda only includes a discussion regarding legislative matters, the Council process could be discussed at the following month's meeting.

Ms. Fujii asked whether a formal policy was required. Ms. Hanabusa commented that the Board could consider a permitted interaction group to discuss HART's general rules.

Ms. Hanabusa called for a vote on the motion. All being in favor, the motion carried unanimously.

Mr. Grabauskas suggested that the Board consider forming a governance committee to consider HART rules. Ms. Hanabusa suggested expanding the responsibilities of the Government Affairs/Audit/Legal Matters Committee to include rulemaking, and Ms. Hirahara said it would be possible if the Board votes on it.

Mr. Grabauskas suggested that staff provide recommended draft testimony for the Board's consideration at the next meeting, and Ms. Hanabusa agreed. Ms. Hirahara noted that a public discussion in a Board meeting about draft testimony would comply with the Sunshine Law. Mr. Atta asked whether HART's agenda should be more general. Ms. Hanabusa said that the Board could include the individual bills on its agenda.

V. HART-Related Charter Commission Proposals

Ms. Oliveira said that the chair of the Honolulu Charter Commission had requested that the HART Board chair and staff attend the Charter Commission meeting on March 4, 2016. She referred to a list of 12 Charter amendment proposals that would be discussed, which is attached hereto as Attachment B. She briefly outlined the proposals, most of which advocate for a single transit authority. Ms. Oliveira said that the Charter Commission is seeking information, and not the Board's position.

Mr. Horner reminded the joint committee that the Board had submitted its proposals for Charter amendments, and indicated his willingness to attend the meeting to answer questions. Mr. Horner acknowledged that the City administration had submitted a proposal regarding a single transit authority, and asked whether the City Council had also done so. Ms. Oliveira said it had not.

Mr. Grabauskas solicited the members' comments on other Charter amendment proposals. There were none.

Ms. Hanabusa said that as the Board put forth its own proposal, the Chair should provide information, but refrain from taking a position on any other Charter amendment proposal than those submitted by the HART Board of Directors.

Ms. Hanabusa called for public testimony.

Russell Honma provided testimony suggesting a citizens' advisory council, and proposing that contractors pay for change orders relating to business impacts.

Brian McLaughlin, a retired electrical engineer who worked for HART for five years, testified that he was disappointed that the Rail Project was not going to the University of Hawaii and asked whether the HART Board was going to appropriate funds for a study on an extension to the University of Hawaii.

VI. Change Orders

HART Project Director Charles "Sam" Carnaggio and HART Project Manager John Moore presented the two change orders relating to Leeward Community College (LCC), copies of which are attached hereto as Attachments C and D. Mr. Carnaggio said that the changes involved actions taken by the City and County of Honolulu in 2009 prior to the inception of HART. He said that the first change involves the LCC campus, and the second involves access to the LCC Station.

A. Leeward Community College Portables and Parking Lot Construction Impacts

Mr. Moore said that the first change related to the LCC campus, and its current commercial driver's license (CDL) parking lot, and its motorcycle training area. The second change order involved access to the LCC station. Impacts in the first change order were due to the relocation of the Office of Continuing Education and Workforce Development classrooms, CDL and motorcycle training areas, and parking lots. Mr. Moore outlined proposed plans that were drawn up in 2009, which involved relocation of the portable classrooms and motorcycle training area,

but did not include the CDL training area. However, the new motorcycle training area was intended to be relocated to the current CDL training area. At the time, the parking needs were expanded from 175 to 270 parking spaces, but there were topographical restraints for the proposed lot location. Those restraints led to the need for an overflow parking lot that contains 115 spaces. The CDL training area was also relocated to the new parking lot for the portable classrooms.

Mr. Moore said that he had spoken with Mr. Atta, as Director of the Department of Planning and Permitting (DPP). After some research, Mr. Atta said that the overflow parking lot was not needed; as such, it was being excluded from the change order. Mr. Atta would be following up with LCC to confirm that there are no other impacts.

Mr. Moore explained that the motorcycle training area, which was being moved to the CDL training area, requires a level surface as well as proper lighting for safety reasons. Therefore, the motorcycle training area required repaving. The area intended for the new CDL training area had also been expanded by 30%, to allow for the safe operation of tractor trailers. Mr. Moore said that the proposed cost for the new CDL training area and the repaving of the motorcycle training lot is \$2,214,613. Mr. Moore said that the elimination of the overflow parking lot results in a savings of \$588,265.

Mr. Hong noted that CDL training is also held at the Aloha Stadium. Mr. Moore said that the training area at LCC had been in existence for a long time. He said that the training area at the stadium was also being taken up by the construction for a rail station at that location.

Mr. Atta added that the matter of the overflow parking lot involved a plan review use (PRU), which had been adopted by the City Council. He said he had the discretion to make minor changes, and that the elimination of the overflow parking lot was a minor modification. Mr. Atta said he would confirm with LCC, and that the matter would undergo a formal process of altering the PRU.

Ms. Hanabusa said that the extra parking lot is actually a parking lot now that is not improved. She said that rail encourages folks to get out of their cars.

Mr. Lui-Kwan thanked Mr. Atta for his role as DPP Director for bringing value to the project.

Ms. Fujii asked whether the cost would increase if, in the future, it was determined that the overflow parking lot were needed. Mr. Moore said that he would expect a cost increase, and Mr. Carnaggio agreed. Mr. Moore added that this work was crucial because of the need for space on campus to build the station.

Ms. Hanabusa said that HART had expected to incur these expenses in order to build the LCC station. Mr. Horner agreed, and said that if HART impacts an organization, it had to make the organization whole.

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Mr. Lui-Kwan asked why the issue was not originally identified as a need. Mr. Moore explained that the original request for proposals from 2008/2009 discussed the relocation of the portable classrooms and the motorcycle training area, but did not contemplate a separate CDL training area. He said that the scope was further refined and finalized in 2012 by the contractor, who had worked closely with LCC, resulting in the change.

Mr. Lui-Kwan asked what the cost was in 2009. Mr. Moore said it was \$963,407.

Ms. Hanabusa emphasized the need for safety and space in the CDL training area, as it was intended for new students.

Mr. Lui-Kwan noted that the total cost of HART's impact to the LCC campus would be \$3.1 million, and Mr. Moore agreed.

Mr. Horner made a motion to adopt the change order, and Mr. Kim seconded the motion. All being in favor, the motion carried.

B. Leeward Community College Station Access Construction Impacts

Mr. Moore said that the second LCC change order related to station access construction impacts in northeast corner of the campus where the station will be built. He explained that the initial modifications arose when the station designs were changed to a more modular design, which resulted in a pedestrian access tunnel and the need to relocate access to core systems and electrical equipment. The final modification includes work which will simplify the interface between the station contractor and Kiewit; the foundation of the access structure was included in Kiewit's contract to the amount of \$1,447,122.

Mr. Moore detailed the original configuration of the access structure, as contrasted with final configuration. He said that modifying the access structure simplifies interface between the guideway contractor and the station contractor, resulting in a program savings of \$2.5 – 5 million by reducing risk for both the contractors and HART.

Committee member Terrence Lee asked how are program savings are calculated. Mr. Moore said that staff examined the amount of concrete for the foundation. He acknowledged that although risk is hard to define, staff utilized delay costs as an indicator. Mr. Lee said that the \$1.4 million change order would result in a net savings of \$2.5 – 5 million, and Mr. Moore confirmed it would.

Mr. Hong said that the original schedule should have accounted for the coordination between contractors. Mr. Moore said that under the original schedule, the guideway would have been complete in 2014, after which the stations would be built. The only interface would have been between the station and guideway contractors. Now, due to the compressed schedule due to delays, HART must account for interface between design, guideway, and station contractors. Mr. Hong asked since the work was being transferred to the design contractor, whether there was additional work for the guideway contractor now. Mr. Moore responded that the additional work for the guideway contractor was the reconfiguration for station access. Mr. Hong asked whether

the change was structural, and Mr. Moore said there were foundational changes in the area where the tracks are, but also in the drill shafts for the canopy. Mr. Hong asked whether \$1.4 million would go to the guideway contractor Kiewit, and Mr. Moore said it would.

Mr. Kim asked whether the original cost for the station packages would be reduced accordingly, since some work would be transferred to the guideway contractor. Mr. Moore said that the change was made prior to the station design procurement.

Mr. Horner made a motion to approve the change order with the understanding that the overall impact to project is a cost savings with a positive impact on traffic, as it prevents the guideway contractor from having to mobilize twice. Mr. Lui-Kwan seconded the motion.

Mr. Hong asked for more detail regarding the impact of the change order on the guideway contract. Mr. Moore said that his PowerPoint presentation contains a list of items that were modified, and said that he would provide Mr. Hong with drawings.

Ms. Hanabusa said that she supports the change as it results in a net positive impact, but asked why it was not originally considered. She registered her disapproval of the Kiewit contract, but emphasized that the contract was a design-build contract, so as the project evolved, it became apparent that storage facilities should be moved under the station. She complimented Mr. Moore and staff for their efforts.

Mr. Hong asked whether the joint committee could expect to see more change orders like the LCC station access change. Mr. Carnaggio said he did not expect so, as this was the only at-grade station. Mr. Horner said that due to the complexity of the project, there will likely be more change orders.

Mr. Lui-Kwan stated that the contract with Kiewit had already been executed when HART came into existence. He said that had the City and County of Honolulu waited to negotiate and sign the contract, construction costs would have been higher.

Ms. Hanabusa said that she did not like the Kiewit contract because it was premature, and the City didn't have a clear understanding of what was involved as the contract was let prior to the environmental impact statement, and HART inherited the contract.

Mr. Hong wondered whether the second highest bidder for the Kiewit contract had these change orders in their bid.

Mr. Horner moved to approve the change order, and Mr. Kim seconded the motion. The motion carried unanimously, subject to Mr. Hong's request for additional documentation.

C. West Oahu/Farrington Highway and Kamehameha Highway Guideway State of Hawaii Department of Transportation Traffic Signal Upgrades

Mr. Carnaggio introduced Construction Manager for the West Side Manager of Construction, Kai Nani Kraut, who would be presenting the change order for Hawaii Department of Transportation (HDOT) traffic signals, a copy of which is attached hereto as Attachment E. Ms.

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Kraut gave a brief summary of her background with the Illinois Department of Transportation, the FTA, Bowers & Kubota, and as the Deputy Director of the Department of Transportation Services (DTS) under Mayor Carlisle.

Ms. Kraut said that the change order, which affects the Kamehameha Highway Guideway (KHG) and West Oahu Farrington Highway (WOFH) Guideway, is based on a partnership between HDOT, DTS, and HART. She said HART's Master Agreement with HDOT includes a provision for traffic improvements in situations when the parties agree. The Kiewit contract only specified upgrading traffic signals affected by physical conflicts with the guideway. However, HDOT's policy dictates that signals for the entire intersection be improved. Ms. Kraut said that the State of Hawaii's standards and policies regarding wind loading, backplates and signal head placement had also changed; HART was working with HDOT to ensure that the traffic signal updating work be done concurrent with rail construction. She showed examples of the existing mastpoles and mastheads, as contrasted with those complying with the new requirements. She said that a HART and HDOT were working on a memorandum of agreement (MOU) to provide for funds for the traffic signal upgrades.

Ms. Kraut said that the requested action was for a unilateral change order to continue work pursuant to base scope, as well as upgrading signals in the entire intersections. The Master Agreement between HART and HDOT provides for efficiencies such as these; doing the work separately would negatively impact traffic, and require tearing up roads and sidewalks twice. Ms. Kraut said that HDOT would be providing funding for this project, which would be reimbursed to HART pursuant to the MOU. HART had a rough order of magnitude (ROM) agreement with HDOT on the cost. HART was continuing to work with its contractor Kiewit on a bilateral agreement, and the cost of the change was based on HART's independent cost estimate. Ms. Kraut outlined the ROM costs agreed to by HART and HDOT for the WOFH and KHG sections, which were \$12.2 million and \$11.75 million respectively.

Mr. Grabauskas added that HDOT will fully reimburse HART for this project, including costs for construction management. He said that HART was working with HDOT to minimize impacts to public without adding to project costs.

Mr. Lee asked about any procurement issues. Ms. Kraut replied that the attorney general's office had reviewed the MOU, and had also signed off on the Master Agreement with HDOT. To her understanding, the attorney general's office was in concurrence.

Mr. Kim said that he was in support of doing all the work at once, as well as reimbursing administrative costs. He addressed Ms. Iwasa's public testimony comment regarding the number of signal heads by saying that federal guidelines dictate the number of signal heads.

Mr. Lui-Kwan asked who will own and maintain the traffic signals. Ms. Kraut said that HART has an ongoing Joint Use and Occupancy Agreement with HDOT. The signals will be owned by HDOT and operated and maintained by DTS once the State of Hawaii receives final acceptance.

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Ms. Hanabusa asked whether the Department of the Corporation Counsel (COR) identified any procurement issues with HART performing an HDOT project. Ms. Hirahara said that Deputy Corporation Counsel Reid Yamashiro was reviewing the matter for COR.

Ms. Hanabusa asked about HART's confidence that HDOT will reimburse HART. Ms. Kraut said that she was confident that HDOT will reimburse HART. She added that the MOU would articulate the funding mechanism, for which HDOT has agreed to a ROM amount.

Ms. Hanabusa asked Ms. Kraut to clarify the difference between unilateral and bilateral change orders. Ms. Kraut said that staff is requesting a unilateral change order for \$8.771 million for WOFH, and \$6.957 million for KHG, based on HART's independent cost estimate. Ms. Hanabusa asked whether Kiewit was in agreement with these amounts, and Ms. Kraut replied that they were not, rendering it a unilateral change order. Ms. Hanabusa asked whether Ms. Kraut might have to return with another change order, as the contractor was not in concurrence with the cost. Ms. Kraut said she might, but that she hoped to reach a bilateral agreement with Kiewit to avoid schedule impacts.

Ms. Hanabusa asked when HART needed the change order in place, and Ms. Kraut said immediately. Mr. Grabauskas added that HART would negotiate with Kiewit and HDOT side by side. He said that HDOT Director Ford Fuchigami had assured him that they would reimburse HART.

Ms. Hanabusa said that HART lacked an MOU with HDOT, as well as concurrence by Kiewit on cost.

Mr. Grabauskas acknowledged that was the case, but said that it was not unusual to issue a unilateral change order when an agreement on price had not been reached, in the interest of preserving schedule. He spoke of his confidence that an agreement could be reached, and the need to get the work done.

Mr. Lui-Kwan asked whether the change order was a provisional sum. Ms. Kraut said that the change orders would be executed in the amount of \$8.771 million for WOFH, and \$6.957 million for KHG, but that she anticipated those amounts to increase when a bilateral agreement is reached.

Ms. Fujii asked about the difference between HART's estimate and Kiewit's estimate. Ms. Kraut said that the current amount is \$23.645 million, and the amount HART is working on with HDOT is \$23.950 million. She said that to avoid schedule impacts, they needed an amount in place to move forward. Ms. Fujii asked about the items HART was negotiating with Kiewit. Ms. Kraut said HART was negotiating with Kiewit on traffic signals, accessible curb ramps, and items included in the agreement with HDOT. However, the amount in the requested change order only included traffic signal costs.

Ms. Hanabusa pointed out that traffic signals that are not impacted by rail construction are not HART's responsibility. She reiterated her question that COR was confident that there are no procurement issues. Ms. Hirahara said that COR would look at the matter when it reviewed the

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MOU. Ms. Kraut said that she hoped that the MOU would be executed prior to the next Board meeting. She committed to returning to the Board once the MOU was executed.

Ms. Hanabusa asked about the time sensitivity, and registered her concern over the fact that the MOU had not been executed. Mr. Grabauskas said that the work cannot wait, as delays would cost the project money. He said that he would come back to the Board with the MOU. Mr. Carnaggio said that the change order was a vehicle to start the work and pay the contractor, similar to a letter of no prejudice. He said that he was confident that HART could reach a bilateral agreement on traffic signals prior to the next Board meeting.

Ms. Fujii clarified that the change order includes costs for signals above and beyond those impacted by the guideway, which are included in the contract. Mr. Carnaggio confirmed that was the case. Mr. Grabauskas said that State rules require the upgrade of all signals in an intersection, once signals in that intersection is touched. Ms. Hanabusa stated that that work was HDOT's responsibility, not HART's.

Mr. Lui-Kwan said he was concerned about moving too quickly without having everything in place. He asked about the risk in delaying until the following month. Ms. Kraut said that she was informed that a month's delay would cost \$1.5 million. Mr. Lui-Kwan asked about the risk if the change order was approved and HART was not reimbursed. Ms. Kraut said that HDOT has agreed to reimburse HART \$19 million, while Kiewit estimates that cost to be \$23 million. Mr. Lui-Kwan asked how much would be spent between the February and March Board meetings. Ms. Kraut said perhaps \$500,000. Mr. Lui-Kwan said that the risk if the joint committee acted would be \$500,000; the risk if it didn't act would be \$1.5 million in delay claims.

Mr. Hong asked whether HART could pay as the contractor went along. Ms. Hanabusa said that the contractor could proceed based on the signal replacement in the original contract. She said that HART would be acting as the general contractor for an HDOT project with a delta of \$4 million that HART needed to be reimbursed for. She pointed out that HART did not have an agreement in writing with HDOT, and that the contractor is already obligated under its contract to replace traffic signals. Ms. Hanabusa voiced her concern over rushing into the position of a general contractor on matters outside of HART's scope.

Ms. Kraut said that the contractor is already moving forward on base scope, and that the issue is work outside of base scope, such as conduit work that is required when replacing a pole. Ms. Hanabusa said that any delay costs would be HDOT's to bear, as it is HDOT's work. She said that she could not support the change, and asked why this critical matter was not brought before the joint committee months ago.

Mr. Lui-Kwan asked for Mr. Grabauskas' opinion. Mr. Grabauskas said that staff believed it could get the MOU executed, and that HART was trying to save a month of time. Mr. Lui-Kwan said that the joint committee's fiduciary duty is to provide oversight, and asked about the risk of \$1.5 million delay cost? Ms. Kraut said that Kiewit advised that every day of delay would cost hundreds of thousands of dollars.

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Mr. Lui-Kwan asked about Ms. Hanabusa's point that the Kiewit contract requires Kiewit to move forward on signal work. Mr. Grabauskas said that the additional signal work was not within the scope of the Kiewit contract.

Mr. Atta asked whether HART was obligated to do HDOT's work, and Mr. Grabauskas said it was not, but that it made sense to do all the work at once. Mr. Lee asked whether the delay costs would be paid by HDOT, and Mr. Grabauskas said they would. Mr. Atta asked whether there would be an additional cost if HART did not do the work. Ms. Kraut said that the change in signal standards changed the standards for the base scope work as well, the additional cost for which is included in the change order. Mr. Kim asked for clarification on whether HDOT was paying for the upgrades for the base scope signal work, and Ms. Kraut said it was. Ms. Fujii asked about the cost for upgrading just the traffic signals HART is responsible for. Ms. Kraut said that traffic signal costs had not been separated.

Mr. Horner asked whether the new federal signal requirements were put in place after the Kiewit contract was executed, and Ms. Kraut confirmed they were. Mr. Horner asked whether the federal requirements applied to both the city and the state, and Ms. Kraut confirmed it did. Mr. Horner asked about city-owned signals. Ms. Kraut said that most of the signals in the area affected are state owned, but that city-owned signals would have to be upgraded as well. Mr. Horner asked for confirmation that HART would upgrade signals, and bill HDOT for those signals that the rail project did not come into conflict with, and Ms. Kraut confirmed that was the case. Mr. Horner noted that the public would benefit from doing work only once, saving taxpayer money. Mr. Horner asked how waiting 30 days would inform the process. Ms. Kraut said that she has confidence that HDOT will fully reimburse HART for all costs, and that HART will come to a bilateral agreement with Kiewit.

Mr. Hong noted his discomfort that HDOT Director Ford Fuchigami was not present to comment on the MOU.

Mr. Grabauskas said that an approval of the change order that day would allow the contractor to start work. He said that the MOU was close to being executed. Mr. Horner said that HART would not allow Kiewit to commence work until the change order and MOU had been executed, and Mr. Grabauskas agreed. He said that the MOU will be signed off on by Corporation Counsel and the Attorney General's office.

Mr. Lui-Kwan asked when the MOU was anticipated to be signed. Ms. Kraut said that she hoped it would be finalized by the end of the week for signature. Mr. Lui-Kwan said that he would support approval subject to the MOU execution.

Mr. Lee sought clarification on which signals HDOT would reimburse HART for, in the instance where HART is obligated to upgrade one out of four signals in an intersection. Mr. Horner said that HDOT would reimburse HART for three signals, and the upgrade of the fourth. He asked for confirmation that HART would not be obligated to do the work unless the MOU is in place for reimbursement. Mr. Grabauskas confirmed that was the case.

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Mr. Horner made the motion to accept the change order subject to the signoff by Corporation Counsel and the Attorney General, and that HART will not be obligated until the execution of the MOU with HDOT that fully reimburses HART for all of its costs and administrative costs. Mr. Lui-Kwan seconded the motion.

Mr. Lui-Kwan asked how administrative costs would be calculated, and Mr. Carnaggio said HART would track the administrative hours. Ms. Kraut said that the MOU would detail the methodology.

Mr. Horner amended the motion to include a caveat that the work does not impact the project schedule. Mr. Lui-Kwan seconded the amended motion.

Mr. Lee asked that the procurement question be addressed by COR, and Ms. Hirahara confirmed it would be before signing the MOU. Mr. Horner asked that the Attorney General be made aware of the issue as well.

Mr. Atta noted that HART had not received assurances from Kiewit that the work will not impact the project schedule. Mr. Grabauskas replied that the Federal Highway Administration and the FTA are both aware of and support the HDOT and HART work being done pursuant to the change order.

Mr. Lui-Kwan said that the end of the week is an optimistic time frame for the MOU execution. Ms. Hanabusa said that she could not support the change order, as HART was rushing into it without having everything in place first.

Mr. Lui-Kwan called for the vote.

Ms. Fujii, Mr. Horner, Mr. Lee, Mr. Lui-Kwan, and Mr. Kim voted in favor of the motion. Ms. Hanabusa and Mr. Hong voted in opposition of the motion. The motion failed.

## VII. Financial Plan Update

Mr. Grabauskas said that the Federal Transit Administration had set March 30, 2016, as the tentative date for its risk refresh. He said that staff was recommending the formation of a permitted interaction group (PIG) to provide staff direction in preparing for the risk refresh. The PIG would examine revenue, cost, schedule, and the Full Funding Grant Agreement (FFGA) Financial Plan, and would update HART's operating budget assumptions. He indicated that this would be an iterative process that would occur over several months, the goal of which would be a fully revised Financial Plan. Mr. Grabauskas added that the operating budget would also include TheBus and TheHandi-Van.

Ms. Hanabusa asked about the deadline, saying that the FTA would provide feedback on HART's revised Financial Plan. Mr. Grabauskas said that the PIG should report to the Board on March 17, 2016, although any decision must be made at a subsequent meeting.

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VIII. Executive Session

There was no need for executive session.

IX. Adjournment

There being no further business before the joint committee, Ms. Hanabusa adjourned the meeting at 12:06 a.m.

Respectfully Submitted,



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Cindy Matsushita  
Board Administrator

Approved:



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Ivan Lui-Kwan, Esq.  
Chair, Finance Committee



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Colleen Hanabusa  
Chair, Project Oversight  
Committee

MAR 17 2016

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Date

# ATTACHMENT A

## **2016 STATE LEGISLATURE MEASURES MONITORED BY HART**

### **Assistance for Businesses Impacted by Rail Construction**

- HB1588-(companion SB2633) Establishes a rail business interruption fund administered by the office of planning. Revenue sources for fund: (1) rail construction contractors, (2) City and (3) general fund
- HB2518-(companion SB2995) Establishes a business mitigation relief pilot program under DBEDT
- HB2692-Establishes a GET exemption for affected businesses

### **Audit of HART**

- HB1723-Requires the State Auditor to conduct a financial and management audit of HART

### **GET Surcharge-10% Retained by the State**

- HB760-Changes the State's automatic 10% deduction to 3%
- HB1416-Reduces amount deducted from 10% to 5%
- HB1812-(companion SB2282) Provides up to \$5M annually of State's 10% for counties to pay up to 90% of the costs associated with a public highway or trails that were formerly privately-owned roads
- HB1966-(companion SB2695) Suspends the 10% until an audit of DoTax
- SB694-(SB2649) Deducts an unspecified amount of the State's automatic 10% deduction
- SB1372-Deposits portion of the State's 10% in excess of admin costs into Dwelling Unit Revolving Fund
- SB2183-Allocates 5% of the State's 10% to be deposited into the Dwelling Unit Revolving Fund

### **Transit-Oriented Development**

- HB2199-Establishes a TOD Infrastructure Authority within DBEDT to oversee development of State lands
- HB2302, HD1-(companion SB2831) Establishes the Hawaii Interagency Council for TOD development planning within DBEDT
- SB2997-Establishes an office of planning in DBEDT to coordinate State TOD planning
- SB3023-Establishes a no-interest loan revolving fund for TOD infrastructure under the Director of Finance
- SB3076-Designates the office of planning to lead and require approval of all development plans for State parcels along the rail corridor
- SB3077-Establishes a TOD advisory group to develop a unified action plan for State wide TOD development

### **Procurement Code**

- SB2501-Requires past performance to be factored into future bid selection of a contractor

## ATTACHMENT B

## CHARTER COMMISSION PROPOSALS RELATING TO HART

No.	Submitted By	Description
10	Clifton Hasegawa	terminate HART and return control and authority for construction of the rail project to the City (Mayor & Council)
13	Kevin Mulligan (Charter Commissioner)	require HART board members: (1) to possess specific knowledge and professional experience in: finance, government, personnel, labor relations and public transportation; (2) to ride HART once a week on average; and (3) require particular expertise to serve effectively and to exercise meaningful oversight, accountability during construction and when operational
14	Kevin Mulligan (Charter Commissioner)	establish a single transit agency responsible for bus, rail and HandiVan service on Oahu
45	Paul Oshiro (Charter Commissioner)	Amends Section 17-106. Rates, Revenues and Appropriations. Following HART's submittal of its proposed operating and capital budgets "to the council through the office of the mayor by December 1 <sup>st</sup> of each year. <u>Not less than 120 days prior to the end of the fiscal year</u> , the office of the mayor shall submit the authority's line-item appropriation requests, <u>with or</u> without alteration or amendment, <u>to the council...</u>
47	Cheryl Soon (Charter Commissioner)	create a single entity for public transportation operations and maintenance; revise the current structure, leadership patterns and resource deployment to integrate public transportation with other city services by eliminating HART and place all responsibilities and duties for finance, revenues, fares, subsidies, debt and grant management under the Transportation Dept., Managing Director, Mayor and City Council authority
76	City & County of Honolulu (see attached)	Public Transit Agency <ul style="list-style-type: none"> <li>• remove O&amp;M authority of rail from HART at the time of system acceptance or passenger operations, including HART's authority to establish fares, fees and charges, prepare and adopt annual O&amp;M budgets, grants, prepare O&amp;M policies, fix O&amp;M rates and charges and submit line O&amp;M line-item appropriations</li> <li>• remove public transportation responsibility from DTS, including removal of the transportation commission's authority to recommend changes to transit fare structure</li> </ul> New Public Transportation Entity: <ul style="list-style-type: none"> <li>• <b>create one municipal public transportation entity to manage and be responsible for O&amp;M of an intermodal public transit system</b>, including bus, paratransit and rail, with governance details and timing to be proposed by a committee of qualified Mayor and Council appointees, with a 9<sup>th</sup> member from OMPO).</li> </ul>
92	HART Board	establish one authority for TheBus, TheHandiVan and rail which operates and maintains the three transportation modes, when city funds are needed for operation and maintenance of rail
93	HART Board	appoint a transition committee to recommend: (a) governance structure and implementation process of a unified transit authority, including the operating budget process; (b) how the charter should be amended to reflect that the Mayor and Council have approval authority over the transit authority budget; and qualifications for transit authority members. The transition committee would have four city appointees, four mayoral appointees and a 9 <sup>th</sup> member appointed by other members

## CHARTER COMMISSION PROPOSALS RELATING TO HART

No.	Submitted By	Description
94	HART Board	<p>Public Transit Authority - §17-106 Rates, Revenues &amp; Appropriations:</p> <ul style="list-style-type: none"> <li>• “The board shall fix and adjust reasonable rates and charges for the fixed guideway system so that the revenues derived therefrom, in conjunction with revenues received from the GET, from the federal government, from the revenue generating properties of the authority <u>and from other revenues the council may authorize...</u>to support the fixed guideway system and the authority.”</li> <li>• “The authority shall submit a line-item appropriation request for <del>each of</del> its proposed <del>operating and</del> capital budgets for the ensuring fiscal year to the council through the office of the mayor by December 1<sup>st</sup> of each year.”</li> </ul>
95	HART Board	<p>Public Transit Authority - §17-103 Power, Duties &amp; Functions:</p> <ul style="list-style-type: none"> <li>• “the board shall have the authority to issue <del>revenue</del> bonds under HART...”</li> </ul>
140	Anonymous	<ul style="list-style-type: none"> <li>• establish an independent review board to analysis the 5 to 20-year financial projections of the City because there is no independent review of whether or how the City will meet its existing obligations in the face of rising rail costs</li> </ul>
147	Fred Metcalf	No Trust in HART

## ATTACHMENT C

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## Leeward Community College Construction Impacts

H O N O L U L U R A I L T R A N S I T P R O J E C T

[www.HONOLULUTRANSIT.ORG](http://www.HONOLULUTRANSIT.ORG)

**HART**

HONOLULU AUTHORITY for RAPID TRANSPORTATION

# LEEWARD COMMUNITY COLLEGE MODIFICATIONS

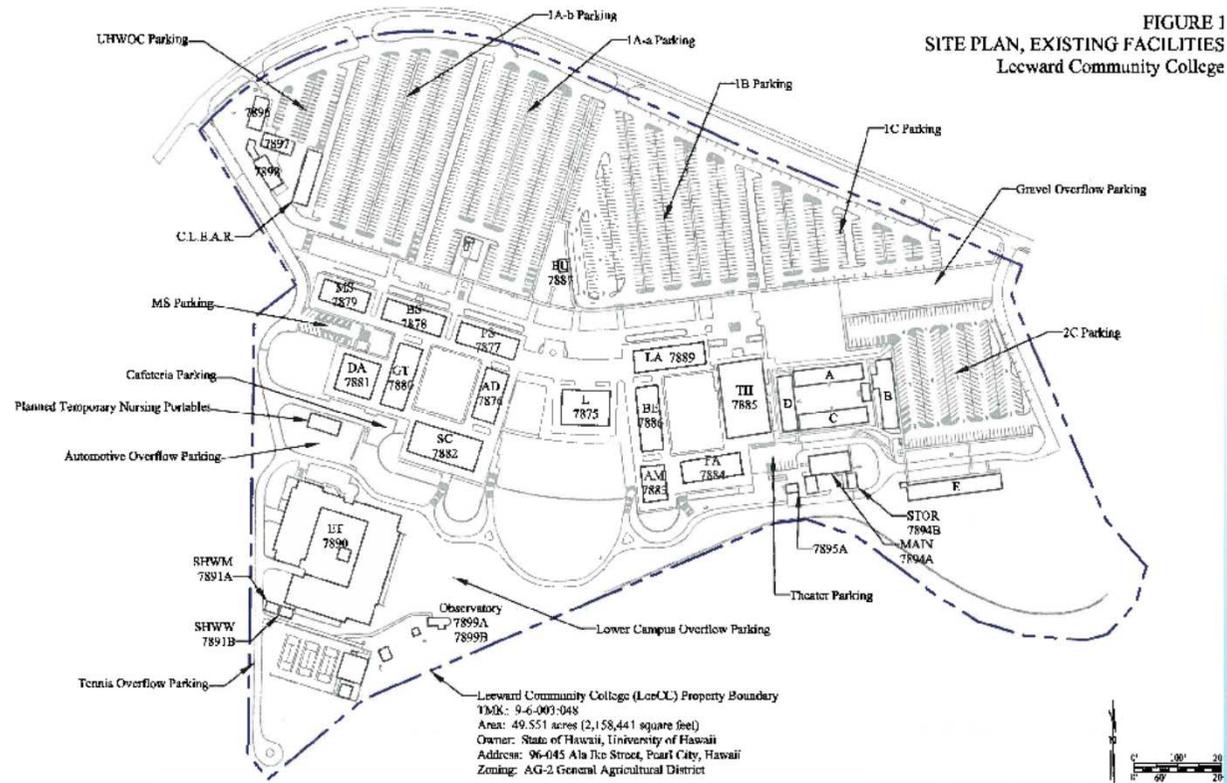
## AREAS AFFECTED:

- CDL PARKING LOT
- OVERFLOW PARKING LOT
- MOTORCYCLE TRAINING AREA
- STATION ACCESS STRUCTURE

# IMPACTS

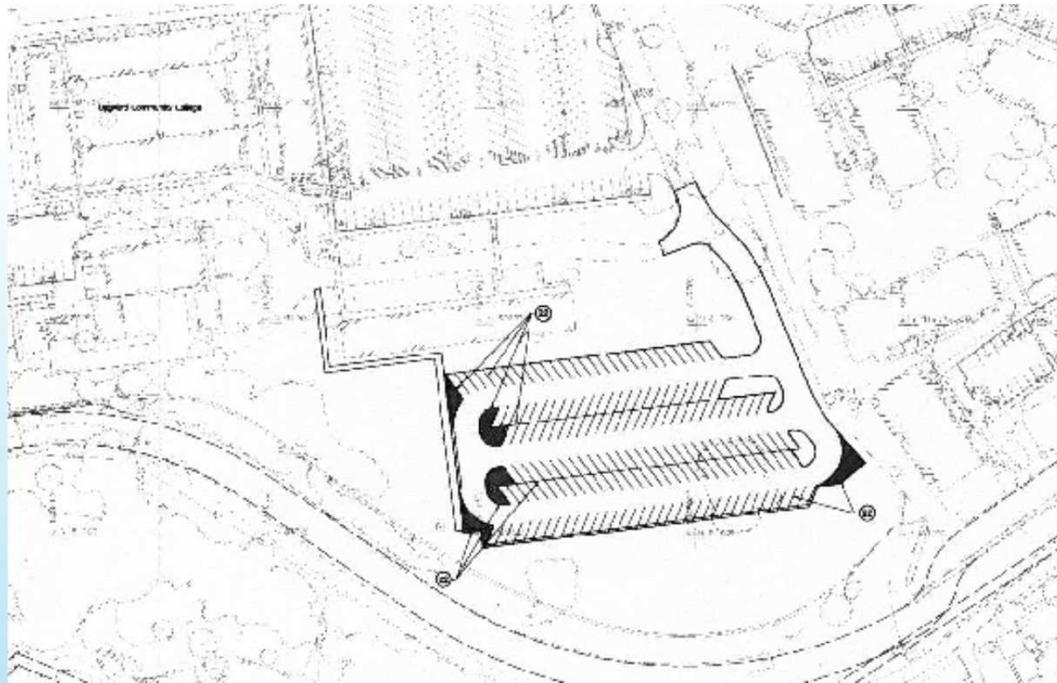
- IMPACTS DUE TO RELOCATION OF THE OFFICE OF CONTINUING EDUCATION & WORKFORCE DEVELOPMENT (OCEWD) CLASSROOMS, TRAINING AREAS, AND PARKING AT THE LCC CAMPUS
- COST OF ADDITIONAL WORK \$2,802,878

# LCC EXISTING FACILITIES



# LCC – PROPOSED FACILITIES

## 175 SPACES 2009

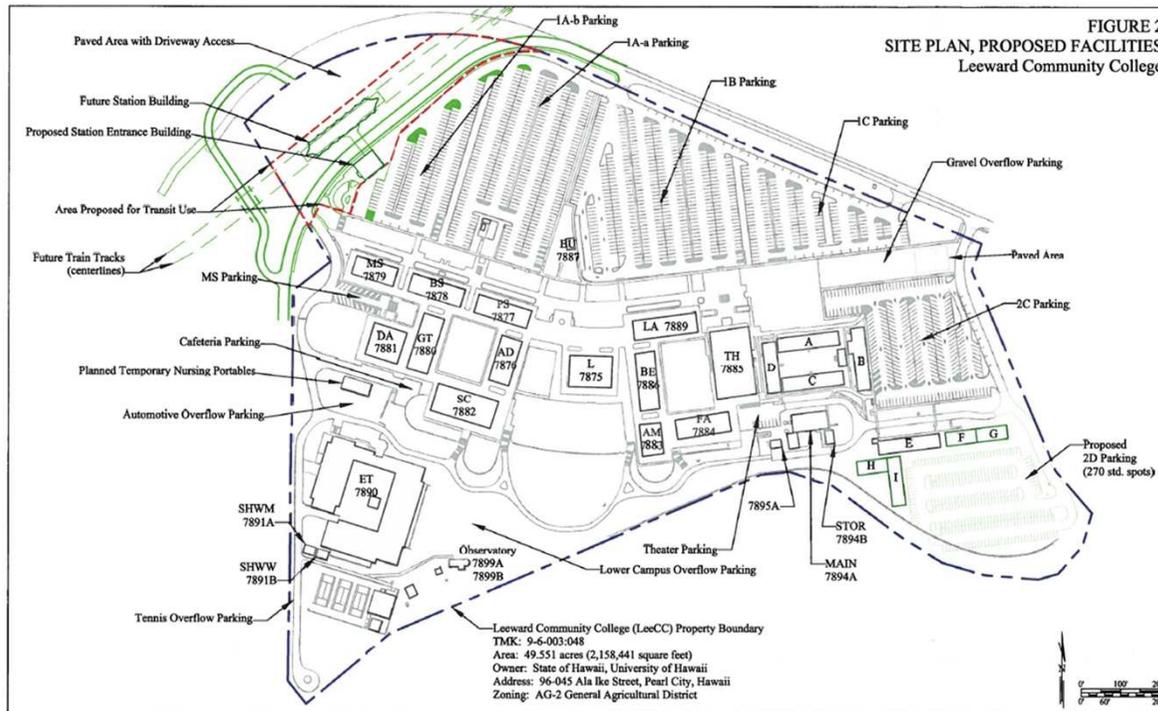


H O N O L U L U R A I L T R A N S I T P R O J E C T  
www.HONOLULUTRANSIT.ORG

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# LCC – PROPOSED FACILITIES 2012

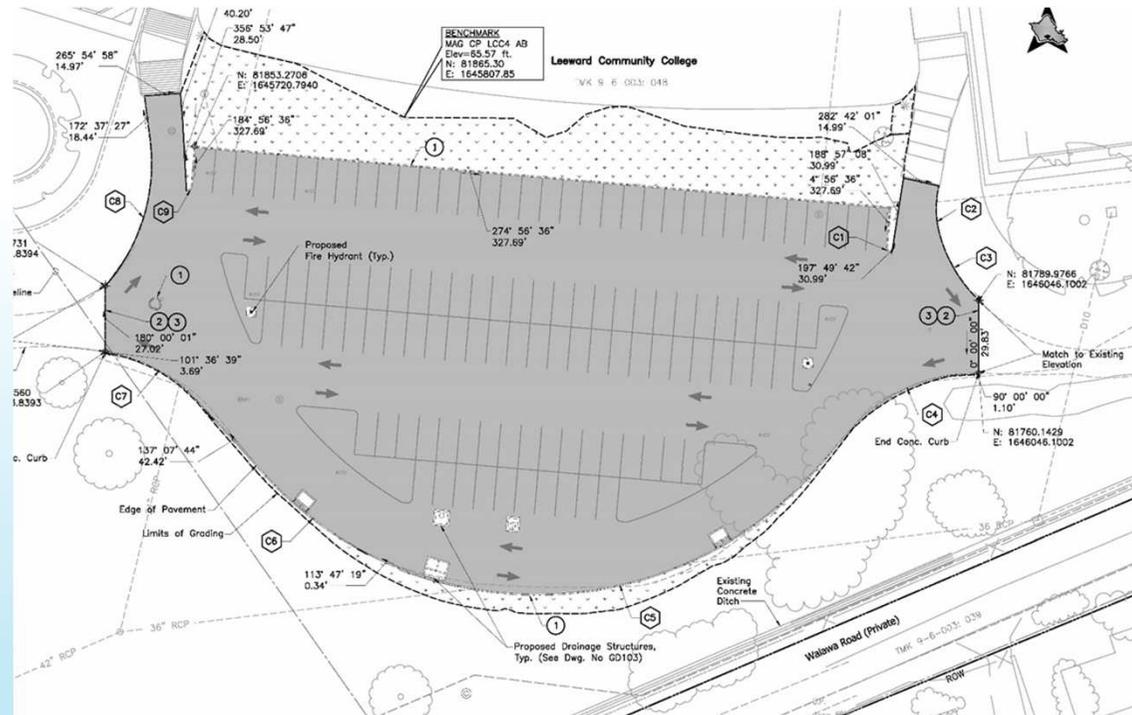
## PARKING LOT EXPANDED TO 270 STALLS



# OVERVIEW OF CHANGES

- Proposed Expansion of new parking lot to meet total student – faculty parking needs from 175 spaces to 270 spaces was found not to be feasible due to existing topographical features
- To meet the required additional parking stalls, a new overflow parking lot is required to be constructed
- Expanded proposed parking lot to enable Commercial Driving License (CDL) training due to current site being modified for motorcycle training
- New motorcycle training area requires milling and repaving to meet the Motorcycle Safety Foundation standards

# OVERFLOW PARKING LOT

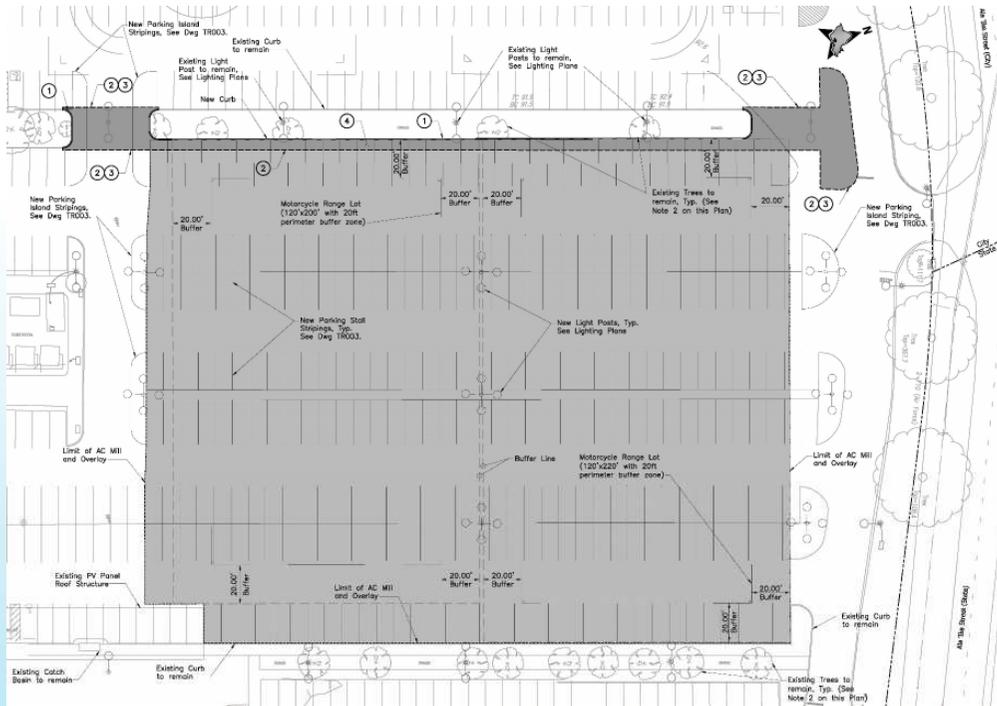


DESIGNED TO ACCOMMODATE ADDITIONAL PARKING STALLS FOR LCC

H O N O L U L U R A I L T R A N S I T P R O J E C T  
WWW.HONOLULUTRANSIT.ORG

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# MOTORCYCLE TRAINING AREA



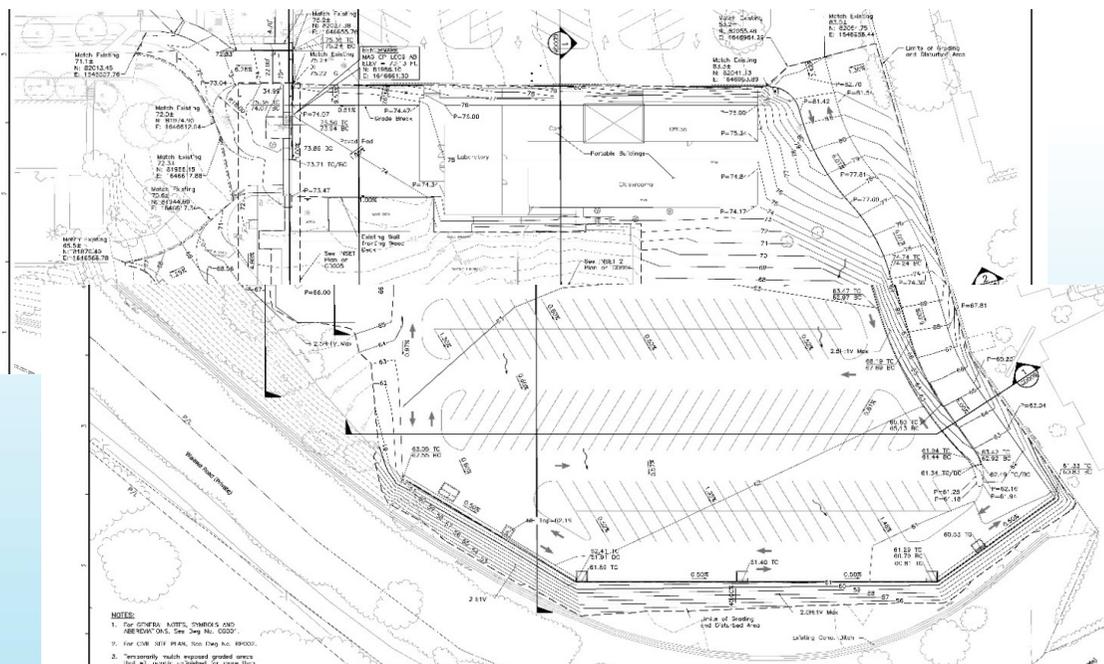
## LEGEND:

-  AC Pavement 2" Overlay
-  Full Depth pavement area  
3-1/2" AC over 5" Aggregate Base Course
-  Sawcut Line
-  Limits of AC Mill and Overlay
-  Property Line (P/L)/ Right of Way (ROW)

added scope of new pavement and modified lighting for motorcycle training facility

IFC (9/1/2015) DWG RP004

# EXPANDED PARKING LOT MEETS CDL TRAINING REQUIREMENTS



## ATTACHMENT D

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## LEEWARD COMMUNITY COLLEGE STATION ACCESS CONSTRUCTION IMPACTS

H O N O L U L U   R A I L   T R A N S I T   P R O J E C T

[www.HONOLULUTRANSIT.ORG](http://www.HONOLULUTRANSIT.ORG)

**HART**  
HONOLULU AUTHORITY for RAPID TRANSPORTATION

# STATION ACCESS STRUCTURE MODIFICATION BACKGROUND

- Initial modification to station provided better access for installation & maintenance of core systems and electrical equipment required for the station, simplified construction of realigned Ala Ike St., enhanced pedestrian access to station
- The final modifications minimized interface between guideway contractor and station contractor
- Addition of embossed cultural aesthetics to retaining wall

# IMPACTS

- IMPACTS DUE TO MODIFICATIONS TO LEEWARD COMMUNITY COLLEGE STATION ACCESS STRUCTURE
- COST OF ADDITIONAL WORK \$1,447,122

## ATTACHMENT E

# HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

## IMPROVED TRAFFIC SIGNALS AND INTERSECTIONS

H O N O L U L U   R A I L   T R A N S I T   P R O J E C T

[www.HONOLULUTRANSIT.ORG](http://www.HONOLULUTRANSIT.ORG)

**HART**

HONOLULU AUTHORITY for RAPID TRANSPORTATION

# TRAFFIC IMPROVEMENT BACKGROUND

- Contract scope only addresses signals affected by rail construction
- Latest specification, standards and policies affect wind loading, backplates and signal head placement
- Traffic control devices along the WOFH and KHG construction corridor severely dated
- HDOT and DTS recognize that traffic improvements are needed, and have requested that this work be done concurrent with rail construction
- HDOT will provide funds for this work

# EXISTING TYPE II MASTPOLE AT MCGREW (KHG)



# EXISTING TYPE II MASTHEAD AT PUPUKAHI (WOFH)



# NEW CODE REQUIRED UPGRADES

- ROBUST FOUNDATIONS, POLES, AND MAST ARMS TO MEET NEW WIND LOAD REQUIREMENTS
- SIGNAL HEAD PLACEMENT
- THE FOLLOWING PHOTOGRAPHS DEPICT THE NEW CODE SPECIFICATIONS ARE REQUIRING

# NEW TYPE II MASTARM AT ACACIA ROAD (PEARL CITY)



# NEW TYPE II MASTARM AT HONOMANU (KHG)



# PROPOSED ACTION:

- Issue a unilateral change order to initiate work on the traffic control devices to meet current code requirements eliminating having to perform this work after rail is completed.
- Should the required signalization work be delayed until after rail, it would disrupt the traveling public and trench through newly paved roadways, curbs and sidewalks.
- Complete negotiations with the contractor to establish a fair and reasonable lump sum change order for both WOFH and KHG and bring back to the Board for approval.
- Complete the required Memorandum of Understanding with HDOT to provide funds to pay for the Traffic Signal upgrades meeting current code

# HDOT REQUESTED WORK ON WOFH

Item	Description	ROM/Comments	FY/QTR
1	Traffic Signals	\$10,000,000	FY15/4th Qtr
2	Street Light & Cabinet Upgrades (Fronting Waipahu Town Center, Kam Hwy Overpass with Farrington) Street Lights Upgrades to Current ASSHTO Standards Phase 8	\$2,000,000	FY15/4th Qtr
3	2010 ADA Compliant Curb Ramps as needed	\$200,000	FY16/3rd Qtr
	WOFH Total ROM	\$12,200,000	

## HDOT REQUESTED WORK ON KHG

Item	Description	ROM/Comments	FY/QTR
1	Traffic Signals	\$9,000,000	FY15/4th Qtr
2	2010 ADA Compliant Curb Ramps	\$200,000	FY16/3rd Qtr
3	Offset Left Turn increase storage length @ Waimano Home Rd	\$350,000	FY16/2nd Qtr
4	Change from MSE to Cast-in-Place walls at Walls 2, 3, & 4	\$1,250,000	FY16/1st Qtr
5	Sidewalk width increase from 5' to 6' wide	\$100,000	FY16/3rd Qtr
6	GDI and drainline at Anna Miller's driveway (85 LF)	\$150,000	FY16/1st Qtr
7	Replace 24" drainline 388+43 to 393+78 with RCP (435 LF)	\$450,000	FY16/1st Qtr
8	Install new 18" drainage system near Kihale Street	\$250,000	FY16/1st Qtr
	KHG Total ROM	\$11,750,000	

# *Mahalo!*

