

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA
Honolulu, Hawaii, 96813

July 10, 2019

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT: Update Regarding the Issue Involving the Stockpiled Material in the Kalaeloa Heritage Park.

SUMMARY:

Since September 2013, approximately 2,259 cubic yards of material has been stockpiled on the Kalaeloa Heritage Park site (See Exhibit A). In September 2013, the City Department of Planning and Permitting (DPP) issued the Hawaii Community Development Authority (HCDA), as landowner, a Notice of Violation for stockpiling without a permit. In May 2015, the HCDA obtained a stockpiling permit to stop further fines from accumulating. HCDA received another one-year extension on the stockpiling permit in May 2019.

The Kalaeloa Heritage and Legacy Foundation (KHLF) had a Right of Entry to the area at the time of the violation. On December 15, 2016, HCDA entered into a lease with KHLF conditioned on remediation of the stockpile.

As of March 14, 2018, the stockpile had not been remediated and HCDA retained Henry's Rental Equipment and Sales to haul away the stockpile, however two segments of asbestos pipe were discovered during that process. As required by state Department of Health (DOH) regulations, HCDA stopped work, returned material that had been hauled away to the site, and engaged a DOH-approved consultant to characterize the stockpile. The methodology used in the testing process, results, and recommended disposition options were all subject to DOH review and approval.

The HCDA staff presented a rough order of magnitude for the cost of remediating the stockpile at the May 2019 board meeting as provided by its DOH-approved consultant, Tetra Tech. Members of the authority informally asked staff to explore lower cost options including remediating the stockpile in place.

BACKGROUND:

At previous board meetings, staff was asked to investigate whether:

- 1) the stockpile could be remediated on site, and
- 2) there were other alternatives to lower the cost of remediation.

The rough order of magnitude to remediate the site was estimated to be between \$757,200 and \$859,000 by consultant Tetra Tech, and as such lower costs are being sought.

Stockpile remediated on site:

In Tetra Tech's consultation with DOH, if HCDA wants to leave the stockpile on site and remediate similar to what was done at Waterfront Park, it would need to get a landfill permit. Such a permit would designate the area a landfill and would be subject to public hearings and stigma. There is a possibility that such a permit would be rejected. Otherwise the landfill itself has its own set of regulatory requirements including closure protocols that would result in additional costs.

Lower cost solutions:

DOH has approved and confirmed Tetra Tech's recommendations relative to the disposition of the stockpile which are limited to 1) Reusing inert fill and acceptable material on site, and disposal of the rest at the PVT landfill; 2) Reusing inert fill and acceptable material at an off-site location; and 3) disposal of all material at the PVT landfill.

Relative to identifying a more cost-effective solution, Tetra Tech provided the following feedback based on its observations specific to this stockpile as well as other similar work that they have been involved with:

1. Sorting inert fill and acceptable fill material for re-use on-site would only be effective if the HCDA has a direct use and grading permit;
2. The DOH required documentation is a considerable barrier for smaller outfits to competently complete the work, but the scale of the project may also be too small for a larger competent contractor to want to take on based on the current active market; and
3. It is most likely that if taken to bid, the market would respond to the solicitation with proposals to haul all material to PVT for disposal (i.e. option 3).

Tetra Tech's primary observation driving this feedback was the layers of construction debris beneath what appears to be inert fill and acceptable material. This raises their concerns as to whether sorting the material would ultimately result in a cost saving and why the price point for each of its proposed options were similar. Whereas if the HCDA had a direct use for the material on-site, the costs of sorting and handling the material would be optimized.

HCDA noted that the Aloha Solar project on the neighboring parcel has a grading permit and may need fill and Tetra Tech indicated that sorting and hauling may be cost effective for that

project given the immediate vicinity. As of the date of this report, Aloha Solar has visited the stockpile and has expressed its interest in utilizing the inert and acceptable materials. The HCDA is currently working with Aloha Solar to further pursue and formalize an arrangement.

ANALYSIS:

DOH sent a message to HCDA that it prefers to follow its standard procedures to work only with qualified consultants on its list to remediate this stockpile and has a general reticence to meet with HCDA staff. Any consultant that is picked to continue the work must follow state laws and therefore must be compliant with the state's requirement. The DOH also cautioned that pursuing a landfill permit is a lengthy contentious process that is highly regulated.

In the event the HCDA is not able to formalize an arrangement with Aloha Solar, HCDA staff would continue by issuing a solicitation for the cost effective removal and disposition of the stockpiled material in compliance with all DOH requirements to obtain direct market feedback for board consideration.

Respectfully submitted,



Garrett Kamemoto
Interim Kakaako Planning and
Development Director

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director
Hawaii Community Development Authority

Attachments

- Exhibit A: KHLF Timeline
- Exhibit B: Rough Order of Magnitude of April 2019

Kalaeloa Heritage and Legacy Foundation Notice of Violation Timeline

9-May-11	HCDA issued a Right-of-Entry (ROE) to the Kalaeloa Heritage and Legacy Foundation (KHLF) to steward the archaeological sites and to eventually develop the Kalaeloa Heritage Park (KHP).
9-May-12	HCDA issued ROE extension to KHLF.
26-Jul-12	HCDA met with the KHLF members to discuss the potential for locating the sustainable trailer office known as the Green Side Lanai (Trailer) at the KHP
11-Aug-12	KHLF entered into "hand-shake" agreement with private trucking company allowing passive storage of heavy equipment on KHP site in exchange for use of equipment. KHLF did not secure any regulatory permit; KHLF did not consult or secure HCDA consent to agreement.
Nov-12	HCDA met with the KHLF at KHP site to discuss location for the Trailer and prep work. HCDA notified KHLF the Trailer will be brought to the KHP in December.
16-May-13	HCDA issued ROE extension to KHLF.
23-Sep-13	Department of Planning and Permitting (DPP) issued landowner, HCDA, a Notice of Violation (NOV), No. 2013/NOV-09-085 for stockpiling without a permit. Compliance required by December 2013.
30-Sep-13	HCDA met with KHLF and confirmed stockpiling activity. HCDA notified KHLF of NOV and gave directive to comply with DPP.
25-Oct-13	KHLF submitted stockpiling permit application to DPP and due to the size of the property, the DPP required engineering plans.
19-Dec-13	DPP issued landowner, HCDA NOV No. 2013/NOO-262 for failure to timely correct the violation as required by DPP.
15-Jan-14	KHLF contracted Community Planning and Engineering (CPE) to prepare engineering plans to submit with stockpiling permit application.
Apr-14	CPE submitted engineering plans and resubmitted permit application. CPE notified KHLF about DPP's requirement for a performance bond. KHLF attempted to secure the necessary bond.
23-Jun-14	Department of Health (DOH) issued a warning letter to landowner, HCDA, regarding the stockpiling material at the KHP.
Sep-14	KHLF was unable to secure bonding. KHLF met with HCDA requesting assistance.
Nov-14	HCDA assisted and found bonding was not required since HCDA was a State of Hawaii entity. CPE resubmitted application as HCDA as the applicant. KHLF funded work.
Dec-14	CPE submitted HCDA permit application with engineering plans to DPP and was notified of DPP's requirement for State Historic Preservation Division (SHPD) review.
30-Dec-14	CPE submitted plans to SHPD for review and comment.
8-Jan-15	HCDA issued letter to City Corporation Counsel with chronology of events and requested a waiver for fines.
2-Feb-15	City Corporation Counsel granted HCDA extension until May 31, 2015, to comply with NOV; HCDA request for waiver of fines were denied.
18-Feb-15	SHPD replied apologizing for delay and their intent to comment.

Kalaeloa Heritage and Legacy Foundation Notice of Violation Timeline

19-Mar-15	HCDA emailed SHPD to inquire on status of review.
20-Mar-15	SHPD conducted site visit and obtained necessary information for their review.
24-Mar-15	HCDA conducted site visit with KHLF and inspected existing condition of stockpile. Observed vegetation growing over stockpiled material and some biosocks were placed around perimeter of stockpile site.
6-Apr-15	HCDA received copy of letter from SHPD to DPP outlining conditions and concluding, "...the violation resulted in no historic properties affected."
13-Apr-15	CPE submitted HCDA application and engineering plans to DPP for final approval.
23-Apr-15	CPE informed HCDA that DPP is now requiring a letter stating all conditions outlined by SHPD will be met.
5-May-15	HCDA issued letter to DPP affirming all conditions outlined by SHPD will be met.
7-May-15	DPP issued landowner, HCDA, Stockpiling permit number GP2015-05-0218.
13-May-15	CPE delivered stockpiling permit to HCDA for signature. CPE then hand delivered signed permit to DPP.
20-May-15	DPP NOV file closed; fine remained outstanding.
13-May-15	KHLF contracted Environmental Consultant to conduct soil testing report and file findings report with DOH.
15-Sep-15	KHLF contracted Environmental Engineering company for the installation of biosocks and grass over stockpile material to prevent runoff per environmental report and DOH requirements.
1-Dec-15	HCDA issued Lease to KHLF conditioned on KHLF compliance to NOV by end of first year.
25-Apr-16	DOH issued letter to HCDA stating it has no comments or concerns regarding plan to remediate stockpiles.
May-17	DPP issued landowner, HCDA, Stockpiling Permit extension to May 2018.
5-Jul-17	Task force formed to review the matter and make recommendations on course of action.
6-Sep-17	Task force makes findings and recommendations to full board. Board authorizes up to \$200,000 to remove stockpile.
6-Dec-17	Board adopts findings and recommendations
14-Mar-18	Henry's Equipment and Sales retained to remove the stockpile
19-Mar-18	Asbestos pipe discovered in stockpile. All material removed is returned. Further work is stopped per DOH requirements.
22-Mar-18	Finding of asbestos is confirmed by EnvironMETeo Services
1-May-18	DPP issues a Stockpiling Permit extension until May 2019.
17-Jul-18	HCDA sends letter to KHLF informing it of a breach of General Lease No. 15-05. Letter states KHLF must initiate a cure within 30 days.
22-Jul-18	KHLF responds protesting HCDA's letter.
1-Aug-18	Authority approves action authorizing Executive Director to spend up to \$100,000 to characterize the stockpiles.
3-Aug-18	HCDA responds to KHLF asking for a plan detailing KHLF's capacity to participate in the remediation of the stockpile and demonstrating financial sustainability and ability to proceed with the Kalaeloa Heritage Park buildout.

Kalaeloa Heritage and Legacy Foundation Notice of Violation Timeline

14-Aug-18	KHLF emails HCDA to say it will hold off on responding to HCDA pending a meeting on August 27 with Sen. Gabbard and representatives of Rep. Har and Councilmember Pine.
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Kalaeloa Heritage and Legacy Foundation Notice of Violation Timeline

27-Aug-18	KHLF and HCDA meet with Sen. Gabbard and representatives of Rep. Har and Councilmember Pine. HCDA again requests a plan with specifics on KHLF's capacity to participate in the remediation of the stockpile and demonstrating financial sustainability.
29-Aug-18	KHLF sends a letter stating it would pay for 1% a month for remediation costs without financial numbers and stating KHLF had engaged a consultant on fund development for KHP.
17-Sep-18	HCDA sends a letter to KHLF clarifying HCDA did not agree to the 1% payment and wanted to see financials from KHLF.
17-Oct-18	HCDA meets with KHLF and offers to take on the entire financial burden of resolving the stockpile issue (except for fines levied directly by the city on KHLF) if KHLF will agree to surrender General Lease 15-05. HCDA would then offer KHLF a stewardship agreement. HCDA follows up with a letter two days later. HCDA asks for a response by October 31. This offer is subject to board concurrence.
27-Oct-18	KHLF responds saying it is not in a position to reply to HCDA's offer as it wants to consult an attorney on their fiduciary duties.
9-Nov-18	HCDA sends letter reiterating its offer and asking for a reply by November 26.
18-Apr-19	HCDA sends letter terminating KHLF Lease and transmitting a revocable Right of Entry for execution
17-May-19	Revocable Right of Entry is executed



April 19, 2019

Mr. Neal Imada
Hawaii Community Development Authority
547 Queen Street
Honolulu, Hawaii 96813

Subject: Soil Stockpile Management – ROM Cost Estimate Summary
Kalaeloa Heritage and Legacy Foundation Park
Southwest of the Intersection of Coral Sea Road and Long Island Street
Kapolei, Hawaii 96707
TMK: (1) 9-1-013-067 (portion) and (1) 9-1-013-069 (portion)

Dear Mr. Imada:

Tetra Tech, Inc. is pleased to provide the enclosed submittal regarding the rough order of magnitude (ROM) cost estimate summary for potential pending soil stockpile management services to be performed at the proposed Kalaeloa Heritage and Legacy Foundation Park site described above.

Please note that this is for preliminary discussion/evaluation purposes only. The final option selected and related firm pricing will require inspection of the stockpiles by contractors to provide scopes of work and related bids.

Please feel free to contact us if you should have any questions or comments regarding this submittal.

Sincerely,
Tetra Tech, Inc.

A handwritten signature in black ink, appearing to read 'Scott Duzan'.

Scott Duzan, QEP, LEED AP
Project Manager
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A handwritten signature in black ink, appearing to read 'Eric M. Jensen'.

Eric M. Jensen, CHMM
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1 Site Location

Kalaeloa Heritage and Legacy Foundation Park
Southwest of the Intersection of Coral Sea Road and Long Island Street (no formal street address)
Kapolei, Hawaii 96707
Tax Map Key: (1) 9-1-013-067 (portion) and (1) 9-1-013-069 (portion)

2 Stockpile Management Options:

Based on our discussions with the Hawaii Community Development Authority (HCDA), we have identified three (3) potential stockpile management options for the three (3) existing stockpiles at the Site. The following subsections provide an overview of each management option and a rough order of magnitude (ROM) cost estimate table.

2.1 Option A – 50% On-Site Beneficial Re-Use As “Acceptable Fill Material” / “Inert Fill Material” & 50% Off-Site Disposal

Under this option, 50% of the stockpiled material will remain at the Site after screening where it will be re-used as fill material, and the remaining 50% will be disposed of as mixed soil and construction and demolition (C&D) waste at the PVT Land Company (PVT) landfill facility in Waianae, Hawaii. A brief overview of the proposed scope of work for this option is listed below:

- » Obtain necessary regulatory agency approvals for proposed stockpile management activities.
- » Mobilize an earthwork contractor to the Site with necessary equipment and materials.
- » Perform segregating and screening of the three (3) existing stockpiles to remove the C&D waste, debris, and solid waste that is currently co-mingled with the soil.
 - o The screened materials shall be segregated into new piles as follows:
 - **Pile A1:** Soil approved for on-site beneficial re-use as “acceptable fill material” / “inert fill material” per applicable Hawaii Department of Health (HDOH) regulations (assume 2,200 cubic yards [CY]).
 - **Pile A2:** Materials slated for disposal at the PVT landfill in Waianae (assume 2,200 CY).
- » Utilize the material from Pile A1 on-site as “acceptable fill material” / “inert fill material” by placing it in 1-foot thick lifts at the designated area(s) within the Site boundaries.
 - o HCDA will be responsible for selecting the designated area(s) for placement.
 - o Earthwork contractor will compact the lifts to a generally uniform elevation.
- » Perform loading and hauling for Pile A2 to transport the materials to their final off-site location.
 - o Earthwork contractor will provide the necessary transportation documents, manifests, lift tickets, etc. for Tetra Tech to accurately document the loading and hauling activities from cradle to grave.
- » Demobilize from the Site.

See the table below for rough order of magnitude (ROM) cost estimate for Option A.

Task #	Task Descriptions	Quantity	Price Basis	Unit Price ¹	Total Price ¹
1.1	Environmental Consulting Services – Project Management / Planning/ Agency Consultation	1	Lump	\$12,000	\$12,000
1.2	Environmental Consulting Services – Field Work ²	5	Weekly Rate	\$8,000	\$40,000
1.3	Environmental Consulting Services – Reporting & Disposal Documentation Tracking	1	Lump	\$10,000	\$10,000
2.1	Earthwork Services – Sort & Screen Existing Stockpiles ³	4,400	Cubic Yard	\$43	\$189,200
2.2	Earthwork Services – Placement, Compacting, & Grading of Pile A1 at Selected On-Site Location ⁴	2,200	Cubic Yard	\$61	\$134,200
2.3	Earthwork Services – Load, Haul, & Dump Pile A2 at PVT Landfill ⁴	2,200	Cubic Yard	\$186	\$409,200
TOTAL					\$794,600
Notes:					
1 = Hawaii General Excise Tax is factored into the ROM pricing.					
2 = A total of 5-weeks of field work is anticipated using the standard production rates assumed for Tasks 2.1 to 2.3.					
3= Estimated duration for Task 2.1 is 1-week.					
4 = Estimated duration for Task 2.2 and Task 2.3 is 2-weeks for each.					

2.2 Option B – 50% Off-Site Beneficial Re-Use As “Acceptable Fill Material” / “Inert Fill Material” & 50% Off-Site Disposal

Under this option none of the stockpiled material will remain at the Site after screening – 50% will be re-used as fill material at an off-site location, and 50% will be disposed of as mixed soil and C&D waste at the PVT landfill facility in Waianae, Hawaii. A brief overview of the proposed scope of work is listed below:

- » Obtain necessary regulatory agency approvals for proposed stockpile management activities.
- » Mobilize an earthwork contractor to the Site with necessary equipment and materials.
- » Perform segregating and screening of the three (3) existing stockpiles to remove the C&D waste, debris, and solid waste that is currently co-mingled with the soil.
 - The screened materials shall be segregated into new piles as follows:
 - **Pile B1:** Soil approved for off-site beneficial re-use as “acceptable fill material” / “inert fill material” per applicable HDOH regulations (assume 2,200 CY).
 - **Pile B2:** Materials slated for disposal at the PVT landfill in Waianae (assume 2,200 CY).
- » Perform loading and hauling for each of the new piles to transport the materials to their final off-site location.
 - We anticipate that multiple parties will be interested in accepting Pile B1 for beneficial re-use as fill material.
 - HCDA will be responsible for selecting which party will receive Pile B1.
 - At the current time, final off-site location for Pile B1 is unknown. For planning purposes, we assumed the final off-site location for Pile B1 was 50 miles roundtrip from the Site.
 - Earthwork contractor will provide the necessary transportation documents, manifests, lift tickets, etc. for Tetra Tech to accurately document the loading and hauling activities from cradle to grave.
- » Demobilize from the Site.
- » *Note: It is possible that some of the interested parties may arrange to load and/or haul the Pile B1 soils themselves; therefore, the Option B Task 2.2 costs (see table below) may be significantly reduced. Regardless of who performs the loading or hauling, the Pile B1 soils must be accurately tracked and the disposal location fully documented.*

See the table below for ROM cost estimate for Option B.

Task #	Task Descriptions	Quantity	Price Basis	Unit Price ¹	Total Price ¹
1.1	Environmental Consulting Services – Project Management / Planning/ Agency Consultation	1	Lump	\$12,000	\$12,000
1.2	Environmental Consulting Services – Field Work ²	5	Weekly Rate	\$8,000	\$40,000
1.3	Environmental Consulting Services – Reporting & Disposal Documentation Tracking	1	Lump	\$10,000	\$10,000
2.1	Earthwork Services – Sort and Screen Existing Stockpiles ³	4,400	Cubic Yard	\$43	\$189,200
2.2	Earthwork Services – Load, Haul, & Dump Pile B1 at Designated Off-Site Location ^{4,5}	2,200	Cubic Yard	\$44 ⁶	\$96,800 ⁶
2.3	Earthwork Services – Load, Haul, & Dump Pile B2 at PVT Landfill ⁴	2,200	Cubic Yard	\$186	\$409,200
TOTAL					\$757,200

Notes:

- 1 = Hawaii General Excise Tax is factored into the ROM pricing.
- 2 = A total of 5-weeks of field work is anticipated using the standard production rates assumed for Tasks 2.1 to 2.3.
- 3 = Estimated duration for Task 2.1 is 1-week.
- 4 = Estimated duration for Task 2.2 and Task 2.3 is 2-weeks for each.
- 5 = The off-site location designated for beneficial re-use is assumed to be a 50-mile roundtrip from the Site. Costs do not include any grading or grubbing of the material at the designated off-site location – only delivery.
- 6 = Per note from the discussion above, some of the interested parties may arrange to load and/or haul the Pile B1 soils themselves; therefore, the Option B Task 2.2 costs may be significantly reduced.

2.3 Option C – 100% Off-Site Disposal

Under this option all of the material in the three (3) existing stockpiles will be disposed of at the PVT landfill facility in Waianae, Hawaii as mixed soil and C&D waste. No screening will be performed as part of this option, and none of the material will remain at the Site upon completion. A brief overview of the proposed scope of work is listed below:

- » Obtain necessary regulatory agency approvals for proposed stockpile management activities.
- » Mobilize an earthwork contractor to the Site with necessary equipment and materials.
- » Perform loading and hauling for all 4,400 CY of material in the three (3) existing stockpiles and transport the materials to the PVT landfill in Waianae for disposal.
- » Earthwork contractor will provide the necessary transportation documents, manifests, lift tickets, etc. for Tetra Tech to accurately document the loading and hauling activities from cradle to grave.
- » Demobilize from the Site.

See the table below for ROM cost estimate for Option C.

Task #	Task Descriptions	Quantity	Price Basis	Unit Price ¹	Total Price ¹
1.1	Environmental Consulting Services – Project Management / Planning/ Agency Consultation	1	Lump	\$8,500	\$8,500
1.2	Environmental Consulting Services – Field Work ²	3	Weekly Rate	\$,000	\$24,000
1.3	Environmental Consulting Services – Reporting & Disposal Documentation Tracking	1	Lump	\$9,000	\$9,000
2.1	Earthwork Services – Load, Haul, & Dump Existing Stockpiles at PVT Landfill ³	4,400	Cubic Yard	\$186	\$818,400
TOTAL					\$859,900

Notes:

- 1 = Hawaii General Excise Tax is factored into the ROM pricing.
- 2 = A total of 3-weeks of field work is anticipated using the standard production rates assumed for Task 2.1.
- 3= Estimated duration for Task 2.1 is 3-weeks.

3 General Assumptions

The following general assumptions were utilized for preparing the ROM cost estimate summary.

- » Assume that access to the Site will be provided by and coordinated by HCDA and Tetra Tech prior to commencement of field work.
- » Assume that the Site will be vacant and unoccupied during the field work.
- » Assume that all gate combinations to enable access to the Site will be provided by Tetra Tech. No keys will be necessary to access the Site.
- » Assume that there is no active water or electricity service at the Site.
- » Assume that earthwork contractor can store equipment, vehicles, and materials on-site throughout the duration of field activities.
- » Tetra Tech will notify the HCDA two (2) weeks prior to any mobilization to the Site for field activities.
- » Assume that field work will be conducted during normal business hours, Monday through Friday (0700-1700 hours), excluding holidays and weekends.
- » Assume that all work must be completed by December 31, 2019.