ACT 268   H.B. NO. 2559-82

A Bill for an Act Making an Appropriation for Payment of Settlement Between the State of Hawaii and Dillingham Corporation dba Hawaiian Dredging and Construction Company.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Findings and purpose.** The purpose of this Act is to provide for the payment of a settlement negotiated by the State of Hawaii and Dillingham Corporation, doing business as Hawaiian Dredging and Construction Company, involving a suit (Civil No. 59357) filed by Dillingham Corporation against the State of Hawaii. The suit seeks damages of more than 1.6 million dollars. The claims alleged in the lawsuit are based on a contract awarded to Hawaiian Dredging and Construction Company for a federal-aid highway construction project on Oahu, the Waikakalaua Stream bridge of the H-2 freeway.

The departments of the attorney general and transportation have evaluated the claims and consider the settlement to be in the best interest of the State. The evaluation included consideration of the projected cost of defending the claims and the State's potential exposure to liability.

The state department of transportation will apply to the Federal Highway Administration for federal participation or reimbursement on the settlement amount of $520,000.

SECTION 2. There is appropriated the sum of $520,000 out of general obligation bond funds of the State of Hawaii, with debt service costs to be paid out of the state highway fund. This appropriation shall be used to settle the pending claims in Civil No. 59357 involving construction project Interstate Route H-2, Waiakakalaua Stream bridge, F.A.I.P. No. I-H2-1(10):6.

SECTION 3. The sum appropriated shall be expended by the department of

transportation for the purposes of this Act. As of the close of business on June 30, 1983, the unexpended or unencumbered balance of any appropriation made by this Act shall lapse into the general fund.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 17, 1982.)