

ACT 114

S.B. NO. 891

A Bill for an Act Making an Appropriation For Payment of Negotiated Settlement Between Research Corporation of the University of Hawaii and 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 negotiated settlement between the Research Corporation of the University of Hawaii and Hawaiian Dredging and Construction Company on claims for cost overruns incurred in construction related to the development of an Ocean Thermal Energy Conversion Plant, commonly known as "Mini-OTEC". Hawaiian Dredging and Construction Company's claims arise out of the Agreement for Management Services between the parties dated December 1, 1978.

The sum of \$321,786 has been agreed upon between the Research Corporation of the University of Hawaii and Hawaiian Dredging and Construction Company as the fair and reasonable settlement value of Hawaiian Dredging and Construction Company's claims. This settlement agreement was reached pursuant to negotiations held between the parties in accordance with the procedures outlined and agreed upon in the Agreement for Management Services dated December 1, 1978.

The Departments of Planning and Economic Development and the Attorney General have reviewed and evaluated the claims and procedures employed in reaching the settlement figure and consider the settlement to be fair, equitable, and in the best interests of the State of Hawaii.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$321,786, or so much thereof as may be necessary for fiscal year 1982-1983, in full settlement of all claims held by Dillingham Corporation dba Hawaiian Dredging and Construction Company, which arise out of its participation

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in the construction and development of "Mini-OTEC" pursuant to the Agreement for Management Services between the Research Corporation of the University of Hawaii and Hawaiian Dredging and Construction Company, dated December 1, 1978.

SECTION 3. The sum appropriated shall be expended by the department of planning and economic development for the purposes of this Act.

SECTION 4. This Act shall take effect upon approval.

(Approved May 25, 1983.)