

**DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI‘I
WATER BOARD MEETING
AGENDA**

MEETING DATE: February 27, 2018

TIME: 10:00 a.m.

PLACE: West Hawai‘i Civic Center, Community Center (**Building G**);
74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai‘i

- 1) CALL TO ORDER – 10:00 a.m. (*please turn cell phones off or set to silent*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES – Minutes of the January 23, 2018, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Addendum requires Roll Call Vote)
- 5) CONTESTED CASE HEARING (NOTICED FOR 10:00 A.M.):

Water Service Account No. 9000360-10

The above Contested Case Hearing is to take place in accordance with Chapter 91 of the Hawai‘i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

The issues involved in the above-referenced hearing will be Maile and Ryan Koyanagi’s appeal of the amounts shown due and owing on Account No. 9000360-10, which are associated with the meter reading date of December 27, 2016, and consequently, the appeal of any proposed shut off resulting from failure to pay said amount.

This hearing is being set pursuant to Mr. and Ms. Koyanagi’s letter request on June 25, 2017, for the hearing to be held at the August 22, 2017, Water Board Meeting, and subsequent emails of November 10 and 13 for postponement to February 27, 2018.

6) **PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2017**

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2017, have been distributed to Board Members. Representatives of N&K CPAs, Inc., the Department’s independent auditors, will be here to answer any questions the Board may have regarding the report.

7) **SOUTH HILO:**

A. **JOB NO. 2018-1081, PI‘IHONUA #1 DEEPWELL C REPAIR:**

This project consists of furnishing all labor, materials, tools and equipment necessary for the replacement of the existing submersible pump and motor, column assembly, sounding tubes, and all appurtenant materials; electrical work; chlorinate the well and pumping assembly; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on February 15, 2018, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling and Pump Services, LLC	\$389,952.00
Beylik Drilling and Pump Service, Inc.	\$593,840.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling and Pump Services, LLC)	\$ 389,952.00
2) Contingencies (9.9%)	\$ 38,948.00
Total Cost:	<u>\$ 428,900.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project was \$395,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2018-1081, PI'IHONUA #1 DEEPWELL C REPAIR, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC., for their bid amount of \$389,952.00, plus \$38,948.00 for contingencies, for a total contract amount of \$428,900.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

B. CANCELLATION OF WATERLINE AGREEMENT AND EASEMENT ON TAX MAP KEY 2-7-020:016:

Construction of the Paukaa Waterline Relocation project is complete and the new waterlines are in service. Accordingly, the Department no longer requires access to the waterline running through the above-named parcel granted by the Waterline Agreement and easement. The Cancellation of Agreement and Petition for Cancellation of Easement documents will be executed and filed with the Bureau of Conveyances and Land Court, respectively, subsequent and subject to the Board's approval.

RECOMMENDATION: It is recommended that the Water Board authorize the cancellation of the Waterline Agreement and easement over Tax Map Key 2-7-020:016 and approve the Cancellation of Agreement document and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents subject to review and approval as to form and legality by Corporation Counsel.

C. CANCELLATION OF WATERLINE EASEMENT ON TAX MAP KEY 2-7-020:014:

Construction of the Paukaa Waterline Relocation project is complete and the new waterlines are in service. Accordingly, the Department no longer requires access to the waterline granted by the easement running through the subject parcel. A petition for cancellation of the easement will be filed with Land Court subsequent and subject to the Board's Approval.

RECOMMENDATION: It is recommended that the Water Board authorize the cancellation of the easement over Tax Map Key 2-7-020:014 and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to the review and approval as to form and legality by Corporation Counsel.

8) NORTH KONA:

A. **JOB NO. 2017-1060, HUALĀLAI DEEPWELL REPAIR – CHANGE ORDER NO. 2:**

The contractor, Derrick’s Well Drilling and Pump Services, LLC, is requesting a contract change order for the additional work associated with the well extraction and submersible motor teardown. The description of additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Eliminate “Additional Work”	-\$ 4,000.00
2.	Eliminate” Part ”D”, Item 12, Installation of (2) 10” x 20’ D.I. pipe and related fittings.	-\$ 500.00
3.	Labor for extraction of Hualalai Deepwell.	\$ 35,000.00
4.	Teardown and inspection of submersible motor.	\$ 2,500.00
	TOTAL	\$ 33,000.00

Original Contract Amount: \$ 327,000.00
 Original Contingency amount: \$ 32,700.00
 1st Additional Contingency request: \$ 31,380.10
 Change Order #1: \$ 64,080.10

2nd Additional Contingency request: \$ 33,000.00
 Change Order #2: \$ 33,000.00

Total Revised Contract Amount: \$ 424,080.10

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$33,000.00 to Derrick’s Well Drilling and Pump Services, LLC, for JOB NO. 2017-1060, HUALĀLAI DEEPWELL REPAIR. If approved, the total revised contract amount shall be \$424,080.10.

B. **RIGHT-OF-ENTRY FOR KALOKO TANK NO. 2 (TAX MAP KEY 7-3-009:030) FOR SURVEYING AND SUBSEQUENT CONSTRUCTION OF A DEEP MONITOR WELL:**

The State of Hawai‘i, Department of Land and Natural Resources (DLNR), is requesting a temporary Right-of-Entry (ROE) in order to conduct a topographic survey and install a deep monitor well on the DWS Kaloko Tank No. 2 site to continue to increase monitoring efforts and to better understand the groundwater resources in North Kona. DLNR will be responsible for all costs associated with their work within the property.

RECOMMENDATION: It is recommended that the Board approve the ROE Agreement and authorize either the Chairperson or the Vice-Chairperson be authorized to sign the Agreement, subject to the review and approval as to form and legality by Corporation Counsel.

9) MISCELLANEOUS:

A. DEDICATIONS:

The Department received the following documents for action by the Water Board. The water system has been constructed in accordance with the Department's standards and is in acceptable condition for dedication.

1. GRANT OF EASEMENT
Grantor: Henry F. Hills, Ishmail R. Hills and Ishail K. Hills
Tax Map Key: (3) 7-3-007:100
2. BILL OF SALE
Seel Subdivision SUB. No. 2014-00001335
Seller: Jeffery W. Seel and Carol Seel
Tax Map Key: (3) 7-3-007:007
Facilities Charge: \$5,500.00 Date Paid: 2/16/2018
Final Inspection Date: 2/14/2018
Water System Cost: \$97,000.00
3. BILL OF SALE
SUB. No. 2016-1643
Grantor: Francis H. Rodillas and Martha A. Rodillas
Tax Map Key: (3) 2-5-040:042
Facilities Charge: \$5,500.00 Date Paid: 1/18/2018
Final Inspection Date: 12/14/2017
Water System Cost: \$23,000.00

RECOMMENDATION: It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

B. MONTHLY PROGRESS REPORT:

Submission of Progress Report of Projects by the Department. Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

C. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

D. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2019:

The Department's Fiscal Year 2019 Operating Budget, totaling \$53,864,000, and 5-Year C.I.P. Budget for Fiscal Year 2019-2023, totaling \$96,200,000, have been distributed for the Board's review.

RECOMMENDATION: It is recommended that the Board approve a public hearing to be held on Tuesday, March 27, 2018, at 9:30 a.m., prior to the Water Board's regular meeting, to accept public testimony regarding the Department's Fiscal Year 2019 Operating and C.I.P. Budgets.

E. **POWER COST CHARGE:**

Departmental power costs have increased as a result of Hawai'i Electric Light Company, Inc. (HELCO), billings. The Department proposes to increase the Power Cost Charge from \$1.62 to \$1.88 per thousand gallons to reflect this increase. In order to accept public testimony on this change, a Public Hearing should be scheduled before the Power Cost Charge is increased.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on March 27, 2018, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$1.62 to **\$1.88**, effective April 1, 2018.

F. **MANAGER-CHIEF ENGINEER'S REPORT:**

The Manager-Chief Engineer to provide an update on the following:

1. North Kona Wells
2. Hawaiian Ocean View Well
3. American Water Works Association (AWWA) National Conference – June 11-14, 2018

G. **CHAIRPERSON'S REPORT:**

1. Chairperson to report on matters of interest to the Board.
2. North Kona Water Permitted Interaction Group Update.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be March 27, 2018, 10:00 a.m., at the Department of Water Supply, Hilo Operations Conference Room, 889 Leilani Street, Hilo, HI

2. **Following Meeting:**

The following meeting of the Water Board will be April 24, 2018, 10:00 a.m., at the Department of Water Supply, Hilo Operations Conference Room, 889 Leilani Street, Hilo, HI

11) **ADJOURNMENT**

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Doreen Jollimore, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled meeting. **Notice to Lobbyists:** If you are a lobbyist, you must register with the Hawai'i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai'i County Code} A lobbyist means "any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials." {Article 15, Section 2-91.3(a)(6), Hawai'i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council, Hilo, Hawai'i.