

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAI'I WATER BOARD MEETING

May 23, 2017

West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokalole Highway, Kailua-Kona, HI

MEMBERS PRESENT: Mr. Craig Takamine, Chairperson
Mr. Russell Arikawa, Vice-Chairperson
Mr. William Boswell, Jr.
Mr. Nestorio Domingo
Mr. Leningrad Elarionoff
Ms. Brenda Iokepa-Moses
Mr. Eric Scicchitano
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT: Ms. Kanoe Wilson
Mr. Bryant Balog
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Jessica Yeh, Deputy Corporation Counsel
Mr. Lance Fukumoto, Fukunaga & Associates
Mr. Jon Nishimura, Fukunaga & Associates
Mr. Fred Camero, Jr., Beylik Drilling & Pump Service, Inc.
Mr. Jonathan Likeke Scheuer

Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy
Ms. Kaiulani Matsumoto, Information and Education Specialist
Mr. Kurt Inaba, Engineering Division Head
Ms. Candace Gray, Assistant Waterworks Controller
Mr. Daryl Ikeda, Operations Division
Mr. Eric Takamoto, Operations Division
Mr. Warren Ching, Operations Division
Mr. Lawrence Beck, Engineering Division
Ms. Tennyson Noyes, Contracts Branch

- 1) CALL TO ORDER – Chairperson Takamine called the meeting to order at 10:00 a.m. and introduced the Board's newest member, Mr. Eric Scicchitano. He asked Mr. Scicchitano to say a few words about himself. Mr. Scicchitano stated that he was happy to be on the Water Board. He is Director of Manufacturing and Distribution with HPM Building Supply and is involved in the community such as Habitat for Humanity as well as the Contractor's Association. He looks forward to being involved and mentioned it will be a steep learning curve and asked for patience as he asks questions.

2) STATEMENTS FROM THE PUBLIC

1. Mr. Fred Camero, Jr.

F. Camero: Good morning. My name is Fred Camero. I am with Beylik Drilling & Pump Service. Thank you for giving me the opportunity to speak with you this morning. I am here to respectfully request to be put on next month's agenda where I will be requesting a contract time extension for the project I am currently working with through the Department, the Kahalu'u A & B Booster Pump Repair. I believe that job number is 2016-1049. Two weeks ago, I had submitted an extension request letter to the Department. Subsequently, that extension letter request was denied; and I totally understand the reasoning behind that, specifically, the GRC's only allow certain justifiable situations which allow for contract time extensions. This particular reason did not fall under that specific situation. However, I do appreciate the Department's willingness to work with the contractor and to not want to punish a contractor for any delays that are beyond the contractor's control. I understand that they have recently introduced language in the bid package which specifically addresses this type of situation; however, unfortunately for me, my contract was awarded at the end of last year and this specific language only was introduced the beginning of this year. So I am here to provide more information, either...I can go through the timeline or I can answer any specific questions that you may have.

Chairperson Takamine stated that the Board could not ask any questions at this point but asked the Manager-Chief Engineer to look at what can be done to respond to Mr. Camero's request.

The Manager-Chief Engineer stated that it would be placed on next month's Board agenda.

2. Mr. Jonathan Scheuer

J. Scheuer: (Mr. Scheuer also handed out written testimony dated May 23, 2017.) Good morning, aloha. My name is Jonathan Likeke Scheuer, and I'm, as some of you know, I'm a consultant to the National Park Service, helping them with their water issues in West Hawai'i; and I'm here to testify on their behalf on Item G, which is your further consideration of public input on the update to the Keauhou section of the Water Use and Development Plan update of 2010. I've given you written testimony, but I'm just gonna briefly summarize it for you. Number one message we want to convey is thanks to you and to the consultants. One of the things that changed from your initial 2010 Water Use and Development Plan to now is a commitment to not seek to develop wells immediately mauka of Kaloko-Honokōhau National Historical Park, but rather instead to seek wells' development further south in the area, which will certainly minimize impacts to the natural resources and traditional and customary practices of the park. So if you remember one thing, we're here to thank you very much for that development in this plan. We're very grateful for that as well as the working relationship we've developed over the years with Keith and others. We would note, and this is more just to inform you, the plan itself that you've adopted talks about you're going to evaluate future wells and their cumulative impacts through the use of monitoring wells in the area. It's not clear whether these are gonna be existing wells or new wells or how that's gonna be done. And that's actually similar to the eight conditions that the State Water Commission adopted in February of this year in lieu of accepting the National Park Service's petition for designation of the Keauhou aquifer, they said well we're gonna do these eight things and one of the eight things was trying to get more monitoring wells put in. We think this is really important for both the Board as well as for the natural resources that we're all trying to protect because it is possible to have negative effects on coastal resources at pumping levels well below sustainable yield. And so the only way to figure out where water is not getting to is through the use of monitoring wells. So we're gonna continue to work with the State of Hawai'i Water Commission on trying to see more monitoring wells put in and what kind of protocols can be

put in to actually collect data and share data from those wells and we hope that's gonna be useful to you as you follow through on that commitment in that section of the Water Use and Development Plan. That's it. I'd be happy to answer any questions if you had any. (no questions)

3) APPROVAL OF MINUTES

ACTION: Ms. Iokepa-Moses moved for approval of the Minutes of the April 25, 2017, Water Board Meeting, seconded by Mr. Elarionoff and carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

Chairperson Takamine made note of the Supplemental Agenda provided today for 6(A) Job No. 2017-1065, Waimea Deepwell Repair.

He also noted Revised Item 8(A) Material Bid No. 2017-01, provided to the Board today.

The Manager-Chief Engineer asked what would be appropriate for this revision.

Ms. Yeh suggested a Motion to amend the agenda with regards to Item 8(A) and to accept the revised version.

The Manager-Chief Engineer noted that he was flexible how the Chairperson wanted to accommodate this. For the first one, Supplemental Agenda for Item 6(A), he was not sure if it required an amendment at this time or if the Chairperson would choose to accept it and take it up when the agenda item comes up on Page 2. For the separate request to amend the agenda to accommodate Items 8(A) and 8(D) he left it up to the Chairperson's preference whether to handle it when those agenda items come up or amend the agenda now.

Chairperson Takamine stated that his preference was to handle those agenda items when they come up on the agenda.

5) HĀMĀKUA:

A. JOB NO. 2011-971, KAPULENA WELL DEVELOPMENT PHASE 2 AND SUPPORTING FACILITIES:

The contractor, Jas. W. Glover, Ltd., is requesting a contract time extension of 11 calendar days. This is the second time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	02/19/2017	06/22/2017	123	Inclement and unworkable weather conditions (5 working days) and excess delays obtaining the building department permit (additional 116 calendar days)
2	06/22/2017	07/03/2017	11	Inclement and unworkable weather conditions (1 working day) and change order work (6 working days).
Total Days (including this request)			134	

The contractor's time extension request of one (1) working day is in concurrence with the Department's tally of reported agreed upon rain-outs. The six (6) additional working days are requested due to change order work.

The Manager-Chief Engineer recommended that the Water Board grant this contract time extension of 11 calendar days to Jas. W. Glover, Ltd., for JOB NO. 2011-971, Kapulena Well Development Phase 2 and Supporting Facilities. If approved, the contract completion date will be extended from June 22, 2017, to July 3, 2017.

MOTION: Mr. Arikawa moved for approval of the recommendation; seconded by Mr. Elarionoff.

The Manager-Chief Engineer explained this request is for one rain-out day and six for change order work to install bollards and other items associated with Hawai'i Electric Light Company (HELCO) service.

Mr. Inaba added that HELCO came out during the middle of the project prior to installing their line extension up to the site. At that time, they deemed some extra things needed to be done. Typically, in preliminary plans, the electrical consultant does not have specific plans for their work yet, therefore, this is added work that was not in the original contract.

The Manager-Chief Engineer added that is typical in our experience, especially with deepwell projects, where our electrical consultants have a fairly good idea of the HELCO requirements and that is what the bid documents are based upon when designed. When it actually comes to that phase during construction, when HELCO comes on site and takes a look around, it is not uncommon for them to deviate from what the consultants have drawn up. It could be either updated standards or a site-specific issue that causes them to make changes. He also mentioned that another time extension request would probably be coming next month for this project due to some delays with State Highway permitting.

Mr. Elarionoff asked why it was not listed as a change order if it was added work.

The Manager-Chief Engineer replied it was because the work is different from what the bid documents contain. Bid documents consist of the plans and the specifications. Normally, in the plans, the electrical drawings will show the conduit runs, the anticipated service drop, the transformer location, even down to the amount of protective bollards around the transformer. When HELCO comes on site, they may make changes and present their requirement to us which is then handed over to the contractor. This was over and beyond what was on the plans for that portion of work.

Mr. Boswell asked if the bollards were already included in the cost of the work, but that the time was not anticipated.

Mr. Inaba replied that additional bollards were required and it did take a couple of extra days to get the material onsite, even though they had the material.

Mr. Scicchitano asked if there is pre-coordination between HELCO and the consultant.

The Manager-Chief Engineer replied there is.

ACTION: Motion was carried unanimously by voice vote.

6) SOUTH KOHALA:

A. **JOB NO. 2017-1065, WAIMEA DEEPWELL REPAIR:**

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor, and column assembly; install a submersible pump and motor, column assembly, power cable, sounding tubes, and all appurtenant materials; chlorinate the well and pumping assembly; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on May 22, 2017, at 1:30 p.m., and following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$50,700.00
Derrick's Well Drilling and Pump Services, LLC	\$87,347.00

Project Costs:

1) Low Bidder (Beylik Drilling and Pump Service, Inc.)	\$ 50,700.00
2) Contingencies (9.86%)	<u>\$ 5,000.00</u>
Total Cost:	<u>\$ 55,700.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 60 calendar days to complete this project. The Engineering estimate for this project was \$75,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2017-1065, WAIMEA DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Service, Inc., for their bid amount of \$50,700.00, plus \$5,000.00 for contingencies, for a total contract amount of **\$55,700.00**. 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.

MOTION: Mr. Arikawa moved for approval of the recommendation; seconded by Mr. Elarionoff.

The Manager-Chief Engineer mentioned that the low cost is due to the Department's intent to furnish the pump and motor for this job. In response to a question of where the well is located, Mr. Takamoto replied that it is just below the water treatment plant, on the same property.

ACTION: Motion was carried unanimously by voice vote.

7) NORTH KONA:

A. **JOB NO. 2017-1062, KALAOA #1 DEEPWELL REPAIR:**

The Manager-Chief Engineer stated that although it was intended that this be awarded today, due to an addendum that was of substance, it was decided, to be in the best interests for both the Department and the contractors, to postpone the bid opening from May 18 to June 15, 2017. This is expected to be taken up at next month's Water Board meeting.

8) MISCELLANEOUS:

A. MATERIAL BID NO. 2017-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF DEPARTMENT OF WATER SUPPLY STOCK:

Bids were opened on May 9, 2017, and following are the bid results:

The contract period for all Parts is one year, from July 1, 2017, to June 30, 2018. All Parts are established price agreements for materials on an “As-Needed Basis.”

Chairperson Takamine clarified for some of the new Board members that this does not mean the items will be purchased all at one time. It is approval of the sum for each item. He noted the revisions to the Agenda, which was handed out today. He asked for a Motion to revise the Agenda to reflect these revisions.

ACTION TO AMEND AGENDA: Mr. Arikawa moved to amend the agenda to reflect the revised bid award; seconded by Ms. Iokepa-Moses and carried unanimously by voice vote.

The Manager-Chief Engineer recommended that the Board award the contract to the following bidders for MATERIAL BID NO. 2017-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, on an as-needed basis, as listed below, and that either the Chairperson of the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2017, to June 30, 2018. **AMENDMENTS NOTED FOR SECTIONS 14, 15, 32, AND 50.**

PART NO.	DESCRIPTION	BIDDER	AMOUNT
1	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Ferguson Enterprises, Inc.	\$45,152.00
2	DUCTILE IRON FITTINGS	Ferguson Enterprises, Inc.	\$30,770.00
3	DUCTILE IRON SOLID BODY SLEEVES	Ferguson Enterprises, Inc.	\$44,500.60
4	FLANGE GASKETS	Ferguson Enterprises, Inc.	\$6,229.10
5	NUTS, BOLTS, AND THREADED RODS	Sid Tool Company, Inc. dba MSC Industrial Supply Co. and Class C Solutions Group	\$40,366.92
6	COPPER TUBING	Ferguson Enterprises, Inc.	\$76,535.00
7	GALVANIZED PIPES T&C (THREADED & COUPLED)	Ferguson Enterprises, Inc.	\$10,901.75
9	METER BOXES	Ferguson Enterprises, Inc.	\$48,850.00
10	METER COVERS	A.P. Water Supply, Inc., dba HIW Hawai'i	\$3,350.00
11	AUTOMATIC METER READING UNIT	Ferguson Enterprises, Inc.	\$51,500.00
12	5/8" WATER METERS	Ferguson Enterprises, Inc.	\$86,400.00
13	NEPTUNE T-10 SERIES METER PARTS	Ferguson Enterprises, Inc.	\$667.05

PART NO.	DESCRIPTION	BIDDER	AMOUNT
14	BADGER RECORDALL SERIES METER PARTS	Badger Meter, Inc. dba National Meter & Automation DEFERRED	\$4,264.60 DEFERRED
15	1"- 2" WATER METERS	Badger Meter, Inc. dba National Meter & Automation DEFERRED	\$22,010.75 DEFERRED
16	COMPOUND WATER METERS	Ferguson Enterprises, Inc.	\$11,500.00
17	TURBINE METERS AND STRAINERS	Ferguson Enterprises, Inc.	\$24,981.79
18	DETECTOR CHECK METERS	Ferguson Enterprises, Inc.	\$6,500.00
19	FIRE SERVICE METERS	Ferguson Enterprises, Inc.	\$38,500.00
20	FIRE HYDRANTS	Ferguson Enterprises, Inc.	\$104,000.00
21	MUELLER FIRE HYDRANT PARTS	A.P. Water Supply, Inc., dba HIW Hawai'i	\$5,006.50
22	MUELLER FIRE HYDRANT EXTENSION KITS	A.P. Water Supply, Inc., dba HIW Hawai'i	\$4,884.25
23	AMERICAN DARLING FIRE HYDRANT PARTS	Ferguson Enterprises, Inc.	\$8,319.00
24	AMERICAN DARLING FIRE HYDRANT EXTENSION KIT	Ferguson Enterprises, Inc.	\$43,660.20
25	BALL METER VALVES	Ferguson Enterprises, Inc.	\$53,000.00
26	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Ferguson Enterprises, Inc.	\$34,560.00
27	COMPRESSION JOINT COUPLING	Ferguson Enterprises, Inc.	\$5,172.00
28	METER FLANGE COUPLING	Ferguson Enterprises, Inc.	\$3,690.00
29	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$37,821.40
30	CORPORATION AND CURB STOPS – BALL TYPE	Ferguson Enterprises, Inc.	\$72,210.00
31	PRESSURE REGULATORS	Ferguson Enterprises, Inc.	\$1,169.56
32	HOSE BIBBS	W. W. Grainger, Inc. Ferguson Enterprises, Inc.	\$2,132.00 \$2,636.00
33	INVERTED MARKING PAINT	Safety Systems & Signs Hawai'i, Inc.	\$8,332.00
34	AIR RELIEF VALVES	Ferguson Enterprises, Inc.	\$11,600.00
35	SLOW CLOSING AIR/VACUUM VALVES	Ferguson Enterprises, Inc.	\$178,621.05
36	SILENT CHECK VALVES	Ferguson Enterprises, Inc.	\$80,458.22
37	DUCKBILL CHECK VALVES	Ferguson Enterprises, Inc.	\$109,598.25
38	VALVE BOX DEBRIS CAP	Ferguson Enterprises, Inc.	\$17,000.00
39	GATE VALVES – 3" AND LARGER, 125# CLASS	Ferguson Enterprises, Inc.	\$35,977.21
40	GATE VALVES – 3" AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$59,958.23
41	BUTTERFLY VALVES	Ferguson Enterprises, Inc.	\$10,134.00
42	AUTOMATIC CONTROL VALVES	Ferguson Enterprises, Inc.	\$2,050,296.73
44	RESERVOIR LEVEL INDICATOR	TK Process Hawai'i, LLC	\$5,328.40

PART NO.	DESCRIPTION	BIDDER	AMOUNT
50	ELECTRICAL SAFETY EQUIPMENT	W.W. Grainger, Inc. Sid Tool Company, Inc. dba MSC Industrial Supply Co. and Class C Solutions Group	\$2,155.21 \$2,173.55
51	ELECTRICAL TAPE	OneSource Distributors, LLC	\$341.86
52	DUCT SEAL COMPOUND	OneSource Distributors, LLC	\$127.80
53	LIQUIDTIGHT FLEXIBLE NON-METALLIC CONDUIT & FITTINGS	OneSource Distributors, LLC	\$569.07
54	LIQUIDTIGHT FLEXIBLE METALLIC CONDUIT & FITTINGS	OneSource Distributors, LLC	\$4,155.00
55	RIGID PVC CONDUIT & FITTINGS	OneSource Distributors, LLC	\$3,284.10
56	EMT CONDUIT & FITTINGS	OneSource Distributors, LLC	\$9,226.89
57	RIGID GALVANIZED STEEL CONDUIT & FITTINGS	Wesco Distribution, Inc.	\$4,312.35
58	UNISTRUT CHANNEL AND HARDWARE	OneSource Distributors, LLC	\$9,829.50
60	INDUSTRIAL MOTOR LEAD CABLE	TK Process Hawai'i, LLC	\$135,757.91
61	INDUSTRIAL CONTROL WIRING	Sid Tool Company, Inc. dba MSC Industrial Supply Co. and Class C Solutions Group	\$3,573.00
63	JUNCTION BOXES & ENCLOSURES	TK Process Hawai'i, LLC	\$47,499.93
64	HEAVY-DUTY SAFETY SWITCH	Wesco Distribution, Inc.	\$47,825.21
65	SOLID STATE REDUCED VOLTAGE SOFT STARTER	TK Process Hawai'i, LLC	\$120,965.68
66	MEDIUM-VOLTAGE REDUCED VOLTAGE SOFT STARTER	TK Process Hawai'i, LLC	\$64,637.28
67	VARIABLE FREQUENCY DRIVES	TK Process Hawai'i, LLC	\$2,282,230.49
68	POWER QUALITY EQUIPMENT	TK Process Hawai'i, LLC	\$395,530.00
69	PAD-MOUNTED STEP-UP TRANSFORMER	Wesco Distribution, Inc.	\$398,144.31
70	MOLDED CASE CIRCUIT BREAKERS	TK Process Hawai'i, LLC	\$62,603.00
75	RETROFIT RTU PANEL	TK Process Hawai'i, LLC	\$16,200.00
76	PRE-FABRICATED SCADA SOLUTIONS	Control Systems West, Inc.	\$1,980,123.11
77	AUTOMATION AND CONTROL COMPONENTS	Control Systems West, Inc.	\$20,642.46
78	AUTOMATION SOFTWARE	Control Systems West, Inc.	\$329,853.62
79	PROGRAMMING SERVICES	TK Process Hawai'i, LLC	\$1,500.00
85	PRESSURE TRANSMITTER	TK Process Hawai'i, LLC	\$2,231.14
89	WATER QUALITY EQUIPMENT	Ferguson Enterprises, Inc.	\$20,752.18
90	REAGENTS AND STANDARDS	Ferguson Enterprises, Inc.	\$2,431.30
91	MULTISTAGE BOOSTER PUMPS	Engineered Systems, Inc.	\$325,194.68
92	CHEMICAL FEEDER PUMP	OneSource Distributors, LLC	\$7,170.00

PART NO.	DESCRIPTION	BIDDER	AMOUNT
94	STAND-ALONE CHLORINE GAS DETECTOR	Safety Systems & Signs Hawai'i, Inc.	\$2,839.23
96	CHLORINE GAS FEEDER	OneSource Distributors, LLC	\$17,146.95
98	MECHANICAL SEALS	Engineered Systems, Inc.	\$92,842.94
102A	LEAK NOISE DATA LOGGERS	Ferguson Enterprises, Inc.	\$94,662.45
103	LIGHT EMITTING DIODE LUMINARIES	TK Process Hawai'i, LLC	\$6,352.20

For the following Sections: Section 8 – High Density Polyethylene (HDPE) Pipe; Section 43 – High Performance Butterfly Pump Control Valves; Section 45 – Hatch Frames and Covers; Section 46 – Arc Flash PPE – Daily Wear; Section 47 – Arc Flash PPE – Supplemental; Section 48 – Electrical Gloves & Testing; Section 49 – Digital Multimeter & Testing; Section 59 – Electrical Connectors & Terminations; Section 62 – Infrared Windows; Section 71A – Surge Protection Devices; Section 72 – 3-Phase Monitor Relay; Section 73 – Power Monitoring Equipment; Section 74 – Industrial Electronic Components; Section 80- Uninterruptible Power Supply (UPS); Section 81 – Communication Hardware; Section 82 – Radio Equipment; Section 83 – Well Pressure Transducer; Section 84 – Pressure Transducer – Reservoir Level; Section 86 – Flow Switch; Section 87A – Zero-Clearance Electromagnetic Flow Meters; Section 88 – Reagentless Chlorine Residual Analyzer; Section 93 – Digital Chlorine Cylinder Scale; Section 95 – Chlorinator; Section 97 – Tablet Chlorinator & Parts; Section 99 – Motors; Section 100 – Submersible Motors – Refurbish / Rewind; Section 101 – Submersible Pump Cable, no bids were received. For the Sections where no bids were received, staff shall obtain quotations in the best interests of the Department.

MOTION: Ms. Iokepa-Moses moved to approve the bid award, as revised; seconded by Mr. Arikawa.

The Manager-Chief Engineer explained that this bid is to give the Department a list of material that can be called upon on an as-needed basis rather than procure each item separately.

Mr. Domingo noted that on the list, he was looking for the item quantity, especially on the million-dollar ticket items. He wondered how many items the Department would be buying.

Mr. Ikeda explained that for each Part number, there are multiple items used when putting out the bid. The Department estimates how much it uses per year, for instance, 6-inch pipes: 20 lengths are used; and that would be the quantity placed on the bidding documents for the vendor to bid on. What was provided to the Board was a recap on the total for each item, or part number.

The Manager-Chief Engineer added that an example would be the Variable Frequency Drives (VFD), Part 67, with a bid over \$2 million. The Department specifies what it anticipates purchasing in the fiscal year and lists the quantity, because it affects the price. If the vendor anticipates they will be able to sell, example, 20 of these units, versus just one, they may be able to offer a more competitive price. Because it is an estimate, there is a bit of risk on the vendor for what to propose and still stay competitive.

Mr. Elarionoff asked for an explanation on the difference in price between Sections 13 and 14. They both say meter parts, but one bid price is \$667.05 and the other is 4,264.60.

Mr. Ikeda explained they are different types of meters. One is Neptune and one is Badger and they are different sized meters.

ACTION: Motion approve the bid award, as revised, was carried unanimously by voice vote.

B. WATER HAULING BID NO. 2017-04, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 10, 2017, at 1:30 p.m., and following are the bid results:

- 1. Carnor Sumida dba ACR Water Hauling**
4,000-, and 5,000-gallon water trucks (price for all districts):

Regular Hours	\$103.28/hr.
Overtime Hours	\$117.48/hr.

- 2. Kea'au Service Station, Inc.**
4,250-gallon water truck (price for all districts):

Regular Hours	\$142.00/hr.
Overtime Hours	\$192.00/hr.

5,000-gallon water truck (price for all districts):

Regular Hours	\$152.00/hr.
Overtime Hours	\$202.00/hr.

6,000-gallon water truck (price for all districts):

Regular Hours	\$165.00/hr.
Overtime Hours	\$215.00/hr.

The Manager-Chief Engineer recommended that the Board approve the price agreement for WATER HAULING BID NO. 2017-04, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY at the prices listed above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2017, to June 30, 2019.

MOTION: Ms. Iokepa-Moses moved for approval of the recommendation; seconded by Mr. Arikawa.

Mr. Ikeda explained that this bid is to establish a price agreement, as-needed. If a small well were to break down and the Department needed to haul water to supplement the community, it would have this list of people that can be contacted. Example, if ACR Water Hauling is not able to provide the trucks necessary, the Department has the option of going to Kea'au Service Station at the price listed. These prices will be held for two years. In answer to Mr. Arikawa's question of what would happen if both carriers are unavailable, he stated the Department would look for another vendor; however, that situation has never been encountered.

The Manager-Chief Engineer added that it has been very infrequent thus far that this service has had to be utilized. In response to Mr. Boswell's question of whether his understanding was correct that the trucks are certified to haul potable water, he replied that was correct. It was specified in the bid documents.

ACTION: Motion was carried unanimously by voice vote.

C. MATERIAL BID NO. 2017-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 10, 2017, at 2:00 p.m., and following are the bid results:

		Yamada & Sons, Inc.	WHC LTD dba West Hawai'i Concrete	Grace Pacific LLC	Edwin Deluz Trucking & Gravel, LLC	Jas. W. Glover, Ltd.
	DISTRICT I:					
1A.	3/4-Inch Base Course (Cost per ton)	\$20.35				\$18.49
1B.	1½-Inch Base Course (Cost per ton)	\$19.80				\$17.71
1C.	No. 3F Rock (Cost per ton)	\$25.80				\$32.29
1D.	#4 Sand (Cost per ton)	\$50.00				\$40.62
1E.	Mortar Sand - ASTM C144 (Cost per ton)					\$64.58
1F.	Cold Mix- ASTM D4215-87 (Cost per ton)	\$153.10				\$150.00
1G.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	\$52.10				\$50.00
1H.	Hot Mix – County Mix IV (Cost per ton)	\$144.35				\$141.67
	DISTRICT II:					
2A.	3/4-Inch Base Course (Cost per ton)		\$14.97		\$12.90	
2B.	1½-Inch Base Course (Cost per ton)		\$13.57		\$12.45	
2C.	No. 3F Rock (Cost per ton)		\$23.62		\$19.85	
2D.	#4 Sand (Cost per ton)		\$26.28		\$32.50	
2E.	Mortar Sand - ASTM C144 (Cost per ton)		\$45.59			
2F.	Cold Mix- ASTM D4215-87 (Cost per ton)					
	DISTRICT III:					
3A.	3/4-Inch Base Course (Cost per ton)		\$20.46			
3B.	1½-Inch Base Course (Cost per ton)		\$18.85			
3C.	No. 3F Rock (Cost per ton)		\$34.04			
3D.	#4 Sand (Cost per ton)		\$38.28			
3E.	Mortar Sand - ASTM C144 (Cost per ton)		\$60.64			
3F.	Cold Mix–ASTM D4215-87 (Cost per ton)			\$156.00		
3G.	Hot Mix - County Mix IV (Cost per ton)			\$155.10		

The Manager-Chief Engineer recommended that the Board award the contract for MATERIAL BID NO. 2017-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO

THE DEPARTMENT OF WATER SUPPLY, by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

**District I – Parts 1A, 1B, 1D, 1E, 1F, 1G and 1H to Jas. W. Glover, Ltd.
Part 1C to Yamada & Sons, Inc.**

**District II – Parts 2A, 2B and 2C to Edwin Deluz Trucking & Gravel, LLC
Parts 2D and 2E to WHC, Ltd. dba West Hawai'i Concrete**

**District III – Parts 3A, 3B, 3C, 3D and 3E to WHC, Ltd. dba West Hawai'i Concrete
Parts 3F and 3G to Grace Pacific, LLC**

For the Parts where no bids were received, staff shall obtain quotations in the best interests of the Department. The contract period shall be from July 1, 2017, to June 30, 2018.

MOTION: Mr. Arikawa moved for approval of the recommendation; seconded by Ms. Iokepa-Moses.

The Manager-Chief Engineer noted that this is similar to the other material bids whereby it will be on an as-needed basis.

Mr. Boswell asked if there was any volume established at this point.

The Manager-Chief Engineer replied that this is just based on cost per ton.

Mr. Elarionoff asked about the “best interests of the Department” and if that meant price-wise.

The Manager-Chief Engineer replied that was correct. Even that process needs to follow procurement laws.

ACTION: Motion was carried unanimously by voice vote.

NOTE: THIS AWARD ACTION WAS LATER REVISITED. SEE PAGE 21.

D. MAINTENANCE BID NO. 2017-03, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT HIL-A-VATOR, KONA:

Bids were opened on May 10, 2017, at 2:30 p.m., and following are the bid results:

ThyssenKrupp Elevator, Corp., bid \$998.41/month to perform the repair and maintenance on the Hil-a-vator for two years, with a call-out cost of \$345.00/hour.

1. Cost of contract for two years (\$998.41 x 24 months)	\$23,961.84
2. Contingency	<u>5,000.00</u>
TOTAL:	\$28,961.84

The last contract price was for \$1,367.00/month, with a call-out cost of \$238.71/hour.

RECOMMENDATION: It is recommended that the Board award the contract for MAINTENANCE BID NO. 2017-03, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT HIL-A-VATOR, KONA, to ThyssenKrupp Elevator, Corp., for their bid amount of \$23,961.84, plus \$5,000.00 in

contingency, for a total contract price of \$28,961.84, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel. The contract period shall be from July 1, 2017, to June 30, 2019.

Chairperson Takamine mentioned this item had supplemental information given out today and asked the Manager-Chief Engineer to comment.

The Manager-Chief Engineer stated this was another situation where it may be prudent to request a Motion to Amend the agenda. What happened with this bid, although it is written as such in the Agenda, is that upon further review of the bid documents, it was discovered that the sole bidder was non-responsive. The Department's recommendation will change. He asked Ms. Yeh for the best way to accommodate this change.

Ms. Yeh suggested a Motion to amend the agenda to reflect that the bidder was actually non-responsive and to reflect the Manager-Chief Engineer's recommendation.

ACTION TO AMEND AGENDA: Mr. Arikawa moved to amend the agenda to reflect that the bidder was non-responsive and to reflect the Manager-Chief Engineer's recommendation; seconded by Ms. Iokepa-Moses and carried unanimously by voice vote.

The Manager-Chief Engineer recommended that the Board not award the contract for MAINTENANCE BID NO. 2017-03, REPAIR AND MAINTENANCE OF KAHALU'U SHAFT HIL-A-VATOR, KONA, due to no qualified bids received. Staff will seek alternate methods of procurement, in accordance with procurement rules.

ACTION: Ms. Iokepa-Moses moved for approval of the recommendation not to award the contract; seconded by Mr. Arikawa and carried unanimously by voice vote.

E. RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES (BRANTLEY CENTER, INC.):

Brantley Center, Inc., presently has a Maintenance Agreement for site maintenance for the Department's South Kohala, Hāmākua, and Laupāhoehoe tank and pump sites. They are requesting to renew the Agreement from July 1, 2017, to June 30, 2018. The rates would be as follows:

South Kohala -	\$4,392.35/month x 12 months	=	\$52,708.20
Hāmākua -	\$2,944.16/month x 12 months	=	\$35,329.92
Laupāhoehoe -	\$738.48/month x 12 months	=	<u>\$8,861.76</u>
	Total:		\$96,899.88

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Subsection 103D-1010 of the Hawai'i Public Procurement Code. Brantley Center, Inc., has submitted the necessary documents to meet the requirements as a qualified rehabilitation facility. There is no increase from their proposal for Fiscal Year 2016-2017. Brantley Center's performance has been satisfactory and the costs are reasonable. A total of 41 sites are covered by this agreement.

The Manager-Chief Engineer recommended that the Board award the contract for the RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES to Brantley Center Inc., for a period from July 1, 2017, to June 30, 2018, at

a total cost of \$96,899.88, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

MOTION: Ms. Iokepa-Moses moved for approval of the recommendation; seconded by Mr. Arikawa.

The Manager-Chief Engineer explained that this is a yearly bid and is for utilizing Brantley Center, Inc., which is a qualified rehabilitation facility; therefore, they are exempt from the normal procurement. They have done a sufficient job for the Department in the past and are not raising their price. The Department would like to continue utilizing their services.

Mr. Arikawa asked how many years the Department has been utilizing Brantley Center, Inc.

Mr. Ikeda replied it would be over 20 years for the area.

ACTION: Motion was carried unanimously by voice vote.

F. **JOB NO. 2017-1015, DWS TELECOMMUNICATIONS SYSTEMS:**

This project consists of replacing the existing telephone systems at the DWS Main Office, Hilo Operations Center, Water Quality Laboratory, Waimea Baseyard, and Kona Baseyard. The existing telephone systems are obsolete, and some portions of the system cannot be repaired should a failure occur. The telephone handsets are also system specific and, thus, replacement of the handsets is also included in the bid.

Bids for this project were opened on March 16, 2017, at 2:00 p.m., and the following are the bid results:

Bidder	
A3 Telecom, Inc.	\$81,487.20
Converged Telecom, LLC	Non-responsive
Hawaiian Telcom, Inc.	Non-responsive
Echo Mountain Realty Inc. dba EMR Corporation	No Bid

Project Costs including a maintenance period of five (5) years:

A3 Telecom, Inc. \$ 81,487.20

Funding for this project will be from the Department's Operating budget. The Contractor will have 180 calendar days from the date of Notice to Proceed to complete the project. The estimate for this project was \$80,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB No. 2017-1015, DWS TELECOMMUNICATIONS SYSTEMS, to the lowest responsible bidder, A3 Telecom, Inc., for the bid amount of \$81,487.20, and 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.

MOTION: Mr. Arikawa moved for approval of the recommendation; seconded by Ms. Iokepa-Moses.

The Manager-Chief Engineer stated that this long-overdue project is to replace the Department's obsolete telephone system, islandwide, for which parts are no longer available.

In response to Chairperson Takamine's question of why there was only one bidder for this project, the Manager-Chief Engineer explained that the other two were non-responsive for either not supplying the proper proposal or not supplying a proper product without a pre-approved substitution request.

ACTION: Motion was carried unanimously by voice vote.

RECESS: The Board took a recess from 10:40 a.m. to 10:50 a.m. to prepare for Fukunaga & Associates' presentation. (Mr. Camero left the meeting.)

G. WATER USE AND DEVELOPMENT PLAN UPDATE - KEAUKOU AQUIFER SYSTEM AREA:

The Water Use and Development Plan Update for the Keauhou Aquifer System area has been granted authorization by the Commission on Water Resource Management to proceed with the Water Board approval and subsequently the County Council approval process. This is the second of two Water Board Meetings to receive further input regarding the plan update.

Messrs. Lance Fukumoto and Jon Nishimura of Fukunaga & Associates made a presentation to the Board.

Mr. Fukumoto began the presentation which outlines goals and guiding principals for this update. Key goals for the plan are first to provide guidance to ensure that future water needs of the County are met while preserving the integrity of the island's water resources. Second is to ensure that sustainable water resources are integrated into the formulation and development of land use policies by the County. What that means is we are not just planning for today, but for several generations to come. Guiding principles behind the plan and all components of the Hawai'i Water Plan--first, the public trust doctrine, which states that waters of the State are held for the benefit of the citizens of the State. Water is the most precious resource and shall be used wisely. Highest quality water shall be used for the community's highest beneficial uses, meaning potable water shall be used for domestic use and human consumption, and non-potable water should be used whenever feasible, such as irrigation and agriculture.

Overview of the Hawai'i Water Plan – there are five components. The Water Resource Protection Plan and the Water Quality Plan define protection policies and the source in terms of quantity and quality. The State Water Projects Plan and the Agricultural Water Use and Development Plan define the demand from State needs. All four components feed into the Water Use and Development Plans which tie water to land use, and each county is responsible for preparing their own separate Water Use and Development Plans. All current components of the Hawai'i Water Plan can be found on the Commission on Water Resource Management website.

Background into the Hawai'i Water Use and Development Plan – the original was prepared in 1990 and the first update was completed in 2010 and adopted by the Commission on Water Resource Management in 2011. This original update included an island-wide assessment and identified areas that warranted further study and evaluation. These two areas that were identified were the Waimea Aquifer system area within the west Mauna Kea Aquifer sector area and the Keauhou Aquifer system area within the Hualālai Aquifer sector area. This plan focuses exclusively on the Keauhou Aquifer system.

The current update of the Keauhou Water Use and Development Plan included several components. First was the assessment of actual water use and anticipated demands and actually three different

water demand scenarios were examined. First, as mentioned, were the anticipated demand scenarios which were a combination of existing water use, projected future water use under various degrees of entitlement, and also future water use associated with land use at various stages of the approvals process. The second demand scenario examined was County zoning which was a combination of existing water use for developed parcels and projected water use for undeveloped parcels based on actual water consumption in similarly zoned areas. The third demand scenario was the 20-year incremental projection based on existing water use and population growth. He went over maps as follows:

Figure 3-1, Anticipated Water Demands – illustrates the entire build graphic, showing each layer as it is built upon the original TMK map. Mr. Nishimura stated that the first map shows the existing users and the water that is already being used based on current conditions, and then additional future infill of the undeveloped parcels.

Mr. Fukumoto spoke of the water agreements and credits. By that, they mean developer agreements which are typically developer-installed source and/or infrastructure and dedicates to the Department of Water Supply in exchange for a set allocation or commitments for water service. Also included are vacant lots with installed service laterals and lots with approved building permits. If you look on Figure 3-1, the water commitments are in light blue. The next component would be Department of Hawaiian Home Lands (DHHL), which shows allocation of water for the DHHL based on their request for water reservation within the Keauhou Aquifer sector. There is significant overlap amongst the various components of anticipated demand. In calculating for the anticipated demand scenario, a lot of care had to be calculated to avoid double counting.

Mr. Nishimura stated that the map starts off with the existing conditions, adds on the future commitments of the County or the Department, and then the DHHL layer on top of that. You begin filling in all those open spaces that are currently non-developed. Finally, the last one is the Kona Use and Development Plan. You basically have a one-to-one correlation between location and demand. If things come in other than that, they need to be evaluated carefully.

Mr. Fukumoto also mentioned that the order of the build graphic by no means represents any significance in terms of priority.

“Summary of Water Demand Scenarios – Keauhou ASYA” illustrates the water demand scenarios in relation to the sustainable yield which is the maximum rate at which water can safely be withdrawn from a water source. The light blue along the top would be the sustainable yield for the Keauhou Aquifer system, at 38 mgd, and the dashed light blue line right below that is 90% of the sustainable yield, which is one of the triggers for designation as a water management area. Below that is the green line, which is the anticipated demand scenario, at approximately 28 mgd. Finally, the pink lines are the 20-year demand projections based on population growth and groundwater pumpage, which, at beginning of the year 2015, is approximately 15 mgd and then projecting out to year 2035 at approximately 23 mgd. Both scenarios are well below the sustainable yield numbers.

One of the mandates from the Commission on Water Resource Management was to incorporate environmental and cultural issues into the Water Use and Development Plan. The initial outreach involved consultation with Native Hawaiian groups, including meetings and discussion with the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands. The general finding from this outreach was that traditional and customary impacts may typically require more detailed information regarding scope and location of a proposed action. To determine traditional and customary impacts of source development, a two-tiered approach was proposed. First was disclosure of an overall conceptual development program, and secondly was a process to evaluate the impact of

specific source development proposals. This would be developed by the Commission on Water Resource Management through their well construction and pump installation permit application as a means to flush out traditional and customary concerns and impacts. They would accomplish this by adding to the permit application, the requirement for consultation with the Ahamoku group, which represents the lineal descendants of each Ahupua‘a. The intent of this consultation process is to develop mitigative measures to address any concerns and/or impacts during the permitting stage.

For the overall source and infrastructure development program and meeting anticipated demands, first is the Department of Water Supply’s five-year capital improvement program (Figure 4-1). It depicts the completed and future CIP projects. This illustrates within a five-year window what actually has been built and has been programmed. Figure 4-2 represents the overall conceptual source development strategies, which are first to reduce dependence on basal water sources, which are any water sources makai of the purple dashed line. Mauka of that represents high level and makai represents the basal sources. This is done by responsible development of high-level sources, meaning prudent well development in terms of spacing and interaction and also exploration of the southern part of the Keauhou Aquifer system area in the approximately 1600-foot ground elevation. That would be represented by the light blue shaded area. Also, investigation of the mid elevation deep aquifer as a potential resource, and finally, development of water system infrastructure to move water mauka to makai and then north to south. This is represented by the green arrows, showing the general direction of water flow. This is actually already occurring, as demonstrated by the CIP program.

Mr. Nishimura added that the blue dots represent the demand locations and the size of the dot means the relative amount that will be needed.

Mr. Fukumoto continued with non-potable source strategies and water conservation. One is to increase the use of non-potable water whenever possible and the greatest opportunity for this is recycled water. This is already in progress with the Department of Environmental Management’s initiatives to convert the Kealakehe Wastewater Treatment Plant to produce R1 recycled water. Also in water conservation initiatives is the Department of Water Supply’s water loss management program, the partnership with WaterSmart, proper landscaping, and outreach.

Watershed Management Strategies – the Department of Water Supply is already active in watershed protection initiatives such as participation in the Three Mountain Alliance, which is a watershed partnership of ten members, and also the identification of priority recharge areas for the Department’s water systems for protection and enhancement and working with the Department of Health.

The current status of the Water Use and Development Plan for Keauhou update – the plan was approved by the Commission on Water Resource Management at its February 2017 meeting. After the Water Board presentations of today and last month, the proposed next steps are adoption by Hawai‘i County Council and then, if adopted, on to the Commission on Water Resource Management for adoption.

Questions:

Mr. Domingo stated that he had read the document from cover to cover and felt that all bases had been covered. He felt it was a very good report. His question was, as a representative of District 7, if the 38-million gallon daily sustainable yield (based on 20 inches of rain) was annual rainfall and whether the 125 inches of rain for the forested area and the yield of 38-million gallon daily sustainable yield was annual average, plus whether it was based on some kind of almanac or data from all those years.

Mr. Nishimura replied that the chart shown with the different components of the Hawai'i Water Plan includes a Water Resource Protection Plan. It was prepared by the State Water Commission and is constantly updated as technology gets better. They work closely with the United States Geological Service (USGS) along with other hydrogeologists. They balance things like recharge rates, cover, or mist/condensation of the upper levels, and preservation of native forests. That number and the sustainable yield actually comes from the State Water Commission. Each of the study areas is established by the Water Commission. That is why part of the guidelines for update of any of these plans requires a framework where consistent study areas are used and the different plans are coordinated through them. The Water Use and Development Plan is actually supposed to be helping the counties establish or plan for sustainable development. It was worked on with the Planning Department because they are the ones that actually establish or set the land use policies, including the General Plan and zoning. The idea for permit approval is to take into account the water availability and how easy or what it costs to bring the water from the sources to the proposed development.

Mr. Fukumoto added that the Water Resource Protection Plan Mr. Nishimura referred to is on the State of Hawai'i, Department of Land and Natural Resources, Commission on Water Resource Management website.

Mr. Domingo thanked them for addressing his concerns.

The Manager-Chief Engineer stated that the next step would be some kind of Motion to approve the Water Use and Development Plan to take it to the next step. As part of the formal adoption of this plan, it first needed approval from the Commission on Water Resource Management, which happened in February. At the County level, it comes for two hearings by the Water Board. If the Board accepts this document, the next step is County Council adoption. Although it is not formally on this agenda for action, the Board can still provide input and revise the document accordingly. The Department will place it on the agenda for adoption next month. Any additional comments from the Board can be discussed today.

Mr. Elarionoff stated this is a good thing the Department is doing; but by the same token, if you look at the way our State is developing, the prices are going up so fast, it is really hard for young couples to get their own houses. With the older population, in Honolulu, they are allowing people to build toy houses on the side of their homes for rent in their own lots.

Mr. Nishimura noted they are called auxiliary dwellings.

Mr. Elarionoff stated he thought of them as toy houses. This island has so much land, but if you do not have the water, there is nothing you can do about it. Yet the population is concentrated in certain areas where people are going to have to eventually combine the young families taking care of the old folks in the same house. How do you plan for something like that, when the laws change? Right now, the law does not permit it, but eventually, it has to.

The Manager-Chief Engineer stated that for all of these planning documents, this is always the concern. Nobody's crystal ball is one hundred percent accurate. That is why, he believed, in this document, there were three future demand scenarios that were evaluated. One scenario was based on anticipated demand where the wheels are in motion and they could get a water meter. The other one was based on zoning. The third was based on population projection growth; that is typically the reality check and is based on past history. We all know that we are not going to hit 33 million gallons per day pumping of water in the next five years, so let's look back at how the population has grown in this region over the past 10 to 15 years. Basically, that is what Fukunaga & Associates did and that

methodology was approved by the Commission on Water Resource Management as viable for this report. At this point, he felt it is the best we can do.

Mr. Nishimura provided a clarification. If you go back to the body of the report, there was a study that was done, a calculation of population projection versus actual metered water use, and it shows this correlation. It kind of validates in a way and we are hoping it validates your water consumption, especially potable water, and will parallel the rate of growth. That is one way to monitor your infill rate and your zoning, and whether you put more density, that can be done with land use planning. That is the direction in working together with the Planning Department and how they do zoning. As far as what the Board would be looking at is the population rate of growth because that is going to show what kind of demand you have upcoming and the rate that it is getting higher. West Hawai'i might be one of the highest scoring areas in the State. It is something to be aware of and track. What they are showing is that based on the full build-out of the current policies, you are still below the sustainable yield. That was the comforting part, but it still needs to be tracked.

The Manager-Chief Engineer stated that this report will be used as a tool for this Department, as well as the Planning Department, in future planning. This is supposed to be a dynamic document. As more and better information comes forward, if it is substantial enough, then it would be worth updating this again.

Chairperson Takamine thanked Fukunaga & Associates for their presentation and noted that this will be on next month's agenda.

H. **MONTHLY PROGRESS REPORT:**

Chairperson Takamine asked if staff could give a snapshot of projects on this side of the island.

Mr. Uyehara reported on the well repairs in North Kona. Of the thirteen North Kona sources, seven are the high-level wells. Of those seven, Wai'aha, Keopu, Palani Ranch, and Hualālai wells are under repair. The Department has been getting inquiries from the public because there is a current water restriction in effect. Updated fact sheets were placed on the Department's website on May 19 to provide inquirers in the community with updates on these well repairs and the fact sheets will be updated periodically. The schedules are still on track. Wai'aha Well is hoped to be the first back on line by the end of July. He mentioned the Board could be provided with updated fact sheets on the projects. They were posted on the website on Friday, May 19.

Chairperson Takamine suggested adding something like "for updates, see website" to the signage along the highway.

The Manager-Chief Engineer replied that the Department is trying to get this information out to the general public, and perhaps Ms. Matsumoto could share some of those efforts thus far.

Ms. Matsumoto stated that the Department has been working with Civil Defense, to get a Blackboard message out through text and email. Plans are, this week, to include something to drive the public to our website to view all of the available information. She reported on her visit to Kona the end of April to meet with a lot of the Department's commercial higher users to let them know of the situation, see what they are doing, and providing tips on how to help reduce water usage. Everyone was receptive. The Department has not had to place any radio ads recently.

The Manager-Chief Engineer stated that coordination with Civil Defense is weekly. A lot of people have signed up to get the alerts from Civil Defense for normal events; therefore, they would get the Department's water restriction notifications and updates as well.

Chairperson Takamine asked if the Department is still seeing consumption levels drop after putting up the signage, etc.

The Manager-Chief Engineer replied that it typically drops after a good rain so that tells us that there is a lot of irrigation being done because it is almost instantaneous for the tank levels to recover. There is a bit of apathy going on just because it has been going on for this long. He has also reached out to the Rotary Clubs to get the word out and had an interview with Ms. Sherry Bracken of Hawai'i Public Radio. She recommended the Department do some face-to-face outreach in the area, and that is being worked on.

Mr. Boswell asked what happens with the WaterSmart program. It does not have any teeth to it but it tells people that they are using too much water. He asked if it can be followed up with a visit to the customer to find out why they are using the amount of water they are using compared to their lot size.

Mr. Uyehara explained that the Department has gotten some feedback on that. The program is set up where the customer can go on the WaterSmart website to update their actual account information so their account is compared properly with other accounts. As far as having teeth to it, the Department is relying on the behavior aspect and the competitive nature for most people to do better.

Mr. Boswell stated that he receives the WaterSmart reports and they are helpful.

Mr. Uyehara stated that the effort done with WaterSmart is the educational aspect, to provide customers with tips on ways to conserve water.

Mr. Elarionoff commented that the only way to make people conserve water is to charge them.

The Manager-Chief Engineer mentioned the Department's block rate structure which was partially designed for that purpose.

I. **REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

No questions.

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

The Manager-Chief Engineer announced the Department had a retiree from the Operations Division. Mr. Ikeda provided some background on Mr. Ronald Yokomizu, who is a Water Plant Operator in Kona. He has been with the Department since 1999 and was with the Department of Public Works prior to that. He has enough years of service and is retiring at the end of this month.

K. **CHAIRPERSON'S REPORT:**

Chairperson Takamine stated that it is an honor to serve on the Water Board. The Board has a great responsibility of overseeing the Department, which is primarily responsible for providing safe drinking water to its customers, and has recently had three Board Members' terms expire—Mr. Rick Robinson, former Chairperson, and both Ms. Susan Lee Loy and Mr. Jay Uyeda. They provided a lot to this Board and he felt good about serving alongside them. He looks forward to the new Water

Board Members participating, not only during the monthly meetings, but outside of that. Any opportunities they may have to participate in site visits or conferences is encouraged. He was disappointed that at the last two conferences, only he and the Vice-Chair attended. He added that conferences are a great learning and networking experience. He mentioned the HWWA/HRWA conference coming up this November, and next year, typically one February, and one in the summer. He encouraged participation during the meetings. No question is invalid. The Board does not always take the recommendations from staff, which provides for good conversations. Any questions are welcomed, and staff has always had an open door policy.

The Manager-Chief Engineer provided information on the Hawaii Water Works Association/Hawaii Rural Water Association conference which will take place November 1 to 3, 2017, at the Sheraton Keauhou hotel. Each year, a different island hosts--Kauai, Oahu, Maui, and Big Island; and this year is Big Island's turn.

MATERIAL BID NO. 2017-02, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Chairperson Takamine asked the Board to go back to **Item 8(C) Material Bid No. 2017-02, Furnish Base Course, Sand, Cold Mix, Hot Mix, and No. 3F Rock to the Department of Water Supply**, and asked for help from Ms. Yeh as far as making a Motion as the Board has received some recent information regarding this item.

Ms. Yeh stated that, depending on which route the Board wanted to take, it could either make a Motion to Amend the motion that was already adopted to reflect that it will defer award of District II Items 2(A) through 2(C) or it could make a Motion to reconsider; however, the amendment should be fine. She added that she was made aware that Mr. Balog's family is one of the bidders for Items 2(A) through 2(C) of Agenda item 8(C). She would like to have that disclosed; and if the Board thinks that will change their vote, then it might want to reconsider amending. She wanted it re-discussed and reflected in the Minutes.

Chairperson Takamine asked if anyone wished to make a Motion.

The Manager-Chief Engineer stated that upon hearing that the Chairperson wanted to open it up for further discussion, he would suggest revisiting Item 8(C) in its entirety from the beginning. That would be easier than trying to make an amended Motion without having a discussion.

Ms. Yeh suggested a Motion to reconsider Item 8(C).

Chairperson Takamine called for a Motion.

MOTION: Mr. Arikawa moved to reopen Item 8(C) for discussion; seconded by Mr. Scicchitano.

The Manager-Chief Engineer asked Ms. Yeh to repeat the reason why the Board is revisiting this agenda item.

Ms. Yeh stated that for Items 2(A) through 2(C) of Agenda Item 8(C), a Board Member's family owns that business; and, therefore, it would be in the interests of disclosure to the Board. How much that matters is up to the Board.

Chairperson Takamine stated that he was fine approving everything else except Part II (A), (B), and (C), for which he was hoping to defer to give time for due diligence.

Ms. Iokepa-Moses asked if this was disclosed before the bids came to the Board. She did not think someone should be penalized for being a volunteer on the Board if this was not made a fact before the bid was accepted.

Chairperson Takamine replied that from his perspective, it is not about penalizing them, but just to make sure, now that everybody knows it is a fact, that we do our due diligence to see what the County procurement or Ethics Board might have to say on this issue. The last thing he would want is for the Board to act irresponsibly. It is nothing against that individual, but he wanted to make sure the Board is protected. This is not to say it will not be awarded, but he was just asking for some time to look into the issue.

The Manager-Chief Engineer stated that because this is May, there is time to award in June and be on time for Fiscal Year 2017/2018.

Chairperson Takamine explained that he was putting himself in Mr. Balog's position because he would not want it to come back on him; it is just for disclosure.

Mr. Elarionoff stated that was part of the reason why he asked earlier about the clause "best interests of the Department," and he was assured it was strictly financial and no favoritism was involved.

Chairperson Takamine stated that he was looking at it from the Ethics perspective.

The Manager-Chief Engineer recapped what he understood of the Chairperson's concern that, again, this is an open competitive bid process and that particular company was the low bidder on three items (2A through 2C). He did not believe there were any concerns over the dollar amount or things of that nature. What he thought the Board wanted, as a body, was to ensure that integrity is maintained. In that case, he thought it best to be safe.

Mr. Arikawa did not see any problem with waiting until next month for those three items. It is a matter of being cautious, and we would not want West Hawai'i Concrete to come back and say this was being awarded because of a Board member, even though they did have the low bid.

Mr. Boswell stated this is exactly the pricing he would see in competitive bidding "on the streets" between DeLuz Trucking and West Hawaii Concrete (WHC). WHC has a much larger overhead, and DeLuz has less. For years now, DeLuz's pricing has always been a little bit less. There is also a reason why the sand price does not beat the WHC price. This is very in keeping with what you would expect to see in the industry.

Chairperson Takamine understood but was just putting himself in that position. He would not want to answer to the question if it is ethical or not.

Mr. Arikawa thought the Board should make a Motion to approve everything else but Items 2A, 2B, and 2C.

The Manager-Chief Engineer asked for clarification if the intent was to defer those items and ask Corporation Counsel to evaluate the situation and bring back some kind of recommendation at the next Water Board meeting.

Mr. Arikawa agreed and asked if the Manager-Chief Engineer was ready to make a recommendation.

The Manager-Chief Engineer proposed that the Motion should be amended to award the Parts, as listed, but defer award under District II, Parts 2A, 2B, and 2C.

MOTION: Mr. Arikawa moved to approve the recommendation to approve everything else and defer District II, Parts 2A, 2B, and 2C, subject to review by Corporation Counsel.

Ms. Yeh was asked if that was fine. She replied it should be fine and is essentially to adopt or approve with the exception of 2A through 2C.

SECOND: Mr. Boswell seconded the motion.

ACTION: Motion was carried by six ayes and one nay (Ms. Iokepa-Moses).

9) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for June 27, 2017, at the Department of Water Supply, Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i

2. **Following Meeting:**

The following meeting of the Water Board is scheduled for July 25, 2017, at the Department of Water Supply, Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i

ADJOURNMENT

ACTION: Mr. Arikawa moved to adjourn the meeting; seconded by Mr. Scicchitano and carried unanimously by voice vote. Meeting adjourned at 11:50 a.m.

Recording Secretary