

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

MEETING DATE: October 24, 2017

TIME: 10:00 a.m.

PLACE: Department of Water Supply, Operations Center Conference Room
889 Leilani Street, Hilo, Hawai‘i

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- 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 – September 26, 2017, Water Board Meeting
 - 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Addendum requires Roll Call Vote)
 - 5) **PRESENTATION OF COUNTY OF HAWAI‘I AUDIT REPORT ON CASH HANDLING:**

Copies of the County of Hawai‘i, Office of the Legislative Auditor, “Audit Report on Cash Handling at County of Hawai‘i’s Department of Water Supply” (Report No. 2017-02), have been distributed to Board Members. The County’s Legislative Auditor, Ms. Bonnie Nims, will present her report dated August 25, 2017, on the Department’s cash handling procedures.

- 6) NORTH KONA:
 - A. **MATERIAL BID NO. 2017-11, FURNISHING AND DELIVERING MOTORS FOR KAHALU‘U SHAFT PUMP #2 & #4 FOR THE DEPARTMENT OF WATER SUPPLY:**

Bids for this project were opened on October 12, 2017, at 2:00 p.m., and following are the bid results:

Bidder	Bid Amount
Alliance Specialty Motors, Inc.	\$57,918.00
Technology International, Inc.	Non-Responsive
Derrick’s Well Drilling & Pump Services, LLC	\$90,000.00
Gexpro	\$102,210.00

Project Costs:

- | | |
|---|---------------------------|
| 1) Low Bidder (Alliance Specialty Motors, Inc.) | \$57,918.00 |
| Total Cost: | <u>\$57,918.00</u> |

The project consists of furnishing and delivering two (2) motors for Kahalu‘u Shaft Pump #2 & #4, including all equipment, materials, taxes, and shipping.

Funding for this project will be from DWS’s CIP Budget under Pump Replacement. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project was \$130,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2017-11 FURNISHING AND DELIVERING MOTORS FOR KAHALU’U SHAFT PUMP #2 & #4, to the lowest responsible bidder, **Alliance Specialty Motors, Inc.**, for their bid amount of **\$57,918.00**. 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 of the contract by Corporation Counsel.

B. MATERIAL BID NO. 2017-13, FURNISHING AND DELIVERING MOTORS FOR KEAHUOLŪ DEEPWELL AND REFURBISHING SPARE MOTOR FOR HUALĀLAI DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY:

Bids will be opened on October 19, 2017, at 1:30 p.m.; and the results will be reported at the meeting.

C. STATE OF HAWAI‘I KEOPU DEEP MONITOR WELL PUMP TEST:

The Department would like to enter into an agreement with the State of Hawai‘i, Department of Land and Natural Resources, in order to help the State fund a pump test of the Keopu Deep Monitor Well located on State land and identified within Tax Map Key 7-5-010:016 for the purpose of determining the potential viability and capacity of a mid-elevation deep well. The resultant analysis of pump test results should indicate whether the vicinity surrounding the Keopu Deep Monitor Well could be a potential potable source of high quality water that could tie-in to the Department’s existing North Kona water system. The State would continue to maintain control over the overall project and study but would share its results with the Department. The estimated cost to perform the pump test, in accordance with the State’s existing contract specifications, is approximately \$100,000.00, inclusive of contingencies.

RECOMMENDATION: It is recommended that the Board authorize either the Chairperson or the Vice-Chairperson, on behalf of the Water Board, to enter into an agreement with the State of Hawai‘i, Department of Land and Natural Resources, in order to fund a pump test of the Keopu Deep Monitor Well in an amount not to exceed \$100,000.00, per specifications contained in the State’s agreement with Water Resources International, subject to the review and approval as to form and legality by the Corporation Counsel.

D. JOB NO. 2017-1060 HUALĀLAI DEEPWELL REPAIR – CHANGE ORDER:

The contractor, Derrick’s Well Drilling and Pump Services, LLC, is requesting a contract change order for the additional work required to expedite the installation of Hualālai Deepwell, drilling services for seepage pit, and cost to bail the oil from the well in preparation for the subsequent reinstallation work. The description of additional work and associated fees are as follows (see attached):

ITEM	DESCRIPTION	AMOUNT
1.	Additional funds required for the expedited installation of Hualālai Deepwell.	\$ 44,880.10

2.	Drilling services required to deepen discharge seepage pit, to prevent flooding of neighboring properties.	\$16,200.00
3.	Surface bailing of well to remove oil.	\$3,000.00
	TOTAL	\$ 64,080.10

Original Contract Amount: \$ 327,000.00
Original Contingency amount: \$ 32,700.00
1st Additional Contingency request: \$ 31,380.10

Total Revised Contract Amount: \$ 391,080.10

RECOMMENDATION: It is recommended that the Water Board approve an increase in contingency of \$31,380.10 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 \$391,080.10.

7) MISCELLANEOUS:

A. DEDICATIONS:

(This item was deferred at the Water Board’s September 26, 2017, meeting.) The water system has been constructed in accordance with the Department’s standards and is in acceptable condition for dedication.

1. **GRANT OF EASEMENT AND BILL OF SALE**

Subdivision No. 96-000039
Grantors/Sellers: Brandie L. Oye and Alton M. Oye
Affects Tax Map Key: (3) 6-6-004: 003
Lālāmilo , South Kohala, Island of Hawai‘i, Hawai‘i
Facilities Charge: \$16,500.00 Date Paid: 3/10/2017
Final Inspection Date: 10/16/17
Water System Cost: \$42,000.00

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

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. POWER COST CHARGE:

Departmental power costs have decreased as a result of a decline in fuel costs. The Department proposes to reduce the Power Cost Charge from \$1.73 to \$1.62 per thousand gallons to reflect this decline. In order to accept public testimony on this change, a Public Hearing should be scheduled before the new Power Cost Charge is reduced.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on November 28, 2017, at 9:45 a.m., to receive testimony on reducing the Power Cost Charge from \$1.73 to **\$1.62**, effective December 1, 2017.

E. RFP NO. 2017-07, PROVIDE A CUSTOMER INFORMATION AND UTILITY BILLING SYSTEM TO THE DEPARTMENT OF WATER SUPPLY:

The Department issued a request for proposal (RFP) in June 2017 to select a vendor to provide computer software, implementation, and support services for a new Customer Information & Utility Billing System. The Department received eight (8) proposals and, after an initial evaluation, narrowed the list of vendors to three (3) finalists. The three finalists conducted demonstrations of their software and submitted Best and Final offers (BAFOs) which formed the basis for the RFP committee's selection of Advanced Utility Systems (AUS), a division of N. Harris Computer Corporation, at a cost of \$1,727,217.00.

The Department's existing billing system has been in place since 2001 and is outdated and inefficient for staff's daily tasks. In addition, the existing system will no longer be supported at a reasonable cost in the near future.

RECOMMENDATION: It is recommended that the Board award the contract for RFP NO. 2017-07, PROVIDE A CUSTOMER INFORMATION AND UTILITY BILLING SYSTEM TO THE DEPARTMENT OF WATER SUPPLY, to Advanced Utility Systems, a division of N. Harris Computer Corporation, at a cost of \$1,727,217.00. 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.

F. MANAGER-CHIEF ENGINEER'S REPORT:

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

- 1) Matters of interest to the Board
 - a) North Kona water restriction
 - b) Energy Study by Brown and Caldwell - Update
- 2) Retiree of the Department of Water Supply
- 3) Employee of the Quarter – 3rd Quarter

G. CHAIRPERSON'S REPORT:

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

8) ANNOUNCEMENTS:

1. **Next Meeting:**

November 28, 2017, at the West Hawai'i Civic Center, Community Center (Building G);
74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i

2. **Following Meeting:**

December 19, 2017, at the Department of Water Supply, Operations Center Conference Room;
889 Leilani Street, Hilo, Hawai'i

9) 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.