

MINUTES

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

May 24, 2016

West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona

MEMBERS PRESENT: Mr. Craig Takamine, Chairperson
Mr. Bryant Balog
Ms. Brenda Iokepa-Moses
Ms. Susan Lee Loy
Mr. Jay Uyeda

ABSENT:

Mr. Russell Arikawa, Vice-Chairperson
Mr. Leningrad Elarionoff, Water Board Member
Ms. Kanoë Wilson, Water Board Member
Mr. Duane Kanuha, Director, Planning Department (ex-officio member)
Mr. Warren Lee, Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Amy Self, Deputy Corporation Counsel
Ms. Elyssa Correia, Corporation Counsel
Mr. Travis Kuwahara, Corporation Counsel
Mr. David Lau, Corporation Counsel
Mr. Jeff Zimpfer, National Parks Service

Department of Water Supply Staff

Mr. Keith Okamoto, Manager-Chief Engineer
Mr. Kawika Uyehara, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Richard Sumada, Waterworks Controller
Mr. Daryl Ikeda, Operations Chief
Mr. Warren Ching, Operations

1) CALL TO ORDER – Chairperson Takamine called the meeting to order at 10:00 a.m.

2) STATEMENTS FROM THE PUBLIC

None.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the April 26, 2016, Water Board meeting.

ACTION: Mr. Uyeda moved to approve; seconded by Ms. Lee Loy; and carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

The Chairperson entertained a Motion to approve Supplemental Agenda Item 9(H), SERVICE BID NO. 2016-07, PROVIDE HIGH-SPEED WIDE AREA NETWORK CONNECTIVITY BETWEEN FIVE OFFICE LOCATIONS, DEPARTMENT OF WATER SUPPLY.

ACTION: Ms. Iokepa-Moses moved to approve; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

5) SOUTH HILO:

A. JOB NO. 1994-590, CONSTRUCTION OF PI‘IHONUA-KŪKŪAU RESERVOIR AND TRANSMISSION IMPROVEMENTS:

This project generally consists of the construction of a 2.0 MG reservoir, 13,000 feet of 16-inch transmission waterline and appurtenances.

Bids for this project were opened on May 13, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount	Adjusted Bid Amount (for purposes of bid award)**
Isemoto Contracting Co., Ltd.	\$8,117,430.00*	\$7,711,558.50
Yamada Paint Contracting, Inc. dba GW Construction	\$8,231,161.90*	\$7,736,696.14
Jas W. Glover, Ltd.	\$8,830,000.00	\$8,736,292.36
F & H Construction	\$10,351,550.00*	\$9,727,329.52
Nan, Inc.	\$11,399,059.00	\$10,726,281.05

*Bids were allowed to be corrected because of minor computation errors, in accordance with DWS General Requirements and Covenants and Hawaii Administrative Rules.

**Bids were adjusted (for the purposes of award) to provide credits for use of Hawai‘i Products and participation in the State Apprenticeship Program, in accordance with Hawai‘i Administrative Rules.

Project Costs:

1) Low Bidder (Isemoto Contracting Co., Ltd.)	\$ 8,117,430.00
2) Construction Contingency (10%)	<u>\$ 811,743.00</u>
Total Cost:	<u>\$ 8,929,173.00</u>

Funding for this project will be from SRF funds. The contractor will have 480 calendar days to complete this project.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 1994-590, PI‘IHONUA-KŪKŪAU RESERVOIR AND TRANSMISSION IMPROVEMENTS, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$8,117,430.00, plus \$811,743.00 for construction contingency, for a total contract amount of \$8,929,173.00. 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.

MOTION: Ms. Lee Loy moved to approve; seconded by Mr. Balog.

The Manager-Chief Engineer noted that last month, the Board had approved a Resolution to allow DWS to utilize SRF funds from the State Department of Health (DOH). Subsequently, the bids came in higher than what was presented in last month's Resolution. Therefore, DWS will be coming back to the Board with an amended Resolution which will reflect this bid amount. DWS wants to proceed with this project, acknowledging that the current construction market is quite busy – which explains the higher-than-anticipated bid amount, he said. DWS believes that in today's climate, this is a fair bid, the Manager-Chief Engineer said. This project is very much-needed in the Hilo area, and DWS wants to go ahead with this project.

Mr. Balog asked the Manager-Chief Engineer to explain how the adjusted bid amount for purposes of bid award works; he noted that the bid amount itself is still higher.

The Manager-Chief Engineer said that under the State Procurement Code, DWS must make adjustments for award purposes, based on two typical preferences that come into play with DWS's projects. One preference is the Apprenticeship program, and the other is the Hawai'i Products preference. The intent of those laws are to incentivize contractors to use Hawai'i products, or to have an apprenticeship program. If a contractor qualifies for those preferences, DWS makes an adjustment for award purposes, he said. Therefore, theoretically, a bid could be awarded to a contractor with a higher base bid than another company, thanks to the preferences. However, the contract amount will still be based on the actual bid supplied, prior to those preferences being calculated. The preferences are strictly for award purposes, but the amount of the contract is based on the actual bid amount, the Manager-Chief Engineer said.

Mr. Uyeda asked if the Board could still award the contract, even though the Resolution has not yet been amended.

The Manager-Chief Engineer said yes. The amended Resolution would come into play when Mr. Sumada, the Waterworks Controller, certifies the funds available for the contract at the time of contract execution. The amended Resolution needs to come before the Board before DWS can actually execute the contract, he said.

The Chairperson asked how this project will enhance the water system in this location.

The Manager-Chief Engineer, noting that the Job Number dated back to 1994, said that DWS has wanted to do this project for a while. This project will enhance the water distribution and transmission system in Hilo, he said. DWS is currently feeding a million-gallon (MG) tank at UH and 500,000-gallon tank in Waiākea, from a tank that is about 57,000 gallons in capacity; DWS is behind the curve on this. In addition, DWS currently has a 12-inch transmission line, whereas this project upgrades the system by installing a 16-inch transmission line. It also upgrades the current supplying reservoir to a 2 MG tank, thereby meeting the downstream infrastructure requirements. This system will basically feed the lion's share of Hilo, he said.

ACTION: Motion carried unanimously by voice vote.

6) SOUTH KOHALA:

A. JOB NO. 2010-964 - WAIMEA WATER TREATMENT PLANT COMPLIANCE UPGRADES PHASE 2 – TIME EXTENSION:

The contractor, Bodell Construction Company, is requesting a contract time extension of 119 calendar days due to the discovery of unforeseen underground utilities during mass excavation for the project. This discovery requires the contractor to perform additional work. Staff has

reviewed the request and is recommending approval of 82 calendar days, which is the reasonable number of days to complete the additional work affecting the project's critical path activities.

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 82 calendar days to Bodell Construction Company, for JOB NO. 2010-964, WAIMEA WATER TREATMENT PLANT COMPLIANCE UPGRADES PHASE 2. If approved, the contract completion date will be revised from March 21, 2017 to June 11, 2017.

MOTION: Ms. Iokepa-Moses moved to approve; seconded by Mr. Balog.

The Deputy explained that this project involves the Waimea Water Treatment Plan micro-filtration upgrade. The contractor was excavating for the building footprint when they uncovered some unforeseen concrete-encased utilities; this posed the problem of figuring out how to relocate the electrical and telecommunication lines in that conduit. As a result, the contractor is requesting additional time, the Deputy said. However, the initial length of time requested included extra days which did not affect the critical path. Therefore, after reviewing the contractor's time extension request, DWS decided that 82 additional days were justified (instead of 119 days). DWS is bringing this matter to the Board while the project progresses, rather than wait to the end of the project to request the additional days. The idea is to keep things current and fresh in everybody's minds, the Deputy said.

Mr. Balog asked if this was basically an underground electrical conduit.

The Deputy said that DWS has two existing buildings there, and the concrete-encased electrical conduit lies between the two buildings.

Mr. Balog asked if there were any diagrams or plans dating back to when the conduit was installed.

The Deputy said that DWS has some reference drawings, but they are incorrect.

Mr. Balog asked why DWS was okay with 82 days, but not with 119 days.

The Deputy said that the 119 days included additional days for running the permanent electrical reroute around the area, but that did not affect the critical path. The critical path was affected just by getting the concrete-encased ducts out of the way, so that the contractor could finish the building footprint and excavation, and proceed from there.

Mr. Balog asked if the contractor would have to come back to the Board to do the permanent electrical reroute.

The Deputy said that the contractor has the reroute drawings for that; they know how to take care of that.

The Manager-Chief Engineer asked if the reroute drawings were part of the original bid documents.

The Deputy said that no, DWS did a change order for that.

ACTION: Motion carried unanimously by voice vote.

7) NORTH KONA:

A. **QUITCLAIM DEED FOR TAX MAP KEY (3) 7-5-012:105 (POR.):**

The Water Board, at its meeting on April 27, 2010, accepted the dedication of a Grant of Easement and Bill of Sale for K PONO LLC Subdivision, which included the rerouting of waterlines within the new subdivision to an existing reservoir site.

The existing reservoir site was consolidated into residential Ag-1 zoning lots. The easement encompassed the original reservoir lot. The existing reservoir will be replaced; easements have been secured for future waterlines and a new reservoir that will replace the existing reservoir.

The Board is currently listed as "owners in severalty" on the Warranty Deed, and the Department proposes that the Water Board quitclaim its ownership of the portion of Tax Map Key (3) 7-5-012:105. The Quitclaim process enables the Water Board to be removed from the Deed, which gives no clear benefit to DWS; the Quitclaim also removes liability from the Board and DWS.

The Manager-Chief Engineer recommended that the Water Board approve the Quitclaim Deed to K PONO LLC, for its portion of ownership of Tax Map Key 7-5-012:105, subject to approval by Corporation Counsel. It is further recommended that either the Chairperson the Vice-Chairperson be authorized to sign the documents.

MOTION: Mr. Uyeda moved to approve; seconded by Ms. Lee Loy.

Mr. Inaba gave some background regarding this Recommendation, referring to two figures that were enclosed in the Board packets. The Quitclaim involves part of one of the Wai'aha Corridors. The landowner was participating in the North Corridor improvements; he did this subdivision, and installed at his own expense a portion of the transmission line, which runs down from Māmalahoa Highway to Hienaloli Road. The landowner also got rid of a part of the partially above-ground pipeline that is hatched out on the figure, which was considered "cross country." The landowner rerouted the line within the subdivision roads, routing it to where the reservoir will be located in the future. Mr. Inaba said that the reservoir right now is in a temporary location. There are two existing easements for reservoirs which are currently reserved along a route, one of which will bring the transmission line to the 16-inch pipe shown as a stub on the figure. That 16-inch stub is one of the reservoir sites that will be replacing the current reservoir.

The properties were consolidated, and the easements over the new waterline were granted (like a typical Grant of Easement and Bill of Sale); the entire reservoir site was encompassed within the brand-new easement also, Mr. Inaba said. To recap, he said that the line was relocated, and the owner created an easement around the reservoir site -- while getting rid of the cross-country line running to the reservoir from up mauka. The lines are now coming from makai, through the subdivision roads.

Mr. Balog asked if everything in red on the figure was add-ins.

The Manager-Chief Engineer said no, the blue line going mauka-makai with the red hatches going across it is the cross-country line that was abandoned in place. This is no longer used, and has been replaced with a 16-inch pipe within Nani Kailua Drive. He noted that this is part of an overall public-private partnership, which will be turned into a mauka-makai transmission corridor to help DWS bring high-level water from mauka to the makai area of Kailua Town.

ACTION: Motion carried unanimously by voice vote.

8) SOUTH KONA:

A. **JOB NO. 2016-1046, KE‘EI B DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deepwell submersible pump and motor, power cable, column pipe, column couplings and all appurtenant materials; chlorination of well and testing of pumping assembly; and selective replacement of above ground discharge piping assembly.

Bids for this project were opened on May 12, 2016, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick’s Well Drilling & Pump Services, LLC	\$220,000.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling & Pump Services, LLC)	\$ 220,000.00
2) Construction Contingency (10%)	\$ 22,000.00
Total Cost:	<u>\$ 242,000.00</u>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 210 calendar days to complete this project. The Engineering estimate for this project was \$276,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2016-1046, KE‘EI B DEEPWELL REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling & Pump Services, LLC, for their bid amount of \$220,000.00, plus \$22,000.00 for construction contingency, for a total contract amount of **\$242,000.00**. 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.

MOTION: Ms. Lee Loy moved to approve; seconded by Mr. Balog.

The Manager-Chief Engineer noted that Mr. Warren Ching of Operations had done the Engineering estimate, and could answer any questions about this project.

The Chairperson asked whether this project was located in Kealakekua.

Mr. Ching said no, it is on Painted Church Road.

The Manager-Chief Engineer said that it is below Māmalahoa Highway, makai of the highway. DWS has four Ke‘ei Wells in the general vicinity of each other, although not on the same site; these wells service the makai and southern portions of DWS’s South Kona water system, he noted. Haleki‘i serves the mauka portion of South Kona, he added.

Mr. Uyeda asked how many of the four Ke‘ei Wells are operational.

Mr. Ching said that Ke‘ei C and D Wells, which are DWS’s primary sources of water, are operational.

The Manager-Chief Engineer said that D Well is the one with the best quality among the four wells; it has the lowest chloride content.

Mr. Uyeda asked why there was only one bidder for this project.

The Manager-Chief Engineer said that the Department was wondering the same thing. Part of the bidding process is to file an Intent to Bid, and several contractors filed Intents to Bid.

Mr. Ching said there were four Intents to Bid.

The Manager-Chief Engineer said that DWS received only one bid.

ACTION: Motion carried unanimously by voice vote.

9) MISCELLANEOUS:

A. DEDICATIONS:

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

1. GRANT OF EASEMENT AND BILL OF SALE

Grantor: Lester D. Oshiro

Tax Map Keys: (3) 7-3-009: 013 (Easement 1-B-1) and (3) 7-3-058: 053 (Road B North)

Facilities Charge: \$6,690.00 Date Paid: 4/22/16

Final Inspection Date: 4/28/16

Water System Cost: \$15,000.00

2. LIMITED WARRANTY DEED

(In favor of Coromaca Farms, LLC)

Grantors: Coromaca Farms, LLC and Water Board of the County of Hawai'i

Tax Map Keys: (3) 2-5-045: 010 and 022 to 026 inclusive, (Lots 1-A to 1-F, inclusive, under Subdivision No. 09-000903)

3. LIMITED WARRANTY DEED

(In favor of the Water Board of the County of Hawai'i)

Grantors: Coromaca Farms, LLC and Water Board of the County of Hawai'i

Tax Map Keys: (3) 2-5-045: 012 (Reservoir Lot 106) (Subdivision No. 09-000903)

The Manager-Chief Engineer recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel, and that either the Chairperson the Vice-Chairperson be authorized to sign the documents.

ACTION: Ms. Iokepa-Moses moved to approve; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

B. POWER COST CHARGE:

The Department proposes reducing the Power Cost Charge from \$1.81 to **\$1.70** per thousand gallons, to reflect a decline in power costs for the Department's wells and pumps. A Public Hearing will have been held prior to this Board meeting to accept public testimony on this change.

The Manager-Chief Engineer recommended that the Board approve the reduction of the Power Cost Charge from \$1.81 to **\$1.70**, effective June 1, 2016.

ACTION: Mr. Uyeda moved to approve; seconded by Ms. Iokepa-Moses, and carried unanimously by voice vote.

C. MATERIAL BID NO. 2016-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

Bids were opened on May 11, 2016, at 1:30 p.m., and the following are the bid results.

The contract period for all Parts is one year, from July 1, 2016 to June 30, 2017. All Parts are established price agreements for materials on an “As-Needed Basis.”

The Manager-Chief Engineer recommended that the Board award the contract to the following bidders for MATERIAL BID NO. 2016-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, 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 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 contract period shall be from July 1, 2016 to June 30, 2017.

PART NO.	DESCRIPTION	BIDDER	AMOUNT
1	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Ferguson Enterprises, Inc.	\$60,750.00
2	DUCTILE IRON FITTINGS	Ferguson Enterprises, Inc.	\$35,402.95
3	DUCTILE IRON SOLID BODY SLEEVES	Ferguson Enterprises, Inc.	\$44,488.40
4	FLANGE GASKETS	MSC Industrial Supply Company dba Sid Tool Co., Inc.	\$6,817.34
5	NUTS, BOLTS, AND THREADED RODS	MSC Industrial Supply Company dba Sid Tool Co., Inc.	\$39,244.80
6	COPPER TUBING	MSC Industrial Supply Company dba Sid Tool Co., Inc.	\$83,195.00
7	GALVANIZED PIPES T&C (THREADED & COUPLED)	Ferguson Enterprises, Inc.	\$15,820.90
9	METER BOXES	Ferguson Enterprises, Inc.	\$49,000.00
10	METER COVERS	Ferguson Enterprises, Inc.	\$3,400.00
11	AUTOMATIC METER READING UNIT	Ferguson Enterprises, Inc.	\$42,612.00
12	5/8" WATER METERS	Ferguson Enterprises, Inc.	\$83,250.00
13	NEPTUNE T-10 SERIES METER PARTS	Ferguson Enterprises, Inc.	\$87.00
15	1" - 2" WATER METERS	Ferguson Enterprises, Inc.	\$24,134.00
16	COMPOUND WATER METERS	Ferguson Enterprises, Inc.	\$10,777.45
17	TURBINE METERS AND STRAINERS	Ferguson Enterprises, Inc.	\$23,858.62
18	DETECTOR CHECK METERS	Ferguson Enterprises, Inc.	\$6,200.00
19	FIRE SERVICE METERS	Ferguson Enterprises, Inc.	\$39,267.08
20	FIRE HYDRANTS	AP Water Supply, Inc., dba	\$107,335.00

		HIW Hawai'i	
21	MUELLER FIRE HYDRANT PARTS	AP Water Supply, Inc., dba HIW Hawai'i	\$4,997.15
22	MUELLER FIRE HYDRANT EXTENSION KITS	AP Water Supply, Inc., dba HIW Hawai'i	\$4,674.00
23	AMERICAN DARLING FIRE HYDRANT PARTS	Ferguson Enterprises, Inc.	\$8,242.00
24	AMERICAN DARLING FIRE HYDRANT EXTENSION KIT	Ferguson Enterprises, Inc.	\$8,313.80
25	BALL METER VALVES	AP Water Supply, Inc., dba HIW Hawai'i	\$55,087.50
26	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Ferguson Enterprises, Inc.	\$34,781.50
27	COMPRESSION JOINT COUPLING	Ferguson Enterprises, Inc.	\$5,352.00
28	METER FLANGE COUPLING	Ferguson Enterprises, Inc.	\$3,949.00
29	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$39,993.90
30	CORPORATION AND CURB STOPS – BALL TYPE	Ferguson Enterprises, Inc.	\$75,827.20
31	PRESSURE REGULATORS	Ferguson Enterprises, Inc.	\$1,169.56
32	HOSE BIBBS	Ferguson Enterprises, Inc.	\$3,960.50
33	INVERTED MARKING PAINT	MSC Industrial Supply Company dba Sid Tool Co., Inc.	\$10,248.00
34	AIR RELIEF VALVES	Ferguson Enterprises, Inc.	\$11,524.90
35	SLOW CLOSING AIR/VACUUM VALVES	Ferguson Enterprises, Inc.	\$34,105.00
36	SILENT CHECK VALVES	Ferguson Enterprises, Inc.	\$79,127.98
37	DUCKBILL CHECK VALVES	Ferguson Enterprises, Inc.	\$107,497.75
39	GATE VALVES – 3” AND LARGER, 125# CLASS	Ferguson Enterprises, Inc.	\$34,734.87
40	GATE VALVES – 3” AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$55,440.03
41	BUTTERFLY VALVES	Ferguson Enterprises, Inc.	\$9,588.40
42	AUTOMATIC CONTROL VALVES	Ferguson Enterprises, Inc.	\$1,634,312.14
44	RESERVOIR LEVEL INDICATOR	TK Process Hawai'i, LLC	\$5,762.13
45	HATCH FRAMES AND COVERS	Ferguson Enterprises, Inc.	\$18,298.30
47	ARC FLASH PPE – SUPPLEMENTAL	Safety Systems & Signs Hawai'i, Inc.	\$12,216.37
48	ELECTRICAL GLOVES & TESTING	TK Process Hawai'i, LLC	\$1,493.84
49	DIGITAL MULTIMETER & TESTING	TK Process Hawai'i, LLC	\$7,732.41
51	ELECTRICAL TAPE	MSC Industrial Supply Company dba Sid Tool Co., Inc.	\$373.00
58	UNISTRUT CHANNEL AND HARDWARE	Fastenal Company	\$7,105.02
59	ELECTRICAL CONNECTORS & TERMINATIONS	TK Process Hawaii, LLC	\$14,123.93
60	INDUSTRIAL MOTOR LEAD CABLE	TK Process Hawaii, LLC	\$30,288.08

61	INDUSTRIAL CONTROL WIRING	TK Process Hawaii, LLC	\$13,509.54
63	JUNCTION BOXES & ENCLOSURES	TK Process Hawaii, LLC	\$108,348.59
65	SOLID STATE REDUCED VOLTAGE SOFT STARTER	TK Process Hawaii, LLC	\$866,898.63
66	MEDIUM-VOLTAGE REDUCED VOLTAGE SOFT STARTER	TK Process Hawaii, LLC	\$210,286.59
67	VARIABLE FREQUENCY DRIVES	TK Process Hawaii, LLC	\$1,236,829.07
68	POWER QUALITY EQUIPMENT	TK Process Hawaii, LLC	\$200,897.15
70	MOLDED CASE CIRCUIT BREAKERS	TK Process Hawaii, LLC	\$38,717.76
75	RETROFIT RTU PANEL	TK Process Hawaii, LLC	\$14,900.00
77	AUTOMATION AND CONTROL COMPONENTS	Control Systems West, Inc.	\$15,038.23
78	AUTOMATION SOFTWARE	Control Systems West, Inc.	\$328,936.79
79	PROGRAMMING SERVICES	TK Process Hawaii, LLC	\$1,354.16
83	LICENSED RADIO EQUIPMENT	TK Process Hawaii, LLC	\$27,538.96
84	AUTODIALERS	TK Process Hawaii, LLC	\$1,373.89
86	PRESSURE TRANSDUCER – RESERVOIR LEVEL	TK Process Hawaii, LLC	\$2,795.45
87	PRESSURE TRANSMITTER	TK Process Hawaii, LLC	\$2,118.72
88	LIQUID LEVEL SENSOR	TK Process Hawaii, LLC	\$5,435.55
90	ELECTROMAGNETIC FLOW METERS	AP Water Supply, Inc., dba HIW Hawaii	\$597,567.00
91	ZERO-CLEARANCE ELECTROMAGNETIC FLOW METERS	TK Process Hawaii, LLC	\$371,125.74
93	WATER QUALITY EQUIPMENT	Ferguson Enterprises, Inc.	\$27,942.35
94	REAGENTS AND STANDARDS	Ferguson Enterprises, Inc.	\$2,299.97
96	CHEMICAL FEEDER PUMP	HD Supply Facilities Maintenance dba USABlueBook	\$8,063.87
97	DIGITAL CHLORINE CYLINDER SCALE	HD Supply Facilities Maintenance dba USABlueBook	\$4,219.39
98	STAND-ALONE CHLORINE GAS DETECTOR	Safety Systems & Signs Hawaii, Inc.	\$1,952.08
102	MECHANICAL SEALS	TK Process Hawaii, LLC	\$67,736.23
103	MOTORS	TK Process Hawaii, LLC	\$269,044.45
106	LEAK NOISE DATA LOGGERS	Wong's Equipment & Service, LLC	\$53,501.92
107	LIGHT EMITTING DIODE LUMINARIES	TK Process Hawaii, LLC	\$7,647.30

For the following Sections: 8 (High Density Polyethylene (HDPE) Pipe), 14 (Badger Recordall Series Meter Parts), 38 (Valve Box Debris Caps), 43 (High Performance Butterfly Pump Control Valves), 46 (Arc Flash PPE- Daily Wear), 50 (Electrical Safety Equipment), 52 (Duct Seal Compound), 53 (Liquidtight Flexible Non-Metallic Conduit & Fittings), 54 (Liquidtight Flexible Metallic Conduit & Fittings), 55 (Rigid PVC Conduit & Fittings), 56 (EMT Conduit & Fittings), 57 (Rigid Galvanized Steel Conduit & Fittings), 62 (Infrared Windows), 69 (Pad-Mounted Step-

up Transformer), 71 (Surge Protection Devices), 72 (3-Phase Monitor Relay), 73 (Power Monitoring Equipment), 74 (Industrial Electronic Components), 76 (Pre-Fabricated SCADA Solutions), 80 (Uninterruptible Power Supply (UPS)), 81 (Grounding Materials), 82 (Communications Hardware), 85A (Well Pressure Transducer), 89 (Flow Switch), 92 (Reagentless Chlorine Residual Analyzer), 95 (Multistage Booster Pumps), 99 (Chlorinator), 100 (Chlorine Gas Feeder), 101 (Tablet Chlorinator Parts), 104 (Submersible Motors – Refurbish / Rewind), and 105 (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. Lee Loy moved to approve; seconded by Mr. Uyeda.

The Manager-Chief Engineer said that the award on Item No. 58, listed as Unistrut Channel and Hardware, with the low bidder, Fastenal Company, needs to be deferred. The vendor did not supply compliance documentation required under State Procurement Law. All other items are okay, he said.

Ms. Iokepa-Moses asked if Fastenal Company would have a chance to meet its obligation.

The vendor had until today's meeting, because this is when the actual award takes place. If DWS needs this particular item, the Department will resort to alternate procurement methods, i.e., get quotes, as needed.

Mr. Ikeda said that this item can be deferred to next month, and DWS can award to this vendor if they are compliant by then.

Mr. Inaba said that if they are not compliant by next month's meeting, they will fall outside of the allowed waiting period.

Mr. Ikeda confirmed this; the vendor has time to comply, up to next month's meeting.

The Manager-Chief Engineer said that DWS would keep following up with the vendor.

Ms. Lee Loy asked about Item 20, listed as fire hydrants. She asked how many fire hydrants DWS would be getting, noting the high figure listed. (The figure listed was \$107,335.00.) Ms. Lee Loy said that was a lot of money for one fire hydrant.

Mr. Ikeda said it was not just one fire hydrant; the award was for a variety of hydrants of different sizes, etc. The award involves a number of hydrants, with unit prices for batches of 20 hydrants, for example.

The Manager-Chief Engineer asked Mr. Ikeda if this item was for anticipated stock for the whole year.

Mr. Ikeda confirmed this; DWS only would order on an as-needed basis. The idea here was to establish a price list, to enable DWS to order when an item was needed.

Ms. Lee Loy said that this would lock in the price.

Mr. Ikeda said yes, it locks in the price for a year.

Mr. Balog asked how many fire hydrants DWS goes through in a year.

Mr. Ikeda said it depends on how many accidents there are.

The Manager-Chief Engineer agreed, saying that is pretty much the only time that DWS needs to order them.

Ms. Lee Loy said that basically, this list is based on a look-back at all of the supplies that DWS has needed in the last few years; DWS earmarks items and establishes a set price for the items. When DWS needs to purchase an item, there is a fixed price already established.

Mr. Ikeda said yes, with this list, DWS can avoid having to hunt for quotes for everything.

The Manager-Chief Engineer said having such a list complies with State Procurement requirements, while still allowing DWS to operate as efficiently as a government entity can.

Mr. Ikeda said that many of the items were not bid upon, but because those items were put out to public bid, DWS is afforded the flexibility to get quotes as the need for those items arises. When those items are awarded, the Board Chairperson will be asked to sign off on them, he added.

The Manager-Chief Engineer noted that DWS is still trying to get competitive quotes; if an item's price falls below \$25,000.00, it comes under the category of a Small Purchase Procurement. DWS in that case solicits at least three vendors for quotes for such items.

ACTION: Motion carried unanimously by voice vote.

D. MATERIAL BID NO. 2016-03, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 12, 2016, at 2:00 p.m., and the following are the bid results.

		Yamada & Sons, Inc.	WHC LTD dba West Hawai'i Concrete	Grace Pacific LLC	Jas. W. Glover, Ltd.
	DISTRICT I:				
A.	3/4-Inch Base Course (Cost per ton)	\$20.35	No Bid	No Bid	\$17.45
B.	1½-Inch Base Course (Cost per ton)	\$19.80	No Bid	No Bid	\$16.67
C.	No. 3F Rock (Cost per ton)	\$25.80	No Bid	No Bid	\$32.29
D.	#4 Sand (Cost per ton)	\$50.00	No Bid	No Bid	\$40.62
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid	\$64.58
F.	Cold Mix- ASTM D4215-87 (Cost per ton)	\$153.10	No Bid	No Bid	\$150.00
G.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	\$52.10	No Bid	No Bid	\$50.00
H.	Hot Mix – County Mix IV (Cost per ton)	\$144.35	No Bid	No Bid	\$148.96
	DISTRICT II:	Yamada & Sons, Inc.	WHC LTD dba West Hawai'i Concrete	Grace Pacific LLC	Jas. W. Glover, Ltd.
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$14.27	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$12.93	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$22.50	No Bid	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$25.42	No Bid	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$43.42	No Bid	No Bid

F.	Cold Mix- ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid	No Bid
	DISTRICT III:	Yamada & Sons, Inc.	WHC LTD dba West Hawai'i Concrete	Grace Pacific LLC	Jas. W. Glover, Ltd.
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$19.49	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$17.96	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$36.46	No Bid	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$57.76	No Bid	No Bid
F.	Cold Mix–ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$146.00	No Bid
G.	Hot Mix - County Mix IV (Cost per ton)	No Bid	No Bid	\$145.10	No Bid

The Manager-Chief Engineer recommended that the Board award the contract for MATERIAL BID NO. 2016-03, 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 C and H to Yamada and Sons, Inc.
Parts A, B, D, E, F and G to Jas W. Glover, Ltd.**

District II – Parts A, B, C, D and E to WHC LTD dba West Hawai'i Concrete

**District III – Parts A, B, D, and E to WHC LTD dba West Hawai'i Concrete
Parts F and G 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, 2016, to June 30, 2017.

MOTION: Mr. Balog moved to approve; seconded by Mr. Uyeda.

The Manager-Chief Engineer said that West Hawai'i Concrete is non-compliant, so the related awards are deferred to next month.

Mr. Uyeda asked why there were only three Districts.

Mr. Ikeda said that Ka'u, although it is a DWS District, lacks a quarry so Hilo District supports Ka'u whenever they need material; Hilo trucks it over.

ACTION: Motion carried unanimously by voice vote.

E. **GASOLINE BID NO. 2016-04, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on May 12, 2016, at 2:30 p.m., and the following are the bid results.

Part "A"	Hilo Baseyard	Hawai'i Petroleum, Inc.	Big Island Energy Co., LLC dba Akana Petroleum
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 55,000 gallons/year x 2 years</i>	\$2.1386/gal. = \$235,246.00	\$2.1382/gal. = \$235,202.00
Part "B"	Kona Baseyard		
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 25,000 gallons/year x 2 years</i>	\$2.2155/gal. = \$110,775.00	\$2.2319/gal. = \$111,595.00
2.	Low-Sulfur Diesel (delivered gallon price) <i>Estimated 3,000 gallons/year x 2 years</i>	\$2.3877/gal. = \$14,326.20.	\$2.7276/gal. = \$16,365.60
Part "C"	Waimea Baseyard		
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 30,000 gallons/year x 2 years</i>	\$2.2155/gal. = \$132,930.00	\$2.2527/gal. = \$135,162.00

The Manager-Chief Engineer recommended that the Water Board award the contract for GASOLINE BID NO. 2016-04, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY, for Part A-1 to **Big Island Energy Co., LLC dba Akana Petroleum**, and Parts B-1, B-2, and C-1, to **Hawai'i Petroleum, Inc.**, at the bid 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 contract period shall be from July 1, 2016 to June 30, 2018.

MOTION: Ms. Iokepa-Moses moved to approve; seconded by Ms. Lee Loy.

The Manager-Chief Engineer noted that the bids in Part A-1 were extremely close: by 4/10,000s of a dollar.

Mr. Balog asked whether DWS locked in these quote prices for two years.

Mr. Ikeda said no, the vendors are allowed an escalation clause if they submit written proof that the oil companies raised or lowered their prices. If DWS verifies that the proof is correct, DWS will give the vendor a new price. Therefore, DWS cannot lock the vendors in on prices for two years.

Mr. Balog said that this is more a matter of securing the supplier.

Mr. Ikeda confirmed this.

ACTION: Motion carried unanimously by voice vote.

F. **WATER TREATMENT PROPOSAL NO. 2016-05. FURNISHING AND DELIVERING (ON AN AS-NEEDED BASIS) A~LIQUID CHLORINE TO VARIOUS LOCATIONS ON THE ISLAND OF HAWAI'I; B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA; C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA; D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA:**

Bids were opened on May 12, 2016, at 3:00 p.m., and the following are the bid results.

		Phoenix V	Airgas
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		LLC dba BEI Hawai'i	USA LLC
	PART A – FURNISH AND DELIVER LIQUID CHLORINE		
I.	HILO DISTRICT a. Pana'ewa Deep Well (130 cylinders per year) Cost per 150-lb. cylinder	\$364.16	No Bid
II.	KA'U DISTRICT a. Pāhala Deep Well Chlorinator Building (10 cylinders per year) Cost per 150-lb.cylinder	\$452.07	No Bid
III.	KOHALA DISTRICT a. Waimea Water Treatment Plan Cost per 1,200-lb. cylinder (20 cylinders per year)	\$2,795.87	No Bid
	Cost per 150-lb cylinder (84 cylinders per year)	\$437.00	No Bid
IV.	KONA DISTRICT a. DWS Kona Baseyard (230 cylinders per year) Cost per 150-lb. cylinder	\$437.00	No Bid
	PART B – FURNISH AND DELIVER LIQUID AMMONIA		
	a. Waimea Water Treatment Plant (50 cylinders per year) Cost per 100-lb cylinder	No Bid	\$503.11
	PART C – FURNISH AND DELIVER 50% LIQUID CAUSTIC SODA		
	a. Waimea Water Treatment Plant Cost per dry ton	\$1,915.03	No Bid
	PART D – FURNISH AND DELIVER C-9 POLYPHOSPHATE		
	a. Waimea Water Treatment Plant Cost per 30-gallon drum	\$949.57	No Bid

The Manager-Chief Engineer recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2016-05, FURNISHING AND DELIVERING A~LIQUID CHLORINE TO VARIOUS LOCATIONS IN THE ISLAND OF HAWAI'I (ON AN AS-NEEDED BASIS); B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS), to Phoenix V LLC dba BEI Hawai'i for Parts A, C and D, and to Airgas USA LLC for Part B, at the unit prices listed above, for the period from July 1, 2016, through June 30, 2018, 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.

MOTION: Ms. Lee Loy moved to approve; seconded by Mr. Uyeda.

Mr. Balog asked if there were only one or two suppliers of these materials.

Mr. Ikeda said that was pretty much the case; these vendors are the only ones that bid. Last year, there was another company that bid on the caustic soda or the ammonia. BEI is basically the only vendor of chlorine here, he said.

ACTION: Motion carried unanimously by voice vote.

G. WATER USE AND DEVELOPMENT PLAN UPDATE PHASE 1 – FUKUNAGA & ASSOCIATES - CHANGE ORDER 1:

The scope of work has been modified from the original agreement, as required by the Commission on Water Resource Management (CWRM), to address issues that impact the pending petition to designate the Keauhou Aquifer System as a Ground Water Management Area.

Most of the additional scope involves CWRM's requirement to address Authorized Planned Use, a term that appears in the State Water Code under its section on criteria for designation.

The original contract amount was \$55,000.00. The amount of this change order is \$25,500.00.

The Manager-Chief Engineer recommended that the Water Board approve the \$25,500.00 increase. It is further recommended that the Chairperson or Vice-Chairperson be authorized to execute the appropriate documents.

MOTION: Ms. Lee Loy moved to approve; seconded by Ms. Iokepa-Moses.

The Manager-Chief Engineer explained that DWS had entered into a Professional Services contract with Fukunaga & Associates, with the basic understanding of what DWS envisioned as the scope of the Water Use and Development Plan (WUDP) update. However, DWS has been going through the situation regarding the petition to designate Keauhou Aquifer, and throughout that process, CWRM imposed additional requirements on the WUDP update beyond what DWS had scoped out. This extra work was aimed at accommodating what CWRM had requested, i.e., to address certain things related to the petition, such as authorized planned use, etc.

Ms. Lee Loy asked if this extra work took place after DWS provided its Preliminary Report to CWRM, i.e., she wondered if CWRM asked for more things after that report was submitted. She asked if this extra work was at CWRM's behest.

The Manager-Chief Engineer said this extra work was done a while ago. This was what is known as Phase 1, which DWS submitted last May. DWS had entered into the contract with Fukunaga well before that, he said. However, DWS had not come before the Board to ask for this extra money. The work has actually been completed, with DWS having observed certain deadlines imposed by CWRM under the Preliminary Order, etc. It was only recently that Fukunaga pointed out to DWS that they had done work beyond what was originally agreed upon. DWS staff reviewed the costs, and the above Change Order is the result. This Change Order is basically to cover the additional work that CWRM requested prior to that May date; this additional work was incorporated into DWS's Phase 1 update, and was submitted to CWRM.

Ms. Lee Loy asked whether CWRM had accepted the Phase 1 update; she asked if this Change Order is just a matter of picking up the cost associated with the extra work.

The Manager-Chief Engineer said that last August, CWRM elected to delay the official acceptance of Phase 1; they wanted to do the approval of Phase 1 together with Phase 2 (which DWS is currently working on). DWS turned in Phase 1, and CWRM did not take action, although CWRM originally had an action item to accept Phase 1 on their August agenda.

However, CWRM decided to defer until Phase 2 is complete; they wanted to collectively approve Phases I and II together, he said.

Ms. Lee Loy asked Ms. Self if the Board could clarify to CWRM in a letter that DWS is done. She said that she did not want to keep this process open, so that it becomes something of a contract, where Fukunaga does the work and DWS has to pay for it. She did not want CWRM to keep coming back telling DWS to retool what it had already submitted. Ms. Lee Loy wanted the Board to tell CWRM that DWS is done, and has given CWRM everything that it asked for. She wanted to tell CWRM that they could not just keep kicking the can down the road, and expect DWS to pay for it. She asked again if a letter could be sent to CWRM to that effect.

The Manager-Chief Engineer said that DWS, as the County of Hawai‘i, has been given responsibility for these WUDPs. CWRM has the authority to approve the scope of the plans. Therefore, DWS provides a scope, and CWRM has to approve it. As far as DWS knows, CWRM has approved the scope for Phase 1, as well as the scope for Phase 2. CWRM would need an agendized action item to change that at this point, he said. However, the Commission has been arbitrarily saying that they want DWS to do a little more. The Manager-Chief Engineer said that it was his understanding that in order to revise the scope at this point, it requires a formal action item at the CWRM meeting, upon which the Commission must vote. CWRM cannot just arbitrarily revise the scope on DWS at this point. CWRM can *try*, but at that point, DWS can raise objections and oppose that request – unless it is properly agendized and voted on.

Ms. Self concurred.

Ms. Lee Loy said she was good with that.

ACTION: Motion carried unanimously by voice vote.

H. **SERVICE BID NO. 2016-07, PROVIDE HIGH-SPEED WIDE AREA NETWORK CONNECTIVITY BETWEEN FIVE OFFICE LOCATIONS, DEPARTMENT OF WATER SUPPLY, ISLAND WIDE:**

Bids were opened on May 19, 2016, at 2:00 p.m., and following are the bid results:

BIDDER	TOTAL BID SUM
OCEANIC TIME WARNER CABLE	\$175,703.83
HAWAIIAN TELCOM	\$224,951.40
GUIDE STAR ENGINEERING	\$342,612.20

The contract consists of providing a turnkey solution to connect five office locations: (Hilo Baseyard, Waimea Baseyard, Kona Baseyard, Ka‘u Baseyard, and Waiākea Office Plaza) over synchronous, full duplex, fiber optic connections. The increased speeds provided by these high-speed connections are in direct alignment with the strategic goals for DWS’s Information Systems.

Greater bandwidth provided by these connections will allow improved data transfer rates and more productive use of digital information at the office locations throughout the island. The

digital information includes but is not limited to GIS, Internet, Intranet, data backup, and file services.

Funding for this project will come from the Department's Operating and Maintenance Utilities Budget.

This contract is for a 60-month period starting July 1, 2016, through June 30, 2021, with an option to extend for an additional 12-month period, until June 30, 2022.

The Manager-Chief Engineer recommended that the Water Board award the contract for SERVICE CONTRACT NO. 2016-07, PROVIDE HIGH SPEED NETWORK CONNECTIVITY BETWEEN FIVE OFFICE LOCATIONS, DEPARTMENT OF WATER SUPPLY, ISLAND WIDE, to the lowest responsible bidder, Time Warner Cable Inc., dba Oceanic Time Warner Cable, for their total bid amount of **\$175,703.83**, which includes \$1,145.83 for design, installation, configuration, and setup, plus a monthly service price of \$2,909.30, over a 60-month contract period. It is further recommended that either the Chairperson or Vice-Chairperson be authorized to sign the contract, subject to review of the contract as to form and legality by Corporation Counsel.

MOTION: Ms. Iokepa-Moses moved to approve; seconded by Ms. Lee Loy.

The Deputy explained that this contract is for high-speed Internet services for the next five years. It turns out that the lowest bidder will provide DWS with larger, greater bandwidth than DWS currently has, for less cost than DWS is currently paying.

The Manager-Chief Engineer said that the service will be two-to-four times faster than what DWS has now, for a lower price than DWS is paying now. He said the intent of the five-year term of the contract was to solicit a more competitive price; this contract term of five years would give the vendors a sense of security. However, DWS has the latitude to walk away at any time, he said.

Mr. Balog asked what the speed is for the fiber optics that DWS is getting here.

The Deputy said he did not have the exact megabyte-per-second speed, but the Department's IT Director put the speed at four times faster than what DWS has now.

Mr. Balog asked how this would help the Department.

The Deputy said that the new network will connect DWS's offices in Kona and Waimea, as well as the Hilo main office and the Hilo and Ka'u Baseyards. The network will enable the District offices to access the GIS systems, to look at maps, etc., via the Internet faster than they can now.

The Manager-Chief Engineer said that DWS will be backing up its main servers off-site, for redundancy. This is standard IT protocol, because an organization does not want to have all of its information in one place only. In the event that the server goes down, one loses everything. Therefore, DWS is backing up its servers in Waimea. With today's technology, DWS can move data from one end of the island to the other, over fiber-optic cable, he said. DWS will not have to put the data on cassettes or tape back-ups anymore, which are subject to mildew and other damage. By backing up in Waimea, the information will be safe in the event of a natural disaster in Hilo – or vice versa. DWS is also moving towards centralizing data, so that staff can access in common data such as spreadsheets, etc. Currently, everybody has their own spreadsheets, which may not be accessible to other staff who need to see them.

Mr. Uyeda asked if DWS had considered doing wireless access points at DWS locations where they are needed.

The Manager-Chief Engineer said not on this contract, but DWS is looking into setting up “hot spots.” DWS is also moving towards hosting its GIS on the Cloud or some other web base; DWS would then provide Operations staff with tablets, to access maps generated by GIS. Staff would no longer have to wait for GIS or CAD staff to create these documents; anybody with a PC or a tablet could also search online for information regarding valves, pipe sizes, etc., from the field.

Mr. Balog asked when DWS anticipated doing that.

The Manager-Chief Engineer said that DWS hopes to do it in the next calendar year. The IT supervisor has been instructed to look into Cloud-based hosting for GIS. He noted that the County recently did a presentation on the subject, but DWS does not know whether it wants to jump on the same application or seek its own. DWS is still evaluating those options, he said.

Mr. Uyeda, noting that this is cutting-edge technology, asked if DWS needs a consultant to help with the installation, to make sure that the Department gets what it wants and needs – and has potential for expansion.

The Manager-Chief Engineer said under this contract, the vendor would do all of that for DWS; the vendor comes into DWS’s buildings to do the design, installation, configuration and set-up. The vendor takes care of all of the hardware requirements, as well as the software upgrades. DWS is looking to hire an IT professional on a retainer basis, to help provide tech support in areas that cannot be done in-house. DWS is in the process of doing a Professional Service Contract for this; it is expected to be a small contract not to exceed \$10,000.00. If it were to go above \$25,000.00, DWS would bring it before the Board for approval, he said.

Mr. Balog asked when DWS expected the new system to be operational.

The Manager-Chief Engineer said he believed this project would be fairly quick, because DWS already installed fiber-optic cable about two years ago. That work took longer, because it involved the installation of a lot of hardware and the creation of fiber-optic connections. Those are now all in place. The current project involves providing DWS with more bandwidth; it means an upgrading of DWS’s Internet speed. The vendor will not be doing hardware or wiring upgrades at DWS facilities; he will be just upgrading DWS’s Internet speed, and charging DWS less than it had been paying.

Ms. Lee Loy praised the Department for this initiative. She said she appreciated that DWS had the vision to engage in Cloud-based applications and to become more efficient in its mapping. Using Cloud-based applications would dovetail with other activities that DWS does, such as inventory control, etc.

The Manager-Chief Engineer commended Mr. Inaba for having conducted a pilot test for inspection-related software. Inspectors armed with Smartphones can do their own inspection reports right on their phones; the phones can geo-tag photos, coordinates can be attached to the photos or the inspection report. The inspectors on the pilot test loved the technology, he said.

Mr. Inaba said that the technology enables inspectors to take notes in the field, which go right onto a form; this form becomes the inspector’s report. The report gets uploaded into a project file, and it is centrally accessible to everyone on the staff who needs it. There is no more waiting for an inspector to come back from the field to file his report, he said.

Mr. Balog asked if DWS had done a study on anticipated cost savings as a result of adding such technology.

The Manager-Chief Engineer said that is a good question, and such a study is something that DWS probably should do. With this current project, DWS is going after low-hanging fruit – it is quite obvious that with this project that DWS will make improvements in its efficiency. DWS would do some kind of financial analysis or assessment in the case of options that were really close, he said.

Mr. Balog said that such a study would not need to be terribly in-depth, but saving labor costs, etc. would mean a lot. It can be helpful to do simple things that one can put a number to, in order to justify spending on the order of \$150,000.00 to \$200,000.00 for an upgrade, he said.

The Manager-Chief Engineer said definitely, if that is the kind of investment that DWS is looking at, DWS will do an evaluation like that.

ACTION: Motion carried unanimously by voice vote.

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

Brantley Center, Inc., currently 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, 2016, to June 30, 2017. 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	=	8,861.76
	Total:		<u>\$96,899.88</u>

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Hawai'i Revised Statutes Section 103D-1010. 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 FY2015-2016.

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 (BRANTLEY CENTER, INC.) to Brantley Center, Inc., for a period from July 1, 2016, to June 30, 2017 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: Mr. Uyeda moved to approve; seconded by Ms. Lee Loy.

The Manager-Chief Engineer said that since the Konno Decision, this is one of the few places where DWS can privatize work that was historically and customarily done by civil servants.

Mr. Ikeda had explained to him that DWS cannot expand the scope of Brantley Center's work, so the scope of work has been maintained, he said. Brantley Center does satisfactory work for DWS, and the benefit is that DWS gets to help this organization out. At the same time, it is cheaper for DWS than to hire groundskeepers to do this work, considering the cost and number of sites that Brantley Center works on, the Manager-Chief Engineer said. DWS would like to retain the use of this service while it can; it just makes sense. It keeps DWS's overall costs down, and meanwhile DWS gets to partner with a great organization, he said. He noted that Brantley Center had kept its cost the same as the previous contract amount; they are keeping their costs flat.

ACTION: Motion carried unanimously by voice vote.

J. **UPDATE RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUFU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

The Manager-Chief Engineer explained that the Commission on Water Resource Management (CWRM) met at the Council Chambers in Kona last Thursday (May 19); the meeting ran really long. There were five presenters, and DWS was fourth in order of appearance. DWS was expecting to get some quantifiable numbers from the National Parks Service (NPS), but none were forthcoming. DWS wanted to see some numbers, so that the Department could compare them with how much DWS is pumping, etc. However, that did not happen, he said. DWS had a chance to share the new things that the Department is doing, but a lot of the meeting involved revisiting and rehashing old news, the Manager-Chief Engineer said. One new element that was introduced at the meeting was with regard to 'Aha Moku, an organization that DWS may be able to use as a liaison to contact lineal descendants of the ahupua'a where DWS wants to do projects. He said that if DWS wants to do a well in a certain area such as Wai'aha Ahupua'a, DWS can contact 'Aha Moku; that organization may be able to refer DWS to lineal descendants, who in turn would be able to consult with DWS on projects regarding any concerns regarding traditional and customary practices in the ahupua'a. DWS see this as a good way to get in touch with the actual cultural practitioners in the area – and not just somebody claiming to be an expert who is not from the area. DWS hopes to get good information through this means, he said. DWS is going to set up a meeting so that all of the managers of the other water supply departments in the State can be introduced to the 'Aha Moku Advisory Committee, the Manager-Chief Engineer said. This will ensure that everyone is on the same page, he said. This appears to be the way the State is moving; it appears that CWRM may choose 'Aha Moku as the go-to resource. If that happens, DWS wants to be familiar with the organization and all of the players in the different areas, he said. It seems that all DWS has to do is go to 'Aha Moku, and the organization will vet the inquiry and refer it to the appropriate people; this would be terrific, he said. The details have not yet been worked out, but DWS is hopeful that when the Department does its projects, it will have spoken to the right people. At the CWRM meeting, DWS shared some good things it is doing, he reiterated. The *big unanswered question* is when the actual Action Item regarding the petition will take place.

Mr. Zimpfer of NPS concurred that there was no indication when that would happen.

The Manager-Chief Engineer said that is the money question that everybody is waiting on; the CWRM meeting was just a series of presentations, with no Action Items.

Ms. Lee Loy said that she attended the meeting. She confirmed that 'Aha Moku really would become a critical link or liaison for DWS in identifying lineal descendants of the area, as well as the protocols that do with some of the things that DWS wants to do. Her understanding was that 'Aha Moku is an advisory board to CWRM. Ms. Lee Loy noted that the Water Board has its own incredible resource on such matters, Ms. Kanoe Wilson. Ms. Wilson has a lot of ties to the

people of ‘Aha Moku, and is well-versed with the lineal descendants and traditional and customary practices. Ms. Lee Loy sees this as a huge opportunity for the Water Board to possibly even create a proper protocol when moving forward on new well sites; this would ensure that DWS is really taking seriously the cultural component of the area. DWS could even become the model here in Hawai‘i County, which can also be emulated by water departments on Maui and on Kaua‘i. It would create a roadmap for other departments regarding DWS’s role in the protection of public trust resources, Ms. Lee Loy said. She said she was very excited at the prospect. She noted that the Manager-Chief Engineer did a phenomenal job, remarked upon by many other people, of explaining the complex situation regarding designation. The Manager-Chief Engineer illustrated this with a story, which appeared to resonate with the Commissioners. Ms. Lee Loy thanked the Manager-Chief Engineer for doing a wonderful job in his presentation, and for representing DWS so well.

The Manager-Chief Engineer demurred, saying when one is on the hot seat, one only hopes to be making sense.

Ms. Lee Loy said it did make sense; the presentation resonated. The Manager-Chief Engineer’s presentation had so much information and was very technical, but the Manager-Chief Engineer was able to communicate it in a very effective way. She said the take-aways were fantastic, and she complimented the Manager-Chief Engineer for a job well done.

Ms. Self, referring to her notes from the meeting, said that ‘Aha Moku was actually signed into State law as Act 288 in 2012. She said the organization is great because it includes people who have generational knowledge of ahupua‘a; one does not have to be Native Hawaiian, so long as the person has generational knowledge from the past to the present.

Ms. Lee Loy said she was impressed when Ms. Leimana Damate (of ‘Aha Moku) took the map of the aquifers, and overlaid it over the map of the ahupua‘a systems, and then overlaid it over the map of the Representative Districts. This allowed everyone to talk in context; it showed how everything lines up and it made a lot of sense, she said.

The Manager-Chief Engineer said that DWS can work with Ms. Damate; those maps are in DWS’s GIS system already.

The Chairperson echoes Ms. Lee Loy’s praise of the Manager-Chief Engineer and staff. He thanked Ms. Lee Loy for staying for the entire meeting; he himself had to leave before it was over.

The Manager-Chief Engineer thanked those who attended the meeting; it showed the commitment from the Board and it showed that this is an important issue that DWS and the Board do not take lightly.

K. **EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE’S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

(No Executive Session was held.)

L. **MONTHLY PROGRESS REPORT:**

Mr. Balog asked if the Department could provide time frames or anticipated time frames on each of the projects on the spreadsheet; he asked that at least notes be put on to show when things are anticipated.

The Manager-Chief Engineer said yes, the Department could put time frames under “Status” and “Remarks,” that would indicate when DWS anticipates design, etc., being done.

Mr. Balog said yes, it would alleviate some of the questions the Board asks.

The Manager-Chief Engineer said that was a good suggestion; DWS could do that for projects that the Department is still working on in terms of planning, design, date of anticipated bid openings, etc.

Mr. Balog said that would be good, because the spreadsheet even shows projects that have been completed already, such as the Isemoto one at the top of the spreadsheet.

Mr. Inaba apologized for not having removed that project from the spreadsheet.

The Manager-Chief Engineer said that DWS still had not gotten Isemoto’s bill; DWS is not going to pay until they send an invoice.

Mr. Inaba said that is literally all that DWS is waiting for.

Mr. Balog asked for notes on the general status of all of the projects there.

The Manager-Chief Engineer said DWS would do that; that is the kind of suggestion that DWS wants to get from the Board. He invited the Board to let the Department know what it wants, and DWS will put it on the spreadsheet.

M. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Uyeda, referring to the Income Statement on Page FS4, asked why the Power Charges from 2015 to 2016 were unfavorable, despite lower Power Charges.

Mr. Sumada asked if Mr. Uyeda was looking at the Operating Expenses section, which showed Power & Pumping at a *favorable* \$2.2 million.

Mr. Uyeda said he was looking above that, to the Operating Revenues section, which showed the Power Charges as an unfavorable \$2 million; he asked if that was because DWS was getting less revenue on the Power Charges.

Mr. Sumada said it was just less than the prior year.

The Manager-Chief Engineer asked if it was unfavorable because it is revenue that DWS uses to cover its Power Cost.

Mr. Sumada said that it was unfavorable just because it is less than the prior year.

N. MANAGER-CHIEF ENGINEER’S REPORT:

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

- 1) \$20M Water Sustainability Study by UH-Mānoa, in cooperation with DWS – The Manager-Chief Engineer noted that this involves a grant to UH-Mānoa from the National Science Foundation (NSF). DWS last year worked with UH’s Dr. Greg Chun on a letter of support to help UH get this grant. DWS intends to continue to lend its support to this initiative; one of the target areas of the study is the Keauhou area. He stressed that everyone concerned needs more information, and DWS will definitely be involved in this process. The Manager-Chief Engineer said he plans to meet Dr. Chun

soon, but a firm date and time have not been set. He emphasized that a \$20 million grant coming into the State from the NSF is a big deal.

- 2) Matters of interest to the Board – None.

O. **CHAIRPERSON'S REPORT:**

The Chairperson said that he visits DWS once a week or once every two weeks to sign documents; he takes the opportunity to touch base with the Manager-Chief Engineer and the Deputy to see what concerns or issues there may be, and to see how the Board can help. These visits have really helped the Chairperson learn about the Department and the hard work of its staff. There is still so much to learn, and he thanked the Department for being patient and for helping him in his learning curve.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on June 28, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI. *A Public Hearing on the proposed Amended Rules and Regulations will be held at 9:30 a.m., prior to the regular meeting.*

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on July 28, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

11) **ADJOURNMENT**

ACTION: Mr. Uyeda moved to adjourn; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

The meeting adjourned at 11:13 a.m.

Secretary

The Department of Water Supply is an Equal Opportunity provider and employer.

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.