

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

MEETING DATE: April 23, 2019

TIME: 10:00 a.m.

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

- 1) CALL TO ORDER – 10:00 a.m. *(please turn cell phones off or set to silent)*
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES – Minutes of the March 19, 2019, Public Hearing on the Proposed Operating and 5-Year Capital Improvement Projects Budgets and the March 19, 2019, Regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)

5) **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2020:**

The Department’s Fiscal Year 2020 Operating Budget, totaling \$55,652,500, and 5-Year C.I.P. Budget for Fiscal Years 2020-2024, totaling \$122,700,000, have been distributed for the Board’s review. The Board may change either Budget or adopt them as presented over two readings.

RECOMMENDATION: It is recommended that the Water Board approve the Department’s Fiscal Year 2020 Operating and C.I.P. Budgets this second of two readings.

6) **POWER COST CHARGE:**

Departmental power costs from all power sources increased since the last Power Cost Charge rate was determined. The Department proposes to increase the Power Cost Charge from \$1.89 to \$1.96 per thousand gallons as a result of this increase. Power cost charges over the past two years were as follows:

| <u>Effective</u> | <u>PCC</u> |
|------------------|------------|
| February 1, 2019 | \$1.89 |
| August 1, 2018 | \$1.94 |
| April 1, 2018 | \$1.88 |
| December 1, 2017 | \$1.62 |
| August 1, 2017 | \$1.73 |

Before the Power Cost Charge is changed, a Public Hearing should be scheduled to accept public testimony.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on May 28, 2019, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$1.89 to \$1.96, effective June 1, 2019.

7) PUNA:

A. JOB NO. 2017-1066, KEAU‘OHANA DEEPWELL B REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 278 calendar days. The contractor encountered delays by Hawai‘i Electric Light Company, Inc. (HELCO), relating to the design and approval process for the generator transfer switch, which affected the contractor’s ability to complete the project by the original completion deadline. These factors were beyond the control of the contractor.

Note: There are additional costs of \$34,087.67 associated with this time extension. These associated costs are within the original contingency of \$83,287.00 for this project.

1st time extension – 278 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 278 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2017-1066, KEAU‘OHANA DEEPWELL B REPAIR. If approved, the contract completion date will be revised from January 14, 2019, to October 19, 2019.

B. JOB NO. 2019-1106, ‘ŌLA‘A #6 DEEPWELL REPAIR:

Bids will be opened on April 17, 2019, at 2:00 p.m.; and a report and recommendation will be provided at the meeting.

C. RIGHT-OF-ENTRY FOR ‘ŌLA‘A #3 DEEPWELL AND RESERVOIR SITE (TAX MAP KEY 1-6-003:087) FOR CONDUCTING AN ENVIRONMENTAL ASSESSMENT:

W.H. Shipman, Limited (WHS), is requesting a temporary Right-of-Entry (ROE) in order to conduct an Environmental Assessment (EA) on the ‘Ōla‘a #3 Deepwell and Reservoir site (Site) as WHS is contemplating the construction of a new well and reservoir adjacent to the Site and dedicating the improvements to the Department of Water Supply to satisfy some of the requirements for proposed developments of their lands. These improvements would be required to connect to existing infrastructure within the Site and thus requires the EA to include the Site. WHS will be responsible for all costs associated with their work within the property.

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

8) SOUTH KOHALA:

A. MATERIAL BID NO. 2018-13, FURNISHING AND DELIVERING 750kVA STEP-DOWN TRANSFORMER FOR LĀLĀMILO D DEEPWELL – REQUEST FOR TIME EXTENSION:

The vendor, American Electric, Inc., is requesting a contract time extension of 38 calendar days. The vendor experienced delays caused by the manufacturer, attributed to the impedance testing of the equipment. This delay was beyond the control of the vendor.

Note: There are no additional costs associated with this time extension.

1st time extension – 38 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 38 calendar days to American Electric, Inc., for MATERIAL BID NO. 2018-13, FURNISHING AND DELIVERING 750kVA STEP-DOWN TRANSFORMER FOR LĀLĀMILO D DEEPWELL. If approved, the contract completion date will be revised from January 18, 2019, to February 25, 2019.

B. JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR:

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

Bids for this project were opened on April 11, 2019, at 1:30 p.m., and the following are the bid results:

| Bidder | Bid Amount |
|--|-------------------|
| Beylik Drilling & Pump Service, Inc. | \$402,200.00 |
| Derrick's Well Drilling & Pump Services, LLC | \$447,000.00 |

Project Costs:

| | |
|--|----------------------------|
| 1) Low Bidder (Beylik Drilling & Pump Service, Inc.) | \$402,200.00 |
| 2) Contingencies (~10.0%) | <u>\$ 39,800.00</u> |
| Total Cost: | <u>\$442,000.00</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 \$402,500.00.

Well History:

Waimea Deepwell:
Original Installation: September 2007

Mitigation Measures:

This project will implement the mitigation measures of conducting a borehole alignment survey, power monitoring on both the line and load side of the motor control center and replacing the main service surge protection device.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$402,200.00, plus \$39,800.00 for contingencies, for a total contract amount of \$442,000.00. 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 by Corporation Counsel.

C. JOB NO. 2018-1090, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:

This project consists of furnishing all labor, materials, tools and equipment necessary to remove and dispose of settled sludge from the Waimea Water Treatment Plant 2.7 million-gallon reservoir, for a period not to exceed one year.

Bids for this project were opened on April 11, 2019, at 2:00 p.m., and the following are the bid results:

| Bidder | Bid Amount |
|--|-------------------|
| 2B Environmental, Inc., dba Bob’s Sweetwater Pumping Service | \$247,500.00 |
| Drainpipe Plumbing & Solar, LLC | \$747,000.00 |

Project Costs:

- 1) Low Bidder (2B Environmental, Inc. dba Bob’s Sweetwater Pumping Service) \$247,500.00
- Total Cost: \$247,500.00**

Funding for this project will be from the Operations Division Operating budget. The contractor will have 360 calendar days to complete this project. The Engineering estimate for this project was \$250,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2018-1090, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, to the lowest responsible bidder, 2B Environmental, Inc., dba Bob’s Sweetwater Pumping Service, for a total contract amount of \$247,500.00. 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.

9) NORTH KONA:

A. JOB NO. 2013-989, KAHALU‘U SHAFT INCLINED LIFT REPLACEMENT – SECOND TIME EXTENSION REQUEST:

The contractor, Jas W. Glover, Ltd., is requesting for a second time extension request. Staff has reviewed options to repair portions of the track to try and keep the cost to a minimum; however, based on the work environment and safety requirements needed to repair the tracks, the cost estimates were not feasible to be included in this contract. In order to assure that the new cart will function safely on the existing tracks, the manufacturer will build a test stand to simulate the activation and disengaging of the emergency braking mechanism with a load on the cart.

This is would be a second time extension to the contract. Previous extensions are listed below:

| Extension Number | From (Date) | To (Date) | Days (Calendar) | Reason |
|--|-------------|------------|-----------------|---|
| 1 | 1/19/2019 | 04/20/2019 | 90 | Repair existing tracks for cart. |
| 2 | 04/20/2019 | 01/28/2020 | 283 | Cost to repair existing tracks under this contract is not feasible. Manufacturer to build test stand to ensure safe operation of cart on existing tracks. |
| Total Days (including this request) | | | 373 | |

If approved, the new contract completion date would be extended from April 20, 2019, to January 28, 2020. Engineering staff has reviewed this request and finds the time extension request is justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of two hundred eighty-three (283) calendar days, to Jas. W. Glover, Ltd., for JOB NO. 2013-989, KAHALU‘U SHAFT INCLINED LIFT REPLACEMENT.

10) MISCELLANEOUS:

A. DEDICATIONS:

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

1. LICENSE EASEMENT NO. 802
(For Water Meter)
Licensor: State of Hawai‘i, Department of Hawaiian Home Lands
Villages of La‘i‘opua, Kealakehe, Hawai‘i
Tax Map Key (3) 7-4-021:003 (portion)

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. 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, 2019, to June 30, 2020. The rates would be as follows:

| | | | |
|----------------|---|---|--------------------|
| South Kohala - | \$4,392.35/month x 12 months (23 sites) | = | \$52,708.20 |
| Hāmākua - | \$2,944.16/month x 12 months (15 sites) | = | \$35,329.92 |
| Laupāhoehoe - | \$738.48/month x 12 months (3 sites) | = | <u>\$ 8,861.76</u> |
| | 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 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 2018-2019.

Brantley Center’s performance has been satisfactory, and the costs are reasonable. A total of 41 sites are covered by this agreement.

RECOMMENDATION: It is 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, 2019, to June 30, 2020, 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.

C. PROFESSIONAL SERVICES AGREEMENT – WATER LOSS AUDIT ASSISTANCE, PILOT PROJECT:

The Department desires to enter into a professional services agreement with a Water Loss Audit company, Water Systems Optimization, Inc., who has expertise in conducting and validating water audits to reduce water loss where possible and improve system understanding and water conservation. This project requires a consultant procured through professional services procedures. Based on the anticipated scope of work, the contract amount will be approximately \$300,000.00, and will be funded from the Operations Division Operating budget. It is anticipated that this initiative will take approximately 15 to 18 months to complete.

RECOMMENDATION: It is recommended that the Board approve the procurement of a consultant to provide support for the State mandated Water Loss Audits. Funding will be from the Operations Division Operating budget.

D. PROFESSIONAL SERVICES AGREEMENT - PRIVATE COUNSEL:

In accordance with Section 54-55, Hawai'i Revised Statutes ("HRS"), the Department desires to enter into a professional services agreement with a private attorney having appropriate expertise to assist in negotiations, valuation, and litigation involving the lease of the 'Ola'a Flume source (Civ. No. 18-1-111).

RECOMMENDATION: It is recommended that the Board approve the procurement of private counsel to provide the specialized expertise required in the above-referenced matter. Cost of services not to exceed \$100,000.00.

E. REVISION TO RULES AND REGULATIONS SECTION 3-5. CONNECTIONS:

Staff proposes the following amendments for discussion:

Replace subsection (15) language with the following, "Services from a Department of Water Supply standpipe facility shall be awarded based on a competitive bidding process. Terms and conditions of standpipe service will be contained in the bidding documents."

Add new subsection (16) Temporary water service may be granted by the Department. This service shall be limited to a maximum duration as established by the Department on a case by case basis. The applicant shall pay a fee, prior to service being granted, equal to the Department's estimate of the cost to install, maintain and remove the meter and appurtenances. In addition, the applicant shall pay the monthly standby and consumption charge at rates established by the Board. The Department reserves the right to deny any application or remove the temporary service at any time.

F. EXECUTIVE SESSION REGARDING INCIDENT OF EXCESSIVE WATER USAGE, RESIDENTIAL:

The Board anticipates convening an executive meeting for the purpose of discussing the legal rights, duties and liabilities of the Board concerning an incident of excessive water usage involving a residential account, as authorized by Hawai'i County Charter, Section 6-5.4, and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(4). The Board wishes to have its attorney present, in order to consult with the Board's attorney on its questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the Board.

G. 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.

H. JOB NO. 2018-1093, REQUEST FOR PROPOSALS TO PROVIDE A SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS:

A Request for Proposals (RFP) was issued in November 2018 to evaluate offers from interested and qualified firms to design, construct, own, operate and maintain a solar photovoltaic energy generation system at five (5) separate DWS offices/baseyards.

The Department received two responsive proposals. The two offerors discussed their proposals with the RFP evaluation committee and submitted Best and Final Offers on April 5, 2019. Based on the evaluation of pricing, design, construction services, operation/maintenance services, experience and financial capabilities, Greenpath Technologies, Inc., was selected.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2018-1093, REQUEST FOR PROPOSALS TO PROVIDE A SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS, to Greenpath Technologies, Inc. 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.

I. REQUEST FOR PROPOSALS NO. 2019-02, PROVIDE A DEBT COLLECTION AGENCY FOR THE DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI'I:

Request for Proposals (RFP) No. 2019-02 was issued in February 2019 to select a collection agency to pursue collection of past due amounts owed the Department. Sealed proposals were due no later than 2:00 p.m. on March 22, 2019.

One proposal was received from Aargon Agency, Inc. (Aargon). Based on an evaluation of background, methodology, qualifications, references, and terms, Aargon was determined to meet the Department's needs.

RECOMMENDATION: It is recommended that the Board award RFP No. 2019-02, PROVIDE A DEBT COLLECTION AGENCY for the Department of Water Supply, County of Hawai'i, to Aargon Agency, Inc., 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.

J. 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.

K. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells

L. **CHAIRPERSON'S REPORT:**

1. Chairperson to report on matters of interest to the Board.

11) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be May 28, 2019, 10:00 a.m., in the West Hawai'i Civic Center, Community Meeting Hale (Building G); 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i.

2. **Following Meeting:**

The following meeting of the Water Board will be June 25, 2019, 10:00 a.m., in the Department of Water Supply, Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i.

12) **ADJOURNMENT**

Anyone requiring an accommodation or auxiliary aid and/or services to participate in this meeting (i.e. sign language, interpreter, large print), please contact the Board 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.