

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

**MEETING DATE:** February 25, 2020

**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 January 28, 2020, Public Hearing on the Power Cost Charge and the January 28, 2020, Regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)  
**(Note: Roll Call Required)**

5) **PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2019**

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2019, have been distributed to Board Members. Representatives of N&K CPAs, Inc., the Department’s independent auditors, will be here to answer any questions the Board may have regarding the report.

6) **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2021:**

The Department’s Fiscal Year 2021 Operating Budget, totaling \$55,373,200, and 5-Year C.I.P. Budget for Fiscal Year 2021-2025, totaling \$135,100,000, have been distributed for the Board’s review.

**RECOMMENDATION:** It is recommended that the Board approve a public hearing to be held on Tuesday, March 24, 2020, at 9:45 a.m., prior to the Water Board’s regular meeting, to accept public testimony regarding the Department’s Fiscal Year 2021 Operating and C.I.P. Budgets.

7) **SOUTH KOHALA:**

A. **JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR – CONTRACT TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 91 calendar days. The contractor encountered fitment issues with the DWS-supplied equipment during the initial installation attempt and upon performing corrective work to resolve those fitment issues discovered scoring on the pump bearings. The Department has asked the contractor to provide a proposal for replacement of the scored bearing. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and found that only 84 calendar days of the requested time can be considered justified. *Note: There are additional costs of \$39,500.00 associated with this time extension. These associated costs are within the original contingency of \$39,800.00 for this project.*

- 1<sup>st</sup> time extension – 45 calendar days (due to change in valve material)
- 2<sup>nd</sup> time extension – 84 calendar days (due to change in valve manufacturer)
- 3<sup>rd</sup> time extension – 84 calendar days

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 84 calendar days to Beylik Drilling & Pump Service, Inc., for JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR. If approved, the contract completion date will be revised from January 7, 2020, to March 31, 2020.

**B. JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR – CHANGE ORDER REQUEST:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work in association with replacement of the pump/motor coupling and initial attempt to install the well. The description of additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Mobilization and demobilization relating to first attempt to install the well	\$21,000.00
2.	Materials and fabrication of replacement pump/motor coupling	\$10,000.00
3.	Crating and roundtrip shipping of pump and motor	\$4,700.00
	<b>TOTAL</b>	<b>\$35,700.00</b>

- Original Contract Amount: \$83,200.00
- Original Contingency amount: \$8,300.00
- 1<sup>st</sup> Additional Contingency request: \$48,620.00 (Additional 4 positive seal check valves)
- 2<sup>nd</sup> Additional Contingency request: \$13,668.00 (Replacement pump discharge case)
- 3<sup>rd</sup> Additional Contingency request: \$35,700.00
- Total Revised Contract Amount: \$189,488.00**

The contractor is also requesting a contract time extension of 90 calendar days. The Department requested the contractor provide a replacement pump/motor coupling. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 90 calendar days justified.

- 1<sup>st</sup> time extension – 61 calendar days (due to replacement check valves)
- 2<sup>nd</sup> time extension – 92 calendar days (due to replacement pump discharge case)
- 3<sup>rd</sup> time extension – 62 calendar days (due to fit-up issues with DWS supplied equipment)
- 4<sup>th</sup> time extension – 90 calendar days

**RECOMMENDATION:** It is recommended that the Board approve an increase in contingency of \$35,700.00 to Beylik Drilling & Pump Service, Inc., for a total project cost of \$189,488.00, and approve a contract time extension of 90 calendar days for JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR. If approved, the contract completion date will be revised from January 31, 2020, to April 30, 2020.

8) NORTH KONA:

A. JOB NO. 2019-1118, ALOHA KONA BOOSTER A REPAIR:

This project consists of furnishing all labor, materials, tools and equipment necessary to replace one (1) booster pump assembly; replace discharge piping components, chlorinate the pumping assembly; and complete an efficiency test; in accordance with the specification.

Bids for this project were opened on February 13, 2020, at 2:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>	<b>Adjusted Bid Amount (for purposes of bid award)*</b>
Beylik Drilling & Pump Service, Inc.	\$ 163,400.00	N/A
Derrick's Well Drilling Pump Services, LLC	\$ 195,700.00	N/A
Jas. W. Glover, Ltd.	\$ 253,000.00	\$ 252,898.70

\*Bids were adjusted (for the purpose of award) to provide credits for Hawai'i Product Preference, in accordance with Hawai'i Administrative Rules.

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$163,400.00
2) Contingencies (~10%)	<u>16,300.00</u>
<b>Total Cost:</b>	<b><u>\$179,700.00</u></b>

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 \$125,000.00.

Booster History:

Aloha Kona Booster A: Original Installation - April 1980

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2019-1118, ALOHA KONA BOOSTER A REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$163,400.00, plus \$16,300.00 for contingencies, for a total contract amount of \$179,700.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

B. JOB NO. 2019-1131, KEAHUOLU DEEPWELL REPAIR:

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor and column assembly; install a DWS-supplied submersible pump and motor; install the contractor-supplied column assembly, power cable, sounding tube, and all appurtenant materials; well rehabilitation; borehole alignment survey; electrical work; chlorinate the well and pumping assembly; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on February 13, 2020, at 1:30 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Derrick's Well Drilling & Pump Services, LLC	\$799,000.00
Beylik Drilling & Pump Service, Inc.	\$928,875.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$ 799,000.00
2) Contingencies (10.0%)	<u>79,900.00</u>
<b>Total Cost:</b>	<b><u>\$878,900.00</u></b>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 150 calendar days to complete this project. The Engineering estimate for this project was \$765,000.00.

Well History:

Keahuolū Deepwell:

Original Installation:	May 1996	
Repaired:	April 15, 1999	Final Contract Amount \$128,333.00
Repaired:	March 10, 2000	
Repaired:	March 23, 2004	Final Contract Amount \$200,963.00
Repaired:	July 10, 2006	Final Contract Amount \$520,918.17
Repaired:	May 27, 2012	Final Contract Amount \$119,700.00
Repaired:	January 30, 2017	Final Contract Amount \$270,030.00
Last Repaired:	July 5, 2017	

Mitigation Measures:

This project will implement the mitigation measures of conducting a borehole alignment survey; reducing the well capacity and horsepower to 700 GPM and 400 HP; installing power monitoring on the line and load side of the starting equipment; and installing temperature monitoring.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2019-1131, KEAHUOLŪ DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$799,000.00, plus \$79,900.00 for contingencies, for a total contract amount of \$878,900.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

**C. JOB NO. 2018-1098, PALANI DEEPWELL A REPAIR – REQUEST FOR TIME EXTENSION:**

The contractor, Derrick's Well Drilling & Pump Services, LLC, is requesting a contract time extension of 25 calendar days. Staff re-evaluated documentation the contractor submitted at last month's Water Board meeting and found that the requested time is justified due to previous logistical issues associated with the delivery of the motor shroud. *Note: There are no additional costs associated with this time extension.*

- 1<sup>st</sup> time extension – 60 calendar days (due to failure of motor manufacturer’s lamination machine)
- 2<sup>nd</sup> time extension – 40 calendar days (due to incorrect motor lead length and shroud)
- 3<sup>rd</sup> time extension – 10 calendar days (due to shroud production time and freight schedules)
- 4<sup>th</sup> time extension – 25 calendar days (due to previous logistical issues with delivery of the shroud)

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 25 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2018-1098, PALANI DEEPWELL A REPAIR. If approved, the contract completion date will be revised from December 11, 2019, to January 4, 2020.

9) SOUTH KONA:

A. **JOB NO. 2019-1114, KE’EI C DEEPWELL AND BOOSTERS A & B REPAIR – CONTRACT TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 121 calendar days. The manufacturer encountered delays with the fabrication and testing of the booster equipment. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 121 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 121 calendar days

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 121 calendar days to Beylik Drilling & Pump Service, Inc., for JOB NO. 2019-1114, KE’EI C DEEPWELL AND BOOSTERS A & B REPAIR. If approved, the contract completion date will be revised from December 31, 2019, to April 30, 2020.

10) MISCELLANEOUS:

A. **MATERIAL BID NO. 2017-10, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR KEAHUOLŪ DEEPWELL AND KE’EI D DEEPWELL, AND SPARE PUMP FOR NĀ’ĀLEHU DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 92 calendar days due to logistical issues associated with the string testing of the pump and motor set for Ke’ei D Deepwell. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 92 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 92 calendar days

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 92 calendar days to Beylik Drilling & Pump Service, Inc., for MATERIAL BID NO. 2017-10, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR

KEAHUOLŪ DEEPWELL, AND KE‘EI D DEEPWELL AND SPARE PUMP FOR NĀ‘ĀLEHU DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from March 31, 2018, to August 10, 2018.

**B. MATERIAL BID NO. 2017-13, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SET FOR KEAHUOLŪ DEEPWELL AND REFURBISHING SPARE MOTOR FOR HUALĀLAI DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY - REQUEST FOR TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 114 calendar days. Delays to this project were due to the manufacturer dropping the pump and motor equipment during the string testing, and the subsequent repairs to the equipment. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 114 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 114 calendar days

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 114 calendar days to Beylik Drilling & Pump Service, Inc., for MATERIAL BID NO. 2017-13, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SET FOR KEAHUOLŪ DEEPWELL AND REFURBISHING SPARE MOTOR FOR HUALĀLAI DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from April 22, 2018, to October 4, 2018.

**C. DEDICATIONS:**

We 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.

**Grant of Easement and Bill of Sale**

Grantor: AG-WP MAUNA KEA OWNER, LLC

Subdivision Nos. 2017-1737 (Lots 5-B, C and D) and 2017-1725 (Lot 5-F)

Tax Map Keys: (3) 6-2-021:003, 004, & 028 (Lots 5-B, C and D) and (3) 6-2-021:016 (Lot 5-F)

Facilities Charge: \$26,455.00 Date Paid: TBA

Final Inspection Date: 2/12/2020

Water System Cost: TBA

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

**D. JOB NO. 2019-1111, TRANSFORMER MAINTENANCE AND UPGRADE:**

*This item was deferred at the January 28, 2020, Water Board Meeting.*

This project consists of furnishing all labor, materials, tools and equipment necessary to service the Department of Water Supply transformers. Work consists of performing inspection, electrical tests, infrared and ultrasonic surveying, laboratory testing of transformer oil, evaluate

and document test results; upgrade work; perform maintenance work according to manufacturer's recommendations for a period not to exceed one year.

Bids for this project were opened on January 23, 2020, at 2:00 p.m., and following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
American Electric Company LLC	\$720,984.00
Core Utility LLC	\$146,650.00 *

\* Bid Amount was corrected.

Project Costs:

1) Low Bidder (Core Utility LLC)	\$146,650.00
2) Contingencies (10.0%)	<u>\$14,665.00</u>
<b>Total Cost:</b>	<b><u>\$161,315.00</u></b>

Funding for this project will be from DWS' CIP Budget under Agreements, Repair and Maintenance. The contractor will have 360 calendar days to complete this project. The Engineering estimate for this project was \$94,600.00.

Mitigation Measures:

This project will implement the mitigation measures of preventative maintenance.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2019-1111, TRANSFORMER MAINTENANCE AND UPGRADE, to the lowest responsible bidder, Core Utility LLC, for their bid amount of \$146,650.00, plus \$14,665.00 for contingencies, for a total contract amount of \$161,315.00. 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.

**E. JOB NO. 2018-1093, REQUEST FOR PROPOSALS TO PROVIDE A SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – FIRST AMENDMENT TO POWER PURCHASE AGREEMENT, INCLUSIVE OF THE TRANSFER AND ASSIGNMENT AGREEMENT:**

The contractor, Greenpath Technologies, Inc., has requested to correct, clarify and assign the Power Purchase Agreement (PPA) in accordance with the First Amendment. The contract price and schedule of work remain unchanged under this amendment.

Under Section 14.5 of the PPA, Greenpath Technologies, Inc., wishes to assign all its interests in the PPA to ENRG Hawaii Solutions, LLC, in accordance with the PPA Transfer and Assignment Agreement.

RECOMMENDATION: It is recommended that the Water Board approve the FIRST AMENDMENT TO POWER PURCHASE AGREEMENT, inclusive of the TRANSFER AND ASSIGNMENT AGREEMENT, and that either the Chairperson or Vice-Chairperson be authorized to sign the documents, subject to form and legality by Corporation Counsel.

**F. 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.

G. **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.

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

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

1. North Kona Wells
2. 2020 Legislative Session
3. Department of Water Supply Energy Report
4. Employee of the Quarter (4<sup>th</sup> quarter of 2019)

I. **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 March 24, 2020, 10:00 a.m. at 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 April 28, 2020, 10:00 a.m., at the Department of Water Supply, Hilo 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.