

**Department of Water Supply
County of Hawai'i
Water Board Meeting**

NOTICE TO THE PUBLIC

MEETING DATE: March 24, 2020
TIME: 10:00 a.m.
PLACE: West Hawai'i Civic Center
Community Meeting Hale, Building G
74-5044 Ane Keohokalole Highway
Kailua-Kona, Hawai'i

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COUNTY CLERK
COUNTY OF HAWAII

Due to safety concerns regarding the spread of COVID-19, and CDC, State, and County recommendations limiting public gatherings to no more than 10 people, the following restrictions are being imposed on the March 24, 2020, meeting:

1. The meeting is closed to members of the public, who will not be permitted to enter the meeting room.
2. Only **one** member from the media will be allowed to attend the meeting.
3. Anyone wishing to provide testimony on an agenda item may do so by submitting it in writing or by email or fax to:

Department of Water Supply
Attention: Doreen Jollimore
345 Kekūanaō'a Street, Suite 20
Hilo, Hawai'i 96720
Email: dws@hawaiidws.org
Fax: [\(808\) 961-8657](tel:(808)961-8657)

The imposed restrictions comply with the Supplementary Proclamation issued by Governor David Ige on March 16, 2020, which temporarily suspend Chapter 92, Hawai'i Revised Statutes (HRS) with respect to public agency meetings and records. Thank you for your cooperation and understanding during these challenging times. The health and well-being of our community remain uppermost in our minds and hearts.

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

MEETING DATE: March 24, 2020

TIME: 10:00 a.m.

PLACE: West Hawai‘i Civic Center, Community Meeting Hale, Building G,
74-5044 Ane Keohokalole Highway, Kailua-Kona, 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 February 25, 2020, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)
- 5) **WATER RATE STUDY CHANGE ORDER, JOB NO. 2019-08:**

Rate study consultant, Harris & Associates, was contracted to conduct a 5-year Water Rate Study for the Department in order to provide water rates for the fiscal years 2021 to 2025. The contract total was \$562,706.00. This amount did not include making a presentation to the Water Board, which was requested by the Board at a prior meeting. The contract does include having the consultant attend public hearings in Kona and Hilo on consecutive days in order to provide information and answer questions about the water rate study. Ms. Ann Hajnosz from Harris & Associates will be attending the April 28, 2020, Water Board meeting to provide background of the Department’s water rate structure and to inform the Board of her findings to date. The additional cost for this presentation is \$12,165.00.

RECOMMENDATION: It is recommended that the Board approve a change order to the Harris & Associates contract, Job No. 2019-08, totaling \$12,165.00 to provide for a presentation to the Water Board on April 28, 2020.

- 6) **WATER RATE STUDY FOR FISCAL YEAR 2021 - 2025:**

Before the proposed rates can be adopted, Public Hearings must be held to accept public testimony on the matter. In the past, two public hearings were held on consecutive nights in Hilo and Kona at 6:00 p.m.

RECOMMENDATION: It is recommended that Public Hearings be scheduled in Hilo and Kona for 6:00 p.m. on consecutive days in order to receive public testimony on the proposed five-year water rates.

7) **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. A public hearing was held prior to this meeting to accept testimony. The Board may change either Budget or adopt them as presented over two readings.

RECOMMENDATION: It is recommended that the Board approve the Department’s Fiscal Year 2021 Operating and C.I.P. Budgets on this first of two readings.

8) **PRESENTATION OF COUNTY OF HAWAI‘I AUDIT REPORT ON CONTINGENCY PLANS AT COUNTY OF HAWAI‘I’S DEPARTMENT OF WATER SUPPLY:**

Copies of the County of Hawai‘i, Office of the Legislative Auditor, “Audit Report on Contingency Plans at County of Hawai‘i’s Department of Water Supply” have been distributed to Board Members. The County’s Legislative Auditor, Ms. Bonnie Nims, will present her report dated March 3, 2020, on the Department’s contingency plans to guarantee sufficient water supply to customers at all times, including during disruption of a deep water well.

9) **SOUTH HILO:**

A. **EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on March 12, 2020, at 1:30 p.m. and following are the bid results:

	Part “A” ONE (1) MINI EXCAVATOR	Part “B” ONE (1) DUAL PURPOSE DUMP TRAILER	Part “C” REMOVED	Part “D” ONE (1) BUCKET TRUCK
Allied Machinery Corporation Hilo	\$63,887.43 150 Days	\$15,008.72 120 Days		No Bid
American Machinery dba Island Equipment, Inc.	\$96,434.83 180 Days	No Bid		No Bid
Gill Island Motors	No Bid	No Bid		\$161,291.94 400 Days
HT&T Hawaii LLC dba HT&T Truck Center	No Bid	No Bid		No Bid
Inter Pacific Motors, Inc., dba Orchid Isle Auto Center	No Bid	No Bid		\$166,485.80 460 Days

RECOMMENDATION: It is recommended that the Board award EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY, to:

- Allied Machinery Corporation Hilo, for **Parts A and B** at a total cost of \$78,896.15;
 - Gill Island Motors, for **Part D** at a total cost of \$161,291.94;
- and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts subject to approval of the contracts as to form and legality by Corporation Counsel.

B. JOB NO. 2012-983, KA'IE'IE MAUKA FACILITY IMPROVEMENTS - REQUEST FOR TIME EXTENSION:

The contractor, Isemoto Contracting Co., Ltd., is requesting a contract time extension of 60 calendar days. This time extension request will allow the contractor to complete the project due to required design changes to the electrical work for the booster pumps. The issues were discovered while troubleshooting during the start-up testing. The delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension finds the 60 calendar days are justified. *Note: There are additional costs of \$14,643.00 associated with this time extension, which are within the existing contingency amount.*

- 1st time extension – 56 calendar days (granted 12/17/19 due to issuance of building permit)
- 2nd time extension – 52 calendar days (granted 1/28/20 due to weather and design changes)
- 3rd time extension – 60 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 60 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2012-983, KA'IE'IE MAUKA FACILITY IMPROVEMENTS. If approved, the contract completion date will be extended from March 30, 2020, to May 29, 2020.

10) NORTH KONA:

A. JOB NO. 2020-1133, KAHALU'U B 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 vertical turbine pump, vertical hollow shaft motor, column assembly, sounding tubes and all appurtenant materials; discharge piping work; 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 March 12, 2020, at 2:30 p.m., and following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$600,000.00
Water Resources International, Inc.	\$604,267.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$600,000.00
2) Contingencies (10.0%)	\$ 60,000.00
Total Cost:	<u>\$660,000.00</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 \$710,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2020-1133, KAHALU'U B DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$600,000.00, plus \$60,000.00 for contingencies, for a total contract amount of \$660,000.00. 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.

11) MISCELLANEOUS:

A. DEDICATIONS:

The 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. **Grant of Easement and Bill of Sale**

Grantor: RS10 Kalaoa, LLC

"Kukuinui Subdivision, Increment II"

Subdivision No. 98-000070

Tax Map Key: (3) 7-3-028:102

Facilities Charge: \$20,400.00, Date Paid: April 30, 2018

Capital Assessment Fee: \$5,000.00 (paid)

Final Inspection Date: 11/06/2019

Water System Cost: \$119,328.00

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

B. **JOB NO. 2019-1129, EMERGENCY STANDBY POWER CONNECTION AT CRITICAL SITES:**

Bid opening was scheduled for March 12, 2020, at 2:00 p.m. No responsive, responsible bids were received. Staff will seek alternate methods of procurement per HAR 3-122-35 (b), in accordance with procurement rules.

C. **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.

D. **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.

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

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

1. North Kona Wells
2. American Water Works Association National Conference, Orlando, Florida, June 14-17, 2020
3. Coronavirus update

F. **CHAIRPERSON'S REPORT:**

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

12) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next 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.

2. **Following Meeting:**

The following meeting of the Water Board will be May 26, 2020, 10:00 a.m., at the West Hawai‘i Civic Center, (Building G); 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai‘i.

13) 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.

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