

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

MEETING DATE: April 28, 2020

TIME: 10:00 a.m.

PLACE: Via web conferencing. Host location: 345 Kekūanaō‘a Street, #20, Hilo, Hawai‘i
Pursuant to Governor Ige’s supplementary emergency proclamation dated March 16, 2020, in order to minimize physical contact and maximize social distancing, this meeting will not be open to the public. Anyone wishing to provide testimony on an agenda item may do so by submitting it before 12:00 noon on April 24, 2020, by email to dws@hawaiiidws.org, facsimile to (808) 961-8657, or by mail to the Department of Water Supply at 345 Kekūanaō‘a Street, Hilo, HI 96720. All written testimony, regardless of time of receipt, will be part of the permanent record.

- 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 24, 2020, Public Hearing on the Proposed Operating and 5-Year Capital Improvement Projects (C.I.P.) Budgets for Fiscal Year 2021; and the Minutes of the March 24, 2020, Regular 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:**

Water 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 2021-2025. 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 June 2 and 3, 2020, in order to provide information and answer questions to the public about the Water Rate Study. Not included in the original scope, the Department requests the consultant to incorporate an affordable housing component in their facilities charges analyses, in addition to providing a presentation to the Water Board on April 28, 2020, by WebEx. A change order totaling \$14,063.00 for all requested items was provided by the consultant, with a breakdown as follows:

April 2020 Presentation (water rates)	\$ 1,100.00
Affordable Housing Analyses	11,300.00
July 2020 presentation (facilities charges)	1,100.00
Taxes	<u>563.00</u>
Total	<u>\$14,063.00</u>

RECOMMENDATION: It is recommended that the Board approve a change order to the Harris & Associates contract, Job No. 2019-08, totaling \$14,063.00, for two (2) Board presentations and affordable housing analyses.

6) **WATER RATE STUDY - PRESENTATION BY ANN HAJNOSZ, HARRIS & ASSOCIATES:**

As requested by the Water Board, Water Rate Study consultant, Harris & Associates, will do a presentation to provide the board information regarding the ongoing water rate study.

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 Years 2021-2025, totaling \$135,100,000, 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 2021 Operating and C.I.P. Budgets this second 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 - DEFERRED AT MARCH 2020 MEETING:**

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" were distributed to Board Members. The presentation for this report was deferred at the March 2020 meeting and will be rescheduled to a future Water Board meeting to be determined.

9) **SOUTH HILO:**

A. **JOB NO. 2020-1135, PANA'EWA WELL A REPAIR:**

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove the existing motor, discharge head and column assembly; replace a portion of the column assembly bearings; install the new discharge head, existing motor and column assembly, and all appurtenant materials; perform well rehabilitation work and vibration analysis, in accordance with the specifications.

Bids for this project were opened on April 16, 2020, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$100,000.00
Beylik Drilling & Pump Service, Inc.	\$111,220.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$100,000.00
2) Contingencies (10.0%)	<u>\$ 10,000.00</u>
Total Cost:	<u>\$110,000.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project was \$105,000.00.

Well History:

Pana'ewa Well A:

Original Installation: March 1964

Repaired: September 1999

Repaired: September 2016 – Final Contract Amount \$145,000.00

Last Repaired: November 2019 – Final Contract Amount \$115,803.05

Mitigation Measures:

This project does not implement any mitigation measures specifically identified by the Permitted Interaction Group; however, this project will be replacing the existing well discharge head which currently has a misalign column tailpiece, and will reduce the diameter of the sounding tubes allowing greater freedom for the column assembly to fit into the well without space restrictions. Both of these factors were identified as the primary cause of the recent premature well failure for this specific well. Additionally, the repair will also include a vibration analysis on the installed well assembly to ensure well is operating smooth and within acceptable industry recommended tolerances.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2020-1135, PANA'EWA WELL A REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$100,000.00, plus \$10,000.00 for contingencies, for a total contract amount of \$110,000.00. 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.

B. JOB NO. 2018-1099, PANA'EWA WELLS B & C REPAIR - REQUEST FOR ADDITIONAL FUNDS AND TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work for incidental design work for articulating antenna mast and additional well rehabilitation work. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Articulating antenna mast incidental design work	\$2,900.00
2.	Additional work for well jetting and surge blocking	\$60,000.00
	TOTAL	\$62,900.00

Original Contract Amount: \$813,020.00

Original Contingency Amount: \$80,980.00

1st Additional Contingency Request: \$62,900.00

Total Revised Contract Amount: \$875,920.00

The contractor is also requesting a contract time extension of 46 calendar days. Due to the COVID-19 pandemic, the Department has coordinated a schedule of work between all the well contractors and the various well projects among them which include well jetting work. 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 the 46 calendar days can be considered justified.

1st time extension – 92 calendar days (due to rework on pump to meet efficiency) *approved at the 10/22/19 Water Board Meeting*

2nd time extension – 90 calendar days (due to rework on pump to meet efficiency) *approved at the 1/28/20 Water Board Meeting*

3rd time extension – 46 calendar days

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$62,900.00 to Beylik Drilling & Pump Service, Inc., for a total project cost of \$875,920.00, and approve a contract time extension of 46 calendar days for JOB NO. 2018-1099, PANA‘EWA WELLS B & C REPAIR. If approved, the contract completion date will be revised from May 15, 2020, to June 30, 2020.

C. JOB NO. 94-590, PI‘IHONUA-KUKAU RESERVOIR AND TRANSMISSION IMPROVEMENTS:

The project required easements through five (5) properties; and the easement and costs for the easements were approved at the September 26, 2017, Water Board Meeting. There was an error in two of the easement amounts that were listed and approved as follows:

Easement 187-A: \$250.00

New Easement: \$260.00

The easement amounts need to be corrected as follows:

Easement 187-A: \$260.00

New Easement: \$210.00

Staff found this error as the easement documents have been signed by the owners and are in the process of being executed which subsequently prompted payment for the easements. The owners were provided a copy of the appraisal which listed the correct easement amounts and were agreeable to those amounts.

RECOMMENDATION: It is recommended that the Board approve the corrected easement amounts of \$260.00 for Easement 187-A and \$210.00 for the New Easement.

10) **SOUTH KOHALA:**

A. JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS AND TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work in association with the reallocation of the power cable for an emergency well repair and additional well rehabilitation work. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Replacement 1,810’ power cable	\$36,000.00
2.	Additional work for well jetting and surge blocking	\$195,390.00
	TOTAL	\$231,390.00

Original Contract Amount: \$402,200.00

Original Contingency Amount: \$39,800.00

1st Additional Contingency Request: \$191,590.00

Total Revised Contract Amount: \$593,790.00

The contractor is also requesting a contract time extension of 91 calendar days. The Department reallocated the power cable designated for this project to an emergency well repair and asked the contractor to submit a proposal for replacement power cable. 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 the 91 calendar days can be considered justified.

1st time extension – 45 calendar days (due to change in valve material) *approved at 8/27/19 Water Board Meeting*

2nd time extension – 84 calendar days (due to change in valve manufacturer) *approved at the 10/22/19 Water Board Meeting*

3rd time extension – 84 calendar days (due to replacement of scored pump bearings) *approved at the 2/25/20 Water Board Meeting*

4th time extension – 91 calendar days

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$191,590.00 to Beylik Drilling & Pump Service, Inc., for a total project cost of \$593,790.00, and approve a contract time extension of 91 calendar days for JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR. If approved, the contract completion date will be revised from March 31, 2020, to June 30, 2020.

B. JOB NO. 2019-1122, LĀLĀMILO A DEEPWELL REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 30 calendar days. The pump was extracted in late February and arrived at the refurbishment facility in early April. The pump was found to be non-repairable and a new pump will be needed. 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 30 calendar days justified. *Note: There are no additional costs associated with this time extension, but additional funds and a second time extension will follow after the cost of the new pump and estimated manufacturing lead time has been determined.*

1st time extension – 30 calendar days (due to extraction delays and pump not suitable for refurbishment) *approved at the 4/28/20 Water Board Meeting*

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 30 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2019-1122, LĀLĀMILO A DEEPWELL REPAIR. If approved, the contract completion date will be revised from April 30, 2020, to May 30, 2020.

11) SOUTH KONA:

A. JOB NO. 2019-1114, KE‘EI C DEEPWELL AND BOOSTERS A & B REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 30 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 30 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 121 calendar days (due to fabrication & testing of booster pumps) *approved at the 2/25/20 Water Board Meeting*

2nd time extension – 30 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 30 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 April 30, 2020, to May 30, 2020.

12) **MISCELLANEOUS:**

A. **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.

B. **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.

C. **TEMPORARY SUSPENSION OF WATER SHUT-OFFS AND LATE FEES AND OTHER MATTERS RELATED TO COVID-19 SITUATION:**

The Department suspended shut-offs and late fees through April 30, 2020. Note, this is not a relief of payment. The Department has also modified operations to improve physical distancing and reduce risk.

D. **RESOLUTION NO. 20-01, TO EXPEDITE APPROVAL OF CRITICAL OPERATIONS IN THE EVENT OF AN EMERGENCY PRECLUDING BOARD MEETINGS:**

The Department seeks approval from the Board to approve specified items internally in the event of emergency.

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

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

1. North Kona Wells
2. Employee of the Quarter (First Quarter of 2020)

F. **CHAIRPERSON’S REPORT:**

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

13) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be May 26, 2020.

2. **Following Meeting:**

The following meeting of the Water Board will be June 23, 2020.

14) 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.

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