

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

DATE: May 26, 2020

TIME: 10:00 a.m.

PLACE: Via web conferencing. Host location: 345 Kekūanaō‘a Street, #20, Hilo, Hawai‘i. The public may view the meeting via live stream at <https://www.facebook.com/HawaiiDWS>

Written Testimony: Anyone wishing to provide testimony on an agenda item may also do so by email to dws@hawaiidws.org, facsimile to (808) 961-8657, or by mail to the Department of Water Supply at 345 Kekūanaō‘a Street, Hilo, HI 96720. Written testimony should be submitted no later than 12 noon, Friday May 22, 2020, to be acknowledged at the board meeting. All written testimony, regardless of time of receipt, will be part of the permanent record.

Oral Testimony: Those that want to provide oral testimony during the meeting, must email dws@hawaiidws.org no later than 12 noon, Friday May 22, 2020, with your name, phone number, email address, and the agenda item you wish to testify on. You may be asked to register and your testimony will be included and recorded via the web conference application.

- 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 April 28, 2020, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATES, FISCAL YEAR 2021-2025, JOB NO. 2019-08:**

A copy of the water rate schedule prepared for newspaper advertising is provided to the Board. Water Rate Study consultant, Harris & Associates, has recommended water rates for the 5-year period Fiscal Year 2021 to 2025 for the Board's review. Their recommendation includes a 6.5% rate increase each year over five (5) years.

RECOMMENDATION: It is recommended that the Board approve holding public hearings in Kona and Hilo on consecutive days, when it is safe to do so, to obtain input on the 5-year water rates recommended by Harris & Associates.

6) **SOUTH HILO:**

A. **JOB NO. 2005-875, PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT:**

This project consists of replacing approximately three (3) miles of existing transite and galvanized waterlines and service laterals for 267 customers in the Pāpa‘ikou area.

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

<u>Bidder</u>	<u>Adjusted Bid Amount*</u>	<u>Amount</u>
Nan, Inc.	\$6,451,993.64	\$6,791,572.25
Goodfellow Bros. LLC	\$7,658,366.10	\$8,061,438.00
Jas. W. Glover, Ltd.	\$7,678,600.00	\$7,678,600.00
Isemoto Contracting Co., Ltd.	\$10,516,684.30	\$10,516,684.30
Koga Engineering & Construction, Inc.	\$7,077,769.80	\$7,450,284.00

* Adjusted Bid Amount for evaluation purposes only.

Project Costs:

1) Low Bidder (Nan, Inc.)	\$6,791,571.25
2) Construction Contingency (9.3%)	<u>\$633,428.75</u>
Total Construction Cost:	<u>\$7,425,000.00</u>

Funding for this project will be from United States Department of Agriculture – Rural Utility Services Loan and Grant. The contractor will have 365 calendar days to complete this project. The engineering estimate for this project was \$7,400,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2005-875, PĀPA ‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT, to the lowest responsible bidder, Nan, Inc., for their bid amount of \$6,791,571.25 plus \$633,428.75 for contingencies, for a total contract amount of \$7,425,000.00. 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.

7) SOUTH KOHALA:

A. **JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR – REQUEST FOR TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 30 calendar days. The delivery of the replacement equipment coupling took longer than expected. This delay was 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.

1st time extension – 61 calendar days (Due to replacement check valves) *approved at the 6/25/19 Water Board Meeting*

2nd time extension – 92 calendar days (Due to replacement pump discharge case) *approved at the 8/27/19 Water Board Meeting*

3rd time extension – 62 calendar days (Due to fit-up issues with DWS supplied equipment) *approved at the 12/17/19 Water Board Meeting*

4th time extension – 90 calendar days (Due to replacement equipment coupling) *approved at the 2/25/20 Water Board Meeting*

5th 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. 2018-1085, PARKER #1 DEEPWELL REPAIR. If approved, the contract completion date will be revised from April 30, 2020, to May 30, 2020.

B. JOB NO. 2019-1122, LALAMILO A DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS AND TIME EXTENSION:

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract change order for the additional work in association with the purchase of a new Simflo pump and to change the size of the sounding tubes. The existing Gicon pump could not be refurbished after reviewing the teardown report. The description of additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	New Simflo SM10H pump with surface shipping	\$66,902.60
2.	Teardown inspection of Gicon 11CLC-LL pump with surface shipping	\$8,152.90
3.	New ½” sounding tubes	\$1,293.75
4.	Deduct cost to refurbish pump, Part B, Item #4	-\$37,148.80
	TOTAL	\$39,200.45

Original Contract Amount: \$375,000.00
 Original Contingency amount: \$37,500.00
 1st Additional Contingency request: \$1,700.45

Total Revised Contract Amount: \$414,200.45

The contractor is also requesting a contract time extension of 77 calendar days. The Department requested the contractor provide a new replacement pump. 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 77 calendar days justified.

1st time extension – 30 calendar days (Due to pump not able to be refurbished) *approved at the 4/28/2020 Water Board Meeting*

2nd time extension – 77 calendar days

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$1,700.45 to Derrick’s Well Drilling & Pump Services, LLC, for a total project cost of \$414,200.45, and approve a contract time extension of 77 calendar days for JOB NO. 2019-1122, LALAMILO A DEEPWELL REPAIR. If approved, the contract completion date will be revised from May 30, 2020, to August 15, 2020.

8) NORTH KOHALA:

A. JOB NO. 2019-1113, HAWI #2 BOOSTER B REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 133 calendar days. The motor for this project was significantly damaged while in transit to Hawai‘i. The motor needs to be replaced with a factory new unit. 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 133 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 133 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 133 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2019-1113, HAWI #2 BOOSTER B REPAIR. If approved, the contract completion date will be revised from June 8, 2020, to October 19, 2020.

9) NORTH KONA:

A. **JOB NO. 2016-1043, WAI’AHA WATER SYSTEM IMPROVEMENTS - TRANSMISSION REQUEST FOR TIME EXTENSION:**

The contractor, Isemoto Contracting Co., Ltd., has completed the installation of the waterline and appurtenances; however, due to the COVID-19 situation, they are waiting to schedule the tie-ins before they finalize the chlorination. Upon completion of the tie-ins, they will do the final paving for the entire project.

Staff is making this recommendation for a contract time extension of 30 days to allow the contractor to complete the remaining work on the project. This would be the second time extension. *Note: There are no additional costs associated with this time extension.*

1st time extension – 210 calendar days (Due to redesign of stream crossings) *approved at the 12/17/19 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 Isemoto Contracting Co., Ltd., for JOB NO. 2016-1043, WAI’AHA WATER SYSTEM IMPROVEMENTS - TRANSMISSION. If approved, the contract completion date will be revised from May 28, 2020, to June 27, 2020.

B. **JOB NO. 2013-989, KAHALU’U SHAFT INCLINED LIFT REPLACEMENT - REQUEST FOR TIME EXTENSION:**

The contractor, Jas. W. Glover, Ltd., is requesting a contract time extension of 60 calendar days due to their subcontractor’s (Heide & Cook, Ltd.) decision to not allow their employees to travel interisland at this time. The certified personnel required to perform the necessary work on the cart is on Oahu.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds that 60 calendar days is justified. This would be the fourth time extension. *Note: There are no additional costs associated with this time extension.*

1st time extension – 90 calendar days (Due to repairs to the existing tracks) *approved at the 12/18/18 Water Board Meeting*
2nd time extension – 283 calendar days (Due to manufacturer delay in final design of cart and building of a test stand/track as cost to repair tracks as designed not feasible) *approved at the 4/23/19 Water Board Meeting*

3rd time extension – 117 calendar days (Due to gear box failure for cart and treatment of a section of the track) *approved at the 1/28/20 Water Board Meeting*

4th time extension – 60 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 60 calendar days to Jas. W. Glover, Ltd., for JOB NO. 2013-989, KAHALU‘U SHAFT INCLINED LIFT REPLACEMENT. If approved, the contract completion date will be revised from May 24, 2020, to July 23, 2020.

10) MISCELLANEOUS:

A. **DEDICATION OF WATER SYSTEM:**

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. Grant of Easement and Bill of Sale
 Grantor: Kona Owner, LLC
 “Niumalu Marketplace Shopping Center”
 Subdivision No. N/A
 Tax Map Key: (3) 7-5-004: 007
 Facilities Charge: \$447,790.00 Date Paid: 5/8/2020
 Final Inspection Date: 5/8/2020
 Water System Cost: \$54,820.00

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. **MATERIAL BID NO. 2020-03, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on May 14, 2020, at 2:00 p.m.; and following are the bid results:

		Grace Pacific LLC	Jas.W. Glover, Ltd.	Puna Rock Co., Ltd.	WHC, Ltd. dba West Hawaii Concrete	Yamada and Sons, Inc.
District 1 (Hilo):						
1A	¾” Base Course <i>(cost per ton)</i>	No bid	\$ 18.75	\$ 16.20	No bid	\$ 23.60
1B	1 ½” Base Course <i>(cost per ton)</i>	No bid	\$ 17.71	\$ 15.15	No bid	\$ 23.05
1C	No 3F Rock <i>(cost per ton)</i>	No bid	\$ 30.21	\$ 18.00	No bid	\$ 28.30
1D	#4 Sand <i>(cost per ton)</i>	No bid	\$ 40.62	\$ 39.40	No bid	\$ 55.50
1E	Mortar Sand <i>(cost per ton)</i>	No bid	\$ 64.58	No bid	No bid	No bid

1F	Cold Mix (<i>cost per ton</i>)	No bid	No bid	No bid	No bid	\$ 149.80
1G	Blended material (60 % #4 Sand & 40% # 3F Rock (<i>cost per ton</i>))	No bid	\$ 51.04	\$ 22.45	No bid	\$ 58.90
1H	Hot Mix (<i>cost per ton</i>)	No bid	\$ 142.00	No bid	No bid	\$ 137.35
District II (Waimea):						
2A	¾" Base Course (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 16.75	No bid
2B	1 ½" Base Course (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 15.15	No bid
2C	No 3F Rock (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 28.98	No bid
2D	#4 Sand (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 32.74	No bid
2E	Mortar Sand (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 55.94	No bid
2F	Cold Mix (<i>cost per ton</i>)	No bid	No bid	No bid	No bid	No bid
District III (Kona):						
3A	¾" Base Course (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 24.41	No bid
3B	1 ½" Base Course (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 22.50	No bid
3C	No 3F Rock (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 39.51	No bid
3D	#4 Sand (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 46.97	No bid
3E	Mortar Sand (<i>cost per ton</i>)	No bid	No bid	No bid	\$ 67.63	No bid
3F	Cold Mix (<i>cost per ton</i>)	\$ 157.55	No bid	No bid	No bid	No bid
3G	Hot Mix (<i>cost per ton</i>)	\$ 163.55	No bid	No bid	No bid	No bid

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2020-03, 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, on an as needed basis, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts, subject to review as to form and legality of the contracts by Corporation Counsel. The contract period shall be from July 1, 2020, to June 30, 2021. **District I** - Parts 1A, 1B, 1C, 1D, and 1G to Puna Rock Co, Ltd; Part 1E to Jas. W. Glover, Ltd.; and Parts 1F and 1H to Yamada and Sons, Inc.; **District II** - Parts 2A, 2B, 2C, 2D, and 2E to West Hawaii Concrete LTD; **District III** - Parts 3A, 3B, 3C, 3D, and 3E to WHC, Ltd. dba West Hawaii Concrete; Parts 3F and 3G to Grace Pacific LLC; For Part 2F, which did not receive any bids, staff shall obtain quotations in the best interests of the Department.

C. WATER TREATMENT BID NO. 2020-07, FURNISHING LIQUID CHLORINE (ON AN AS-NEEDED BASIS):

Bids were opened on May 14, 2020, at 2:30 p.m., and following are the bid results:

		JCI Jones Chemicals, Inc.
Item 1	150 # Cylinder (each)	\$433.00
Item 2	1200 # Cylinder (each)	\$2,858.00

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT BID NO. 2020-07, FURNISHING LIQUID CHLORINE (ON AN AS-NEEDED BASIS) to JCI Jones Chemicals, Inc., for Parts I and II at the unit prices listed above, for the period from July 1, 2020, through June 30, 2022, 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.

D. GASOLINE BID NO. 2020-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 14, 2020, at 3:00 p.m.; and following are the bid results in dollars per gallon:

	Aloha Petroleum, Ltd., dba Save-A-\$ Club of Hawaii	Big Island Energy Co. LLC	Hawaii Petroleum, LLC
Part A Hilo Baseyard			
1. Unleaded Gas	\$1.80	\$1.59	\$1.58
Part B Kona Baseyard			
1. Unleaded Gas	\$1.88	\$1.70	\$1.63
2. Low-Sulfur Diesel	No bid	No bid	\$1.82
Part C Waimea			
1. Unleaded Gas	\$1.83	\$1.70	\$1.63

RECOMMENDATION: It is recommended that the Water Board award the contract for GASOLINE BID NO. 2020-07, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY, for Parts A-1, B1, B2 and C1 to Hawaii Petroleum, LLC, at the bid prices listed above and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts, subject to review as to form and legality of the contracts by Corporation Counsel. The contract period shall be from July 1, 2020, to June 30, 2022.

E. 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, 2020, to June 30, 2021. 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)	=	\$8,861.76
			Total:	\$96,899.88

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 2019-2020. 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, 2020, to June 30, 2021, 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.

F. MAINTENANCE BID NO. 2020-02, REPAIR & MAINTENANCE OF EMERGENCY STANDBY GENERATOR SETS, DEPARTMENT OF WATER SUPPLY:

This maintenance contract consists of furnishing all labor, materials, tools and equipment necessary to inspect, maintain, repair, and test the Department of Water Supply’s twelve (12) emergency back-up generator sets for a two-year term, from July 1, 2020, to June 30, 2022.

This contract includes as-needed allowances for call-out repairs:

- Material allowance: \$24,000.00
- Labor allowance: 32 regular hours and 32 emergency/overtime hours, at the Contractor’s hourly rate provided in its bid.

Bids were opened on May 14, 2020, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount (including Allowances)
Power Generation Services, Inc.	\$112,168.84
Hawthorne Pacific Corp.	\$185,833.00

Project Costs:

Low Bidder (Power Generation Services, Inc.) **\$112,168.84**

Funding for this project will be from DWS’ Operations Budget.

RECOMMENDATION: It is recommended that the Board award the contract for MAINTENANCE BID NO. 2020-02, REPAIR & MAINTENANCE OF EMERGENCY STANDBY GENERATOR SETS, to the lowest responsible bidder, Power Generation Services, Inc., for a total contract amount of \$112,168.84. 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.

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. **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.

I. **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.

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

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

1. North Kona Wells
2. COVID-19 Update
3. Department of Water Supply Energy Report

K. **CHAIRPERSON'S REPORT:**

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

11) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

June 23, 2020, at 10:00 a.m.

2. **Following Meeting:**

July 28, 2020, at 10:00 a.m.

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.

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