

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

DATE: June 23, 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@hawaiiidws.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, Monday, June 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@hawaiiidws.org no later than 12 noon, Monday, June 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 May 26, 2020, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATE STUDY CHANGE ORDER NO. 2, JOB NO. 2019-08:**

At its meeting on May 26, 2020, the Water Board requested Water Rate Study consultant, Harris & Associates, to provide water rates for the Board’s evaluation that take into consideration the financial impacts of COVID-19. A proposal for the additional work was provided as Change Order No. 2 with the following categories:

1. Financial impact research	\$3,300.00
2. Funding research	\$3,300.00
3. Financial modeling for 3 scenarios	\$20,800.00
4. Financial projections	\$5,200.00
5. Presentation to Board	<u>\$1,100.00</u>
Total	\$33,700.00

RECOMMENDATION: It is recommended that the Board approve Water Rate Study Change Order No. 2 for Harris & Associates totaling \$33,700.00 for the additional work related to COVID-19.

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 \$1.90 to \$2.01 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, 2020	\$1.90
October 1, 2019	\$2.00
June 1, 2019	\$1.96
February 1, 2019	\$1.89
August 1, 2018	\$1.94
April 1, 2018	\$1.88

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 July 28, 2020, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$1.90 to \$2.01 effective August 1, 2020.

7) HĀMĀKUA:

A. **JOB NO. 2018-1097, HONOKA‘A BOOSTERS A & B REPAIR – REQUEST FOR TIME EXTENSION:**

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 117 calendar days. Production on the second of two boosters commenced on 03/04/2020 with an estimated manufacturing lead time of 25-27 weeks and an anticipated ship date of 08/17/2020. This delay was beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and found that 117 calendar days are justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 224 calendar days (Due to production delays in fabricating the first booster)
approved at the 10/22/2019 Water Board Meeting

2nd time extension – 117 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 117 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2018-1097, HONOKA‘A BOOSTERS A & B REPAIR. If approved, the contract completion date will be revised from June 5, 2020, to September 30, 2020.

8) SOUTH KOHALA:

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

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work in association with the previous attempt to install the pump assembly, pump refurbishment, installation of current transducers on the load side of the VFD, and surge blocking work relating to the recently completed well jetting work. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Furnish and install additional current transducers, SS junction boxes, conduit and wiring	\$26,993.94
2.	Additional mobilization/demobilization	\$22,000.00
3.	Additional Centrilift technician site visit	\$12,889.79
4.	Additional work to rework and refurbish existing pump	\$6,700.27
5.	Additional work for surge blocking and video survey	\$20,783.02
	TOTAL	\$89,367.02

Staff reviewed the request for the additional funds and the accompanying supporting documentation and found that only \$68,584.00 can be considered justified as Item #5 was included in the 1st Additional Contingency Request. *Note: Payment of this work shall be performed by force account.*

Original Bid Amount:	\$402,200.00	
Original Contingency Amount:	\$39,800.00	
1 st Additional Contingency Request:	\$231,390.00	(Replacement power cable, well jetting and surge blocking) approved at the 4/28/20 Water Board Meeting
2 nd Additional Contingency Request:	<u>\$68,584.00</u>	
Total Revised Contract Amount:	\$741,974.00	

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$68,584.00 to Beylik Drilling & Pump Service, Inc., for JOB NO. 2019-1108, WAIMEA DEEPWELL REPAIR. If approved, the total revised contract amount shall be \$741,974.00.

B. JOB NO. 2018-1085, PARKER #1 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 previous attempt to install the pump assembly, replacement pump/motor half couplings, and electrical splicing work. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Pump/Motor Half Couplings	\$9,841.42
2.	Additional Mobilization/Demobilization	\$18,000.00
3.	Electrical splicing work to extend power cable	\$7,500.00
	TOTAL	\$35,341.42

Staff reviewed the request for the additional funds and the accompanying supporting documentation and found that the \$35,341.42 can be considered justified. *Note: Payment of this work shall be performed by force account.*

Original Bid Amount:	\$83,200.00	
Original Contingency Amount:	\$8,300.00	
1 st Additional Contingency Request:	\$48,620.00	(Additional positive seal check valves) <i>approved at the 6/25/19 Water Board Meeting</i>
2 nd Additional Contingency Request:	\$13,668.00	(Replacement pump discharge case) <i>approved at the 8/27/19 Water Board Meeting</i>
3 rd Additional Contingency Request:	<u>\$35,341.42</u>	
Total Revised Contract Amount:	\$189,129.42	

The contractor, Beylik Drilling & Pump Service, Inc., is also requesting a contract time extension of 45 calendar days. The contractor discovered upon installing the well that the existing power cable is too short and a splice to extend the power cable will be required. These delays were beyond the control of the contractor.

Staff reviewed the request for contract time extension and the accompanying supporting documentation and found that only 14 calendar days of the requested time can be considered 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 (Due to logistical issues with coupling) *approved at the 5/26/20 Water Board Meeting*

6th time extension – 14 calendar days

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$35,341.42 to Beylik Drilling & Pump Service, Inc., for total revised contract amount of \$189,129.42, and approve a contract time extension of 14 calendar days for JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR. If approved, the contract completion date will be revised from May 30, 2020, to June 13, 2020.

9) NORTH KONA:

A. **JOB NO. 2020-1142, HONALO BOOSTER A REPAIR:**

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove the booster pump assembly; rewind the existing motor; furnish a new discharge head; install the new pump, discharge head and refurbished motor, and all appurtenant materials; in accordance with the specifications.

Bids for this project were opened on June 10, 2020, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$56,100.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$56,100.00
2) Contingencies (~10.0%)	<u>\$5,600.00</u>
Total Cost:	<u>\$61,700.00</u>

Funding for this project will be from DWS' CIP Budget under Deepwell Pump Replacement. The contractor will have 150 calendar days to complete this project. The Engineering estimate for this project was \$64,000.00.

Booster History:

Honalo Booster A:
Original Installation: May 1963

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2020-1142, HONALO BOOSTER A REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$56,100.00, plus \$5,600.00 for contingencies, for a total contract amount of \$61,700.00. 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.

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: Walter Kimura
"Kimura Subdivision"
Subdivision No. 17-001769
Tax Map Key: (3) 7-7-003:003 and 007
Facilities Charge: \$12,190.00 Date Paid: *To be announced*
Final Inspection Date: 3/14/2020
Water System Cost: \$80,975.00

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. EMPLOYMENT CONTRACT FOR OPERATIONS DIVISION:

Due to the shortage of staff and on-going recruitment efforts for the Mechanical Engineer IV and Chief of Operations positions, the Department wishes to execute an employment contract for assistance.

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

C. MATERIAL BID NO. 2019-11, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR PI‘IHONUA #3 WELL AND HAWAIIAN OCEAN VIEW ESTATES DEEPWELL, REFURBISHING PUMP AND MOTOR SET FOR PARKER #2 DEEPWELL, AND MISCELLANEOUS COLUMN ASSEMBLY MATERIALS FOR THE DEPARTMENT OF WATER SUPPLY - REQUEST FOR TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 34 calendar days. Delays to this project were due to the ongoing COVID-19 pandemic and the disruption caused to normal manufacturing operations. 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 34 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 34 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 34 calendar days to Beylik Drilling & Pump Service, Inc., for MATERIAL BID NO. 2019-11, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR PI‘IHONUA #3 WELL AND HAWAIIAN OCEAN VIEW ESTATES DEEPWELL, REFURBISHING PUMP AND MOTOR SET FOR PARKER #2 DEEPWELL, AND MISCELLANEOUS COLUMN ASSEMBLY MATERIALS FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from June 27, 2020, to July 31, 2020.

D. JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – POWER PURCHASE AGREEMENT – REQUEST FOR TIME EXTENSION:

The contractor, EnRG Hawaii Solutions, LLC, is requesting a contract time extension of 68 calendar days. The State of Hawai‘i issued a Statewide “stay-at-home” order and the Department suspended all on-site work for the duration of the “stay-at-home” order, both of which caused delays to the project work schedule. 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 68 calendar days justified.

1st time extension – 68 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 68 calendar days to EnRG Hawaii Solutions, LLC, for JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – POWER PURCHASE AGREEMENT. If approved, the contract completion date will be revised from July 2, 2021, to September 8, 2021.

E. JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – CONSTRUCTION OF ROOF COATINGS AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – REQUEST FOR TIME EXTENSION:

The contractor, Greenpath Technologies, Inc., is requesting a contract time extension of 68 calendar days. The State of Hawai‘i issued a Statewide “stay-at-home” order and the Department suspended all on-site work for the duration of the “stay-at-home” order, both of which caused delays to the project work schedule. 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 68 calendar days justified.

1st time extension – 68 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 68 calendar days to Greenpath Technologies, Inc., for JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – CONSTRUCTION OF ROOF COATINGS AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS. If approved, the contract completion date will be revised from July 2, 2021, to September 8, 2021.

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. COVID-19 Update
3. Kilauea Eruption Recovery Update

I. CHAIRPERSON’S REPORT:

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

11) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

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

2. **Following Meeting:**

August 25, 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.”