

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

DATE: August 25, 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, Monday, August 24, 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, Monday, August 24, 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 July 28, 2020, Public Hearing on the Power Cost Charge and the Minutes of the July 28, 2020, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATE STUDY:**

Update on the status of the five-year water rate study from Ms. Ann Hajnosz of Harris & Associates.

6) **SOUTH KOHALA:**

A. **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 21 calendar days. The manufacturing delay was due to COVID-19 related workforce reductions and an unplanned rework of the pump to correct the lateral. 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 21 calendar days justified. *Note: There are no additional costs associated with this time extension.*

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

2nd time extension – 77 calendar days (due to manufacturing lead time of new Simflo pump) *approved at the 5/26/2020 Water Board Meeting*

3rd time extension – 21 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 21 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 August 15, 2020, to September 5, 2020.

7) SOUTH KONA:

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

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

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 123 calendar days. The Contractor encountered issues with the existing booster suction cans requiring a change to the project scope of work.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds only 93 calendar days justified. *Note: There are additional costs associated with this time extension, but they are within the existing contract contingency and subject to force account.*

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

2nd time extension – 30 calendar days (due to fabrication & testing of booster pumps) *approved at 4/28/20 Water Board Meeting*

3rd time extension – 93 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 93 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 May 30, 2020, to August 31, 2020.

8) 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: Kohanaiki Shores LLC

“Ohi Kai Phase I”

Subdivision No. CPR-20-00009

Tax Map Key: (3) 7-3-065: 051
Facilities Charge: \$ *N/A*
Final Inspection Date: To be announced
Water System Cost: To be announced

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. RESOLUTION NO. 2020-03, APPROVING RECEIPT AND EXPENDITURE OF MONIES FOR THE DEPARTMENT OF WATER SUPPLY EMERGENCY WELL REPAIR PROJECTS FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND AUTHORIZING THE MANAGER-CHIEF ENGINEER OR DEPUTY TO REDUCE, REPLACE, AND ALLOCATE UP TO \$1,000,000.00 IN MONIES FOR SAID PROJECTS, IN THE FORM OF A LOAN AGREEMENT OR GRANT BETWEEN THE STATE OF HAWAI'I AND DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI'I:

DWS is submitting a loan application to fund Emergency Well Repair Projects with the Drinking Water State Revolving Funds (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution authorizes the Manager-Chief Engineer or the Deputy to execute loans and/or grants with the State Department of Health for up to \$1,000,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2020-03, subject to the approval of Corporation Counsel.

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 36 calendar days for the **Pi'ihonua #3 Deepwell (Section 1)** of this contract. 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 36 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 36 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 36 calendar days to Beylik Drilling & Pump Service, Inc., for **Section 1** of 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 August 25, 2020, to September 30, 2020.

D. 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 61 calendar days for the **Parker #2 Deepwell (Section 2)** of this contract. Delays to this project were due to additional work required by the manufacturer to meet the contract specifications. 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 61 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 34 calendar days (disruption to normal manufacturing operations due to COVID-19)

2nd time extension – 61 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 61 calendar days to Beylik Drilling & Pump Service, Inc., for **Section 2** of 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 July 31, 2020, to September 30, 2020.

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

The Provider, ENRG Hawaii Solutions, LLC, has requested to amend the Power Purchase Agreement (PPA) in accordance with the Second Amendment. This amendment addresses design changes required by FAA roof use restrictions and DWS’ request to locate batteries outdoors, and includes:

- A fixed Kilowatt-hour Rate (\$/kWh) increase of \$0.01/kWh, from \$0.18/kWh to \$0.19/kWh.
- Termination Value increases for each location.

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

F. JOB NO. 2018-1093, REQUEST FOR PROPOSALS TO PROVIDE A SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – POWER PURCHASE AGREEMENT (PPA) – INTERCONNECTION AGREEMENT:

The Provider, ENRG Hawaii Solutions, LLC, and its general contractor, Greenpath Technologies Inc., will be seeking an interconnection agreement with the electric utility (HECO) at all five (5) DWS locations, per PPA Section 3.5, as seen in the table below.

DWS Location	Interconnection Agreement Type
Main Office (Waiakea Office Plaza)	Standard Three-Party Interconnection Agreement
Hilo Baseyard Microbiological Laboratory Kona Baseyard Waimea Baseyard	Grid Supply Plus Interconnection Agreement <i>(if Grid Supply Plus is no longer available, these sites will need to proceed through a Standard Three-Party Interconnection Agreement)</i>

The following documents need to be completed to start the HECO interconnection application and review process:

Grid Supply Plus:

- **Customer Authorization & Acknowledgment Form**

Standard Three-Party Interconnection:

- **Distributed Energy Resources Application Submittal Form**
- **DER Interconnection Application Cover Form**
- **Standard Three-Party Interconnection Agreement**
 - Including: Interconnection Application for All but UL1741 Certified Inverter Based Systems Less Than 10 KW.
 - All required PV system details or technical information to be provided by Provider/contractor, in accordance with the PPA.

Furthermore, the following document will need to be completed to finalize the HECO interconnection:

Grid Supply Plus:

- **Grid Supply Plus Interconnection Agreement**
 - Executed after HECO approval of the construction/interconnection.
 - All required PV system details or technical information to be provided by the Provider/contractor, in accordance with the PPA.

RECOMMENDATION: It is recommended that the Water Board approve the CUSTOMER AUTHORIZATION & ACKNOWLEDGEMENT FORM, DISTRIBUTED ENERGY RESOURCES APPLICATION SUBMITTAL FORM, DER INTERCONNECTION APPLICATION COVER FORM, STANDARD THREE-PARTY INTERCONNECTION AGREEMENT, and GRID SUPPLY PLUS INTERCONNECTION AGREEMENT, and that either the Chairperson or Vice-Chairperson be authorized to sign the documents, given that the documents are executed in accordance with the PPA and require no additional cost, subject to form and legality by Corporation Counsel.

G. REQUEST FOR PROPOSALS NO. 2020-10, PROVIDE ELECTRONIC PAYMENT PROCESSING SERVICES FOR THE DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI'I

On April 1, 2020, the Department issued a Request for Proposals (RFP) seeking electronic payment processing services. A platform was needed to process customer credit card or e-check payments from customers on the internet or by telephone. A total of ten (10) companies responded to the RFP; and a 3-person committee evaluated each proposal and scheduled demonstrations with the top three (3) rated companies. Proposals were scored on factors such as fees, qualifications, references, support, functionality, and security. The committee selected Invoice Cloud, Inc., a company based in Massachusetts. Their proposed fee is \$0.75 plus interchange fees per credit card transaction and \$0.85 per e-check transaction. The contract terminates one (1) year from go-live, with an option for up to eight (8) additional one-year extensions.

RECOMMENDATION: It is recommended that the Board award Request for Proposals No. 2020-10, ELECTRONIC PAYMENT PROCESSING SERVICES FOR THE DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI'I, to Invoice Cloud, Inc., and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract documents subject to review as to form and legality of the contract documents by Corporation Counsel.

H. 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.

I. 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.

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.

9) ANNOUNCEMENTS:

1. Next Regular Meeting:

September 22, 2020, at 10:00 a.m. via Web Conferencing

2. Following Meeting:

October 27, 2020, at 10:00 a.m. via Web Conferencing

10) 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.”