

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

**DATE:** October 27, 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](mailto: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, October 26, 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](mailto:dws@hawaiiidws.org) no later than 12 noon, Monday, October 26, 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 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 September 22, 2020, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATE STUDY:**

The consulting firm of Harris & Associates was contracted to determine water rates for the Department for the 5-year period, Fiscal Year 2021 to Fiscal Year 2025. The Water Board determined that due to uncertainties of the financial impacts of COVID-19, only rates covering a 1-year period, beginning January 1, 2021, would be determined at this time. Changes to rates after this 1-year period would be made after conducting an analysis of the economy and financial condition of the Department and an updated rate study.

On October 21, 2020, the Water Board held a virtual public hearing to accept testimony on proposed water rate and facilities charge increases that were published in newspapers in Hilo and Kona on September 29, 2020.

RECOMMENDATION: The Department recommends the Board approve proposed water rate and facilities charge increases, effective January 1, 2021.

- 6) **POWER COST CHARGE:**

Departmental power costs from all power sources decreased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$2.01 to \$1.71 per

thousand gallons as a result of this decrease. Power cost charges over the past two years were as follows:

<u>Effective</u>	<u>PCC</u>
August 1, 2020	\$2.01
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

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 **November 24, 2020, at 9:15 a.m.**, to receive testimony on decreasing the Power Cost Charge from \$2.01 to \$1.71, effective December 1, 2020.

7) SOUTH HILO:

**A. VEHICLE BID NO. 2019-09, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY - REQUEST FOR TIME EXTENSION:**

The vendor, Inter Pacific Motors, Inc., dba Orchid Isle Auto Center, is requesting a contract time extension of 90 calendar days for **Part B**, Full-Size Pickup, Service Body, 4-Wheel Drive, with Lift Gate, **Part C**, Full-Size Pickup with Service Body, 4-Wheel Drive, **Part D**, 1-Ton Crew Cab with Service Body, 4-Wheel Drive, with Lift Gate, and **Part E**, Full-Size Pickup with Extended Cab, Service Body, 4-Wheel Drive, with Lift Gate. The manufacturing delay was due to COVID-19 related workforce reductions at the chassis and service body manufacturing plants. These delays were beyond the control of the vendor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 90 calendar days justified. Note: There are no additional costs associated with this time extension.

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 90 calendar days to Inter Pacific Motors, Inc., dba Orchid Isle Auto Center, for VEHICLE BID NO. 2019-09, Parts B, C, D, and E. If approved, the contract completion date will be revised from September 25, 2020, to December 24, 2020.

**B. EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR TIME EXTENSION:**

The vendor, Allied Machinery Corporation, is requesting a contract time extension of two (2) calendar days for **Part A**, Mini-Excavator, and 106 calendar days for **Part B**, Dual-Purpose Dump Trailer. The manufacturing delay was due to COVID-19-related workforce reduction, supply chain delays, and the western fires. These delays were beyond the control of the vendor. Staff reviewed the request for the contract time extensions and the accompanying supporting documentation and finds this request reasonable and justified. Note: There are no additional costs associated with this time extension.

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of two (2) calendar days for Part A and 106 calendar days for Part B to Allied Machinery Corporation for EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date for Part A will be extended to October 2, 2020, and for Part B, to December 15, 2020.

8) SOUTH KOHALA:

**A. WATER TREATMENT PROPOSAL NO. 2018-08, FURNISHING AND DELIVERING COAGULANTS TO THE WAIMEA WATER TREATMENT PLANT – REQUEST FOR ADDITIONAL FUNDS:**

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The vendor, Pural Water Specialty Co., Inc., has requested a contract increase to cover the additional coagulant supplies needed from September 2020 to December 31, 2020. This chemical is supplied on an “as needed basis” and the cost has been included in the Department’s annual budget.

**RECOMMENDATION:** It is recommended that the Board approve an increase of \$70,000.00 for this contract. If approved, this total contract amount would be increased from \$400,000.00 to a new total contract price of \$470,000.00.

**B. WATER TREATMENT PROPOSAL NO. 2020-06, FURNISHING AND DELIVERING COAGULANTS TO THE WAIMEA WATER TREATMENT PLANT:**

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Bids were opened on October 15, 2020, at 2:00 p.m.; and following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Phoenix V LLC dba BEI Hawai‘i	\$222,537.89
Pural Water Specialty Co., Inc.	\$258,900.29

<u>Bidder</u>	<u>Amount</u>
1) Phoenix V LLC dba BEI Hawai‘i	\$222,537.89
2) Contingency	<u>\$127,462.11</u>
<b>TOTAL CONTRACT PRICE:</b>	<b>\$350,000.00</b>

The reason for the high contingency is that as the surface water’s turbidity increases during the year due to unstable weather conditions, and more coagulants may be needed to meet the water quality requirements of the State of Hawai‘i, Department of Health.

**RECOMMENDATION:** It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2020-06, FURNISHING AND DELIVERING COAGULANTS TO THE WAIMEA WATER TREATMENT PLANT, to Phoenix V LLC dba BEI Hawai‘i, for the bid price of \$222,537.89 plus \$127,462.11 in contingency, for a total contract price of \$350,000.00 and 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. The 18-month contract period shall be from January 1, 2021, to June 30, 2022.

9) NORTH KONA:

A. **JOB NO. 2020-1153, AIR CONDITIONING REPLACEMENT AT FIVE (5) WELL SITES:**

This project consists of furnishing all labor, materials, tools and equipment necessary to replace the existing control building air conditioning systems at five (5) well sites, including all incidental work and appurtenant materials, in accordance with the specifications.

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

<b>Bidder</b>	<b>Bid Amount</b>
Hawaii Air Conditioning, Inc.	\$189,470.00
Hawaii Sheetmetal & Mechanical, Inc.	\$217,777.94

Project Costs:

1) Low Bidder (Hawaii Air Conditioning, Inc.)	\$189,470.00
2) Contingencies (~10.0%)	<u>\$ 18,530.00</u>
<b>Total Cost:</b>	<b><u>\$208,000.00</u></b>

Funding for this project will be from DWS' Energy CIP. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project was \$185,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2020-1153, AIR CONDITIONING REPLACEMENT AT FIVE (5) WELL SITES, to the lowest responsible bidder, Hawaii Air Conditioning, Inc., for their bid amount of \$189,470.00, plus \$18,530.00 for contingencies, for a total contract amount of \$208,000.00. 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. **MATERIAL BID NO. 2020-14, FURNISHING AND DELIVERING REPLACEMENT VENTILATION FAN FOR KAHALU'U SHAFT:**

This bid generally consists of furnishing all labor, materials, tools, equipment, taxes and shipping necessary to furnish and deliver one (1) ventilation fan with accessories and one (1) fan starter, per specifications, for the Department of Water Supply's Kahalu'u Shaft Facility, with delivery to the site in Kailua-Kona, complete and ready for installation.

Bids for this project were opened on October 15, 2020, at 1:30 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Section A:</b>	<b>Section B:</b>
	HVAC Equipment & Accessories	Motor Starter Equipment & Fan Control Panel
Hawaii Sheetmetal & Mechanical, Inc.	\$115,512.00	\$51,240.00
TK Process Hawaii, LLC	No Bid	Non-Responsive

The estimated cost for the HVAC Equipment & Accessories and Motor Starter Equipment & Fan Control Panel, respectively, were as follows:

- HVAC Equipment & Accessories: \$40,000.00
- Motor Starter Equipment & Fan Control Panel: \$30,000.00

Kahalu‘u Shaft History:

Ventilation System:

Original Installation: June 1977

Replacement: December 2008

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2020-14, FURNISHING AND DELIVERING REPLACEMENT VENTILATION FAN FOR KAHALU‘U SHAFT, by Sections to the following bidders for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts, subject to review as to form and legality by Corporation Counsel.

Section A – HVAC Equipment & Accessories to Hawaii Sheetmetal & Mechanical, Inc.

Section B – Motor Starting Equipment & Fan Control Panel to Hawaii Sheetmetal & Mechanical, Inc.

10) MISCELLANEOUS:

A. **SERVICE BID NO. 2020-08, HAUL AND DELIVERY ONE-TON CHLORINE CYLINDERS AND 150 LB. CHLORINE CYLINDERS TO VARIOUS LOCATIONS ISLANDWIDE (ON AN AS-NEEDED BASIS):**

Bid opening was October 15, 2020, at 2:30 p.m. No responsive, responsible bids were received. Staff will seek alternate methods of procurement per Hawai‘i Administrative Rules Section 3-122-35(b) in accordance with procurement rules.

B. **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.

C. **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.

D. **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. Employee of the Quarter Award

E. **CHAIRPERSON’S REPORT:**

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

11) ANNOUNCEMENTS:

1. November Meetings:

- Public Hearing on the Power Cost Charge (if approved by the Board today) - November 24, 2020, at **9:15 a.m.**, via Web Conferencing
- Public Hearing on the Rules and Regulations - November 24, 2020, **9:30 a.m.**, via Web Conferencing.
- Water Board Regular Meeting - November 24, 2020, **10:00 a.m.**, via Web Conferencing.

2. December Meeting:

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

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.”