

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

DATE: November 23, 2021

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, November 22, 2021, 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, November 22, 2021, 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. (*Secretary will take roll call of Board Members in attendance*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES:
 - 1) Minutes of the October 26, 2021, Public Hearing on the Power Cost Charge
 - 2) Minutes of the October 26, 2021, Regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) CONTESTED CASE HEARING (NOTICED FOR 10:00 A.M.):

Water Service Account No. 002-50001000-11

The above Contested Case Hearing is to take place in accordance with Chapter 91 of the Hawai‘i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

The issues involved in the above-referenced hearing will be Alicia Wills’ appeal of the proposed Shut-off Notice for Account No. 002-50001000-11 and the Department’s Findings of Fact, Conclusions of Law and Decision after the Administrative Hearing held on September 29, 2021.

This hearing is being set pursuant to Ms. Wills’ request of October 19, 2021, for the hearing to be held at the November 23, 2021, Water Board Meeting.

6) WATER RATE STUDY:

Our rate consultant, Harris & Associates, will present the results of the Revenue Requirements analysis that cover the study period Fiscal Years 2023 to 2027. The analysis includes three (3) revenue requirement options that incorporate key assumptions around revenue growth, levels of Operations and Maintenance (O&M) and capital expenditures, and adherence to financial policies. The results of the revenue requirements analysis are the recommended annual rate increases over the study period. DWS is requesting the Board’s input on all three options, and a recommendation for one of the three options to move forward to the next phase of the rate study.

7) SOUTH HILO:

A. JOB NO. 2005-875, CONSTRUCTION OF THE PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT - REQUEST FOR TIME EXTENSION:

The contractor, Nan, Inc., is requesting a contract time extension of 60 calendar days (39 rain-out days) due to unsuitable weather conditions. This is the second time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/09/2021	12/17/2021	38	Excess delays transferring the National Pollutant Discharge Elimination System (NPDES) permit (additional 33 calendar days) and Change Order No. 2 (5 calendar days)
2	12/17/2021	02/15/2022	60	Rain-outs (39 working days/ 60 calendar days)
Total Days (including this request)			98	

These delays were beyond the control of the contractor and this time extension is in compliance with the contract requirements. Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 60 calendar days justified. *Note: There are no additional costs associated with this time extension.*

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 60 calendar days to Nan, Inc., for JOB NO. 2005-875, CONSTRUCTION OF THE PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT. If approved, the contract completion date will be extended from December 17, 2021, to February 15, 2022.

8) NORTH KOHALA:

A. JOB NO. 2019-1105, KA‘AUHUUHU #2 BOOSTERS A, B & C REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 60 calendar days. The pump manufacturer encountered COVID-related staffing issues which delayed the fabrication of the pumps. Due to this fabrication delay, the project was suspended by the Department for 100 calendar days which resulted in a new contract completion date of January 10, 2022. The pump manufacturer encountered additional delays due to reworking the pumps

to meet the required specifications and delayed the final painting until after the test results were accepted by the Department. 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 only 30 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1st suspension of work – 70 calendar days, from July 1, 2021, to September 8, 2021 (DWS letter dated June 22, 2021)

2nd suspension of work – 30 calendar days, from September 9, 2021, to October 8, 2021 (DWS letter dated August 25, 2021)

1st time extension – 30 calendar days (due to pump manufacturing and testing delays)

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. 2019-1105, KA‘AUHUU #2 BOOSTERS A, B & C REPAIR. If approved, the contract completion date will be revised from January 10, 2022, to February 8, 2022.

B. JOB NO. 2016-1045, CONSTRUCTION OF THE HALA‘ULA WELL DEVELOPMENT - PHASE 2 - REQUEST FOR TIME EXTENSION:

The contractor, Goodfellow Bros., LLC, is requesting a time extension of an additional 90 calendar days to obtain the Pump Installation Permit and subsequently complete the installation of the pump equipment and piping. The completion of the project will also depend on the completion of HECO (Hawaiian Electric) power being installed to the well site.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/18/2020	7/31/2021	255	Excess delays due to land ownership changes and lack of site access.
2	7/31/2021	11/30/2021	122	Delay in receiving the pump installation permit from the Commission on Water Resource Management (CWRM).
3	11/30/2021	2/28/2022	90	Delay in receiving the pump installation permit from CWRM.
Total Days (including this request)			467	

The contractor has not received the Well Pump Installation Permit which is required to begin the installation of the pump. These delays are beyond the control of the contractor.

Staff reviewed the request for the contract time extension and finds the request for the additional 90 calendar days to be acceptable. *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 Goodfellow Bros., LLC, for JOB NO. 2016-1045, CONSTRUCTION OF THE HALA‘ULA WELL DEVELOPMENT - PHASE 2. If approved, the contract completion date will be revised from November 30, 2021, to February 28, 2022.

9) 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. 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

D. EXECUTIVE SESSION REGARDING OPEN LITIGATION:

The Board anticipates convening an executive meeting for the purposes of discussing the legal rights, duties and liabilities of the Board concerning open litigation against the Board, as authorized by Hawai'i County Charter Section 74.6 and Hawai'i Revised Statutes ("HRS"), Section 92-4 and 92-5(a)(4). The Board wishes to have its attorney present, in order to consult with the board's attorney on its questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

E. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2021:

The Board anticipates convening an executive meeting to consider the evaluations of the Manager-Chief Engineer and Deputy for its annual performance review, as authorized by Hawai'i County Charter Section 7-4.6(d) and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(2). The Board wishes to have its attorney present, in order to consult with the board's attorney on its questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

F. MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2021:

Discussion/action on Manager-Chief Engineer and Deputy evaluation and compensation.

G. CHAIRPERSON'S REPORT:

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

10) ANNOUNCEMENTS:

1. **Next Meeting:** - December 21, 2021, 10:00 a.m., via Web Conferencing

11) 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.”