

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

DATE: February 22, 2022

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, Friday, February 18, 2022, 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, Friday, February 18, 2022, 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 January 25, 2022, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2021:**

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2021, have been distributed to Board Members. Representatives of N&K CPAs, Inc., the Department’s independent auditors, will be present to answer any questions the Board may have regarding the report.

- 6) **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2023:**

The Department’s Fiscal Year 2023 Operating Budget, totaling \$56,736,853, and 5-Year C.I.P. Budget for Fiscal Year 2023-2027, totaling \$176,400,000 have been distributed for the Board’s review.

RECOMMENDATION: It is recommended that the Board approve a public hearing to be held on Tuesday, March 22, 2022, at 9:30 a.m., prior to the Water Board’s regular meeting, to accept public testimony regarding the Department’s Fiscal Year 2023 Operating and C.I.P. Budgets.

7) 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 **\$2.15 to \$2.02** 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>
November 1, 2021	\$2.15
June 1, 2021	\$1.85
December 1, 2020	\$1.71
August 1, 2020	\$2.01
February 1, 2020	\$1.90
October 1, 2019	\$2.00

A Public Hearing will have been held prior to this Board meeting to accept public testimony on this change.

RECOMMENDATION: It is recommended that the Board approve the decrease of the Power Cost Charge from \$2.15 to \$2.02, effective March 1, 2022.

8) SOUTH HILO:

A. **VEHICLE BID NO. 2020-04, 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 60 calendar days for Part E of contract 2020-04. The delivery of the vehicle is being delayed due to production and shipping issues brought on by the COVID-19 pandemic. These delays are beyond the control of the vendor. The first time extension of 90 calendar days for Parts B, C, D and F was approved by the Water Board at its meeting held on December 21, 2021.

Note: There are no additional cost associated with this time extension.

1st time extension – 90 calendar days Parts B, C, D, and F (Awarded 12/21/2021)
2nd time extension – 60 calendar days Part E

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 60 calendar days for Part E to Inter Pacific Motors Inc., dba Orchid Isle Auto Center, for VEHICLE BID NO. 2020-04. If approved, the contract completion date will be revised from February 12, 2022, to April 12, 2022, for Part E.

9) NORTH HILO:

A. **JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR:**

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pumping assembly; furnish and install new submersible pump, motor, power cable, column assembly, and all appurtenant materials; well rehabilitation; borehole alignment survey; electrical work; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on January 27, 2022, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$536,000.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$536,000.00
2) Contingencies (10%)	<u>\$53,600.00</u>
Total Cost:	<u>\$589,600.00</u>

Funding for this project will be from DWS' CIP Budget under Deepwell Pump Replacement. The contractor will have 210 calendar days to complete the well repair with the Contractor's furnished equipment. The Engineering estimate for this project was \$577,335.00.

Well History:

Laupāhoehoe Deepwell B:

Original Installation: June, 1984

Repaired: August, 1999 – Final Contract Amount \$75,849.86 (replacement of pump, portions of the column assembly, brush and bail)

Repaired: December, 2004 – Final Contract Amount \$144,253.00 (replacement of pump, portions of the column assembly, brush and bail)

Lasted Repaired: March, 2011 – Final Contract Amount \$64,648.98 (conversion of well from water lubricated line shaft to submersible, inclusive of pump, motor, power cable, column assembly, brush, bail, and video survey)

Mitigation Measures:

This project will conduct a borehole alignment survey and pre-fill column assembly prior to initial start-up.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$536,000.00, plus \$53,600.00 for contingencies, for a total contract amount of \$589,600.00. 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) NORTH KOHALA:

A. 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 122 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 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.
4	2/28/2022	6/30/2022	122	Delay in receiving the pump installation permit from CWRM and power from Hawaiian Electric.
Total Days (including this request)			589	

The contractor has not received the Well Pump Installation Permit which is required to begin the installation of the pump. In addition, Hawaiian Electric has still not begun installing power lines up Hala'ula-Maulili Road to bring power to the well and reservoir site. 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 122 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 122 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 February 28, 2022, to June 30, 2022.

11) MISCELLANEOUS:

A. MATERIAL BID NO. 2020-15, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR HĀWĪ #2 DEEPWELL, PARKER #3 DEEPWELL, AND KEŌPŪ #1 DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY - REQUEST FOR TIME EXTENSION:

The contractor, Beylik/Energetic A JV, is requesting a contract time extension of 8 weeks or 56 calendar days for Section 2 – Parker #3 Deepwell, due to manufacturing delays caused by disruptions to the supply chain. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and found that the 56 calendar days can be considered justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 56 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 56 calendar days to Beylik/Energetic A JV, for MATERIAL BID NO. 2020-15, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS FOR HĀWĪ #2 DEEPWELL, PARKER #3 DEEPWELL, AND KEŌPŪ #1 DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from February 2, 2022, to March 30, 2022.

B. MEMORANDUM OF AGREEMENT (MOA) FOR THE HARDENING OF PARKER NO. 2, WAI‘AHA, AND LĀLĀMILO B WELLS:

The Department of Water Supply (DWS) is proposing to enter into a Memorandum of Agreement (MOA) with the Hawai‘i Emergency Management Agency to facilitate the allocation of FEMA Hazard Mitigation Grant Program funds to DWS’ Hardening of Parker No. 2, Wai‘aha, and Lālāmilo B Wells project. This project involves the installation of power transfer switches and supporting infrastructure at the three well sites, all of which have standby generators on-site. The federal share will be 75% of the total project cost, not to exceed \$236,250.00. DWS’ share will be a 25% match. DWS will be responsible for the procurement of the professional services and construction.

Federal Share (75%):	\$236,250.00
<u>DWS Share (25%):</u>	<u>\$78,750.00</u>
Total Est. Project Cost:	\$315,000.00

RECOMMENDATION: It is recommended that the Board approve the MOA with the Hawai‘i Emergency Management Agency for the Hardening of Parker No. 2, Wai‘aha, and Lālāmilo B Wells, and that either the Chairperson or the Vice-Chairperson be authorized to sign the MOA, subject to review as to form and legality by Corporation Counsel.

C. 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.

D. 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.

E. 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
4. Retiree of the Department of Water Supply

F. CHAIRPERSON’S REPORT:

Chairperson to report on matters of interest to the Board.

12) **ANNOUNCEMENTS:**

Next Meeting: - March 22, 2022, 10:00 a.m.

13) 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.