

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

**DATE:** March 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>

The Sunshine Law, Part I of Chapter 92, HRS (Hawai‘i Revised Statutes), has been partially suspended since early 2020 in response to the COVID-19 emergency. The Sunshine Law was also amended by the Hawai‘i State Legislature during the pandemic. On January 1, 2022, Act 220 (2021 Regular Session) became effective. Act 220 made permanent changes to the Sunshine Law to allow remote meetings that have been permitted through the emergency proclamations during the pandemic. Boards are now required to have at least one in-person meeting site for remote meetings where the public can attend and testify.

Act 220’s provisions are affected by the latest COVID-19 emergency proclamation dated January 26, 2022, the Emergency Proclamation Related to COVID-19 (Omicron Variant) (Proclamation). The Proclamation suspends Section 92-3.7, HRS, only to the extent necessary to suspend Act 220’s requirement to have at least one meeting location that is open to the public. All other provisions of Act 220 and the Sunshine Law remain in force. The Proclamation is in effect through March 25, 2022, unless terminated or superseded by a separate proclamation, whichever shall occur first.

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, March 21, 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](mailto:dws@hawaiiidws.org) no later than 12 noon, Monday, March 21, 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 February 22, 2022, Public Hearing on the Power Cost Charge and Minutes of the February 22, 2022, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATE STUDY** - Water rate consultant, Harris & Associates, will provide a preview of the rate proposal that will be presented to the public in May 2022 and will detail next steps in addressing the

development of specific rate structure customer classes in future efforts. DWS is requesting the Board's approval for the rate proposal with the first adjustment effective on July 1, 2022, and the second adjustment on July 1, 2023. Subsequent adjustments will take into account the analyses of specific customer classes which will be shared with the Board in the coming months.

6) **POTABLE WATER FOR AGRICULTURAL USE:**

Presentation by Board Member, Kea Keolanui, for information/discussion.

7) **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 \$2.02 to **\$2.34** 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>
March 1, 2022	\$2.02
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

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 April 26, 2022, at 9:30 a.m., to receive testimony on increasing the Power Cost Charge from \$2.02 to \$2.34.

8) **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. A public hearing was held prior to this meeting to accept testimony. The Board may change either Budget or adopt them as presented over two readings.

**RECOMMENDATION:** It is recommended that the Board approve the Department's Fiscal Year 2023 Operating and C.I.P. Budgets on this first of two readings.

9) **SOUTH HILO:**

A. **JOB NO. 2022-1185, FURNISHING AND INSTALLATION OF THE HILO OPERATIONS BASEYARD SERVER ROOM AIR CONDITIONING SYSTEMS:**

This project generally consists of furnishing all labor, materials, tools and equipment necessary to install two (2) air conditioning systems; and system modifications to interconnections between an existing Air Cooled Condensing Unit (ACCU) and Fan Coil Unit (FCU); in accordance with the specifications.

Bids for this project were opened on March 10, 2022, at 2:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Hawaii Air Conditioning, Inc.	\$32,550.00

Project Costs:

1) Low Bidder (Hawaii Air Conditioning, Inc.)	\$32,550.00
2) Contingencies (~10.0%)	<u>3,250.00</u>
<b>Total Cost:</b>	<b><u>\$35,800.00</u></b>

Funding for this project will be from DWS' Operations Budget. The contractor will have 150 calendar days to complete this project. The Engineering estimate for this project was \$33,600.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2022-1185, FURNISHING AND INSTALLATION OF THE HILO OPERATIONS BASEYARD SERVER ROOM AIR CONDITIONING SYSTEMS, to the lowest responsible bidder, Hawaii Air Conditioning, Inc., for their bid amount of \$32,550.00, plus \$3,250.00 for contingencies, for a total contract amount of \$35,800.00. 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. JOB NO. 2020-1146, HILO OPERATIONS BASEYARD EMERGENCY GENERATOR REPLACEMENT - REQUEST FOR TIME EXTENSION:**

The contractor, Isemoto Contracting Co., Ltd., is requesting a contract time extension of 87 calendar days. The contractor was delayed due to the reasons noted below. These delays were beyond the control of the contractor.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	8/12/2021	4/20/2022	251	Delays in receiving the building permit during transition to EPIC permitting system.
2	4/20/2022	7/11/2022	82	Delays in receiving the building permit during transition to EPIC permitting system.
Total Days (including this request)			333	

Staff reviewed the request for contract time extension and the accompanying supporting documents and are presenting only 82 calendar days of the time requested as justified and for consideration for approval. *Note: There are additional costs associated with work referenced in this time extension along with additional time not being presented at this time for consideration. Staff are reviewing these requests for time and costs and, if determined to be justified, shall be presented to the Water Board for approval.*

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 82 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2020-1146, HILO OPERATIONS BASEYARD EMERGENCY GENERATOR REPLACEMENT. If approved, the contract completion date will be revised from April 20, 2022, to July 11, 2022.

10) SOUTH KOHALA:

A. JOB NO. 2021-1171, (REBID), LĀLĀMILO B DEEPWELL REPAIR:

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pumping assembly; furnish and install new pump, refurbished motor, column assembly, and all appurtenant materials; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on February 10, 2022, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik/Energetic A JV	Non-Responsive
Derrick's Well Drilling & Pump Services, LLC	\$895,000.00
Alpha Inc.	\$1,358,790.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$895,000.00
2) Contingencies (~10%)	<u>89,000.00</u>
<b>Total Cost:</b>	<b><u>\$984,000.00</u></b>

Funding for this project will be from DWS' CIP Budget under Deepwell Pump Replacement. The contractor will have 240 calendar days to complete the well repair with the contractor's furnished equipment. The engineering estimate for this project was \$860,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2021-1171 (REBID), LĀLĀMILO B DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$895,000.00, plus \$89,000.00 for contingencies, for a total contract amount of \$984,000.00. 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.

11) SOUTH KONA:

A. JOB NO. 2021-1179, KE'EI #2A & #3B BOOSTER REPAIR:

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing booster pumping assemblies; furnish and install new booster pumps, motors, discharge heads, column assembly for Ke'ei #2A, and all appurtenant materials; complete an efficiency test; and chlorinate the booster suction cans and pumping assemblies; in accordance with the specifications.

Bids for this project were opened on March 3, 2022, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik/Energetic A JV	\$145,597.00
Derrick's Well Drilling & Pump Services, LLC	\$200,000.00
Alpha Inc.	No Bid

Project Costs:

1) Low Bidder (Beylik/Energetic A JV)	\$145,597.00
2) Contingencies (~10%)	<u>15,403.00</u>
<b>Total Cost:</b>	<b><u>\$161,000.00</u></b>

Funding for this project will be from DWS' CIP Budget under "Agreements; Repair and Maintenance." The contractor will have 240 calendar days to complete the booster repair with the contractor's furnished equipment. The Engineering estimate for this project was \$195,000.00.

Booster History

Original Installation (Booster #2A): October 1972

Original Installation (Booster #3B): ~1981

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2021-1179, KE'EI #2A & #3B BOOSTER REPAIR, to the lowest responsible bidder, Beylik/Energetic A JV, for their bid amount of \$145,597.00, plus \$15,403.00 for contingencies, for a total contract amount of \$161,000.00. 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.

12) MISCELLANEOUS:

A. DEDICATIONS:

The Department has 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 (DC Meter)**

Grantor: 86 Kawaihae Road LLC

Tax Map Key (3) 6-5-007:086 (portion)

Waimea Homesteads, Waimea, South Kohala, Island of Hawai'i, Hawai'i

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. 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

E. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

13) **ANNOUNCEMENTS:**

**Next Meeting** - April 26, 2022, 10:00 a.m.

14) **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.