

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

NOTICE IS HEREBY GIVEN of the following matters to be considered by the Water Board, County of Hawai‘i in accordance with the provisions of Chapter 92-7, Hawai‘i Revised Statutes, as amended; the Hawai‘i County Charter, Section 8-2; and the Department of Water Supply, Rules and Regulations, Section 2.

Pursuant to Act 220, Session Laws of Hawai‘i 2021, which amended the Sunshine Law to allow meetings to be remotely conducted online, effective January 1, 2022, Department of Water Supply, Water Board, meetings will be held online, and the location listed below is open to the public to attend the meeting in person and provide testimony. The Water Board Meeting can be viewed live online or at the location listed below:

DATE: April 26, 2022

TIME: 10:00 a.m.

LOCATION: Puna Conference Room, Hawai‘i County Building
25 Aupuni Street, Suite 1501
Hilo, Hawai‘i

INTERACTIVE CONFERENCE TECHNOLOGY (ICT):

Water Board Members and Department of Water Supply staff will participate in this meeting via the Zoom interactive video conference platform. If lost communication exceeds 30 minutes, the meeting will be adjourned and rescheduled.

Members of the public may also provide remote oral testimony by registering with the Department to participate by Zoom (email dws@hawaiiidws.org) or by telephone (808) 961-7227.

The meeting may also be viewed via live stream at <https://www.facebook.com/HawaiiDWS>.

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:

Minutes of the March 22, 2022, Public Hearing on the Fiscal Year 2023 Operating and Capital Improvement Budgets and Minutes of the March 22, 2022, 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 study period Fiscal Years 2023 to 2027. At its March 22, 2022, Board meeting, the Water Board approved the Department’s request for a rate proposal with the first adjustment effective July 1, 2022, and the second adjustment effective July 1, 2023. The rate proposal included a rate increase of 9.5% for

Standby and Consumption Charges for the next two (2) fiscal years, effective July 1, 2022 to June 30, 2023 and July 1, 2023 to June 30, 2024. The water rate schedule associated with the proposed 9.5% rate increase was presented to the Water Board in March at its regular meeting and it is being circulated again for the Water Board's review at this month's regular meeting. Before water rates are changed, the Water Board is required to conduct a public hearing.

RECOMMENDATION: It is recommended that the Board conduct public hearings on the Water Rates on **May 24, 2022**, 6:00 p.m. Hawai'i Standard Time, at the West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i, and **May 25, 2022**, 6:00 p.m. Hawai'i Standard Time, at the Aupuni Center Conference Room, 101 Pauahi Street, Suite 1, Hilo, Hawai'i, to accept testimony on the proposed rate increases.

6) **ESTABLISHMENT OF PERMITTED INTERACTION GROUP RE: CAPACITY EXPANSION:**

Per discussion during the March 22, 2022, Water Board meeting, the Water Board intends to discuss and deliberate the creation of a Permitted Interaction Group to investigate matters related to capacity expansion of service areas pursuant to Hawai'i Revised Statutes, Section 92-2.5(b)(1).

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

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 increase of the Power Cost Charge from \$2.02 to \$2.34, effective May 1, 2022.

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

The Department's Fiscal Year 2023 Amended Operating Budget, totaling \$61,711,853, and 5-Year C.I.P. Budget for Fiscal Year 2023-2027, totaling \$176,400,000 has 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 Amended Fiscal Year 2023 Operating and C.I.P. Budgets on this first of two readings.

9) SOUTH KOHALA:

A. **JOB NO. 2022-1187, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:**

This project generally consists of furnishing all labor, materials, tools and equipment necessary to remove and dispose of settled sludge from the Waimea Water Treatment Plant 2.7 MG reservoir, for a period not to exceed one year.

Bids for this project were opened on April 14, 2022, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
2B Environmental, Inc.	\$0.26/Gallon

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2022-1187, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, to the lowest responsible bidder, 2B Environmental, Inc., for a unit price of \$0.26 per gallon, on an as-needed basis with a total contract amount not to exceed \$100,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel. The sludge removal contract shall be from July 1, 2022, to June 30, 2023.

B. **JOB NO. 2020-1160, PARKER #2 DEEPWELL REPAIR – REQUEST FOR TIME EXTENSION:**

The Contractor, Beylik/Energetic A JV, is requesting a contract time extension of 21 calendar days, due to delays to the discharge head manufacturing, which was beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found only 14 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 63 calendar days (due to fabrication of new column pipes and discharge head not specified in original contract documents) *approved at the 12/21/2021 Water Board Meeting*
2nd time extension – 14 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 14 calendar days to Beylik/Energetic A JV, for JOB NO. 2020-1160, PARKER #2 DEEPWELL REPAIR. If approved, the contract completion date will be revised from May 2, 2022, to May 16, 2022.

10) MISCELLANEOUS:

A. **SERVICE BID NO. 2022-07, HAUL AND DELIVER ONE-TON CHLORINE CYLINDERS AND 150 LB. CHLORINE CYLINDERS TO VARIOUS LOCATIONS ISLANDWIDE (ON AN AS-NEEDED BASIS):**

This project consists of furnishing all materials, labor, transportation, tools, taxes, machinery, and equipment necessary to collect 20-foot containers from harbor; offload chlorine gas cylinders from the container; and deliver chlorine gas cylinders to various locations in accordance with the specifications. The bidder will provide services on an as-needed basis.

Bids for this project were opened on April 14, 2022, at 1:30 p.m., and no bids were received. Staff will seek alternative procurement per Hawai'i Administrative Rules (HAR) §3-122-35 to secure pricing in the best interests of the Department.

B. DEPARTMENT OF WATER SUPPLY TABLE OF ORGANIZATION - PROPOSED REVISIONS:

The Department recognizes the need to revise its current Table of Organization to support its mission. As such, the Department proposes the following revisions:

- 1) **ENGINEERING DIVISION:**
 - a. Add one (1) each of the Engineering Support Technician (EST) I, II, III, and IV to a new Technical Support Services Section in the Engineering Branch (Chart III-A).
 - b. Add one (1) each of the EST I and IV to the Technical Support Services Section in the Water Resources and Planning Branch (Chart III-B).
 - c. Add one (1) each of the EST I and IV to the Technical Support Services Section (formerly called Records Section) in the Water Quality Assurance and Control Branch (Chart III-C).
- 2) **OPERATIONS DIVISION:**
 - a. Add one (1) each of the EST I, II, III, and IV to a new Technical Support Services Section in the Engineering Services Branch (Chart V-A).
 - b. Add one (1) Custodian/Groundskeeper II and two (2) Custodian/Groundskeeper I to a new Custodial Unit of the Building and Reservoir Section in District II – Portion of North Hilo, Hāmākua, North and South Kohala (Chart VII-C)
 - c. Add one (1) Custodian/Groundskeeper I to a new Custodial Unit of the Building and Reservoir Section in District III – North and South Kona (Chart VIII-C).

Engineering Support Technicians perform duties that are a combination of inspection, testing, surveying, drafting, design, and other engineering-oriented functions. Custodian/Groundskeepers perform duties to clean and maintain Department-owned or controlled property, structures, and grounds.

These proposed positions will provide career opportunities and help the Department work towards its vision of being an industry leader and an employer of choice.

RECOMMENDATION: It is recommended that the Water Board approve the proposed revisions to the Table of Organization.

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. Employee of the Quarter (First Quarter of 2022)

F. EXECUTIVE SESSION REGARDING POTENTIAL DISPUTED SETTLEMENT - JOB NO. 2016-1056, WAI‘AHA DEEPWELL REPAIR, DISTRICT OF NORTH KONA:

The Board anticipates convening an executive meeting for the purposes of an attorney-client confidential discussion regarding the above-entitled matter.

Pursuant to Section 92-5(a)(4) Hawai‘i Revised Statutes, the purpose of the executive meeting is to consult with the Board’s attorney on questions and issues pertaining to the Board’s duties, privileges, immunities, and liabilities. A two-thirds vote is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the Board.

G. CHAIRPERSON’S REPORT:

Chairperson to report on matters of interest to the Board.

11) ANNOUNCEMENTS:

1. **Next Meeting:** - May 24, 2022, 10:00 a.m.

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.

Anyone wishing to provide written 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, April 25, 2022, to be acknowledged at the board meeting. All written testimony, regardless of time of receipt, will be part of the permanent record.

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.

Board Packet Pursuant to Hawai‘i Revised Statutes, Section 92-7.5, the board packet provided to members of the board for this meeting is available for public inspection during regular business hours at the Department of Water Supply office, 345 Kekūanaō‘a Street, Suite 20, Hilo, Hawai‘i.

“The Department of Water Supply is an Equal Opportunity provider and employer.”