

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

MEETING DATE: June 28, 2022

TIME: 10:00 a.m.

PLACE: Liquor Control Conference Room, Hilo Lagoon Centre, 101 Aupuni Street, Room 230, Hilo, Hawai‘i

Due to the expiration of Governor Ige’s COVID-19 Emergency Proclamation, members of the public are encouraged to continue face masking, physical distancing, and sanitizing, as outlined in the County of Hawai‘i Coronavirus Best Practices, Living with Coronavirus in our Community.

Public testimony may be done in person or in writing by email (dws@hawaiiidws.org), fax (808-961-8657), or by mail: 345 Kekūanaō‘a Street, Suite 20, Hilo, HI 96720. Please indicate agenda item submitting for. All testimony, regardless of time of receipt, will be part of the permanent record.

- 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 May 24, 2022, Water Board Meeting
 - Minutes of the May 24, 2022, Public Hearing on the Proposed Water Rates
 - Minutes of the May 25, 2022, Public Hearing on the Proposed Water Rates
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)
- 5) **WATER RATE STUDY:**

The current contract with the consulting firm of Harris & Associates is to determine water rates for the Department for the Fiscal Year 2023 to Fiscal Year 2027 periods. The proposed water rates for Fiscal Year 2023 and Fiscal Year 2024 under the existing rate structure, is an increase of 9.5% each year for the consumption and standby water rates. Proposed water rates for subsequent years would include evaluation of other rate structure options that were previously discussed with the Water Board.

The Water Board conducted 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. There were no public testimony at these meetings; and the public hearings concluded after the presentations by the Harris & Associates consultant team, Ann Hajnosz and Karyn Johnson.

RECOMMENDATION: The Department recommends that the Board approve proposed water rate increases of 9.5% each year, for Fiscal Year 2023 and Fiscal Year 2024 under the existing rate structure for the consumption and standby water rates, to be effective July 1, 2022, and July 1, 2023.

6) **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 \$2.34 to \$2.48 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>
May 1, 2022	\$2.34
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

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 \$2.34 to \$2.48 per thousand gallons, effective July 1, 2022.

7) **NORTH KOHALA:**

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 92 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	7/31/2021	7/31/2021	255	Excess delays due to land ownership changes and lack of site access.
2	11/18/2020	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.
5	6/30/2022	9/30/2022	92	Delay in receiving the pump installation permit from CWRM and power from Hawaiian Electric.
Total Days (including this request)			681	

The contractor has not received the Well Pump Installation Permit which is required to begin the installation of the pump. Hawaiian Electric has 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 92 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 92 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 June 30, 2022, to September 30, 2022.

8) **MISCELLANEOUS:**

A. **DEDICATIONS:**

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department's standards and are in acceptable condition for dedication:

1. Bill of Sale

Sellers: Dennis Akamine and Kevin Iwasaki
Tax Map Key (3) 2-5-009:021
Pi'ihonua, South Hilo, Island of Hawai'i, Hawai'i
Facilities Charge: \$6,095.00, Date Paid: 06/01/2022
Final Inspection Date: 05/27/2022
Water System Cost: \$55,000.00

2. Grant of Easement and Bill of Sale

Grantors: Diane O. Ito, Rockwell Okada, Guylon Okada and Clint Okada
SUB-05-000182
Tax Map Key (3) 6-4-031:005 & 006
Pu'ukapu, Waimea, South Kohala, Island of Hawai'i, Hawai'i
Facilities Charge: \$73,140.00, Date Paid: 02/24/2021
Final Inspection Date: 06/03/2021
Water System Cost: \$183,500.00

3. Second Amendment of Grant of Non-Exclusive Easement and Bill of Sale

Grantor/Seller: State of Hawai'i, Department of Transportation
Tax Map Key (3) 7-3-043:003 (portion)
Kalaoa 1st- 4th, North Kona, Island of Hawai'i, Hawai'i
Facilities Charge: \$6,095.00, Date Paid: 06/08/2022
Final Inspection Date: 01/11/2021
Water System Cost: \$174,955.00

4. Bill of Sale

Seller: Hilo International Airport
Tax Map Key (3) 2-1-012:009 portion
Waiākea, South Hilo, Island of Hawai'i, Hawai'i
Facilities Charge: *n/a*, Date Paid: *n/a*
Final Inspection Date: 06/07/2022
Water System Cost: \$926,174.00

5. License Easement No. 511A Amendment

(Non-Exclusive Right)

Licensor: Department of Hawaiian Home Lands

Tax Map Key (3) 1-5-010:004 & 003

Maku‘u, Puna, Island of Hawai‘i, Hawai‘i

Facilities Charge: \$166,388.04, Date Paid: To be announced

Final Inspection Date: 05/26/2022

Water System Cost: \$625,000.00

RECOMMENDATION: It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel and that either the Chairperson or Vice-Chairperson be authorized to sign the documents.

**B. SERVICE CONTRACT NO. 2021-03, WATER RATE STUDY, FY22 - FY27-
CHANGE ORDER TO THE CONTRACT:**

The current contract with Harris & Associates is to determine the Department’s water rates for the periods of Fiscal Year 2023 through Fiscal Year 2027. The proposed water rates for Fiscal Year 2023 and Fiscal Year 2024, under the existing rate structure, includes an increase of 9.5% each year for the consumption and standby water rates. Proposed water rates for subsequent years would include evaluation of other rate structure options that were previously discussed with the Water Board. The purpose of this change is to prepare the additional rate structure analyses requested by the Department of Water Supply for implementation during the July 1, 2024, through June 30, 2027, time period. The proposed cost for this change would be an additional \$105,662.00, which increases the contract amount from \$117,000.00 to \$222,662.00. The proposed schedule would also extend the current contract duration with a revision of the completion date from June 2023 to September 2024.

RECOMMENDATION: It is recommended that the Board approve this change to the current contract with Harris & Associates, Service Contract No. 2021-03 Water Rate Study FY 22-FY27 as described in the Proposed Addendum 1, Scope of Services, proposed by Harris & Associates. The change order will include the following:

- Increase of contract amount by an additional \$105,662.00, which will change the total cost for this contract from \$117,000.00 to \$222,662.00.
- Extend the current contract duration with a revision of the completion date from June 2023 to September 2024.
- Revise the Scope of Work and Project Schedule as described in the “Proposed Addendum 1.”

The additional cost for this change order is included in the FY 2023 budget that was approved by the Water Board. The additional work is deemed warranted as it will involve the evaluation of data in the current system for potential changes to the rate structure requested by the Board, analyses of financial conditions after implementation of rate increases, internal and public communication, and attainment of financial policy targets to maintain a sound financial position for DWS.

**C. MATERIAL BID NO. 2022-01, FURNISHING AND DELIVERING PIPES, FITTINGS,
WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL
SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT,
CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE
DEPARTMENT OF WATER SUPPLY STOCK:**

This item was deferred at the May 24, 2022, Water Board meeting.

Bids were opened on May 4, 2022 at 1:30 p.m., and following are the bid results:

PART NO.	DESCRIPTION	BIDDER	AMOUNT
1	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Core & Main LP dba Pacific Pipe Co., Inc.	\$86,800.00
2	DUCTILE IRON FITTINGS	Core & Main LP dba Pacific Pipe Co., Inc.	\$152,901.00
3	DUCTILE IRON SOLID BODY SLEEVES	Core & Main LP dba Pacific Pipe Co., Inc.	\$57,020.00
4	FLANGE GASKETS	No Bids.	
5	NUTS, BOLTS, AND THREADED RODS	Fastenal Company	\$76,423.12
6	COPPER TUBING	Core & Main LP dba Pacific Pipe Co., Inc.	\$183,050.00
7	GALVANIZED PIPES T&C (THREADED & COUPLED)	Core & Main LP dba Pacific Pipe Co., Inc.	\$23,210.00
8	METER BOXES	M&H Investment Corp. dba ICO Supply	\$45,500.00
9	METER COVERS	Ferguson Enterprises, Inc.	\$19,017.50
10	AUTOMATIC METER READING UNIT	Ferguson Enterprises, Inc.	\$98,638.80
11	SMART WATER METERS	No Bids.	
12	5/8" WATER METERS	Badger Meter, Inc.	\$54,360.00
13	NEPTUNE T-10 SERIES METER PARTS	Ferguson Enterprises, Inc.	\$96,661.00
14	BADGER RECORDALL SERIES METER PARTS	Badger Meter, Inc.	\$4,306.39
15	1"- 2" WATER METERS	Badger Meter, Inc.	\$10,427.80
16	COMPOUND WATER METERS	Badger Meter, Inc..	\$11,211.30
17	TURBINE METERS	Badger Meter, Inc.	\$20,199.14
18	DETECTOR CHECK METERS	Core & Main LP dba Pacific Pipe Co., Inc.	\$5,170.00
19	FIRE SERVICE METERS	Badger Meter, Inc.	\$62,366.24
20	FIRE HYDRANTS	Core & Main LP dba Pacific Pipe Co., Inc.	\$121,150.00
21	TAMPER-RESISTANT FIRE HYDRANTS	Core & Main LP dba Pacific Pipe Co., Inc.	\$158,325.00
22	MUELLER FIRE HYDRANT PARTS	Ferguson Enterprises, Inc.	\$8,041.84
23	MUELLER FIRE HYDRANT EXTENSION KITS	Ferguson Enterprises, Inc.	\$10,342.43
24	M&H VALVE FIRE HYDRANT PARTS	No Bids	
25	BALL METER VALVES	Core & Main LP dba Pacific Pipe Co., Inc.	\$75,500.00
26	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Ferguson Enterprises, Inc.	\$52,939.25
27	COMPRESSION JOINT COUPLING	Core & Main LP dba Pacific Pipe Co., Inc.	\$7,550.00
28	METER FLANGE COUPLING	Ferguson Enterprises, Inc.	\$5,385.75
29	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$48,795.05

PART NO.	DESCRIPTION	BIDDER	AMOUNT
30	CORPORATION AND CURB STOPS – BALL TYPE	Core & Main LP dba Pacific Pipe Co., Inc.	\$125,657.15
31	PRESSURE REGULATORS	No Bids	
32	HOSE BIBBS	No Bids	
33	INVERTED MARKING PAINT	Safety Systems & Signs Hawaii, Inc.	\$13,344.00
34	AIR RELIEF VALVES	Core & Main LP dba Pacific Pipe Co., Inc.	\$17,400.00
35	SLOW CLOSING AIR/VACUUM VALVES	No Bids	
36	SILENT CHECK VALVES	Core & Main LP dba Pacific Pipe Co., Inc.	\$103,280.00
37	DUCKBILL CHECK VALVES	No Bids	
38	GATE VALVES – 3” AND LARGER, 125# CLASS	Ferguson Enterprises, Inc.	\$47,939.36
39	GATE VALVES – 3” AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$88,365.76
40	AUTOMATIC CONTROL VALVES	Ferguson Enterprises, Inc.	\$1,887,644.02
41	ROTARY PUMP CONTROL VALVES AND ACTUATION	No Bids	
42	RESERVOIR LEVEL INDICATOR	TK Process Hawaii, LLC	\$11,118.29
43	HATCH FRAMES AND COVERS	Core & Main LP dba Pacific Pipe Co., Inc.	\$41,900.00
44	EMERGENCY EYEWASH/SHOWER STATIONS	Safety Systems & Signs Hawaii, Inc.	\$157,205.70
45	TOXIC GAS MONITORS	No Bids	
46	SIGNAL DEVICES	Graybar Electric Company, Inc.	\$151,250.00
47	ARC FLASH PPE – DAILY WEAR	No Bids	
48	SUPPLEMENTAL PPE	Safety Systems & Signs Hawaii, Inc.	\$10,968.94
49	ELECTRICAL GLOVES	Safety Systems & Signs Hawaii, Inc.	\$1,222.48
50	DIGITAL MULTIMETER & TESTING	No Bids	
51	ELECTRICAL SAFETY EQUIPMENT	Graybar Electric Company, Inc.	\$4,270.00
52	ELECTRICAL EQUIPMENT TESTING SERVICES	No Bids	
53	INDUSTRIAL MOTOR LEAD CABLE	Graybar Electric Company, Inc.	\$140,840.00
54	INDUSTRIAL CONTROL WIRING	Graybar Electric Company, Inc.	\$12,105.00
55	HEAVY-DUTY SAFETY SWITCH	No Bids	
56	SOLID STATE REDUCED VOLTAGE SOFT STARTER	No Bids	
57	MAGNETIC CONTACTORS	No Bids	

PART NO.	DESCRIPTION	BIDDER	AMOUNT
58	MEDIUM-VOLTAGE REDUCED VOLTAGE SOFT STARTER	TK Process Hawaii, LLC	\$115,491.43
59	VARIABLE FREQUENCY DRIVES	TK Process Hawaii, LLC	\$5,395,265.87
60	POWER QUALITY EQUIPMENT	TK Process Hawaii, LLC	\$303,127.92
61	PAD-MOUNTED STEP-UP TRANSFORMER	No Bids	
62	SURGE PROTECTION DEVICES	TK Process Hawaii, LLC	\$89,620.94
63	POWER MONITORING EQUIPMENT	No Bids	
64	PROGRAMMING SERVICES	No Bids	
65A	PRESSURE TRANSDUCER – WELL LEVEL	SCADA & Control Solutions, LLC	\$39,650.71
66	PRESSURE TRANSDUCER – RESERVOIR LEVEL	No Bids	
67	PRESSURE TRANSMITTER	TK Process Hawaii, LLC	\$4,762.56
68	FLOW SWITCH	TK Process Hawaii, LLC	\$2,163.48
69	LEGACY ELECTROMAGNETIC FLOW METER PARTS	No Bids	
70	UNIVERSAL ELECTROMAGNETIC FLOW METERS	No Bids	
71	REAGENTLESS CHLORINE RESIDUAL ANALYZERS	No Bids	
72	WATER QUALITY EQUIPMENT	No Bids	
73	REAGENTS AND STANDARDS	No Bids	
74	MULTISTAGE BOOSTER PUMPS	No Bids	
75	CHEMICAL FEEDER PUMP	No Bids	
76	DIGITAL CHLORINE CYLINDER SCALE	No Bids	
77	CHLORINE GAS FEEDER	No Bids	
78	TABLET CHLORINATOR & PARTS	No Bids	
79	MECHANICAL SEALS	No Bids	
80	MOTORS	No Bids	
81	LEGACY LEAK NOISE DATA LOGGER & PARTS	Wong's Equipment & Services, LLC	\$1,895.69
82	LEAK NOISE DATA LOGGERS	TK Process Hawaii, LLC	\$70,439.53
83	REMOTE PRESSURE MONITORING SYSTEM	No Bids	
84	LIGHT EMITTING DIODE LUMINARIES	Graybar Electric Company, Inc.	\$3,825.00
85	INDUSTRIAL LUBRICANTS	No Bids	

For the Sections where no bids were received, staff shall seek alternative procurement pursuant to HAR 3-122-35 to procure the required materials in the best interests of the Department.

The contract period for all Parts is one year, from July 1, 2022, to June 30, 2023. All Parts are established price agreements for materials on an “As-Needed Basis.”

RECOMMENDATION: It is recommended that the Board award the contract to the following bidders for MATERIAL BID NO. 2022-01, FURNISHING AND DELIVERING PIPES, FITTINGS, WATER METERS, FIRE HYDRANTS, BRASS GOODS, VALVES, ELECTRICAL SUPPLIES, ELECTRICAL EQUIPMENT, SCADA, WATER QUALITY EQUIPMENT, CHLORINATORS, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, on an as-needed basis, as listed below, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2022, to June 30, 2023.

Core & Main LP dba Pacific Pipe Co., Inc., for Parts 1, 2, 3, 6, 7, 18, 20, 21, 25, 27, 30, 34, 36, and 43
Fastenal Company for Part 5

M&H Investment Corp. dba ICO Supply for Part 8

Ferguson Enterprises, Inc., for Parts 9, 10, 13, 22, 23, 26, 28, 29, 38, 39, and 40

Badger Meter, Inc., for Parts 12, 14, 15, 16, 17, and 19

Safety Systems & Signs Hawaii, Inc., for Parts 33, 44, 48, and 49

TK Process Hawaii, LLC, for Parts 42, 58, 59, 60, 62, 67, 68, and 82

Graybar Electric Company, Inc., for Parts 46, 51, 53, 54, and 84

SCADA & Control Solutions, LLC, for Part 65A

Wong's Equipment & Services, LLC, for Part 81

D. MATERIAL BID NO. 2022-06, FURNISH BASE COURSE, SAND, COLD MIX HOT MIX, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

For the award of District III Part 3G to Grace Pacific, LLC, the item description on the Letter of Award was corrected from “*Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)*” to “*Hot Mix - County Mix IV (Cost per ton)*” for a bid amount of \$174.00.

E. 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.

F. 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.

G. 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. Update on Establishment of Permitted Interaction Group, Re: Capacity Expansion
4. 2022 Keiki Water Conservation Poster Contest
5. Retiree of the Department of Water Supply

H. CHAIRPERSON’S REPORT:

Chairperson to report on matters of interest to the Board.

9) ANNOUNCEMENTS:

1. **Next Meeting:** - July 26, 2022, 10:00 a.m., at the Liquor Control Conference Room, Hilo Lagoon Centre, 101 Aupuni Street, Room 230, Hilo, Hawai‘i.

10) 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 (808) 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.

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.”