

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

MEETING DATE: September 27, 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 – Pursuant to HRS §92-3, oral testimony may be provided entirely at the beginning of the meeting, or immediately preceding the agenda item.
- 3) APPROVAL OF MINUTES:
 - Minutes of the August 23, 2022, Public Hearing on the Power Cost Charge
 - Minutes of the August 23, 2022, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)
- 5) **PRESENTATION OF COUNTY OF HAWAI‘I AUDIT REPORT ON CASH HANDLING (FOLLOW-UP):**

Chair: Is there any testimony for this item?

Copies of the County of Hawai‘i, Office of the Legislative Auditor, “Department of Water Supply Cash Handling Follow-up,” Report No. 2022-04, dated September 2, 2022, have been distributed to Board Members. The County’s Legislative Auditor, Tyler J. Benner, will present the report to the Board.

- 6) **POWER COST CHARGE:**

Chair: Is there any testimony for this item?

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 \$2.75 to **\$2.87** 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>
September 1, 2022	\$2.75
July 1, 2022	\$2.48
May 1, 2022	\$2.34
March 1, 2022	\$2.02
November 1, 2021	\$2.15
June 1, 2021	\$1.85

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 October 25, 2022, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$2.75 to \$2.87, effective November 1, 2022.

7) **SOUTH HILO:**

A. JOB NO. 2020-1146, HILO OPERATIONS BASEYARD EMERGENCY GENERATOR REPLACEMENT – REQUEST FOR ADDITIONAL FUNDS:

Chair: Is there any testimony for this item?

At the May 24, 2022, Water Board meeting, a request for additional funds of \$50,363.00 was approved. The correct amount should have been \$50,465.00.

Original Contract Amount:	\$1,384,052.00
Original Contingency Amount:	138,348.00
<i>1st Additional Funds Request (approved at 5/24/22 Water Board meeting):</i>	<i>50,363.00</i>
<i>This (2nd) Additional Funds Request:</i>	<u><i>102.00</i></u>
<i>Total Revised Contract Amount:</i>	<i>\$1,572,865.00</i>

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$102.00 to Isemoto Contracting Co., Ltd., for JOB NO. 2020-1146, HILO OPERATIONS BASEYARD EMERGENCY GENERATOR REPLACEMENT. If approved, the total revised contract amount shall be \$1,572,865.00.

8) **NORTH KOHALA:**

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

Chair: Is there any testimony for this item?

The contractor, Goodfellow Bros., LLC, is requesting a time extension of an additional 63 calendar days based on Hawaiian Electric’s estimated completion to have power to the well site by the end of September. Upon completion of Hawaiian Electric’s improvements, the electrical, controls, and plumbing sub-contractors will need to complete installation of equipment as well as the wiring from the Hawaiian Electric service to the various equipment.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/18/2020	7/31/2021	255	Excessive 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.
5	6/30/2022	9/30/2022	92	Delay in receiving the pump installation permit from CWRM and power from Hawaiian Electric.
6	9/30/2022	12/2/2022	63	Delay in power from Hawaiian Electric.
Total Days (including this request)			744	

This delay is beyond the control of the contractor.

Staff reviewed the request for the contract time extension and finds the request for the additional 63 calendar days to be justified. *Note: There are no additional costs associated with this time extension.*

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 63 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 September 30, 2022, to December 2, 2022.

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

Chair – Is there any testimony for this item?

The Contractor, Beylik/Energetic A JV is requesting a contract time extension of 108 calendar days, due to delays from the vendor for shipment of the booster pump assemblies, and work required to rewire the manufacturer furnished motors.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found that only 66 calendar days of the requested time to be justified. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	1/8/22	2/8/22	30	Delays due to work required to rework pump to meet contract requirements.
2	2/8/22	4/15/22	66	Delays to shipment of the booster pump assemblies and rewiring of motors furnished in the wrong voltage.
Total Days (including this request)			96	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 66 calendar days to Beylik/Energetic A JV, for JOB NO. 2019-1105, KA 'AUHUUH #2 BOOSTERS A, B & C REPAIR. If approved, the contract completion date will be revised from February 8, 2022, to April 15, 2022.

9) **SOUTH KOHALA:**

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

Chair – Is there any testimony for this item?

The contractor, Beylik/Energetic A JV, is requesting a contract time extension of 14 calendar days, due to delays from the vendor for shipping the materials required for modification of the discharge head, which was beyond the control of the contractor.

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

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	02/28/2022	05/02/2022	63	Replacement of existing discharge head due to column assembly exceeding lifting capacity of discharge head plate.
				Replacement of nine (9) damaged column pipes due to incidental work.
2	05/02/2022	05/16/2022	14	Delays to discharge head manufacturing.
3	05/16/2022	09/30/2022	137	Delays due to modifications of the discharge head.
4	09/30/2022	10/14/2022	14	Delays to shipping of materials for modification of discharge head.
Total Days (including this request)			228	

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 September 30, 2022, to October 14, 2022.

10) **NORTH KONA:**

A. NOTICE OF THIRD ASSIGNMENT OF EQUIVALENT UNITS UNDER WATER AGREEMENT [LA 10, TMK (3) 7-8-010-078 AND LA 26, TMK (3) 7-8-010-004] DATED APRIL 4, 2012:

Chair – Is there any testimony for this item?

Kamehameha Investment Corporation (KIC) and the Trustees of the Estate of Bernice Pauahi Bishop (KS) are requesting to assign equivalent units (EU) in accordance with the Water Agreement dated April 4, 2012, and executed with the Water Board. The assignments are requested as follows:

KIC Land Area	Parcel	Pre-Assignment (EU)	Post-Assignment (EU)
LA 10	(3) 7-8-010-078	150	150
LA 10A	(3) 7-8-010-090	40	40
LA 1	(3) 7-8-010-044	101	188
LA 26	(3) 7-8-010-004	349	209
LA 6	(3) 7-8-010-049		1
LA 6	(3) 7-8-012-004		1
LA 6	(3) 7-8-012-007		1
LA 6	(3) 7-8-012-061		1
LA 6	(3) 7-8-012-065		25
LA 6	(3) 7-8-012-098		24
	Total	640	640

Section 3 of the 2014 Water Agreement provides for the reassignment of equivalent units. All parcels indicated on the above table are included in Exhibit 1-1 of the agreement. Further, the term of the agreement is for 20 years, or until 2032.

RECOMMENDATION: It is recommended that the Water Board approve the requested assignments and authorize either the Chairperson or Vice-Chairperson to sign the approval form, subject to review as to form and legality by Corporation Counsel.

11) **MISCELLANEOUS:**

A. **DEDICATIONS:**

Chair: Is there any testimony for this item?

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 dedications.

1. Grant of Easement and Bill of Sale

Grantor: West Hawaii Business Park LLC

Subdivision No. 19-001890

Tax Map Key (3) 7-4-008:076 (Road Lot 1)

Honokōhau 1st, North Kona, Island of Hawai'i, Hawai'i

Facilities Charge: \$233,805.00, Date Paid: 12/23/2020

Final Inspection Date: 8/25/2022

Water System Cost: \$993,522.00

2. Grant Easement (Water Meter)

Grantor: Robin W. Ledson Trust

Lono Kona Subdivision

Tax Map Key (3) 7-5-022:018 (portion)

Keopu 2nd, North Kona, Island of Hawai'i, Hawai'i

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 the Vice-Chairperson be authorized to sign the documents.

B. MATERIAL BID NO. 2022-11, FURNISHING AND DELIVERING SPARE 400 HP MOTOR SET, PUMP CABLE, AND STEP-UP TRANSFORMER FOR THE DEPARTMENT OF WATER SUPPLY:

Chair: Is there any testimony for this item?

Bids were received and opened on September 15, 2022, at 2:00 p.m., and the following are the bid results.

SECTION	DESCRIPTION	Beylik Drilling and Pump Service, Inc.	Derrick's Well Drilling and Pump Services, LLC
1	400HP MOTOR SET	\$175,000.00	\$134,092.00
2	PUMP CABLE	\$135,700.00	\$77,296.00
3	STEP-UP TRANSFORMER	\$174,000.00	\$82,612.00

The estimated cost for the pump and motor set and refurbished motor, respectively, were as follows:

- 400HP Motor Set: \$120,000
- Pump Cable: \$70,000
- Step-Up Transformer: \$100,000

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2022-11, FURNISHING AND DELIVERING SPARE 400HP MOTOR SET, PUMP CABLE, AND STEP-UP TRANSFORMER FOR THE DEPARTMENT OF WATER SUPPLY, by Sections to the following bidders for the amounts shown above, 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.

Section 1 – 400HP Motor Set to Derrick's Well Drilling & Pump Services, LLC

Section 2 – Pump Cable to Derrick's Well Drilling & Pump Services, LLC

Section 3 – Step-Up Transformer to Derrick's Well Drilling & Pump Services, LLC

C. MONTHLY PROGRESS REPORT:

Chair: Is there any testimony for this item?

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:

Chair: Is there any testimony for this item?

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. N&K CPAs, INC., PLANNING COMMUNICATION TO THE WATER BOARD, FISCAL YEAR 2022 AUDIT:

Chair – Is there any testimony for this item?

Copies of the planning communication letter from N&K CPAs, Inc., to the Water Board have been distributed to Board Members to provide information on the current audit for Fiscal Year 2022.

F. MANAGER-CHIEF ENGINEER’S REPORT:

Chair: Is there any testimony for this item?

The Manager-Chief Engineer to provide an update on the following:

1. North Kona Wells
2. Update on Establishment of Permitted Interaction Group, Re: Capacity Expansion
3. Retiree of the Department of Water Supply

G. 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.

H. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2022:

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.

I. MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2022:

Chair: Is there any testimony for this item?

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

J. CHAIRPERSON’S REPORT:

1. Cost of Government Commission.

12) ANNOUNCEMENTS:

Next Meeting:

- The next meeting of the Water Board will be October 25, 2022, 10:00 a.m., at the Waimea Community Center (next to the ball park); 65-1260 Kawaihae Road, Kamuela, Hawai‘i, followed by a site visit to the Waimea Water Treatment Plant.
- Public Hearing on the Power Cost Charge will be at 9:45 a.m., if approved by the Board today.

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 (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.”