

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

MEETING DATE: March 28, 2023

A) **TIME:** 10:00 a.m.

PLACE: West Hawai‘i Civic Center, Building G, 74-5044 Ane Keohokalole Highway,
Kailua-Kona, Hawai‘i

B) **TIME:** **Site Visit Immediately Following Recess of Regular Board Meeting**

PLACE: Assemble at, for site visit to Kahalu‘u Shaft, 78-6793 Kamehameha III Road,
Kailua- Kona, HI, to view the Kahalu‘u Shaft operations. Members of the public must
have their own transportation to the site. Meeting will recess during transit and
reconvene in front of the Kahalu‘u Shaft site. Staff will be present to allow access.
(For directions, see Announcements item below.)

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 February 28, 2023, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)
- 5) **PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2022:**

Chair: Is there any testimony for this item?

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2022, 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) **POWER COST CHARGE:**

Chair: Is there any testimony for this item?

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 \$3.04 to \$2.70 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>
January 1, 2023	\$3.04
November 1, 2022	\$2.87
September 1, 2022	\$2.75
July 1, 2022	\$2.48
May 1, 2022	\$2.34
March 1, 2022	\$2.02

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 \$3.04 to \$2.70, effective April 1, 2023.

7) **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2024:**

Chair: Is there any testimony for this item?

The Department's Fiscal Year 2024 Operating Budget, totaling \$65,596,744.00, and 5-Year C.I.P. Budget for Fiscal Year 2024-2028, totaling \$185,835,000.00 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 2024 Operating and C.I.P. Budgets on this first of two readings.

8) **SOUTH HILO:**

A. **VEHICLE BID NO. 2022-12, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:**

Chair: Is there any testimony for this item?

This project generally consists of furnishing and delivering vehicles to the Department of Water Supply in accordance with the specifications.

Bids for this project were opened on March 9, 2023, at 2:00 p.m., and no bids were received. Staff will utilize alternative procurement pursuant to Hawai'i Administrative Rules (HAR) §3-122-35 to secure pricing in the best interests of the Department.

PARTS:	BIDDERS:
Part A – One (1) Only Full-Size, Crew Cab Pick-Up, with Service Body, 4-Wheel Drive	NO BIDS
Part B – One (1) Only Full-Size, Regular Cab Pick-Up, with Service Body, 4-Wheel Drive, Mud Tires	NO BIDS
Part C – One (1) Only Full-Size, Regular Cab Pick-Up, with Service Body, Lift Gate, 4-Wheel Drive, Mud Tires	NO BIDS
Part D – One (1) Only Full-Size, Crew Cab Pick-Up, with 4-Wheel Drive	NO BIDS
Part E – One (1) Only Full-Size, Crew Cab Pick-Up, with Service Body, Lift Gate, 2-Wheel Drive	NO BIDS
Part F – One (1) Only Mid-Size, Crew Cab Pick-Up, with 4-Wheel Drive	NO BIDS
Part G – One (1) Only Mid-Size, Crew Cab Pick-Up, with 4-Wheel Drive, Mud Tires	NO BIDS
Part H – Two (2) Only 4-Door, Compact Cross-Over Wagon/SUV, with 4-Wheel Drive	NO BIDS
Part I – Three (3) Only Passenger Van, with 2-Wheel Drive	NO BIDS
Part J – One (1) Only Cargo Van, with 4-Wheel Drive	NO BIDS

9) NORTH HILO:

A. JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR – REQUEST FOR TIME EXTENSION:

Chair: Is there any testimony for this item?

The Contractor, Derrick’s Well Drilling and Pump Services, LLC., is requesting a contract time extension of 77 calendar days, due to delays by the motor manufacturer. These setbacks were beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found the 77 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	10/31/2022	3/31/2023	151	Manufacturer delays in providing submittals and receiving materials for pump production.
2	3/31/2023	6/16/2023	77	Manufacturer delays in motor production.
Total Days (including this request)			228	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 77 calendar days to Derrick’s Well Drilling and Pump Services, LLC., for JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR. If approved, the contract completion date will be revised from March 31, 2023, to June 16, 2023.

10) SOUTH KOHALA:

A. EQUIPMENT BID NO. 2022-13, FURNISHING AND DELIVERING WAIMEA WATER TREATMENT PLANT RESERVOIR #3 SLUDGE PUMPS:

Chair: Is there any testimony for this item?

This project generally consists of paying for all transportation, machinery, labor, materials, tools, equipment, and taxes necessary to furnish and deliver the diesel power pump assembly and appurtenant materials listed.

Bids for this project were opened on March 16, 2023, at 1:30 p.m., and no responsive bids were received. Staff will seek alternative procurement pursuant to Hawai‘i Administrative Rules (HAR) §3-122-35 to secure pricing in the best interests of the Department.

Bidder	Bid Amount
Optimal Controls, LLC	NON-RESPONSIVE

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

Chair: Is there any testimony for this item?

The Department is requesting a contract change order to increase the existing contract Not to Exceed (NTE) limit of \$100,000.00 due to the increased frequency of sludge removal from February to June 2023 by the Contractor, 2B Environmental, Inc., at the Department’s request. The current contract specified NTE was an estimate that assumed other sludge mitigation methods would be completed before the end of this contract’s term. Increased sludge removal is needed to ensure continued sufficient sludge mitigation.

ITEM	QUANTITY	DESCRIPTION	UNIT AMOUNT	AMOUNT
1.	Lump Sum	Increase the contract NTE to allow for an increase in sludge removal frequency as requested by the Department.	N/A	\$ 65,000.00
		TOTAL		\$ 65,000.00

Original Contract Amount: \$ 100,000.00
 Original Contingency Amount: \$ 0.00

1st Additional Funds Request: \$ 65,000.00
Total Revised Contract Amount: \$ 165,000.00

RECOMMENDATION: It is recommended that the Board approve an increase in the contract NTE limit of \$65,000.00 to 2B Environmental, Inc., for JOB NO. 2022-1187, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL. If approved, the total revised contract amount shall be \$165,000.00.

11) **NORTH KONA:**

A. JOB NO. 2021-1181, KEAUCO BOOSTER A 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 88 calendar days, due to delays by the pump manufacturer providing submittals. These setbacks were beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found 74 calendar days to be justified. Fourteen (14) days were deducted from the Contractor’s request to account for the number of days initially scheduled for the submittal process. *Note: There are no additional costs associated with this time extension.*

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	3/31/2023	6/13/2023	74	Manufacturer delays in providing submittals.
Total Days (including this request)			74	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 74 calendar days to Beylik/Energetic A JV, for JOB NO. 2021-1181, KEAUCO BOOSTER A REPAIR. If approved, the contract completion date will be revised from March 31, 2023, to June 13, 2023.

12) **MISCELLANEOUS:**

A. 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.

B. 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.

C. 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

D. CHAIRPERSON'S REPORT:

Chairperson to report on matters of interest to the Board.

13) **ANNOUNCEMENTS:**

1. **Next Meeting:** April 25, 2023, 10:00 a.m., at the Department of Water Supply, Hilo Operations, 899 Leilani Street, Hilo, Hawai'i
2. **Site Visit Today:** Site visit to the Kahalu'u Shaft, 78-6793 Kamehameha III Road, Kailua-Kona, HI, to view and discuss its operations. **Directions:** From the West Hawai'i Civic Center travel south on Ane Keohokalole Highway, then onto Henry Street. Turn left (south) on Highway 11 and travel approximately 4.5 miles to the Kamehameha III Road junction, in Keauhou, and turn right (west) onto Kamehameha III Road. Travel downhill on Kamehameha III Road approximately 0.4 miles and look for DWS on left-hand side of road. Meeting will reconvene and take place at the Kahalu'u Shaft site.

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 (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 Kekūānaō'a Street, Suite 20, Hilo, Hawai'i.

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