

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

MEETING DATE: November 28, 2023

TIME: 10:00 a.m.

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

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 – October 24, 2023, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(Note: Roll Call Required)
- 5) SOUTH HILO:

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

Chair: Is there any testimony for this item?

The Contractor, Hawaii Air Conditioning Corporation, is requesting a contract change order for the additional work for labor for installation of interior portions of work separate from the installation of exterior work. The need for this additional work is attributed to challenges by the Department to secure County inspection work, which will permit progress with enclosing the completed rough framing. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Additional labor for separate trip for the installation of interior work, inclusive of installation of air handling units; connection of linesets; connection of electrical; charging and balancing A/C system; and programming and training.	\$ 3,800.00
	TOTAL	\$ 3,800.00

Original Contract Amount:	\$ 32,550.00
Original Contingency Amount:	\$ 3,250.00
1st Additional Funds Request:	\$ 550.00
Total Revised Contract Amount:	\$ 36,350.00

Staff reviewed the request for the additional funds and found that the \$550.00 can be considered justified.
Note: There is \$3,250.00 remaining in the original project contingency.

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$550.00 to Hawaii Air Conditioning Corporation, for JOB NO. 2022-1185, FURNISHING AND INSTALLATION OF THE HILO OPERATIONS BASEYARD SERVER ROOM AIR CONDITIONING SYSTEMS. If approved, the total revised contract amount shall be \$36,350.00.

6) SOUTH KOHALA:

A. **JOB NO. 2022-13 (ALT), F&D WAIMEA WATER TREATMENT PLANT RESERVOIR #3 SLUDGE PUMPS – REQUEST FOR TIME EXTENSION:**

Chair: Is there any testimony for this item?

The Vendor, Optimal Controls LLC, is requesting a contract time extension of 35 calendar days, due to delays from the pump manufacturer with providing the trailer manufacturer the pump for assembly and due to delays from the trailer manufacturer with obtaining the necessary paint for the assembled unit. This was beyond the control of the Vendor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found the 35 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	12/31/2023	02/04/2024	35	Delays from pump manufacturer with shipping the unit and from the trailer manufacturer with painting the assembled unit.
Total Days (including this request)			35	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 35 calendar days to Optimal Controls LLC, for JOB NO. 2022-13 (ALT), F&D WAIMEA WATER TREATMENT PLANT RESERVOIR #3 SLUDGE PUMPS. If approved, the contract completion date will be revised from December 31, 2023 to February 4, 2024.

7) NORTH KONA:

A. **JOB NO. 2016-1056, WAI‘AHA DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS:**

Chair: Is there any testimony for this item?

The Department is requesting a contract change order for the additional work as part of a negotiated settlement agreement with the Contractor, Derrick’s Well Drilling and Pump Services, LLC to complete the repair of Wai’aha Deepwell A. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	50% cost sharing for mobilization/de-mobilization and well extraction/installation labor costs.	\$ 40,000.00
2.	Freight charges for pumping assembly equipment, sounding tubing and power cable materials.	\$ 40,000.00 est.
3.	Material and services for surface plate assembly; 8” column pipe assembly; 8” positive seal check valve; motor shroud assembly; pre-filling water column; and general site clean-up.	\$ 346,323.30
	TOTAL	\$ 426,323.30

Original Contract Amount: \$ 650,000.00
 Original Contingency Amount: \$ 65,000.00
 1st Additional Funds Request: \$ 380,080.50
Total Revised Contract Amount: \$ 1,095,080.50

Staff reviewed the request for additional funds and found that the \$426,323.30 can be considered justified. *Note: There is \$46,242.80 remaining in the original project contingency.*

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$380,080.50 to Derrick’s Well Drilling & Pump Services, LLC, for a total project cost of \$1,095,080.50 for JOB NO. 2016-1056, WAI’AHA DEEPWELL REPAIR.

B. JOB NO. 2023-08 (MAT), F&D SPARE PUMP & MOTOR SET FOR KALAOA #1 DEEPWELL:

Chair: Is there any testimony for this item?

This project consists of furnishing all labor, materials, tools and equipment necessary to furnish a new submersible pump and all appurtenant materials; test assembly of complete pumping assembly; and delivery of submersible pump and all appurtenant materials, and Summit seal, submersible slim-line motor, and adapter equipment, to the Department in accordance with the specifications.

Bids for this project were opened on November 16, 2023, at 2:00 p.m., and the following are the bid results:

The Engineering estimate for this project was \$46,000.00.

Bidder	Bid Amount
Derrick’s Well Drilling and Pump Services, LLC	\$67,916.25

RECOMMENDATION: It is recommended that the Board approve the contract for JOB NO. 2023-08 (MAT), F&D SPARE PUMP & MOTOR SET FOR KALAOA #1 DEEPWELL, to the sole responsible bidder, Derrick’s Well Drilling and Pump Services, LLC, for their bid amount of **\$67,916.25**. 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.

C. MAINTENANCE BID NO. 2023-14, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT INCLINED LIFT:

Chair: Is there any testimony for this item?

Bids were opened on November 2, 2023, at 2:00 p.m., and the following are the bid results: The engineering estimate for this project was \$150,000.00.

Bidder	Bid Amount
Centric Elevator Corporation	\$432,500.00

RECOMMENDATION: It is recommended that the Board not approve the price agreement for MAINTENANCE BID NO. 2023-14, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT INCLINED LIFT, to the sole bidder, Centric Elevator Corporation, for their bid amount of \$432,500.00. Staff will seek alternative procurement pursuant to HAR 3-122-35 for the the required services in the best interest of the Department.

8) **SOUTH KONA:**

A. JOB NO. 2021-1179, KE‘EI #2A & #3B BOOSTER 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 31 calendar days, due to delays from the motor manufacturer with providing the motor to the pump manufacturer for fitment and shipping. This was beyond the control of the Contractor.

Staff reviewed the request for the time extension and the accompanying supporting documentation and found the 31 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	01/13/2023	07/07/2023	175	Delays from manufacturer regarding recommended material and design changes.
2	07/07/2023	12/31/2023	177	Delays from manufacturer for equipment and material substitution requests.
3	12/31/2023	01/31/2024	31	Delays from motor manufacturer with providing the motor to the pump manufacturer for fitment and shipping.
Total Days (including this request)			383	

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 31 calendar days to Beylik/Energetic A JV, for JOB NO. 2021-1179, KE‘EI #2A & #3B BOOSTER REPAIR. If approved, the contract completion date will be revised from December 31, 2023 to January 31, 2024.

9) **MISCELLANEOUS:**

A. **WATER RATE STUDY – VIRTUAL PRESENTATION BY HARRIS & ASSOCIATES:**

As requested by the Water Board, Harris & Associates, DWS’ Water Rate consultant based in Seattle, WA will be providing a virtual presentation to the Water Board on the Water Rates “True-up” results.

The True-Up Analyses compares DWS’ financial performance over FYs 2022 through FY 2024, and indicates a strategy for planned rate adjustments in the last 3 years of the 5-year rate plan (FYs 2025, 2026, and 2027). The consultant and department staff will be available for questions.

B. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2024:**

Chair: Is there any testimony for this item?

Board to elect Chairperson and Vice-Chairperson for the 2024 term.

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. **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. Department of Water Supply Energy Report
3. 2024 Pacific Water Conference – February 20 to 22, 2024 – Hawai‘i Convention Center, Honolulu, Hawai‘i
4. Groundbreaking for Lālāmilo 10MG Reservoir
5. Funding Opportunity Announcement: Hawai‘i Community Foundation Fresh Water Initiative

F. **EXECUTIVE SESSION REGARDING OPEN LITIGATION FOR CIVIL NO. 3CCV-20-000007, LĀLĀMILO WIND COMPANY, LLC:**

The Board anticipates convening an executive meeting for the purposes of discussing the legal rights, duties and liabilities of the Board concerning open litigation against the Board, as authorized by Hawai‘i County Charter Section 8-2 and Hawai‘i Revised Statutes (“HRS”), Sections 92-4 and 92-5(a)(4). 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 the affirmative vote constitutes a majority of the Board.

G. **EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2023:**

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.

H. **MANAGER-CHIEF ENGINEER AND DEPUTY EVALUATION FOR CALENDAR YEAR 2023:**

Chair: Is there any testimony for this item?

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

I. **CHAIRPERSON’S REPORT:**

1. Discussion on upcoming Water Board schedule.
2. Chairperson to report on matters of interest to the Board.

10) **ANNOUNCEMENTS:**

- 11) **Next Meeting:** - December 19, 2023, 10:00 a.m., at the Department of Water Supply, Hilo Operations Baseyard, Hilo, Hawai‘i.

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 (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.”