

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

**DATE:** January 25, 2022

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

**LOCATION:** Via web conferencing. Host location: 345 Kekūanaō‘a Street, #20, Hilo, Hawai‘i. The public may view the meeting via live stream at <https://www.facebook.com/HawaiiDWS>.

Written Testimony: Anyone wishing to provide testimony on an agenda item may also do so by email to [dws@hawaiiidws.org](mailto:dws@hawaiiidws.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, January 24, 2022, to be acknowledged at the board meeting. All written testimony, regardless of time of receipt, will be part of the permanent record.

Oral Testimony: Those that want to provide oral testimony during the meeting must email [dws@hawaiiidws.org](mailto:dws@hawaiiidws.org) no later than 12 noon, Monday, January 24, 2022, with your name, phone number, email address, and the agenda item you wish to testify on. You may be asked to register and your testimony will be included via the web conference application.

- 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 December 21, 2021, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
- 5) **WATER RATE STUDY:**

Our rate consultant, Harris & Associates, will present the fundamentals of Water Rate Design, including an overview of rate design objectives, various rate structures to accomplish these objectives and rate structures used at similar utilities. The consultant is requesting feedback on the type of rate structure to be implemented in Fiscal Year 2024 (starting July 1, 2023). This would provide the Department of Water Supply staff a year to update its billing system to accommodate a new rate structure, if needed. The option to maintain the current rate structure will also be considered.

- 6) **POWER COST CHARGE:**

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 \$2.15 to \$2.02 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>
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
October 1, 2019	\$2.00

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 February 22, 2022, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$2.15 to \$2.02.

7) **SOUTH HILO:**

**A. JOB NO. 2005-875, PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT - REQUEST FOR TIME EXTENSION:**

The contractor, Nan, Inc., is requesting a contract time extension of nine (9) calendar days (6 rain-out days) due to unsuitable weather conditions. This is the third time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/09/2020	12/17/2021	38	Excess delays transferring the National Pollutant Discharge Elimination System (NPDES) permit (additional 33 calendar days) and Change Order No. 2 (5 calendar days)
2	12/17/2021	02/15/2022	60	Rain-outs (39 working days/ 60 calendar days)
3	02/15/2022	02/24/2022	9	Rain-outs (6 working days/ 9 calendar days)
Total Days (including this request)			107	

These delays were beyond the control of the contractor and this time extension is in compliance with the contract requirements. Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the nine (9) calendar days justified. *Note: There are no additional costs associated with this time extension.*

**RECOMMENDATION:** It is recommended that the Board grant this contract time extension of nine (9) calendar days to Nan, Inc., for JOB NO. 2005-875, PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT. If approved, the contract completion date will be extended from February 15, 2022, to February 24, 2022.

8) **MISCELLANEOUS:**

**A. DEDICATIONS:**

(This item was deferred by the Board at its December 21, 2021, meeting.)

The Department received the following documents for action by the Water Board:

**1. Grant of Easement**

Makana Aloha Plantation Subdivision  
 Grantor: Frank Ornellas, Jr., and Susan McCalla Ornellas  
 Tax Map Key: (3) 7-5-016:103 (Lot 2-J) portion  
 Kahului 2<sup>nd</sup>, North Kona, Island of Hawai‘i, Hawai‘i

**2. Grant of Easement**

Makana Aloha Plantation Subdivision  
Grantor: Allan H. Stuart, Jr., and Hydi R. Reddick Stuart  
Tax Map Key: (3) 7-5-016:102 (Lot 2-H) portion  
Kahului 2<sup>nd</sup>, 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, as to form and legality, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

**B. MATERIAL BID NO. 2020-15, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS FOR HĀWĪ #2 DEEPWELL, PARKER #3 DEEPWELL, AND KEŌPŪ #1 DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR TIME EXTENSION:**

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The Contractor, Derrick's Well Drilling & Pump Services, LLC, is requesting a contract time extension of 60 working days, or 89 calendar days, for Section 1 – Hāwī #2 Deepwell, due to manufacturing delays with the fabrication of stainless steel pump bowl components. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and found that only 60 calendar days can be considered justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 60 calendar days

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 60 calendar days to Derrick's Well Drilling & Pump Services, LLC, for MATERIAL BID NO. 2020-15, FURNISHING AND DELIVERING SPARE PUMP AND MOTOR SETS FOR HĀWĪ #2 DEEPWELL, PARKER #3 DEEPWELL, AND KEŌPŪ #1 DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from December 23, 2021, to February 21, 2022.

**C. GASOLINE BID NO. 2020-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR ADDITIONAL FUNDS:**

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The Department awarded a contract to Hawaii Petroleum, LLC, to furnish and deliver gasoline and diesel fuel to its Hilo, Kona, and Waimea baseyards for a term from July 1, 2020, to June 30, 2022. The original contract amount is \$328,280.00 and fuel is ordered on an as-needed basis. The amount of the contract was based on fuel prices of between \$1.58 and \$1.63 per gallon for gasoline and \$1.82 per gallon for diesel. Fuel costs have increased substantially through the term of the contract. Additional funds are necessary to ensure the fuel supplies to DWS' baseyards are maintained through the remainder of this contract.

RECOMMENDATION: It is recommended that the Board approve an increase of funds of \$160,000.00 to Hawaii Petroleum, LLC, for Gasoline Bid No. 2020-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY. If approved, the total revised contract amount shall be \$488,280.00.

**D. PROFESSIONAL SERVICES AGREEMENT – FEDERAL FUNDING OPPORTUNITIES:**

The Department desires to enter into a professional services agreement with a firm who has expertise in seeking and obtaining federal funding for water infrastructure and related projects. Based on the anticipated scope of work, the contract amount will not exceed \$75,000.00, and will be funded from the Administrations Operating budget.

**RECOMMENDATION:** It is recommended that the Board approve the procurement of a consultant to provide services related to obtaining federal funds.

**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. Sunshine Law, Act 220
4. Employee of the Quarter (Fourth Quarter 2021)

**H. CHAIRPERSON’S REPORT:**

1. Chairperson to report on matters of interest to the Board.

9) **ANNOUNCEMENTS:**

1. **Next Meeting:** - February 22, 2022, 10:00 a.m., via web conferencing

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 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.

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