

REGULAR MEETING
BOARD OF WATER SUPPLY
Tuesday, June 19, 2007

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, June 19, 2007. Chairperson Lynn McCrory called the meeting to order at 10:27 a.m. On roll call, the following answered present:

BOARD: Ms. Lynn McCrory, Chairperson
Mr. Ian Costa
Mr. Leland Kahawai
Mr. Steven Kyono
Mr. Roy Oyama
Ms. Bernie Sakoda

Absent & excused: Mr. Donald Fujimoto

STAFF: Ms. Wynne Ushigome
Mr. Paul Ganaden
Mr. William Eddy
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
Deputy County Attorney Rosa Flores

Absent & excused: Mr. Les Yoshioka
Ms. Amy Esaki

GUESTS: Mr. Tom Jacobs, RW Beck
Mr. James Beyer (left at about 11:05 a.m.)

AGENDA

Chair McCrory requested to re-order the Agenda to have Old Business Item No. 2, Followup to Request to Testify by Mr. and Mrs. James E. Beyer to Request Board Approval of Transfer of Water Meters to their Property, TMK: 2-3-02:010, 14.698 Acres, Lawa'i, Kaua'i, to follow Correspondence/Announcements.

Mr. Kyono moved to approve the Agenda, as amended, seconded by Mr. Costa; motion was carried.

MINUTES

Mr. Costa moved to accept the Regular Meeting Minutes of May 15, 2007, and placed on file, seconded by Mr. Kahawai; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

1. Resolution Abandoning the 1940 Tank Site and Remnant Parcel, Kalāheo, Kauaʻi and Authorizing the Exchange with the 1968 Tank Site, Kalāheo, Kauai

Mr. Costa moved to receive the Correspondence and placed on file, seconded by Mr. Oyama; motion was carried.

OLD BUSINESS

Re: Supplemental Information - Mr. & Mrs. Beyer Request to Transfer Water Meters to Lot 10-A, TMK: (4) 2-3-02:010, Lauohu Road, Lawai, Kauai

Mr. James Beyer was present at the meeting.

Recommendation:

1. It was recommended that the Board not approve Mr. & Mrs. Beyer request to transfer the second water meter that was conditionally approved for Lot 10-B, TMK No. (4) 2-3-02:107 **to** CPR Unit B, Lot 10-A, TMK No. (4) 2-3-02:010
2. It was recommended that the Board not approve Mr. & Mrs. Beyer request to transfer the second existing water meter for Lot 124, TMK No. (4) 2-3-02:009 **to** CPR Unit C, Lot 10-A, TMK No. (4) 2-3-02:010,

Supplemental Information:

1. Lot 10-B conditional approval for second meter for ADU: Mr. Beyer informed the DOW after the May 15, 2007 Board meeting that the second dwelling (ADU) unit for Lot 10-B was not allowed by the Public Works Department based on the absence of a paved road access to Lot 10-B. The DOW (letter dated September 25, 2006) provided conditional approval for two water meters to service a total of two dwelling units (one of which was a ADU) on Lot 10-B. The denial of the ADU Clearance effectively limits the lot density to one dwelling unit. Based on Mr. Beyer's current plan to only build one dwelling unit, the DOW conditional approval for the second water meter should now be withdrawn. Without a second meter assignment to the property, Mr. Beyer's request to transfer a second water meter from Lot 10-B to Lot 10-A should not be approved.
2. Lot 10-B water system designation: After discussions with the operations division it was determined that based upon ground elevation and lot access conditions, Lot 10-B, TMK No. (4) 2-3-02:107 will be serviced from the Lawa'i-'Oma'o Water system.

It was also determined that Lot 10-A is currently serviced from the Lawa'i-'Oma'o Water System.

3. Lot 124 meter transfer: There is no DOW rule or policy regarding "restocking" charges for the abandonment of water meters. The requirement for a

'restocking" charge should be researched and adopted by Board Rule prior to its implementation in the case.

4. Lot 124 meter abandonment and DOW issuance of additional water meters for Lot 10-B: The concept of the issuance of a new meter service to a specific lot that is based upon the abandonment of existing meters for another specific lot may not prevent both lot owners from attaching conditions and considerations for meter transfers between lot owners despite the DOW involvement in reassignment of the meters between lots. As long as the meter reassignment is identified and limited to specific lots the potential for attachment of conditions and considerations between lot owners will remain.
5. Lot 10-A fire protection issue: Based on the potential allowance of the third and fourth meter/dwelling unit for Lot 10-A, a hydraulic evaluation for required domestic demand and fire protection for Lot 10-A was conducted. The results of the study indicated that the existing 4-inch and 3-inch waterline along Lauohu Road is adequate to provide the fire protection and maximum day system demand at Lot 10-A.

Prior to building permit/water meter approval the applicant will be required to prepare and receive DOW approval of construction drawings for necessary water system facilities and construct said facilities. These facilities shall include but not be limited to a extension of mainline six- inches in diameter, approximately 250 feet in length, beginning at the Lauohu Road/Umiumi Road intersection, then running west along Umiumi Road to the development.

In the event the DOW mainlines and water meters are located in private property, the lot owner shall give DOW a permit and right of entry for the purpose of meter reading and water system facility operation and maintenance prior to the issuance of the building permit/water meter.

6. The DOW adopted a administrative water meter restrictive policy for the Lawai-Omao water system. The unwritten policy has been in effect since late 1997. The policy states that the Department of Water (DOW) is currently limiting water service in the area to two 5/8-inch water meters or two dwelling units per lot of record in the area until additional storage facilities are available. The existing storage and source system capacity for the Lawa'i-'Oma'o system is summarized as follows:

Source Capacity – Lawa'i-'Oma'o System:

	Gallons per minute (gpm)	Equivalent Single Family Dwelling Units
Existing Source Capacity	775	1488
Existing Maximum Day Demand	407	782
Net Existing Source Capacity	368	706
Pending Maximum Day Demand	279	535
Net Available Source	89	171

Storage Capacity- Lawa'i-'Oma'o System:

	Million Gallons per Day	Equivalent Single Family Dwelling Units
Existing Storage Capacity	0.280	373
Existing Maximum Day Demand	0.590	782
Net Existing Storage Capacity	(-)0.310	(-)409
Pending Maximum Day Demand	0.030	46
Net Available Storage	(-)0.340	(-)455

Initial Motion

Mr. Kyono moved to approve the transfer of the 2 water meters in question one from Parcel 10-B and the other from Lot 124 to Parcel 10-A, seconded by Mr. Costa.

On query by Mr. Kyono, Mr. Costa stated that Additional Dwelling Units (ADU) Clearance Forms are no longer allowed. If the ADU Clearance Forms were completed then the customer has 2 years to get their building permits.

On query by Mr. Kyono, Mr. Beyer stated that about 6 months ago he started the ADU process and got all the offices to sign off and then got held up when he returned to the Planning Department as he was informed that there was no paved road access to the area. Therefore, the Planning Department did not sign off the ADU Clearance Form. Since Mr. Beyer could not get the paved road in time, he gave up the idea of requesting an ADU.

On query by Mr. Costa, Mr. Beyer stated that he went through the ADU process prior to the initial deadline when the ADU ordinance was about to sunset December 31, 2006. The Council then gave an extension to June 15, 2007. Mr. Costa further explained that prior to December 31, 2006, the ADU form was an approval form and thereafter became a disclosure form and whatever conditions the customer could not meet would then become a condition of building permit approval.

Mr. Beyer stated that the Fire Department did not sign his ADU Clearance Form as fire protection was an issue since there was no paved road in the vicinity. Mr. Beyer added that having the ADU is not a big deal for him and would give up his right to an ADU; if he cannot have an ADU, he is fine with that.

Mr. Costa stated that his office would need to find Mr. Beyer's ADU Clearance Form application as he may still qualify for an ADU.

Chair McCrory stated that she support this motion primarily because when she adds up all of the meters, there is still the same amount of meters that has been in place since 1997.

On query by Board, Mr. Beyer stated that he cannot remember his original intention about his request on why he wanted to have 2 water meters for Lot 124, which is only about 5,000 square feet. He can guess that it was probable one for ag use and one for landscaping purpose.

Chair McCrory gave the following conditions:

Prior to any type of permit or application approval by the DOW, the applicant needs to satisfy the following conditions:

1. Lot Nos. 124 and 10-B are to record deed restrictions at the Bureau of Conveyances and/or Land Court for a limit of one (1) 5/8-inch water meter for each lot. Evidence of this deed restrictions are to be submitted to the DOW prior to the DOW's approval of any type of permits or applications.
2. Address and complete all of the other DOW requirements and fees. On query by Mr. Beyer, Chair McCrory stated that a deadline date would not be included in this motion; therefore, in the future, if the situation changes and the Beyers want to delete the deed restrictions, they would have to approach the Board again. The reason is that Chair McCrory felt that presently storage is a problem; however, down the road something else like the source may then become a problem so it makes it cleaner if they return to the Board at that time that want to eliminate the deed restriction.

Mr. Costa added that the Board needed to make it clear on the conditions that warranted the restriction, then any Board in the future could then see whether the conditions have since changed.

On query by Mr. Kyono, Mr. Fujikawa stated that he does not know the requirements yet for Mr. Beyer as Mr. Beyer had not sent a request letter for his 3rd and 4th water meters. Chair McCrory added that the conditions for Mr. Beyer should then be that he would need to address and comply with all standard DOW conditions.

Mr. Fujikawa suggested that possibly an MOU would be more visible and accessible for the DOW and Mr. Beyer. The Board concurred that an MOU would be a great idea.

Amended motion

Mr. Kyono moved to amend the motion to also include that Lot 124 and 10-B owners need to record deed restrictions at the Bureau of Conveyances and/or Land Court with a limit of one 5/8-inch water meter per lot. Evidence of deed restrictions to be submitted to the DOW prior to any permits or applications signed off by the DOW for Lot 124, Lot 10-A and Lot 10-B. A Memorandum of Understanding (MOU) between Mr. Beyer and the DOW will also be needed to acknowledge the conditions of placing the restrictions of one 5/8-inch water meter allowed on Lot Nos. 124 and 10-B, and all of the above needed to be completed prior to any permits or applications being issued by the DOW, seconded by Mr. Costa. Both motions were carried.

Mr. Beyer thanked the Board and left the meeting at about 11:05 a.m. Chair McCrory thanked Mr. Fujikawa for his MOU suggestion. Staff will submit a letter to Mr. Beyer to memorialize the Board's decision.

Chair McCrory requested at the September Board Meeting for Mr. Fujikawa to do an islandwide informational presentation to the Board on where there are and are not water meter restrictions. Mr. Fujikawa concurred.

Re: Discussion and Action Steps concerning Selection Process for new Manager and Chief Engineer of the Kaua'i County Water Department

Acting Manager Ushigome reported that the Department will re-advertise the Manager and Chief Engineer's job announcement but was holding off on the placement of the ad until after the deadline date of Monday, June 18, 2007 passes. Acting Manager Ushigome stated that she did not hear of any adverse actions by the Council on the Salary Commission's salary recommendations.

As a backup, Chair McCrory reported that she had talked to 5 of the 7 Council members to gain their support of the Water Board being able to set the salaries of the Water Manager and Deputy Manager. She still had to talk to 2 more Councilmembers; however, four out of the 5 were okay with it, with only one Council member against it. However, that Councilmember did give Chair McCrory some advice on how to address the salary problem.

On query by Mr. Costa; Chair McCrory stated that the one Councilmember's concern was what made the Department of Water different from the Planning and Public Works Departments, etc.

Chair McCrory also verified that the County Attorney did have Mr. Gary Slovin's opinion on the Water Board being able to set the salaries via its rules; therefore, she was going to followup with him this week Thursday for his feedback.

The job announcements will be advertised in the two (2) newspapers of general circulation within the State, as well as, in the major newspapers on Kaua'i, Maui, and the Big Island. In addition, the job announcements will be placed in the engineering newsletter, Wiliki and on the websites of AWWA, Hawai'i Section, Hawai'i Water Environment Association (HWEA), UH Alumni Association and the Department of Water. Also, we will be researching other possible websites and appropriate trade publications to post the Manager's job vacancies.

Salary Commission Report

Based on the recent Charter Amendment, if no action is taken by Council, the Salary Commission's recommendations become effective in establishing the salaries for all council members, and county officers and employees who are exempt from civil service. Unless Council rejects the Salary Commission's recommendations by June 18, 2007, the Salary Commission's recommendations become effective July 1, 2007. The Commission submitted their report and resolution proposing an ordinance amendment relating to Executive salaries to the County Council and based on the review of the Council Committee meeting agenda for June 13, 2007, there were no items listed for discussion and action.

In conjunction with the anticipated passage of the Salary Ordinance amendment, the Board Chair asked me to prepare and submit a job performance self-evaluation. This will be forthcoming under separate cover.

Received for the record.

NEW BUSINESS

Re: Job No. A-11, Anahola Well No.3 Development, Anahola, Kauai

RECOMMENDATION: It was recommended that the Board award a contract to Tomco Corporation in the amount of \$1,034,696.00 for the construction of this project and approve a contingency of \$52,304.00 (approximately 5% of the contract amount) for a total of \$1,087,000.00. It was further requested that the Board allocate \$79,000.00 from Account 106.b CIP Reserve to fund the balance required.

FUNDING:

Account No. 101, CIP, Job No. A-11, Anahola Well No.3 Development	
Reallocation of funding (February 20, 2007)	\$1,008,000.00
Total Available Funding	\$1,008,000.00
Tomco Corp.....	\$1,034,696.00
Contingency approx. 5%	<u>\$ 52,304.00</u>
Total:.....	<u>\$1,087,000.00>
Total Funds Required:.....	<u>\$ 79,000.00>
Account No. 106.b, CIP Reserve	

BACKGROUND:

The major componenets of this project are:

- Installation of a 350 gallon per minute vertical turbine pump and motor.
- Discharge control piping.
- Pump control building, including chlorination system, motor control center, etc.

Bids were received and opened for the subject project on May 10, 2007 with the following results:

Tomco Corp.	\$1,034,696.00 (corrected)
R Electric, Inc.....	\$1,187,161.00
Oceanic Companies, Inc.	\$1,364,796.00

The engineer's estimate for this work was \$959,190.00.

The bids were reviewed with staff and the project consultant, Akinaka & Associates with the following conclusion:

The overall construction bid amount is near the original engineer's estimate.

It was further noted that the development of Anahola Well No. 3 is vital to the development of affordable housing in the area by the Department of Hawaiian Homelands. Delays to the construction of this project will further delay the island's affordable housing inventory.

Mr. Kyono moved to approve to award a contract to Tomco Corporation in the amount of \$1,034,696.00 for the construction of this project and approve a contingency of \$52,304.00 (approximately 5% of the contract amount) for a total of \$1,087,000.00 and to allocate \$79,000.00 from Account 106.b CIP Reserve to fund the balance required, seconded by Ms. Sakoda; motion was carried.

Re: Approval of the Budget of the County Water Department for Fiscal Year 2007-08

It was reported that the Finance Committee met on Tuesday, May 29, 2007 and have submitted a report on their findings of the proposed Budget for Fiscal Year 2007-08 at the Tuesday, June 19, 2007 Finance Committee Meeting. The Finance Committee approved the budget and referred it to the full Board for final approval.

Thereafter, a resolution to reconcile the actual balances within the budget (a budget reconciliation resolution) needs to be approved at the Tuesday, August 21, 2007 Board Meeting.

Mr. Kyono moved to approve the Budget for Fiscal Year 2007-08, seconded by Mr. Oyama; motion was carried.

Re: Additional Funding for Job No. 02-01, Kukuiolono Tank Site Exchange, Kalāheo, Kauai

RECOMMENDATION: It was recommended that the Board approve the reallocation of \$30,000 from Account No. 106.b CIP Reserve to Job No. 02-01, Kukuiolono Tank Site Exchange for required additional funding.

FUNDING:

Job No. 02-01, Kukuiolono Tank Site Exchange:.....	\$ 13,750.00
Purchase Order No. 18888,	
Wagner Engineering Services	\$ 13,750.00
Wagner Engineering Services Change Order	<u>\$ 30,000.00</u>
Total	< <u>\$ 43,750.00</u> >
Additional Funds Requested, Account No. 106b, CIP Reserve	<\$ 30,000.00>
Total Contract Amount.....	<u>\$ 43,750.00</u>

BACKGROUND:

Wagner Engineering Services', consultant for this project, scope of work included locating the existing Department of Water's facilities and the preparation of the subdivision maps. However, it was pointed out that the area being consolidated for McBryde is zoned conservation, requiring a conservation district use application (CDUA). Due to the urgency of the settlement with McBryde, Wagner submitted an estimate of \$30,000.00 for the preparation and processing of the CDUA which appears reasonable.

Ms. Sakoda moved to approve the reallocation of \$30,000 from Account No. 106.b CIP Reserve to Job No. 02-01, Kukuilono Tank Site Exchange for required additional funding, seconded by Mr. Costa; motion was carried.

Re: Contract Amendment for Job No. 05-07, K-7, Waha, Wawae, Niho Roads Main Replacement, Kalāheo, Kauai.

RECOMMENDATION: It was recommended that the Board approve the contract amendment for Contract No. 452 with Akinaka and Associates, Inc, for the subject project.

FUNDING:

Job No. 05-07, Waha, Wawae, Niho Roads	
Main Replacement:.....	\$216,000.00
Contract No. 452, Akinaka & Associates, Inc.....	\$205,000.00
Contract amendment #1	\$ 6,500.00
Total:.....	<\$211,500.00>
Balance Remaining	\$ 4,500.00

BACKGROUND:

This project includes the design for:

- Replacement of 500 feet of 6” waterline along Niho Road.
- Replacement of 1,600 feet of 6” waterline along Waha Road.
- Replacement of 3,800 feet of 6” waterline along Wawai Road.

However, it was noted that another Water Plan project (LO-13) for the same portion of Waha Road calls for the replacement to be 8” instead of 6”. Additionally, the service pressures along portions of Waha Road will be over the Department’s maximum standard of 120 psi.

The consultant, Akinaka & Associates, proposed \$6,500.00 and a time extension of 110 calendar days for this change in the project scope, which appears reasonable.

Mr. Kyono moved to approve the contract amendment for Contract No. 452 with Akinaka and Associates, Inc, for the subject project, seconded by Mr. Kahawai; motion was carried.

Re: Conveyance of Water Facility from Joseph and Elizabeth Penzetta, for the Water Meter Plan Servicing Lot 2 & 29, Hapa Road, TMK: (4) 2-8-12:016 & (4) 2-8-12:029, Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Joseph and Elizabeth Penzetta transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline: 2 ea. Double Service Laterals

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR WATER METER PLAN SERVICING LOT 2 & 29, prepared by Esaki Surveying and Mapping, Inc., Hapa Road, Koloa, Kauai, Hawaii.

Mr. Kyono moved to approve the Conveyance of Water Facility from Joseph and Elizabeth Penzetta, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from the County of Kauai, Department of Public Works, for the Kapaa-Kealia Bike & Pedestrian Path, Lihi Park Offsite Improvements, TMK: (4) 4-5-02: 001, Kapaa, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby the County of Kauai, Department of Public Works, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch single service lateral for 5/8" water meter for the Kapaa-Kealia Bike & Pedestrian Path, Lihi Park Offsite Improvements, TMK: (4) 4-5-02: 001, Kapaa, Kawaihau District, Kauai, Hawai'i.

Mr. Kyono moved to approve the Conveyance of Water Facility from the County of Kauai, Department of Public Works, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from Jon F. Anderton, for the 8" Waterline Extension at Waha Road and Water Meter Installation Plan for Kalaheo Mountain View Estates Condominium; TMK: (4) 2-3-02:018; Kalaheo, Koloa District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Jon F. Anderton, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: sixty five (65) lineal feet of 8-inch ductile iron water pipe; one (1) each 1 ½-inch copper double service lateral for 5/8" water meter; and one (1) each 2 ½-inch copper quad service lateral for 5/8" water meter for the 8" Waterline Extension at Waha Road and Water Meter Installation Plan for Kalaheo Mountain View Estates Condominium; TMK: (4) 2-3-02:018; Kalaheo, Koloa District, Kauai, Hawaii.

Mr. Kyono moved to approve the Conveyance of Water Facility from Jon Anderton, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from James C. Fuller, Trustee and Gail M. Fuller, Trustee, for the Ke Ala O Ke Ahe CPR; TMK: (4) 5-1-05:104; Kilauea, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, James C. Fuller, Trustee and Gail M. Fuller, Trustee, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for the Ke Ala O Ke Ahe CPR; TMK: (4) 5-1-05:104; Kilauea, Hanalei District, Kauai, Hawaii.

Mr. Kyono moved to approve the Conveyance of Water Facility from James C. Fuller, Trustee and Gail M. Fuller, Trustee, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from David Kuraoka, for the Water Service Installation for TMK: (4) 5-9-02:059, Lot 57, Haena, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby David Kuraoka, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for the Water Service Installation for TMK: (4) 5-9-02:059, Lot 57, Haena, Hanalei District, Kauai, Hawaii

Mr. Kyono moved to approve the Conveyance of Water Facility from David Kuraoka, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from Steven Arnett, for the Water Meter Plan Servicing TMK: (4) 4-2-10: 019, Lot 28, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Steven Arnett, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for the Water Meter Plan Servicing TMK: (4) 4-2-10: 019, Lot 28, Kawaihau District, Kauai, Hawaii

Mr. Kyono moved to approve the Conveyance of Water Facility from Steven Arnett, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from Kiahuna Kanahiku, LLC, Water Facilities for the Kiahuna Plantation Drive Extension, S-2004-48, TMK: (4) 2-8-14:032 (por.), Poipu, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Kiahuna Kanahiku, LLC transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline:

- 1,270 linear feet of 8" Ductile Iron Waterline, in place complete
- 2 ea. 8" Gate Valves, including C.I. Valve Box and Cover
- 1 ea. 4-inch Blow Off Assembly, in place complete
- 2 ea. 1-inch Copper Air Relief Valve Assembly, in place complete

Fire Hydrants:

- 4 ea. Fire Hydrant Assembly with 1 – 4 ½" & 1 – 2 ½" Outlet, in place complete.
- 4 ea. 6" Gate Valve, including C.I. Valve Box & Cover for Fire Hydrant

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR KIAHUNA PLANTATION DRIVE EXTENSION prepared by Esaki Surveying and Mapping, Inc., Poipu, Kauai, Hawaii.

Mr. Kyono moved to approve the Conveyance of Water Facility from Kiahuna Kanahiku, LLC, for the Water Facilities for the Kiahuna Plantation Drive Extension, seconded by Mr. Oyama; motion was carried.

Re: Grant of Easement from Kiahuna Kanahiku, LLC, for the On-Site Water Facilities for Wai'nani at Kiahuna Subdivision, S-2004-48, TMK: (4) 2-8-14: 032 (por.), Poipu, Koloa District, Kauai, Hawaii

It was recommended that the Board approve the grant of easement whereby Kiahuna Kanahiku, LLC grant to the Board of Water Supply, County of Kauai, a perpetual easement on, over and under that certain parcel of land located in TMK: (4) 2-8-14:032 (por.), Poipu, Koloa District, Kauai, Hawaii, for the construction, installation, reinstallation, maintenance, repair and removal of potable water pipelines, related meters, valves, and other associated waterworks facility improvements and appurtenances, together with the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Department of Water shall deem necessary for the proper operation of its water system for the Wai'nani at Kiahuna Subdivision, S-2004-48, TMK: (4) 2-8-14:032 (por.), Poipu, Koloa District, Kauai, Hawaii.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

Mr. Oyama moved to approve the Grant of Easement from Kiahuna Kanahiku, LLC, for the On-Site Water Facilities for the Wai'nani at Kiahuna Subdivision, seconded by Mr. Costa; motion was carried.

Re: Conveyance of Water Facility from Kiahuna Kanahiku, LLC, for the On-Site Water Facilities for the Wai'nani at Kiahuna Subdivision, S-2004-48, TMK: (4) 2-8-14:032 (por.), Poipu, Kauai, Hawaii.

It was recommended that the Conveyance of Water Facility document be approved; whereby Kiahuna Kanahiku, LLC transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline:

- 2,420 linear feet of 8" Ductile Iron Waterline, in place complete
- 380 linear feet of 4" Ductile Iron Waterline, in place complete
- 7 ea. 8" Gate Valves, including C.I. Valve Box and Cover
- 3 ea. 1-inch copper air relief valve assembly, in place complete
- 34 ea. 1 ½ inch Copper Double Service Lateral for 5/8-inch water meter, in place complete

2 ea. 1-inch Copper Single Service Lateral for 5/8-inch water meter, in place complete

Fire Hydrants:

7 ea. Fire Hydrant Assembly with 1 – 4 ½” & 1 – 2 ½” Outlet, in place complete.

7 ea. 6” Gate Valve, including C.I. Valve Box & Cover for Fire Hydrant

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR WAI’NANI AT KIAHUNA prepared by Esaki Surveying and Mapping, Inc., Poipu, Kauai, Hawaii.

Mr. Oyama moved to approve the Conveyance of Water Facility from Kiahuna Kanahiku, LLC, for the On-Site Water Facilities for the Wai’nani at Kiahuna Subdivision, seconded by Mr. Costa; motion was carried.

Re: Grant of Easement from Carl and Faith Matsumura, for the 2 inch Detector Check Meter and 1 inch Air Relief Valve for the Matsumura Warehouse, TMK: (4) 3-3-12: 003, Puhi, Lihue District, Kauai, Hawaii

It was recommended that the Board approve the grant of easement whereby Carl and Faith Matsumura grant to the Board of Water Supply, County of Kauai, a perpetual easement on, over and under that certain parcel of land located in TMK: (4) 3-3-12:003, Puhi, Lihue District, Kauai, Hawaii, for the construction, installation, reinstallation, maintenance, repair and removal of potable water pipelines, related meters, valves, and other associated waterworks facility improvements and appurtenances, together with the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Department of Water shall deem necessary for the proper operation of its water system for the 2 inch Detector Check Meter and 1 inch Air Relief Valve, TMK: (4) 3-3-12:003, Puhi, Lihue District, Kauai, Hawaii.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department’s negligence while using the area.

Mr. Kahawai moved to approve the Grant of Easement from Carl and Faith Matsumura, seconded by Mr. Costa; motion was carried.

Re: Grant of Easement from TG Super A50032 LLC, A Hawaii Limited Liability Company, for the Paradise Beverages, Inc. Warehouse at Puhi Light Industrial Park; TMK: (4) 3-3-12:032; Lihue, Kauai, Hawaii

It was recommended that the Board approve the grant of easement whereby TG Super A50032 LLC, A Hawaii limited liability company, grant to the Board of Water

Supply, County of Kauai, a perpetual easement on, over and under that certain parcel of land located in TMK: (4) 3-3-12:032; Lihue, Kauai, Hawaii for the construction, installation, reinstallation, maintenance, repair and removal of potable water pipelines, related meters, valves, and other associated waterworks facility improvements and appurtenances, together with the right of ingress and egress at any time to, from, and through the easement area, with or without vehicles or equipment, as the Department of Water shall deem necessary for the proper operation of its water system for the Paradise Beverages, Inc. Warehouse at Puhi Light Industrial Park; TMK: (4) 3-3-12:032; Lihue, Kauai, Hawaii.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such damages and injuries are caused by the Department's negligence while using the area.

Mr. Costa moved to approve the Grant of Easement from TG Super A50032 LLC, A Hawaii Limited Liability Company, seconded by Mr. Oyama; motion was carried.

Re: Conveyance of Water Facility from Paradise Beverages, Inc., for the Paradise Beverages, Inc. Warehouse at Puhi Light Industrial Park; TMK: (4) 3-3-12:032; Lihue, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Paradise Beverages, Inc., transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 8-inch ductile iron lateral for 8" detector check and one (1) each, 8-inch gate valve, for the Paradise Beverages, Inc. Warehouse at Puhi Light Industrial Park; TMK: (4) 3-3-12:032; Lihue, Kauai, Hawai'i.

Mr. Costa moved to approve the Conveyance of Water Facility from Paradise Beverages, Inc., seconded by Mr. Oyama; motion was carried.

REPORTS

Re: Statement of Kaua'i County Water Department's Revenues and Expenditures

No discussion.

Re: Public Relations Specialist's Monthly Update Regarding DOW Public Relation Activities

Public Relations Specialist Faith Shiramizu gave the following report:

Community: Koloa Elementary School hosted their annual Career Fair, where 90 students in 3rd to 5th grades rotated among different career presenters including the DOW. Students were provided a "Careers in the Water Industry" brochure, with a

brief description of the various career options, general information about the Department of Water, ending with discussions on water conservation.

American Water Works Association (AWWA), Hawaii Section: The AWWA, HI Section Annual Conference held on Oahu, May 23-25, 2007, with the pre-conference sessions on May 22nd, provided a wealth of information and opportunities to refresh previous networking contacts while expanding it with new contacts. Our women's pipe tapping team, Ka Wai Wahine, not only looked great in their uniforms (thanks Lynn), but they also outdid their practice times while also finishing with a qualifying time to compete in the 2008 National Conference. **Congratulations to Norma, Margie, Leila and Coach Gloria!** They were supported by an enthusiastic cheering section, which also looked great in their "support" tee shirts!

Ms. Sakoda congratulated the Women's Team for a job well done!

Employee Events: Our "Pupule Bowling" was scheduled for June 14, 2007. Mahalo to the employees that stepped up to the plate to make this event happen! There were about 30 employees and families that participated and had a great time.

Project WET: The Project WET Annual Coordinators Conference was held in Tucson, Arizona, June 7-12, 2007. A report on the conference will be included in the July Public Relations Update.

Make-A-Splash (MAS) Water Festival: Just an early reminder of the MAS Water Festival that will be held on Friday, September 21, 2007 at the park across the DOW's office. This is the water event that is held for the 5th Graders islandwide to teach them about water and its importance. We look forward to the Board's support once again.

Re: Report of the Finance Committee of the Kaua'i County Board of Water Supply

The Budget for FY 2007-08 was approved at this Regular Meeting.

Re: Manager's Update for May, 2007 to June, 2007

CONTRACTS AWARDED BY THE MANAGER: None.

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

WAIVER, RELEASE, AND INDEMNITY AGREEMENTS SIGNED BY THE MANAGER: None

Affordable Housing Update:

Updates on Affordable Housing Task Force (AHFT) Projects:

1. DHHL – Anahola Residence Lots Unit 6, Pi'ilani o Kekai, Phase 1: No update report.
2. Habitat - Eleele I Luna Subdivision Phase 1: Subdivider not requesting fee waivers from the County and will provide easements to the park site (Lot 16), which is located in Phase 2. Final subdivision approval scheduled for June 12, 2007 before the Planning Commission.

3. Hookena at Puhi- DOW installed water meter and detector check meter on June 1, 2007. Grove Farm is responsible for completing the booster pump and off-site waterline improvements by September 2007.
4. Puhi Self Help Subdivision – DOW issued final inspection for water improvements on June 1, 2007. Grove Farm is responsible for completing the booster pump and off-site waterline improvements prior to final subdivision map and/or DOW building permit approvals. Building permits applications are anticipated to be submitted and routed to agencies as early as July 2007.

Chair McCrory inquired that since Grove Farm's completion date of September 11, 2007 for the booster pump station may be delayed, would it impact the occupancy of the Self-Help project? Acting Manager Ushigome stated that the Self-Help project and the Hookena Project are all contingent on Grove Farm constructing the booster pump station.

5. Kauai Lagoons – Kapule Project: No progress since last month.
6. Kauai Lagoons – Waipouli Courtyard-Outstanding items include the Kaua'i Lagoon's request to use a Waiver, Release and Indemnity (WR&I) agreement (including posting a bond) with the Department.
7. KEO Transitional Housing Project Phase I & II: Phase 1 is completed. Phase II: DOW approved building permit for Phase II; DPW and KIUC have not approved and signed the construction plans. Reminded AHTF that prior to issuance of a certification of completion by DOW, the water improvements need to be conveyed and DOW needs the as-built and cost estimates submittals. If there is no water meter installed yet, KEO's schedule of occupancy by July 2007 unlikely, unless the water meter construction is started immediately.
8. Kalepa Village Phase III & IV – DOW approved the building permits for Phase III-40 unit multi-family development.
9. Princeville Employee Homes: No report
10. Kukui'ula Employee Housing – "Gap" housing subdivision and zoning permit are being sought by Kukui'ula Development Co. (KDC), Tom Hoen briefed AHTF on their project and construction schedule.
11. Kohea Loa (Hanama'ulu Triange): No report
12. County-State parcel affordable housing projects: Kekaha, Kaapuni, Mahelona, Hundley Project sites: Housing Agency and County Attorney's office working on finalizing MOU with OHA.

Puhi Booster Pump Update:

Grove Farm has submitted their monthly update to the Board. (See enclosed Grove Farm Status Report letter dated June 1, 2007.)

It was recently brought to the Department's attention that DOT State Highways may deny Grove Farm to connect the proposed 16-inch Kilohana transmission main to the existing waterline at Rapozo Crossing. The existing waterline at the intersection of Rapozo Crossing and Kaumuali'i Highway is within the roadway pavement. State Highways recently repaved this section of the highway from Kukui Grove Shopping to Puhi and therefore may restrict the Grove Farm's Contractor from "cutting and disturbing" the Kaumuali'i Highway pavement for one (1) year. This issue needs to be resolved by Grove Farm.

On query by Chair McCrory, Mr. K. Fujimoto stated that the booster pump station is under construction and progressing as well as can be expected.

On query by Chair McCrory, Mr. K. Fujimoto stated that the temporary booster pump is functional and operational in case the DOW needs to use it in case our wells go down. Mr. K. Fujimoto added the adjoining waterline is the problem now. Acting Manager Ushigome explained that the booster pump station and the cross country waterline were both Grove Farm's water requirements to get water to the Puhi 510' system. Grove Farm had run into a snag as they cannot interconnect the waterline at Rapozo Crossing (Lihue side of Kilohana Plantation) as they need to work within the paved section of Kaunualii Highway. DOT has a policy to not cut newly paved areas for one year.

Mr. Kyono stated that the DOT Highways Division has an administrative rule that does not allow paving to be broken up until 1 year after the area was re-surfaced. He added that the connection needed is located under the re-paving. Mr. Kyono also added that this policy is in place as the public would be up in arms if they see a newly paved area being broken up. He stated that only the DOT Highways Director could overrule their policy.

Acting Manager Ushigome stated that it would be between Grove Farm and the DOT Highways Division to resolve this matter.

On query by Mr. Costa, Mr. K. Fujimoto stated that the connection is about 5 feet in the pavement area.

Mr. K. Fujimoto stated that Grove Farm actually got their approval in January, 2007; therefore, they could have started their project sooner and avoided this predicament. On query by Chair McCrory, Acting Manager Ushigome stated that Grove Farm is responsible to write to DOT to request a waiver of DOT's policy so their projects can move forward. Mr. Costa suggested that a letter be written from the Board. Mr. K. Fujimoto added that it would be Grove Farm's responsibility to check with the DOT Highways Division as Grove Farm decided to delay this project.

Chair McCrory was concerned that the delay of this project would delay affordable housing and stated that they would mull over this matter further.

On query by Chair McCrory, Acting Chief of Operations Eddy stated that there was some repair costs that were minimal to the carburetor. Chair McCrory felt that if there were substantial repair costs that the DOW should pay for it.

Acting Chief of Operations Eddy discussed his concern about special deals with our water customers often times may go sour and it takes so much time for the Board and staff. He wanted to express that the staff gets disheartened when Board's decisions conflict with staff's recommendations.

Mr. Costa added that his perspective is that the Board is here to better the public's interest. He felt that the Board members are there to serve the public, which would often times have some conflict but it makes him sleep at night.

Mr. Kyono stated that the Department has the technical tasks with rules and standards that the Board relies on, then the Board has the discretion to look at that, gather other facts and information, look at the big picture and then come up with their best judgment call.

Mr. Costa added that taking into consideration the Acting Manager Ushigome's concern of when the Board does make decisions that affect the Department's perspective on how they look at things, it may be that the Board should look at possibly revising the standards or setting up policies to reinforce their decisions.

Mr. Kyono agreed as in the past the Board did adjust their rules to accommodate and simplify processes by changing the rules so agreements could be done administratively versus via the Board.

Chair McCrory explained that the Board is created as a vehicle to listen to all sides of the situation, look at the big picture and make decisions. The Board relies on staff for their recommendations and sometimes rules need to be changed. She added that it would be normal that often times the Board and staff may not agree on decisions.

Ms. Sakoda added that sometimes matters are referred to the Board because staff is not quite sure how to handle the matter. However, basically the Board does support staff's recommendations, especially if it is covered by a standard or a rule.

Mr. Costa also added that is why Boards and commission are made up of various members of the community, from all walks of life to get different perspectives.

Chair McCrory stated that sometimes the Board and the Department would agree and sometimes disagree. She added that the Board is willing to look at matters from staff that may require rule changes.

Acting Chief of Operations Eddy added that the Board needed to recognize that decisions have consequences like Grove Farm's pipeline decision. Chair McCrory stated that deferring affordable housing also has an awesome amount of consequences, like the County wanting to put the Department of Water under their jurisdiction. She added that getting affordable housing is a very high priority now.

Water Conservation Notice:

In June, the Department issued a voluntary water conservation notice for the Kilauea Water System due to the drier than normal weather conditions. The National Weather Service estimated the Island of Kauai received about 60% of its normal rainfall during the first half of the year.

In late May, residents in the higher elevations of the Puu Pane Subdivision indicated experiencing lower than normal water pressure. One of the factors which may have contributed to the decline in service pressure may have been attributable to the temporary loss of irrigation water feeding the east Kilauea area. In early June, the irrigation ditch system was repaired and our water storage tanks levels increased. Also, the recent increased in rainfall activity coupled with the issuance of the voluntary conservation notice helped ease the situation. The Department is viewing

its pumping and agricultural water consumption usage to ascertain any unusual demands or impacts on the water system.

On query by Mr. Kyono, Acting Manager Ushigome stated that the Department did not go door-to-door; there was a press release that went out to the radio and newspaper.

Acting Manager Ushigome added that the other islands have various degrees of a drought, with Maui having one but the most severe is on the Big Island.

Summer Interns:

The Department welcomed summer interns Robyn Nakata, Ross Acoba and Janna Aana. Robyn is working in the Accounting Section of the Fiscal Division, Ross is assisting our Operations Division and Janna Aana will be working with our Public Relations Specialist. Robyn and Ross are returnees from last year and we look forward to working with these young, up and coming millennials.

The Board welcomed and wished the summer interns well and the interns introduced themselves.

Revised News Release Procedure:

In compliance with the Americans with Disabilities Act (ADA), the Department is coordinating the issuance of our press releases with the County's Public Relations Officer (PIO) Mary Daubert. This change allows the Department's press releases to be uploaded on the County's website allowing simultaneous dissemination of information via the various news media. The County utilizes the Associated Press' standard format for the issuance of these news releases.

Re: Summary Report of Monthly Operational Maintenance

This report is to give the Board an overview of the maintenance that the Shop personnel had done the previous month. Our Operations Division is working to fine tune this report to be more informative.

Mr. Oyama moved to receive all of the above Reports for the record and place on file, seconded by Mr. Costa; motion was carried.

STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

Re: Updates on the Kaua'i Water Department's Strategic and Business Plan and Water Plan 2020 Program Sustainability Services

Tom Jacobs from RW Beck was present at the meeting to discuss and elaborate on the implementation action items as follows in their status report.

Acting Manager Ushigome gave the following update:

Strategic Plan Implementation:

Tom Jacobs from RW Beck is here with us from June 12th through the 22nd and he will be present at the June Board meeting to update us on the various work items underway in conjunction with the Strategic Plan implementation. ("Board Briefing: Strategic Plan Implementation Status Report, dated June 12, 2007 was given to the Board for their information.)

Employee Training:

During the month of May, the Department conducted three (3) one-day supervisory training sessions conducted by the Hawaii Employers Council (HEC). Based on the staff response and comments, the information presented in the training was well received and informative.

Follow up training sessions will be scheduled within 3-4 months to reinforce the tools and skills learned. The follow up training will focus on applying the concepts and ideas presented by working through "simulated" case studies. No dates have been proposed for this follow training sessions.

Water Plan 2020 Sustainability Program Implementation Plan:

As a reminder the WP2020 Sustainability Plan workshop is scheduled for July 26th from 9:00 am until 2:00 pm. Dave Jochim and Tom Jacobs will be here to provide an overview of the plan and answer any questions.

Mr. Tom Jacobs reported on the following highlights items that were noteworthy since the May Board Meeting briefing document:

- ✓ *Issue Champion Meetings:* We continue to meet with DOW Issue Champions on a monthly basis to review progress on tasks and plan future activities associated with each Issue.
- ✓ *Time Entry Assessment:* Task plan preparation is underway and should be completed by the end of June.
- ✓ *Supervisor Training* is now completed. The next step is to encourage supervisors to deal with problems and issues early and not wait. Follow-up training will focus on case studies so all supervisors can benefit from the experience of others. Case studies will be collected for the next 3 months and then some will be selected as examples in a follow-up training session to be held in September 2007. The goal is to get supervisors handling issues in a consistent manner throughout the organization.
- ✓ Initial meetings of the Rewards and Recognition team were held in May 2007. Team is focusing on ways to recognize those in the organization who go above and beyond their current job assignments to help others in the organization. Examples of other programs were provided by R.W. Beck as background information.

- ✓ *Comprehensive Employees Manual:* The Manual has been reviewed by County offices and HEC. Modifications to the Manual are now being made prior to sending the Manual to the Unions for their review. A section on Progressive Discipline has been added to the original draft of the Manual. Plans are to distribute the Manual to all employees in July. An agenda for the Employees meeting has been developed.
- ✓ *GIS and Asset Management:* Team members were identified for future tasks associated with GIS evaluations and Asset Management assessments. These teams will start to meet in June 2007.
- ✓ *Progress Schedules:* Updated Issues schedules were prepared to depict progress on all tasks under each Issue. (See attachment to this memorandum.)

Progress on these and other items specified in the Task Plans were noted in the updates that were given to the Board. It was noted that a ✓ in the Task Plan "Dates" column indicates task or element completion.

Mr. Jacobs submitted a report to the Board of all the contracts that RW Beck has with the Kauai Department of Water. This will be part of their monthly report.

On query by Chair McCrory, Mr. Jacobs stated that the additional Supervisory Training to review case studies will be done in-house with Mr. Jacobs and Acting Manager Ushigome taking the lead.

On query by Chair McCrory, Mr. Jacobs concurred that RW Beck could assist with more of the personnel actions like the step increases for staff and all that it entails and assist with personnel investigations and the disciplinary action process. Chair McCrory requested that RW Beck work on a plan of action for the above and that the final review should be done by Acting Manager Ushigome. She added that the disciplinary action process needed to be activated in order to improve morale that all employees are treated fairly and consistently.

On query by Mr. Kyono, Acting Manager Ushigome stated that in a personnel investigation, it depends on who is being investigated to know who will conduct the investigation. She would conduct an investigation if a division head was being investigated and would not get involved until the end if a staff member was being investigated, as the supervisor/division head would conduct the investigation.

On query by Chair McCrory, Acting Manager Ushigome stated that there are some personnel investigations that are ongoing now. Mr. Jacobs added that a department of our size would normally have some type of personnel investigation going on or else someone is not doing their job, as people are not perfect. He felt that it was a good sign that there are now some investigations taking place, as it will put everyone on notice that something will happen if a person messes up. He added that this process would take awhile to get the supervisors comfortable to do these investigations.

Mr. Kyono discussed that the staff would need to be made aware of the expectations in the employee manual because from his experience, they have lost grievance cases because they found out that the employees were not made aware of the expectations and the rules of the Department.

Mr. Jacobs stated that they are working on editing a draft employee manual now. Hawaii Employer's Council has been helping to advise what should be included in the manual. Once the suggestions are incorporated into the manual, it will be forwarded to the unions for review.

Affordable Housing Projects:

- 1. (KW-25), Kapilimao 0.5 MG Tank** – Summary Project Status June '07
Project Manager: Keith Fujimoto
Design Consultant: Brown and Caldwell

Work underway: final design, environmental assessment

Work ahead: complete final design, construction

Current Major Area of Focus: environmental assessment.

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: 35% design submittal submitted 5/29/07. EA was due in May, but has not yet been submitted.
- Contract Status: Design contract executed.
- Schedule: Project slightly behind schedule (EA overdue).
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: EA not submitted on schedule. Will work with design consultant to catch up.

Mr. Jacobs to check with Mr. Salmon on the reason for the delay of the EA.

- 2. (KW-28), Amfac Shaft 11 Renovation** – Summary Project Status June '07
Project Manager: Keith Fujimoto
Design Consultant: Brown and Caldwell

Work underway: DOW review of Phase 1B proposal

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: pump testing contract award

Potential Obstacles: water quantity and quality unknown – testing pending

Tentative Date Project in Service: December 2008

- Summary: Phase 1B (pump testing) proposal submitted 6/4/07. Continued progress dependent upon this phase. Proposed early start to final design dependent upon this phase also.

- Contract Status: Contract for engineering services for pump testing, water quality evaluation, and preliminary design executed. An amendment will likely be needed to change the contract amount for pump testing (Phase 1B). No contract in place for final design and preparation of construction documents nor for design of connecting pipeline.
- Schedule: See Problems and Proposed Mitigation below.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: Department of Health has expressed interest in project status. DOW and design consultant will contact Department of Health.
- Problems and Proposed Mitigation: Unless final design on shaft, storage tank, and pipeline are begun shortly, chances for 2008 project completion are poor. Work currently under contract is for limited preliminary engineering, aquifer yield, and water quality assessment only, and is scheduled for completion in early 2008. Mitigation is to accelerate current scope of work and develop contract for final design immediately. DOW must assume that water quality and yield will prove satisfactory and that starting final design is worth the risk.

3. (WK-08), Kapahi 1.0 MG Storage Tank – Summary Project Status June '07

Project Manager: Mark Salmon
 Design Consultant: Belt, Collins

Work underway: preliminary design, easement acquisition

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: easement acquisition, contract execution for final design

Potential obstacles: easement acquisition from private landowner

Tentative Date Project in Service: March, 2009

- Summary: First phase of engineering work virtually complete. Next phase needs contract amendment to get started.
- Contract Status: Contract for preliminary design almost complete. Amendment to original contract at DOW awaiting approval to continue engineering work. See report for Kapahi Tank for more contract information.
- Schedule: Current schedule shows project completion in March '09.
- Permits: No issues.
- Land & Easements: Discussing easement acquisition with landowner. No recent activity.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Project configuration and landowner issues not yet resolved. Analysis and final resolution part of next phase scope of work. Need contract amendment approval to continue.

Mr. Jacobs will check with Mr. Salmon on the latest status of the landowner issue.

4. Kapa'a Homesteads 0.5 MG Storage Tank – Summary Status Report – June '07

Project Manager: Mark Salmon
 Design Consultant: Belt, Collins

Work underway: easement acquisition

Work ahead: construction

Current Major Area of Focus: DLNR land transfer, generator shelter addition

Potential obstacles: none currently

Tentative Date Project in Service: July 2008

- Summary: Plans and specs in DOW review. Work underway to add generator shelter to construction contract.
- Contract Status: Engineering services during bidding and construction part of next contract for Kapahi 1.0 MG Tank amendment. Working with consultant to add generator shelter to construction plans.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: Unable to confirm land transfer complete. DLNR rep. is vacationing. Land transfer is not on current DLNR meeting agenda.
- Agency Coordination: DLNR transfer needed. See above.
- Problems and Proposed Mitigation: Adding generator shelter to construction contract. No real effect on Kapaa Homesteads 0.5 MG Tank project, as time is sufficient to complete it, but engineering contract is combined with Kapahi 1.0 MG Tank project, for which making progress is more urgent.

Mr. Jacobs will check with Mr. Salmon as Chair McCrory wanted to know if the combination of the contracts are a problem or not.

5. (WK-39) Kapa'a Homesteads Well No. 4 – Summary Status Report – June '07

Project Manager: Mark Salmon

Design Consultant: Belt, Collins

Work underway: contract negotiation

Work ahead: well design, environmental/permitting and construction

Current Major Area of Focus: consultant contract

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: Consultant selection process completed. Negotiation with recommended consultant is next step.
- Contract Status: See above.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: None.

6. (WK-02) Akulikuli Tunnel Renovation – Summary Status Report – June '07

Project Manager: Bruce Inouye

Design Consultant: Belt, Collins

Work underway: final design contract execution

Work ahead: final design, environmental/permitting and construction

Current Major Area of Focus: Notice to proceed for final design.

Potential obstacles: water quantity and quality unknown – testing pending

Tentative Date Project in Service: December 2008

- Summary: Original contract cannot be amended due to County regulations. Procurement process must be repealed. Staff currently working on design consultant selection.
- Contract Status: See above.
- Schedule: Preliminary schedule developed by SSFM without contract. Project is currently behind schedule.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: The need to repeat procurement process is recent setback. Project behind current schedule due to late start in getting final design underway. Work will be accelerated to maximum extent possible to catch up.

Chair McCrory added that she consulted with the Council and they said that the County is not on schedule with the affordable housing projects. Chair McCrory will be contact Bernard Carvalho from the Affordable Housing Task Force on an official status so the DOW can be in sync with the County.

Acting Manager Ushigome reminded the Board that the Water Plan 2020 Board Workshop will be held on Thursday, July 26, 2007 from 9-2 p.m. Chair McCrory stated that all Board members need to be at that workshop.

Receive for the record.

EXECUTIVE SESSION:

Pursuant to Hawaii Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

1. Review of Executive Session Minutes: April 17, 2007 and May 15, 2007

2. Executive Session Meeting

Pursuant to Hawaii Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

Deputy County Attorney Rosa Flores read the Executive Meeting Session notice, pursuant to Hawaii Revised Statutes (HRS) §92-4 and §92-5 (a.4.), the purpose of

this Executive Session is for the Board to consult with the Board's legal counsel on its privileges, immunities and liabilities on questions and issues pertaining to the selection process for the new Manager and Chief Engineer for the Department of Water.

There was no public testimony. Mr. Kyono moved to enter into Executive Session at 12:20 p.m., seconded by Mr. Oyama; motion was carried. The Regular Meeting reconvened at 12:42 p.m.

ADJOURNMENT: There being no further business, Mr. Kyono moved to adjourn the meeting at 12:42 p.m., seconded by Mr. Kahawai; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

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