

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, March 13, 2008

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Thursday, March 13, 2008. Chairperson Roy Oyama called the meeting to order at 10:21 a.m. On roll call, the following answered present:

BOARD: Mr. Roy Oyama, Chairperson
Mr. Ian Costa (left at about 1:40 p.m.)
Mr. Dee Crowell
Mr. Donald Fujimoto
Mr. Leland Kahawai
Ms. Bernie Sakoda

Absent & Excused: Mr. Steven Kyono

STAFF: Ms. Wynne M. Ushigome
Mr. Gregg Fujikawa
Mr. Paul Ganaden
Mr. William Eddy
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
Ms. Amy Esaki
Mr. Dustin Moises
Deputy County Attorney Mona Clark

GUESTS: Mr. Levon & Ben Ohai (left mtg. at about 11:08 am)
Mr. Jeremiah Kaluna (left mtg. at about 11:08 am)
Ms. Beverly Muraoka (left mtg. at about 11:40 am)
Mr. Allan Hom (left mtg. at about 11:40 am)
Mr. John Lee (left mtg. at about 11:40 am)
Mr. Peter Thielen (left mtg. at about 12:53 pm)
Mr. Dennis Esaki (left mtg. at about 12:53 pm)
David & Beryl Ayabe and son (left mtg. at about 1:00 pm)
Mr. Sherman Shiraishi (11:08 a.m. to about 1:00 pm)
Mr. Mike Tresler, Grove Farm (12:43 to 1:15 p.m.)
Mr. Dave Hinazumi, Grove Farm (12:37 to 1:15 p.m.)

AGENDA

Chair Oyama re-ordered the Agenda to have New Business Nos. 1-4 below to be taken up after Correspondence to accommodate our guests at the meeting.

1. Request to Testify by Levon Ohai on His Water Meter Service Request: Exempt Additional 5/8-Inch Water Meter (Five Existing 5/8-Inch Meters) to TMK: 4-6-28:017 from the Current Five 5/8-Inch Water Meter Limit to Lots of Record, Kapaa, Kaua'i, Hawai'i
2. Request to Testify by Beverly H.S.L.A. Muraoka for the Kapa'a Chinese Cemetery, TMK No. 4-5-015:014, Land Patent No. 8400 to Mee Chan Wong (February 7, 1924)

3. Request to Testify by Mr. Dennis Esaki for Water Meter Service Request by Nalu Investments LLC aka The West Inn, Six Unit Hotel Project, Z-IV-2005-20, TMK: (4) 1-6-08:10 Lot M-1, Waimea, Kaua'i
4. Request Board Approval of an Agreement between the Board of Water Supply and Beryl Ayabe and Nobuo Ota for their Building Permit at 4290 Kanaele Road, TMK: 4-6-34:010, Kapa'a, Kauai

Ms. Sakoda moved to approve the Agenda, as re-ordered, seconded by Mr. Costa; motion was carried.

MINUTES

Mr. Kahawai moved to receive the Regular Meeting minutes of the Thursday, February 14, 2008 Meeting and place on file, seconded by Mr. D. Fujimoto; motion was carried.

CORRESPONDENCE: None

NEW BUSINESS

Re: Request by Levon Ohai and Family for an Exemption to the Board Policy that Limit Lots of Record to Five 5/8-Inch Water Meters or Five Dwelling Units in the Kapaa Homesteads Area, TMK: 4-6-28:017, Kapaa Homesteads, Kauai, Hawaii

Mr. Levon Ohai and his son were present at the meeting. Land Surveyor Mr. Dennis Esaki stepped in to assist Mr. Ohai.

Mr. Fujikawa reported on the following:

RECOMMENDATION:

It was recommended that the Board not approve the applicant's request for an exemption to the Board Policy that allows a maximum of five 5/8-inch water meters and five dwelling units per lot of record until adequate storage facilities are available for the area. The proposed exemption is to allow a sixth 5/8-inch water meter and a sixth dwelling unit to the lot prior to adequate storage facilities being available.

FUNDING: n/a

BACKGROUND:

TMK: 4-6-28:017 is a 9 Unit CPR located in the Kapaa Homesteads area. The lot currently has five 5/8-inch water meters that service five dwelling units located on CPR Units 2, 4, 5, 7, and Unit 8.

A Board approved, water meter restriction policy is currently in effect for the Kapaa Homesteads area. The meter restrictive policy limits water service to five 5/8-inch water meters or five dwelling units per existing lot of record until adequate storage facility improvements are provided for the Kapaa Homesteads area. Currently, developments that exceed five(5) 5/8-inch water meter or five dwelling units are

being affected by this water meter restrictive policy. The subject request for a 6th 5/8-inch water meter/6th dwelling unit to the lot will exceed the policy restriction.

The Department of Water (DOW) informed the applicant of the restriction for the area during an August 5, 2003 telephone water service inquiry conversation.

The applicant submitted a formal request to the DOW in June 2004 for a 5/8-inch water meter to TMK: 4-6-28:017 (proposed sixth 5/8-inch water meter to lot). The DOW conditionally approved the applicants' request on June 21, 2004 (see attached DOW letter). The conditional approval required the applicant to also provide additional storage facilities for the area (or wait until others provided it).

The applicant is requesting an exemption from the current Board Policy restricting water service in the Kapaa Homesteads area (see attached letter from applicant). The requested exemption will allow the applicant to obtain a 6th 5/8-inch water meter/dwelling unit to the lot. The applicant is requesting the Board to approve their request based on four years have passed and it seems unlikely that additional storage will be built for the area. The applicant is requesting that the Board show compassion concerning their request.

Testimony:

Mr. Ohai stated that his aunt, Sarah Nakamura, gave him this lot, Lot #6, about 20,000 square feet. He did not realize that there was a 5-meter restriction in his area until coming to the DOW; therefore, he requested that the Board approve an exemption for their 6th lot.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that the property in question is now a 9-unit CPR, which she thought was originally a 25-unit CPR that is why the map showed more lines than the 9-unit CPR.

Acting Manager Ushigome stated that back in 2005, the owners of the properties acknowledged that there were 4 existing meters with the 5th meter to be assigned to Unit 5. Also at that time all of the owners of the 9 units acknowledged the assignment of the meters. At that time, Mr. Ohai also signed the agreement that he was aware that there was a 5-meter restriction in the area.

Land Surveyor Mr. Dennis Esaki who happen to be at the meeting for another agenda item stepped in to assist Mr. Ohai, who was a previous client of his.

Mr. Esaki explained by showing on the map that this CPR'd property is dissected by a ditch that is owned by the State, which is managed by the East Kauai Water Company; therefore, there is actually 2 lots, with 5 meters per lot.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that the proposed storage facilities project is about to go out to bid; therefore, the estimated completion would be in about 1-1/2 years. Mr. K. Fujimoto added that it would also be dependent on the budget for this upcoming fiscal year. On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that the storage facility is on the DOW's high priority list.

Mr. D. Fujimoto asked Mr. Ohai what is the urgency for him as the DOW has rules and he was aware of the 5-meter restriction as he signed the agreement. Mr. Ohai stated that he did not know that he would need to wait for 18 months, as he never did get that information before from the Department.

Mr. Ohai also stated that previously they paid the facilities reserve charge (FRC) fee just prior to a rate increase. He added that prior to that they were told that they did not qualify. Once they got to pay their FRC, they looked into building; however, when they came to the DOW, they were told about the restriction. Mr. Ohai stated that it has been 4 years now, so they come before the Board now to plead their case.

Mr. D. Fujimoto suggested to Mr. Ohai that he should try and verify if, like Mr. Dennis Esaki stated, that if their CPR'd lot is actually 2 lots, then each lot would be eligible for 5 meters each per our present water meter policy. Mr. Ohai stated that would be up to the owner of the entire property and he is only one lot owner.

Mr. D. Fujimoto added that it is not a simple solution because if the Board gives him the 6th water meter, then the other 3 lot owners would want a meter too.

On query by Mr. Costa, Mr. Ohai stated that his aunt gave him his lot but she did not inform him of the encumbrances on the land.

Mr. Ohai stated that he felt that he did not get a straight answer from the Department that is why they are here today.

Mr. Crowell asked if the 5-meter per lot restriction policy goes away when the storage tank is built? Mr. Fujikawa responded that as soon as the storage tank is build and online, the staff would reassess the current 5-meter per lot policy.

Mr. D. Fujimoto asked, at this point, would it be safe to say that once the storage tank is built that the meter restriction would be eliminated, with the understanding that there may be other conditions at that time? Mr. Fujikawa replied that the current policy is based on inadequate storage and the policy does not include how this restriction would be eliminated. Once the tank is built, they would need to assess the situation at that time and then if all is ok, then the policy could be eliminated.

On query by Mr. Costa, Mr. Fujikawa stated that on the onset, this 5-meter restriction policy was an administrative policy that was also approved by the Board. Therefore, this policy would need to be brought back to the Board once it is ready for reconsideration.

Acting Manager Ushigome stated that the 0.5 MG Tank is ready for bid and the Department is looking for a site for the 2nd proposed tank, which is still under design.

Mr. Costa added that he knows that there are proposed affordable housing projects in that Kapaa area that have come before the Water Board and Planning Department; therefore, it would be important for the Department to check if the meter restriction policy could be lifted prior to the completion of the storage tank.

Mr. D. Fujimoto moved to deny Mr. Ohai's request for a 6th water meter. His reason is that there are 9 lots total with 4 lots without meters, which would set a precedent for others to get meters too. He would also support having adequate funding for the storage tank in the upcoming budget for next fiscal year.

Mr. Ohai asked for an approximate date of completion of the tank and since there is no site for the 2nd tank yet, how long would they have to wait to get a meter. Mr. D. Fujimoto consoled Mr. Ohai that there are many others that are waiting for water meters in the area as they have also requested waivers. Mr. Costa added that he is not the only one that requested a water meter for this property.

Mr. Costa seconded Mr. D. Fujimoto's motion.

Mr. Dennis Esaki asked if the Akulikuli Tunnel Source also goes online, would it make a difference? Acting Manager Ushigome stated that only storage is a requirement, not source. Mr. Fujikawa added that Mr. Ohai's requirements besides getting more storage is the FRC payment; in addition, he and the other owners needs to sign another Waiver of Construction Drawings for his lot, so everyone knows that he will be getting the 6th water meter. Mr. Ohai previously signed such a waiver, along with the other owners, when the 5th lot got a water meter. Mr. Fujikawa added that Mr. Ohai was notified of all his requirements in a DOW letter to him in June, 2004.

On query by Ms. Sakoda, Mr. K. Fujimoto stated as soon as funding is secured, the 1st tank, the 0.5 MG tank project, could start.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that back in 2002 when this 5-meter restriction policy was put into place, they did some projections on the number of existing meters that were being granting at the time as a basis for projecting against what they thought was remaining in the storage tank. They felt that this meter restriction policy would last 5 years or until there is adequate storage facilities.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that they have not checked recently on how their projections went; but if they revisited it, they would look at the actual meters they have given out, which may be a basis to revising the policy.

Mr. D. Fujimoto suggested that if the numbers show that the DOW can give out more meters, as there is adequate storage that the DOW should give Mr. Ohai first consideration based on his application. He felt that once that situation arises that there is adequate storage and meters could be given out, it would be on a first come, first basis anyway. Mr. Fujikawa added that the Department always cautions the person inquiring about water service, that their response is valid for one(1) year only. Mr. D. Fujimoto, therefore, recommended that Mr. Ohai submit a request on an annual basis to ensure that he is on the top of the list to get a water meter.

Ms. Sakoda stated that per the update Water Plan 2020 project list, it shows that the estimated completion date of the 0.5 MG Tank is July, 2009. Acting Manager Ushigome stated that the funding is an issue as the estimate was over what was budgeted. She added that one financial avenue that could be tapped is the monies

that were budgeted for the County's Adolescent Treatment Facility Project that was cancelled but she still needed to get the monies formally released from the County.

On query by Chair Oyama, Mr. Ohai allowed a guest, Mr. Jeremiah Kaluna, to speak before the Board.

Mr. Kaluna stated that although he knows the Ohai family, he felt that the Board should adhere to their policies. If the Board wanted to change the policy, then their process to do that should be done.

Motion was carried to deny the applicant's request. Chair Oyama expressed his regrets to Mr. Ohai, reminded Mr. Ohai that he should continue to communicate with the DOW, and thanked him for coming to the meeting.

Levon and Ben Ohai and Mr. Kaluna left the meeting at about 11:08 a.m. (Mr. Sherman Shiraishi arrived at the meeting at about the same time.)

Re: Request by Beverly Muraoka (Member and Patron of the Kapaa Chinese Cemetery Cleanup Committee) to Transfer the 1-Inch Water Meter Assigned to TMK: 4-5-13:014 to TMK: 4-5-15:014, Kapaa, Kauai, Hawaii

Ms. Beverly Muraoka, Mr. Mee Chong Wong, were present at the meeting.

Mr. Fujikawa reported on the following:

RECOMMENDATION:

It was recommended that the Board not approve the applicant's request to transfer the water meter assigned to TMK: 4-5-13:014 to TMK: 4-5-15:014. The proposed water meter transfer is to allow water service to TMK: 4-5-15:014 without paying the required Facilities Reserve Charge required by the Department's Rules and Regulations for a new water meter.

FUNDING: n/a

BACKGROUND:

TMK: 4-5-15:014 is located in Kapaa and borders Apopo Road and the Kapaa Transfer station. The lot is known as the Chinese Cemetery. Current Real Property records indicate that the owner of this parcel is the Park Fook Tong Society. The lot currently does not have a water meter assigned to it. The applicant stated in her letter that for many years the property previously obtained water from a sugar company (MaKee Sugar Company?).

TMK: 4-5-13:014 was located along Kuhio Highway in Kapaa, near the Kuhio Highway / Hauaala Road intersection. The parcel was located approximately 3,200 feet away from the Chinese Cemetery parcel (TMK: 4-5-15:014) and was owned by the Lihue Plantation Company. The Lihue Plantation Company was the applicant for the 1-inch water meter to the parcel. The 1-inch water meter is located along Kuhio Highway.

TMK: 4-5-13:014 was obtained by the State of Hawaii and the parcel number for the lot was dropped and made a part of TMK: 4-5-15:035. TMK: 4-5-15:035 is owned by the State of Hawaii and is proposed to be used as a Kapaa By-Pass roadway. The applicant is requesting that the 1-inch water meter that was assigned to former TMK: 4-5-13:014 be transferred to the Chinese Cemetery lot (TMK: 4-5-15:014).

When considering requests to transfer water meter service between different lots, the DOW administratively requires certain conditions to be met prior to consideration of the request. The conditions are:

1. The requester must be an owner of both affected lots of the water meter transfer request.
2. Both lots must be in the same water system and service pressure zone.
3. The existing transmission facilities must be adequate for the additional water meter/development.

The current request to transfer the 1-inch water meter does not meet Condition No. 1 above. The State of Hawaii owns the lot that the 1-inch water meter is assigned. The applicant does not meet the DOW conditions in order to transfer a water meter between different lots.

The Department informed August Yee, head of the Park Fook Tang Society in a letter, dated November 20, 2007, that the reason the Department was not able to approve the water meter transfer request was that one of the conditions, that both lots affected have the same owner, was not met. In the same letter, the Department informed Mr. Yee what conditions needed to be completed, prior to the Department of Water's (DOW) consideration of a new water meter to TMK: 4-5-15:014 (Chinese Cemetery) for an irrigation system.

The applicant is requesting an exemption from the current DOW administrative policy concerning the requirement that both affected lots have the same owner. It is not known if the State of Hawaii is willing to "give away" the 1-inch water meter.

Discussion:

Mr. Fujikawa made a correction that the 1-inch water meter is located in the coastal pressure zone, the 214' zone. The cemetery is in a different pressure zone, which is one of the criteria for allowable meter transfers; therefore, transfer of a water meter is not allowed.

On query by Chair Oyama, Mr. Fujikawa stated that what happens internally on private property, the DOW would not know what transpired, as we are responsible only up to the water meter.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that if one meter is transferred from one property to another property, the first property would have to re-apply for a water meter.

On query by Mr. Crowell, Mr. Fujikawa stated that the Department owns the water meter and its appurtenances, as the norm is that when a customer requests water

meter service, whatever is constructed is conveyed to the Department for upkeep and maintenance. The Department determines whom we service. Acting Manager Ushigome added that if a lot with a meter is sold then the water meter service goes with the property.

On query by Mr. Costa, Mr. D. Fujimoto stated that he was not sure but maybe the County Parks Department could be the owners of the cemetery.

Testimony:

Ms. Beverly HSLA Muraoka was present at the meeting. She stated that she initially volunteered, along with others, to clean the cemetery as her grandparents are interned at the Chinese Cemetery. For the record, Ms. Muraoka stated that a man named Mee Chan Wong leased the cemetery property for \$100 from the owners, Park Fu Tong Society. It is not owned by the County.

She added that Mr. August Yee, who had his in-laws buried in this cemetery, has spearheaded the cleanup of the Chinese Cemetery, as he was concerned that the upkeep of the cemetery has been neglected for the past 30 years or so.

Ms. Muraoka also added that along with Mr. Yee and herself that Mr. Allan Hom and Mr. John Lee, who were also at the meeting and also serves on the Cleanup Committee. She apologized for Mr. August Yee, who could not make this meeting, as he had already planned a Mainland trip.

Ms. Muraoka discussed that a group of all volunteers organized 4 projects as part of the cleanup of the cemetery. When they first started the cleanup, she said that a lot of people did not know that there was a cemetery and now it is taking shape with the cleanup. However, it was brought up by the volunteers that they want to continue to upkeep the cemetery but they would need water. Ms. Muraoka was surprised when she heard that there is no water, as she remembers that there was water at the cemetery. She also remembers, as a child, she attended with her family and others a gathering at a pavilion at the cemetery similar to the Japanese obon season, where they gather in remembrance of the dead.

Later they found that the cemetery does not have water, so they approached Mr. Yee and Mr. Yee came to the DOW to apply for a water meter. Mr. Yee was told that he could get a water meter once a payment is made for \$4,600, which is the DOW's facilities reserve charge (FRC).

Ms. Muraoka stated that the Cleanup Committee found that cost to be too prohibitive; therefore, they wanted to request the Board consider the FRC payment moot since this cemetery did have water previously when Mee Chan Wong worked with MaKee Sugar Company, he installed pipelines internally from the water meter that is located near the Kapaa Low Income Housing.

Ms. Muraoka discussed that they are requesting either: 1) grant them to be able to hookup to County service; or 2) allow them to transfer water meter service. She felt that the amount of water usage would be minimal, as they would probably water the area at the most twice a month.

Ms. Muraoka added that it is not that they are not willing to pay the FRC; however, they feel that they should be 'grandfathered' from the first time that water was granted in 1924.

Mr. Costa commended this Committee on their volunteerism to cleanup the cemetery. He corrected Ms. Muraoka that the location of where the Committee has recommended the water meter to be transferred is actually near Kuhio Highway near the Fernandes' house and not by the Kapaa Low-Income Housing. Ms. Muraoka apologized as Mr. Yee gave her that information; therefore, she suggested that this matter be deferred until such time Mr. Yee returns from the Mainland and can attend a future Board Meeting to answer the Board's questions.

Ms. Muraoka reiterated that if they could get a new water meter, the FRC cost of \$4,600 is prohibitive to this Cleanup Committee of volunteers. She thanked the Board for this opportunity to present their case. Chair Oyama concurred with Mr. Costa that it is a great thing that their committee is doing and also felt that this matter should be deferred until such time that Mr. Yee can attend this meeting to clarify the situation further.

On query by Mr. D. Fujimoto, Ms. Muraoka concurred that all they are looking for is a source of water for the cemetery at a more reasonable rate and that they are not set in stone that they have to move the meter.

On query by Mr. D. Fujimoto, Ms. Muraoka stated that she was not aware of what transpired about requesting a 1-inch meter. Mr. D. Fujimoto stated that there is a big difference for water demand for a 5/8-inch and 1-inch water meters. Mr. Crowell added that there is also a big difference in the FRC charge (FRC for a 1" meter is \$26,400)

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that the Department has no records of water service for this lot. Mr. Costa added that water service was probably through some other means.

Ms. Muraoka requested that whether the Board decides to make a decision today or defer this matter to another Board Meeting, she requested a written response to document what transpired at the Board Meeting for their records.

On query by Ms. Sakoda, Ms. Muraoka stated that she would want to afford Mr. Yee the opportunity to share his side. Ms. Sakoda also stated that we would need to verify who was the owner of the property. Ms. Muraoka reiterated that it was the Park Fook Tang Society, which they have a lease from.

Mr. D. Fujimoto requested that it would help the Board if the Committee could identify where the water source came from.

Ms. Sakoda moved to defer this matter, seconded by Mr. D. Fujimoto.

Mr. Costa asked Ms. Muraoka if the Cleanup Committee ever did find a spigot or meter or something to indicate that there was water onsite. Ms. Muraoka did not recall anything. Mr. Hom indicated that there was a water pipe that goes along the

top of the property but there is no water. They did not track the pipe so they would not know where it came from.

Motion was carried.

Ms. Muraoka, Mr. Hom, and Mr. Lee left the meeting at about 11:40 a.m.

**Re: Nalu Investments L.L.C. aka The West Inn, Six Unit Hotel Project,
Z-IV-2005-20, TMK: (4) 1-6-08:10 Lot M-1, Waimea, Kaua'i**

Mr. Peter Thielen of Nalu Investments LLC and his consultant, Mr. Dennis Esaki were present at the meeting.

Mr. Fujikawa reported on the following:

Recommendation:

It was recommended that the Board deny the applicants request for a ¾-inch water meter to service the proposed 6-unit hotel. The water demand calculations submitted to the DOW by Aqua Engineers (letter dated April 4, 2006) indicated a ¾-inch meter would be adequate. However, upon further review of the Department's meter sizing procedures (SOP No. 33), it appears a 1-inch water meter is required.

Based on the Department's water meter restriction policy for the Kekaha/Waimea Water Systems and as stated in the Department's recommendation for the development's zoning permit, the developer was required to construct or wait until additional storage facilities for this area is constructed.

Funding:

There would not be an increase in the Facilities Reserve Charge (FRC) required. The FRC required for a ¾-inch water meter and the FRC for a 1-inch water meter would be the same due to the fact that the FRC based on the number of units is higher in both cases and would be assessed.

Background:

The Department of Water has an existing Interim Storage Policy for the Kekaha-Waimea service zone, which limits development to five 5/8-inch water meters or five single-family dwellings per lot of record. At the present time, the existing storage facilities are operating at capacity and cannot handle the additional demands associated with this development.

Zoning Permit Application Z-IV-2005-20 is to develop a 6-unit hotel on TMK: (4) 1-6-08:010 Lot M-1.

Department of Water's Rules and Regulations, Part 4, Section VII – FRC, Paragraph 3.c. meter sizes shall be determined by the Department and not by the Developer or Applicant. The FRC for multi-family and/or resort development will be determined by the approved meter size or the number of units, whichever amount is greater.

S.O.P. No. 33, Meter Size Selection – Multiple Dwellings: 1. Sizing of meters for hotel, apartments, condominiums, and other multiple dwellings shall be as follows: For meter sizes ¾-inch and 1-inch, the no. of units served shall be 2-3 units and 4-8 units, respectively.

S.O.P. No. 52, Equivalent Meter Size: A meter size of 1-inch equates to five 5/8-inch water meters and visa versa.

The AWWA normal operating range of a 5/8-inch, ¾-inch, and 1-inch water meter is as follows:

Water Meter Size	Normal Operating Gauge
5/8-Inch	¼ -- 20 gallons per minute (gpm)
¾-Inch	¼ -- 30 gpm
1-Inch	¾ -- 50 gpm

Water demand calculations submitted by Aqua Engineers (letter dated April 4, 2006) for Zoning Permit Application Z-IV-2005-20 for a six unit hotel indicated a total fixture count of 48.5 with a corresponding demand load of 28 gpm is required for the proposed project.

The Department of Water's letter dated April 25, 2006 to Aqua Engineers identified that a ¾-inch water meter would be required to provide the calculated flow for the proposed project.

Findings:

In the Department of Water's response (letter dated April 25, 2006) to the water demand calculations submitted by Aqua Engineers (letter dated April 4, 2006) for Zoning Permit Application Z-IV-2005-20 the Department inadvertently overlooked the administration of S.O.P. 33. Although the Department of Water letter dated April 25, 2006 did indicate that the ¾-inch water meter will be required to provide the requested 28 gpm flow, subsequent evaluation and analysis by the Department of Water concluded that the Department of Water S.O.P. No. 33 should apply. The SOP determines the sizing of meters for hotels, apartments, condominiums, and other multi-family dwellings. The SOP states that a 1-inch water meter shall be used to serve 4-8 units. Since the SOP also states that a ¾-inch meter shall be sized for 2-3 units, the request for a ¾-inch meter for the 6-Unit hotel is not recommended.

The Department of Water will be revising the April 4, 2006 letter to reflect the revised recommendation. Other Department of Water's comments for Z-IV-2005-20 are still applicable and will be revised accordingly.

Discussion:

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that the request by Mr. Dennis Esaki is for the Board to approve a ¾-inch water meter for this project. At this point, there is no request for any type of relief from any of the other conditions that apply to this development.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that one ¾-inch water meter is equivalent to about three 5/8-inch water meters based on water usage billing records.

On query by Mr. Costa, Mr. Fujikawa stated that the DOW currently has a water meter restrictive policy in the Waimea-Kekaha water service areas that limits existing lots of record to five (5) 5/8-inch water meters and/or 5 dwelling units.

Mr. D. Fujimoto discussed hypothetically, if a dwelling unit could have 3 bedrooms each. If the zoning density of the lot allowed 5 dwelling units, there are a potential total of 15 bedrooms as compared to a 6-room hotel with 2 occupants per room. Mr. Fujikawa added that the Department considers a hotel room the same as a unit. Mr. Costa clarified the density standpoint for the CZO, 2 hotel units equal to one dwelling unit.

Acting Manager Ushigome added that the CZO provides for allowable density, and the CZO states, all residential developments with densities in excess of one(1) dwelling unit per acre shall be served by a public water system equivalent to standards and specifications established by the Department of Water.

Acting Manager Ushigome also added that the applicant, Peter Thielen, did come to the Board previously and the Board denied his request to waive the storage requirement for his 6-room hotel. Mr. Costa added that Mr. Thielen initially wanted to do a 6-unit hotel but was not willing to pay for a sewage treatment plant that was required, plus pay fees to the Public Works Department. Mr. Costa also added that the Waimea Inn should be a single-family dwelling.

Testimony:

Mr. Dennis Esaki introduced himself that he is representing Rep. Cynthia Thielen and her son Peter Thielen.

Mr. Dennis Esaki stated that the DOW has a 5-meter restriction policy in the Waimea area and that the DOW's SOP No. 52 states that a 1-inch water meter equates to five 5/8-inch water meters. He then referenced the Board Meeting Minutes of August 15, 2006, which states that the Manager stated that, "if this hotel had instead 5 rooms, it would not be a problem". Mr. Esaki stated that they are only asking for the equivalent of 5 rooms.

Mr. Esaki further stated that the DOW staff now references SOP No. 33, which calls for a 1-inch water meter. He reminded the Board that on April 25, 2006, the DOW's response letter to Aqua Engineers stated that a ¾-inch water meter satisfies the flow of 28 gpm for this project. Also on April 26, 2006, the DOW's letter to Ron Agor stated that although SOP No. 33 calls for a 1-inch water meter, they recommended a smaller ¾-inch water meter for this project. Again, since a 1-inch water meter is equivalent to five 5/8-inch water meters, there is no reason not to grant either a ¾-inch meter or a 1-inch meter.

Mr. D. Fujimoto asked the applicant to clarify the reason why they are here today as they could technically do the job with the 5/8-inch water meters. Mr. Thielen referenced the FRC portion of the Rules that state, "For each unit in a multi-family residential development and/or resort development, the charge shall be \$4,600.00."

So from his understanding, what the DOW is saying is that: 1) they are classifying the hotel as a resort; and 2) there is 6 rooms and, therefore, exceeds the 5-meter or dwelling unit restriction. They do not want to allow this project without more reserve fees paid. He stated that the DOW also required them to construct a storage tank for some \$100,000 expense. Mr. Thielen added that it is hard to understand to call a 6-room hotel a resort because by definition a resort has amenities like a swimming pool, restaurants, etc. He added that this reserve fee chart was made to make everyone pay a fair amount.

Mr. Esaki added that Mr. Thielen is willing to pay the higher FRC charge, \$4,600 x 6 minus the one existing 5/8-inch meter. If it is a 3/4-inch water meter then the cost would be \$14,300 minus \$4,600. If it is a 1-inch water meter then the cost would be \$26,400. So his client is willing to pay the higher FRC to get the smaller meter that equates to what satisfies the project.

Mr. D. Fujimoto stated that the FRC was not the issue but the issue is instead of being consistent in how the Board does things and what is the interpretation of what 'hotel' means in terms of units. Mr. Esaki added that they said that although the CZO says one thing, they see it another way at the DOW. So they are willing to pay for the 6 FRC since the Rules call for it, concerning 1 dwelling equals to 1 unit, although the usage will be a lot less.

Mr. Esaki stated that he has a couple of issues. The Department is going back to the 1-inch meter now when a letter to the owner from the DOW previously said that although they should get a 1-inch water meter, they recommended a 3/4-inch water meter. Mr. Esaki reiterated that his client is asking for the equivalent of five(5) 5/8-inch water meters.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that the issue is the same one that was before the Board previously in August 2006 that Mr. Thielen is requesting for a 6-room hotel when there is a 5-meter restriction policy. Mr. Esaki stated that a 3/4-inch meter is recommended by the Department for the project. Acting Manager Ushigome explained that only if he can reduce the size of the project to a 5-unit hotel. Mr. Esaki reiterated that it specifically states although SOP No. 33 calls for a 1-inch meter, the Department recommends a 3/4-inch meter that is why they are here to request to have the 3/4-inch meter. Mr. Esaki stated that the Department is sending mixed messages.

Mr. Kahawai recommended that the Board go into Executive Session.

Mr. Thielen wanted to add one more thing to be sure that the Board understands that they do not mind paying a reserve fee for every room. They have one existing meter that would equate to payment for 5 additional reserve fees. The Board understood Mr. Thielen's position on the fees.

EXECUTIVE SESSION:

Pursuant to H.R.S. §92-7(a), the Commission 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 H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

Chair Oyama read the Executive Session Meeting notice above. There was no Board discussion and no public testimony. Mr. Kahawai moved to enter into Executive Session at 12 noon, seconded by Mr. Crowell; motion was carried. Staff was excused from the meeting, except for Acting Manager Wynne Ushigome, Waterworks Legal Advisor Amy Esaki and Mr. Gregg Fujikawa.

The Regular Meeting was called back to order at 12:32 p.m. Recess: 12:32 – 12:35 p.m. Mr. Dennis Esaki and Mr. Thielen returned to the meeting.

Mr. D. Fujimoto asked Mr. Thielen and Mr. Esaki what are they asking the Board to approve? Mr. Esaki stated that as per their letter, they are asking for a ¾-inch water meter. Mr. D. Fujimoto needed to clarify that Mr. Esaki's letter of February 15, 2008 to the Board assumed a lot of things as stated below:

- 1) In Mr. Esaki's letter, Item No. 3 references a 6-unit hotel and the Board did not waived the storage requirements associated with the development of a 6-unit hotel.
- 2) The approval of the ¾-inch water meter has been rescinded and the new position is a 1-inch water meter based on the latest letter that references SOP No. 33.

Mr. Esaki stated that SOP No. 33 was referenced in 2006 with staff that although SOP No. 33 called for a 1-inch meter, the DOW recommended a ¾-inch meter. That is why they are asking for the ¾-inch meter but now the approval is for a 1-inch meter.

Mr. D. Fujimoto inquired whether there was ever a proposal to develop a 5-unit hotel. Mr. Costa corrected that he does not think that they ever represented anything other than a 6-unit hotel. They have never asked us for a 5-unit hotel. Mr. D. Fujimoto reiterated that the Board did not approve a 6-unit hotel either.

Mr. Thielen stated that they never did receive a revised letter that approved a 1-inch water meter instead of ¾-inch water meter.

Mr. Dave Hinazumi was present at the meeting at about 12:37 p.m. and Mike Tresler was present at about 12:43 p.m.

Mr. Crowell stated that the DOW's comments for the Zoning Permit No. Z-IV-2005-20 still applies.

Mr. Thielen discussed that the issue here is not the size of the meter, it is how much of a reserve fee will be charged. Because based on the size of the meter, the FRC charges for either a ¾-inch or a 1-inch is less than the FRC based on the number of units.

Mr. D. Fujimoto added that the development of a 6-unit hotel requires an additional water storage facility. Mr. Thielen stated that he felt that is beyond a reasonable request; however, he felt that a reasonable request is to charge them up to the 6 reserve fees and require either one ¾-inch or 1-inch water meter.

Mr. Esaki reiterated that based on the DOW interim restrictive meter policy in the Waimea-Kekaha area, which limits development to five 5/8-inch meters. Therefore, they are asking for the equivalent of five. Acting Manager Ushigome stated that the policy states and/or 5 dwelling units per lot of record. Acting Manager Ushigome stated that it has to be both.

Mr. D. Fujimoto discussed that the DOW is saying that the 6-unit hotel exceeds the meter restriction policy and is not the same as five (5) dwelling units. Mr. Thielen added that the lot in question is only 6,048 square feet and is allowed only 3 single-family dwellings. He also added that the Board should be looking into the equivalency, that the equivalency of the County zoning is that these rooms are equal to one-half to a single-family dwelling. Mr. Thielen stated that how can a room with a bathroom be equivalent to a whole single-family dwelling with a kitchen, laundry facilities, etc.; it is not equivalent. Therefore, he felt that his request should be looked at like it is 3 single-family dwellings or the equivalent of 6 hotel units.

Mr. Esaki stated that all they are asking for is a ¾-inch meter based on what was recommended by the DOW.

Mr. D. Fujimoto stated that we already have SOPs that are established that already address these particular types of development, which is considered to be a unit. Based on the SOP, the requirement has changed from ¾-inch to a 1-inch.

Mr. Esaki then requested that the Board give his client the 1-inch meter. Mr. D. Fujimoto added that the issue becomes that this is a commercial development, with commercial requirements. Mr. Thielen stated that unreasonableness of this situation is, as they would not be using that type of water usage. He also added that per the FRC, the DOW is calling this 6-unit hotel a resort and by any standard definition that it is not a resort. It should fall under "For all other uses, the facilities reserve charge shall be determined by the size of the meter"

Mr. D. Fujimoto stated that their dilemma is the fact of this contradiction, which the norm would be to look at the most stringent condition.

Mr. Thielen discussed that this project already went through Planning Commission and the project was scaled down to fit within Waimea Town. The 6-unit hotel is located across the theatre. If this is denied, the only development option would be a single-family dwelling, which allows them to put 10 rooms on it.

Mr. D. Fujimoto stated that the Board is not denying this project but saying that Mr. Thielen needs to adhere to the conditions; whereby, he would either wait for the construction of the storage facilities or built it yourself.

Mr. D. Fujimoto also stated that the intent of the policy was five (5) dwelling units, which is different from commercial use for hotels. The purpose of a hotel room is transient in nature as compared to a single-family dwelling where people live.

Mr. Esaki and Mr. Thielen felt that the Department is changing our policies as we go along. Mr. D. Fujimoto stated that there may be some shortcomings; however, at the same time, issues are being identified that would need to be addressed anyway. He also stated that the Board has to follow policies so it is hard for them to contradict our own policies unless we change the policies. So Mr. D. Fujimoto stated that the Board has no qualms about the meter but have concerns about addressing the storage requirement.

On query by Mr. D. Fujimoto, Mr. Fujikawa stated that there is a storage requirement due to a deficit storage capacity for Kekaha/Waimea. He added that there is a storage tank project that is underway now. Mr. Fujikawa stated that the Board previously approved an administrative water meter restrictive policy in the area that would allow the Department to grant water meters and additional dwelling unit permits basically for smaller developments in lieu of bigger developments and to spread the water to more people instead of giving it to one big entity. The intent was interim to carry us through the deficit period, while additional storage is being built.

Mr. D. Fujimoto stated that some good points were brought up that he would want to consider. In essence, the Rules vs. the dwelling unit and the actual demand on the system is most important. Mr. Esaki stated that the requested demand would be less than the allowable.

Mr. D. Fujimoto moved to defer this matter. There was no second; motion died.

Mr. Costa moved to approve the applicants' request for a ¾-inch water meter as provided for in the Department of Water's letter dated April 25, 2006, which also recommended a ¾-inch water meter to Aqua Engineers; and as provided for in the Department of Water's memo of February 22, 2005 to the Planning Department regarding Z-IV-2005-20/V-2005-20, seconded by Mr. Crowell.

Mr. D. Fujimoto discussed that the Board is contradicting the Department's administrative policy; therefore, he recommended that the Board should seriously look at amending that policy.

Mr. Crowell clarified the motion that the Board is approving the ¾-inch water meter size but not necessarily approving the 6-unit hotel? Mr. Costa concurred as referenced in the DOW's memo of February 22, 2005 to the Planning Department, which is what the Variance and Class IV was approved under; therefore, the motion is not undermining that.

Motion was carried.

Mr. Thielen and Mr. Esaki both left the meeting at about 12:53 p.m.

Re: Request Board Approval of an Agreement between the Board of Water Supply and Beryl Ayabe and Nobuo Ota for their Building Permit at 4290 Kanaele Road, TMK: 4-6-34:010, Kapa'a, Kauai

Mr. Nobuo Ota, Mr and Mrs. Ayabe and their son and their legal counsel, Mr. Sherman Shiraishi, Esq. were present at the meeting.

Acting Manager Ushigome reported on the following:

Recommendation:

It was recommended that the Board approve and execute an Agreement with the Owners allowing them to construct a single family dwelling on the subject property. Upon completion of the single family dwelling, the Owners agree to demolish the existing residence on the property.

Funding: N/A

Background:

The owner's family is seeking a building permit for the construction of a new single family dwelling on the subject parcel. According to the owners, there is an existing residence on the property; however, the structure is in poor condition and needs to be torn down. But, they are unable to demolish and rebuild the house because it currently occupied by the owner Mr. Nobuo Ota.

The owner's family submitted a water service inquiry for a second dwelling on the property; however, upgrading the transmission facilities to lot would be extremely cost prohibitive. Therefore, they are requesting the Board's consideration to grant the issuance of a building permit allowing them to build, and then demolish the existing structure. (A plot plan was given to the Board. The Agreement will be available at the Board Meeting.)

Discussion:

On query by Mr. Costa, Acting Manager Ushigome stated that the Ayabe's offered a 2nd mortgage on their property as collateral and the DOW would have the ability to foreclose on their property to ensure that they would indeed demolish the existing old dwelling.

Testimony:

Mr. Sherman Shiraishi appeared on behalf of his clients and informed the Board that his clients could easily offer the designated collateral as good faith, as they know that they will be demolishing the existing old dwelling.

Mr. Costa moved to approve to execute an Agreement with the Owners allowing them to construct a single family dwelling on the subject property; upon completion of the single family dwelling, the Owners agree to demolish the existing residence on the property, seconded by Mr. D. Fujimoto.

On query by Acting Manager Ushigome, Mr. Shiraishi submitted photos of the existing house and property.

For the record, Mr. Shiraishi stated that Mr. Ota is 80 years old; he is a widower and no children and his relatives are concerned about his poor living conditions. Mr. Shiraishi discussed that the Waiver is so Mr. Ota can stay in the existing house until the new house is constructed and then they will demolish the old house.

Motion was carried.

Mr. Shiraishi, Mr. and Mrs. Ayabe and their son left the meeting at about 1:00 pm.

AGENDA

To also accommodate our Grove Farm guests, who were here as part of the Manager's Update on projects, Mr. Costa moved to re-order the Agenda further by having Reports #H4, Manager's Update, to be discussed now, seconded by Mr. Kahawai; motion was carried.

RE: MANAGER'S UPDATE FOR FEBRUARY, 2008 to MARCH, 2008

Acting Manager Ushigome reported on the following:

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 (AHTF) Projects:

1. DHHL – Anahola Residence Lots Unit 6, Pi'ilani o Kekai, Phase 1: No progress
2. Habitat - Eleele I Luna Subdivision Phase 2: Construction plans will be submitted to County agencies.
3. Puhi Self-Help Subdivision – Grove Farm is responsible for completing the booster pump and off-site waterline improvements prior to DOW building permit/water meter approvals. The first 14 of 41 building permits are being processed by the Building Division and will be routed to Planning by February 15th County Housing Agency will contact Grove Farm on completion of the Puhi 393 Booster Pump Station. Grove Farm will be present at the March Board meeting to provide status update of the booster pump station project.

The following outstanding items are still required for certification of completion:

- a. Approved field pump test certification;
- b. Submittal of all required spare parts and owners operation/installation manuals;
- c. Removal of the temporary booster connections;
- d. Return of the temporary booster pump to the DOW Baseyard;
- e. Final inspection by DOW;
- f. As-built tracings;
- g. As-built cost breakdown, and;
- h. Conveyance of water facilities.

Mr. Mike Tresler and Mr. Dave Hinazumi of Grove Farm were present at the meeting to give the Board an update of their booster pump station project.

Mr. Tresler thanked the Board for re-ordering the Agenda, as they needed to be at another meeting soon.

Mr. Tresler stated that they are very close to finishing this project and he had in hand a punch list of outstanding items to be done yet for the booster pump station from the DOW engineer Keith Fujimoto:

- a. Approve field pump test certifications
- b. Submit all required spare parts and all operational installation manuals, which they still have and will submit it to the DOW in one package so nothing gets lost.
- c. Receipt of the locks: R. Electric expect the cores to arrive next week Wednesday (3-19-08) and then installed.
- d. Temporary emergency booster pump connections
 - Grove Farm was initially directed by the Water Board last year to install both an emergency and permanent booster pumps.
 - The pedestal for the emergency booster pump remains and have been in discussion back and forth with the DOW on whether the emergency booster pump should remain for redundancy or not. Grove Farm felt that it should remain and the DOW wants it to be removed. A decision was not made yet.
 - Acting Manager Ushigome stated that the DOW wants the pedestal for the emergency booster pump to be removed. Mr. Tresler reiterated that Grove Farm was hoping that it could remain as it also has a cost to remove. He added that these projects were not part of their agreement but was beyond what was agreed upon. Mr. Tresler stated that they would gladly remove it but it would take a little while to convey the booster pump.
- e. Certifications
 - R. Electric needs to sign off on the as-builts that should be done soon and will be forwarded to the DOW at the same time with the cost breakdown.
 - Grove Farm is holding a \$100,000 retainer from R. Electric to ensure timely followup.
 - Their attorneys are finalizing the Conveyance of Water Facility document.

Acting Manager Ushigome added that the timeliness of the completion of this project would help Self-Help, who will be coming in shortly for building permits. Mr. Tresler stated that Grove Farm has been contacted by the Housing Agency as they are concerned, although it is a Department of Water concern and not Grove Farm's 'kuleana' as the pump is up and operating and they will do their best to submit the as-builts, etc. The issue of the issuance of the water meters or not....they would like them to be because they think that Self-Help is ready to move on and a good thing to help them move forward. Mr. Tresler stated that Grove Farm will do their best to close out the project; however, it is going to take longer due to the removal of the pedestal.

Mr. K. Fujimoto stated that the removal of the pedestal was a requirement from October/November, 2007 so they had all that time to remove it. Mr. Tresler felt that he had a legitimate reason to question the removal of the pedestal as Grove Farm was forced to install the emergency booster pump station, which they did in a timely manner. They felt that there was good reason to keep the emergency booster pump station as a redundant source in case of electrical outages, etc. Therefore, he felt that it was with good reason that they had many discussions with the DOW on keeping the emergency booster pump as they felt that the DOW's reasons on why it should be taken out did not make sense.

Mr. K. Fujimoto stated that if Grove Farm recalls that they came in January, 2007 asking for other approvals from the Board and the Board concurred, with the condition that they install an emergency booster pump.

Mr. D. Hinazumi explained that it was a previous agreement with Grove Farm and DR Horton that DR Horton agreed to provide affordable housing in the Puhi area. DR Horton came to the Board with their final phase, Ho'okena, to request to get their water meters. Knowing that DR Horton was providing affordable housing, Grove Farm supported them; therefore, Grove Farm came to the Board to request if DR Horton could get their water meters as quickly as possible. They complied with what the Board said to install the emergency booster pump. For this project, Grove Farm got it back up and running and once this emergency booster pump was completed, it went back to the DOW in fine operating condition to use as necessary.

Mr. Tresler reiterated why Grove Farm felt that the emergency booster pump connection should be kept as a redundancy as lightning has struck their water plant. So, if the emergency booster pump was so important earlier, why would you want to remove it. He could not understand the logic; however, they know that ultimately they will have to remove it.

Mr. K. Fujimoto added that Grove Farm could use our portable generators in case of electrical outages.

Chair Oyama thanked Mr. Tresler and Mr. Hinazumi for coming to the meeting to keep the Board abreast of their project.

Mr. Tresler and Mr. D. Hinazumi left the meeting at about 1:15 p.m.

4. Kauai Lagoons – Kapule Project: No progress. The final Water Study Report has been submitted to the Department of Water. The 31 affordable units will be serviced by a new water meter, which will require development of off-site source and storage improvements. The Marriott Corporation is responsible for this project.
5. Kauai Lagoons – Waipouli Courtyard: Construction schedule is unknown.
6. Kalepa Village Phase III & IV – Phase III- 40 unit multi-family development estimated occupancy by March 1, 2008. Phase IV low bid exceeded available funding. Building permit is pending at Planning.

7. Princeville Employee Homes: No report.
8. Kukui'ula Employee Housing –Gap Housing subdivision and zoning permit:
 - Developer working with DOW on revising KDC Water Master Plan to include the workforce housing project.
 - KDC intends to request to execute a Waiver, Release and Indemnity Agreement with DOW, in order to apply for building permit approvals.
 - KDC requesting to delete requirement for proposed Poi'pu Road waterline (looped connection). DOW finalizing water system improvements in its review of the amended water masterplan.
 - KDC intends to request building permit approval prior to final subdivision map approval by the Planning Commission.
9. Kohea Loa (Hanama'ulu Triangle): No progress. DOW reviewed the Water Mater Plan for the AMFAC/JMB Lihu'e-Hanama'ulu Master Planned Community Lands and met with the consultant on November 7, 2007. Kodani & Assoc. is currently revising the water master plan.
10. Paanau Village, Phase 2 – This affordable housing project is included in the Kukui'ula Master Plan. No progress.

Next Affordable Housing Task Force meeting scheduled for Monday, March 10, 2008 at Pi'ikoi Conference Room A.

Auction Results:

The Department held a public auction on February 26, 2008 to dispose of various equipment and vehicles. The all items offered for sale were used and sold on a “where is” and “as is” basis. The net proceeds from the auction totalled about \$18K.

After the auction, the remaining items will be disposed with the exception of the two service trucks. The Department will be conducting a “Sealed Bid Sale” on Tuesday, March 25, 2008. The solicitation ad for this sale will be in the Wednesday, March 12th issue of The Garden Island.

The Department wishes to thank the Fiscal and Operations Divisions for coordinating and assisting with the public auction. Special thanks to Paul and his staff for organizing the details and processing the necessary paperwork to complete each transaction. Also, we wish to acknowledge Fay Tateishi for all her work and especially for “volunteering” to be our auctioneer.

Letter of Appreciation

The Department received a letter from residents in Kupolo expressing their appreciation to the Operations Division for installing a new pressure reducing valve and temporary waterline to increase the water pressure in the area. Thanks to Bill and staff for organizing and completing the needed repairs.

The Manager's Update was received for the record and placed on file.

Lunch Recess: 1:15 p.m. to 1:50 p.m. Mr. Costa was excused from the meeting at about 1:40 p.m.

OLD BUSINESS

Re: Discussion, deliberation and decision-making or action regarding steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer for the Kauai Water Department

Chair Oyama reported that Cooperative Personnel Services (CPS) was present at the January 2008 meeting to review their scope of services and recruitment strategy with the Board in Executive Session. In accordance with the County Charter, the Board is tasked with hiring the Manager.

CPS submitted an updated summary of the work completed as of March 10, 2008 for the Board's information as follows:

RECRUITMENT OPENED: Friday, February 1st
FINAL FILING DATE: Friday, March 7th

PRINT ADVERTISEMENTS:

- Honolulu Star Advertiser, Honolulu Star Bulletin, Maui News, Hawaii Tribune Herald

The secretary explained that the ad was not in The Garden Island Newspaper as CPS informed us that if you advertise in the Honolulu Advertiser, you could also advertise in the Kauai Island News. CPS felt that there was a broader base that received the Kauai Island News than The Garden Island Newspaper. On query to Chair Oyama, he concurred with CPS' decision to advertise locally via the Kauai Island News/Honolulu Advertiser.

WEB POSTINGS (all ongoing unless otherwise noted)

- American Water Works Association
- American Water Works Association (Hawaii Chapter)
- American Society of Civil Engineer
- National Association of Clean Water Agencies
- Hawaii Jobs on Demand
- Jobs Hawaii
- Kauai Help Wanted

OUTREACH

- Sending over 600 letters and brochures to potential candidates and referral sources on February 11th
- Sent 120e-mails and electronic brochures to members of AWWA and ASCE Hawaii members

CANDIDATE INTEREST

- 41 applications received
- 10 candidates scheduled for phone interviews

The secretary reminded the Board of the upcoming Special Board Meetings that would be held in Executive Session for the Manager recruitment. The meetings will be held on Monday, March 24, 2008 at 10:00 a.m. for the Board to review the top

candidates and Friday, April 18, 2008 at 10:00 a.m. at the DOW's Board Room for the Board to interview the top candidates.

The Board requested the Secretary to get the following:

1. info on any Hawaii applicants.
2. copies of all the applications, whether they qualified or not

It was so noted.

Mr. Fujimoto moved to accept the Manager Recruitment Report and place on file, seconded by Ms. Sakoda; motion was carried.

Re: Job No. 02-07, PLH-16, Amendment No. 1 to Pump, Controls and Connecting Pipeline for Hanamaulu Well No. 4, Hanamaulu, Kauai

RECOMMENDATION: It was recommended that the Board approve Amendment No. 1 to Fukunaga & Associates, Inc. to delete the preparation and processing of the environmental assessment (EA) for this project.

FUNDING:

Total Fund Available \$139,950.00

Contract No. 415, Fukunaga & Associates, Inc.

Job No. 02-07, Pump, Controls and Connecting Pipeline
For Hanamaulu Well #4..... <\$133,300.00>

Amendment #1..... \$ 13,600.00

Revised Contract Amount <\$119,700.00>

Balance Remaining \$ 20,250.00

BACKGROUND:

The environmental assessment for this project was included and covered under the Department's Job No. 96-1, Lihue and Hanamaulu Development Projects and therefore is being deleted from this project.

Ms. Sakoda moved to approve Amendment No. 1 to Fukunaga & Associates, Inc. to delete the preparation and processing of the environmental assessment (EA) for this project, seconded by Mr. Kahawai; motion was carried.

Re: Job No. 04-06, KW-05, KWS-20, Waimea Well "A" Renovation, Kekaha Well "B" Renovation, Kekaha-Waimea Water System, Kekaha-Waimea, Kaua'i, Hawai'i

RECOMMENDATION: It was recommended that the Board approve the second contract amendment for this project for the testing of hazardous materials in the existing control buildings.

FUNDING:

Total Fund Available \$417,000.00

Contract No. 462, Engineering Solutions, Inc.	
Job No. 04-06, Waimea Well A and	
Kekaha Well Renovations	\$396,548.00
Amendment #2	<u>\$ 19,005.00</u>
Total Required	<u>\$415,553.00</u>
Balance Remaining	\$ 1,447.00

BACKGROUND:

The existing building being renovated at the Waimea Well A and Kekaha Well B may contain hazardous materials including asbestos and lead paint. This needs to be tested and verified prior to the building renovations.

The project consultant, Engineering Solutions, Inc. has submitted a proposal of \$19,005.00 for the work, which appears reasonable.

Mr. Crowell moved to approve the second contract amendment for this project for the testing of hazardous materials in the existing control buildings, seconded by Mr. D. Fujimoto; motion was carried.

Re: Job No. 92-4, KP-01, Koloa Well F, Poipu, Kauai

RECOMMENDATION:

It was recommended that the Board approve Change Order #10 to Goodfellow Brothers for this project to:

1. Install four valve markers.
2. Revise chlorine leak detection monitoring system.

It was further recommended that the Board reallocate \$9,829.75 from Account No. 106B, CIP Reserve to fund the balance required.

FUNDING:

Total Fund Available	\$1,977,500.00
Contract No. 443, Goodfellow Brothers, Inc.	
Job No. 92-04, Koloa Well F, Pump,	
Controls and Pipeline	\$1,975,429.75
Change Order #10	<u>\$ 11,900.00</u>
Total Required	<u>\$1,987,329.75</u>
Additional Funds Required, Account No. 106B, CIP Reserve	<u><\$ 9,829.75></u>

BACKGROUND:

1. The connecting pipeline for the Koloa Well F Project was since installed along a remote and seldom used dirt access road, formally used by the plantation for hauling sugar cane. The road is no longer used extensively; locating the valves in the future may be very difficult. The installation of the valve markers will provide ease in locating the valves, which may be critical during emergencies.
2. The chlorine leak detection monitor system installation needs to be revised as it will not operate as designed. (Separate conduits for ac and dc voltages are needed for proper operations.)

The project contractor, Goodfellow Brothers, Inc. submitted a proposal of \$11,900.00 for the work, which appears reasonable.

Mr. Crowell moved to approve Change Order #10 to Goodfellow Brothers for this project to install four valve markers, revise chlorine leak detection monitoring system, and to reallocate \$9,829.75 from Account No. 106B, CIP Reserve to fund the balance required, seconded by Mr. D. Fujimoto; motion was carried.

Re: Election of the 2008 Board Secretary, Effective April 1, 2008

The Board of Water Supply, at its December 13, 2007 Board Meeting approved the slate of officers, which included Bernie Sakoda as Board's secretary during the duration of her carryover term. Her term expires as of March 31, 2008; therefore, a new Board Secretary is needed for the remainder of 2008.

The Committee of the Whole nominated Dee Crowell to be the Board Secretary for the remainder of 2008 and referred this action to the full Board.

Mr. D. Fujimoto moved to approve Dee Crowell as the Board's Secretary, seconded by Mr. Kahawai; motion was carried.

Re: Proposed Amendments and Schedule of Events for the Amendment of the Rules and Water System Standards, as Amended, of the Board of Water Supply, County of Kaua'i, State of Hawaii

RECOMMENDATION:

As per the Rules Committee Report, the DOW requests concurrence from the full Board to proceed to publish for a public hearing on Thursday, May 8, 2008. We also request that the Thursday, June 19, 2008 Board Meeting be changed to Thursday, June 5, 2008 in order to make the June 30, 2008 deadline of the sunset of the present WSS rule on fire protection.

This is the tentative schedule of events for this rule-making process:

Wednesday, April 8, 2008:

- 30-day deadline to advertise for the May 8, 2008 Public Hearing

Thursday, May 8, 2008:

- Public Hearing and Water Board Meeting

Friday, May 9, 2008:

- Deadline date for final proposed rule amendment submittals and public hearing minutes to SBRRB

Wednesday, May 21, 2008:

- Small Business Regulatory Review Board (SBRRB) Board Meeting
- Soon thereafter, SBRRB to submit written confirmation of their support of our proposed rule amendment.

Friday, May 30, 2008:

- Water Board Agenda to be noticed at the County Clerk's Office per Sunshine Law
- Water Board Agenda to be finalized and delivered with the final rule amendment in rule form and SBRRB final comments.

Thursday, June 5, 2008:

- Water Board Meeting: Board to review/approve/sign the final rule amendment

Rule Approval Followup:

- Start signature process to get signatures of County Attorney/Mayor/County Clerk on the final rule amendment
- The rule is in effect 10 days after the County Clerk signs the rule; therefore, we would need to get the County Clerk to sign the rule no later than June 20, 2008 in order for the rule to be in effect by June 30, 2008.

Mr. Kahawai moved to approve the rulemaking process for the proposed rule amendments with a public hearing to be set on Thursday, May 8, 2008; motion was carried.

Re: Final Annual Audit Report

RECOMMENDATION:

It was recommended that the Board approve the final annual audit for July 1, 2006 to June 30, 2007.

FUNDING: n/a

BACKGROUND:

The Board of Water Supply, at its February 14, 2008 Finance Committee Meeting, accepted the draft report on the Department of Water's annual audit. Our auditor, KMH, LLP, has finalized the annual audit, which was given to the Board as part of their agenda.

On query by Mr. Kahawai, Waterworks Controller Ganaden that he called the Honolulu Board of Water Supply (HBWS) and their ratio is 4 to 1 as compared to the Kauai Department of Water (KDOW) at 3.1 to 1 ratio, with the HBWS being 10 times bigger than the KDOW.

Mr. Kahawai moved to approve the Annual Audit, seconded by Mr. D. Fujimoto; motion was carried.

Re: Revised Conveyance of Water Facility from Self-Help Housing Corporation, for Parcel 4 Subdivision, S-2004-34, TMK: (4) 3-3-03:040, Puhi, Kauai, Hawaii

It was recommended that the revised Conveyance of Water Facility document be approved; whereby Self-Help Housing Corporation transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline:

- 181 linear feet of 8" Ductile Iron Waterline, in place complete
- 646 linear feet of 6" Ductile Iron Waterline, in place complete
- 307 linear feet of 4" Ductile Iron Waterline, in place complete
- 1 ea. 8" Gate Valves, including C.I. Valve Box and Cover
- 4 ea. 6" Gate Valves, including C.I. Valve Box and Cover
- 1 ea. 1-inch copper air relief valve assembly, in place complete
- 19 ea. 1 ½ inch Copper Double Service Lateral for 5/8-inch water meter, in place complete
- 3 ea. 1-inch Copper Single Service Lateral for 5/8-inch water meter, in place complete
- 2 ea. Cleanout and Riser, in place complete

Fire Hydrants:

- 2 ea. Fire Hydrant Assembly with 1 – 4 ½" & 1 – 2 ½" Outlet, in place complete.
- 2 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 PARCEL 4 SUBDIVISION prepared by Esaki Surveying and Mapping, Inc., Puhi, Kauai, Hawaii.

Mr. D. Fujimoto moved to approve the Conveyance of Water Facility for the Self-Help Housing Corporation, for Parcel 4 Subdivision, as amended, seconded by Mr. Crowell; motion was carried.

REPORTS

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

Mr. Crowell moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures report and placed on file, seconded by Mr. D. Fujimoto; motion was carried.

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

Public Relations Specialist Faith Shiramizu gave the following report:

Re: Public Relations Update

Employee Events: The Fun Committee has decided to organize 3 hiking events for 2008. The first will be Saturday, March 15th, on the officially opened coastal path in Kapa'a. Other possible activities based on survey results are golfing, line dancing, bowling and fishing. The Board is welcome to all Fun events.

County Employee Council upcoming events include; March of Dimes WalkAmerica, Troy Barboza Torch Run, Employees Awards Banquet, MS Charity Walk and the American Cancer Society Relay for Life.

Automated Meter Reader: Communication to the general public as well as our employees is in full gear. A letter and brochure with Frequently Asked Questions (FAQ) was mailed out to all billing addresses on record (thanks to Jeff and Sandi), a press release was sent out via the County PIO, radio ads have been converted to AMR messages, a message has been added to the bills, and the FAQ brochure has been added to the DOW website.

Mini training sessions are also being conducted for all front office employees as well as supervisors and staff in Operations that may be answering phone calls from the public. The goal is to provide positive customer service by informing DOW employees so they may be able to answer questions without having to transfer the customer's call to others. As questions come in, I will try to share the questions and answers with fellow employees and the Board so everyone can have the same information for customers. We will also update everyone on what area is being affected as PMI moves throughout the island.

Kuleana Show: The Mayor's Kuleana Show will be featuring the Department of Water in April. The topic will be the new AMR system. Don Shuler from Professional Meters, Inc. will be creating a video covering the process customers can expect, from notification, to installation, reading and billing. We've been working on specific information to be covered, which will also include everything found in the FAQ brochure.

University of Hawai'i Career Fair: Preparing to attend the University of Hawai'i, College of Engineering 2008 Spring Career Day on Friday, March 14th. The DOW was fortunate to be invited by the County of Kaua'i Department of Personnel Services along with Public Works Department to make an effort at recruiting students in the engineering field.

2007 DOW Employee of the Year: Rona Miura.

Ms. Sakoda complimented on how nice the DOW's front yard looks!! Thanks to the DOW staff: Concrete trim was done by Serf Galvez, Peter Sapinoso, Clyde Kojiri and John Camelo and the plant trimming was done by Russell Coyaso and Darren Galas. Thanks guys, good job!

EXECUTIVE SESSION:

3. ES-2008-3 - Pursuant to Hawai'i Revised Statutes §§92-4 and 92-5(a)(4), the purpose of this executive session is to discuss and consult with staff and the Board's legal counsel on the legal issues relating to activities and programs proposed by the Department of Water's Strategic Plan Issue I Champions and to consult with the Board's legal counsel on questions and issues relating to the Board's powers, duties, privileges, immunities, and/or liabilities and take such action as the Board may deem appropriate with respect to the foregoing item.

Chair Oyama read the Executive Meeting Session notice for ES-2008-3 above. There was no Board discussion and no public testimony. Ms. Sakoda moved to enter into Executive Session at 2:10 p.m., seconded by Mr. Kahawai; motion was carried. Staff was excused from the meeting.

The Regular Meeting was called back to order at 2:28 p.m.

Mr. Sakoda moved to receive the Public Relations Update and placed on file, seconded by Mr. Kahawai; motion was carried.

RE: SUMMARY REPORT OF MONTHLY OPERATIONAL MAINTENANCE:

For the Board's information, a written report of the DOW's monthly operational maintenance was submitted to the Board by Acting Chief of Operations William Eddy.

On query by Ms. Sakoda, Mr. Eddy stated that a couple of the extra equipment that was not sold in the February, 2008 auction will be sold at a 2nd sealed bid auction at the end of March, 2008.

Ms. Sakoda moved to approve the Operational Maintenance Report, seconded by Mr. Kahawai; motion was carried.

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

This matter was taken care of at the Finance Committee Meeting.

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

This matter was taken care of at the Rules Committee Meeting.

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

Updates of Strategic Goals and Implementation Status Report from the Issue Champions:

PR Specialist Shiramizu reported to the Board and gave an updated summary from the issue champions:

Issue No. 1, Morale:

- a. Fun Committee – as reported in the PR Report, the Fun Committee has renewed energy and will be planning more than the two activities a year initially reported.
- b. Rewards and Recognition Committee – Initiated the WATER Bucks program, although the program is in place, it was brought to the Manager and Issue Champions attention that such a program would need a release of authorization from the Mayor to the Manager to allow the use of county funds to run such a program. Wynne approached the Mayor who liked the idea but felt that DPS should have input in the decision. A memo requesting input

accompanied by the program information was sent to the Director of Personnel Services. Additional work is needed to complete the process, and is being handled by the Issue Co-Champions. We hope to have this resolved before the end of the first quarter when the first WATER Buck rewards should be present to employees.

- c. Policies and Procedures –Training for supervisors on policies and procedures is being organized. Once supervisors have received training on a specific policy, that same policy will be reviewed at the following Employee Monthly Meeting, at which point there should be full implementation of that policy.

Issue No. 2, Strong and Qualified Workforce:

- a. Operations Re-Organization packet sent to DPS and Mayor's Office (March 7, 2008).
- b. Engineering Re-Organization is in effect. There is now an Engineering Division and Special Projects Division. And, the vacant Civil Engineer VII position is located in Administration.
- c. Training on specific policies for supervisors is being arranged to help them understand their responsibilities in enforcement of these policies.
- d. Researching the hiring of an assistant for our Acting Manager and Chief Engineer (an assistant or contract hire).
- e. County Progressive Discipline Policy has been in place since September 1991 and referred to at times as a guide when administering disciplinary action at the DOW. Letters to HGEA and UPW notifying them of the implementation of the progressive disciplinary action policy, in compliance with the respective BU contract agreements have been drafted. Training will be set up for supervisors and all employees will be notified of the policy and practice (as noted under Issue #1). Implementation will then be expected by all employees.

Issue No. 3, Water Quality:

- a. One of the primary goals of Issue No. 3, A safe, reliable and sustainable water supply must be assured, is to maintain and upgrade the infrastructure water system. The Board has tasked the Department to prepare a request for proposal to select a program manager for the Water Plan 2020 Sustainability Plan. An RFP Committee has been established and the process for selecting the program manager is ongoing.
- b. The location for a third sampling station has been found and will soon be installed by operations
- c. Main break monitoring work process is in place, but communication and coordination with Ops is being worked out.

Issue No. 4, Workplace Efficiencies:

- a. Written documentation on each DOW division's work processes. This documentation would ensure that we are all on the same page to completely finish a work process and will also help other divisions to understand what the process is, which may result in a bonus of improving morale in some areas as the internal and external customer benefits. This would also help with succession planning when our employees retire to assist with an easier transition as new employees come on board. Each division head/supervisor has assigned 1-2 people in their area to be responsible to document their work processes

(1) Microsoft Visio software can do flow charts to assist staff in visually documenting work processes.

- i. Our IT personnel installed the software in mid-February, 2008.
- ii. Training was done the last week of February, 2008.
 - 1. Personnel trained were:
 - 2. Fiscal: Fay Tateishi (Accounting Sec.) and Vicki Kobayashi (Billing Sec.)
 - 3. Operations: Gerry Yamamoto
 - 4. Admin.: Margie Loo, Bekki Malapit, Deb Togioka and Rona Miura

- b. Implement State-of-the-Art Technologies for Efficient System Operation

(1) The main technology that is presently being worked on is the Automated Meter Reading (AMR) system, which is an ongoing project and implementation is upcoming by mid-March, 2008 for the first test pilot area at Isenberg/Kapaia areas.

Issue No. 5, Accountability:

- a. Cell Phone Policy - Pending approval
- b. Attendance Policy - Bill will set a deadline for response by peer review, then compile the comments and submit a revised draft for approval by our Acting Manager and Chief Engineer.

On query by Ms. Sakoda, Acting Manager Ushigome reported on some progress of our personnel action requests that the two EM-3 positions were reallocated to EM-5. The existing EM-7 position that previously supervised the Design and Construction Section and the Special Projects Section has been moved to the Administration Division on the Table of Organization.

Affordable Housing:

An updated progress report on the Affordable Housing Projects was submitted to the Board by Mark Salmon with RW Beck for their review. It included a progress report for each project and of note was that in many cases the estimated dates for when the projects will be in service have been revised outward.

Details are provided below.

- ✓ The Kapilimao 0.5 MG Storage Tank final design is complete with the exception of permits. The current schedule shows that all permits will be acquired by the end of May '08.
- ✓ AMFAC Shaft 11 Renovation Phase 1B (Field Pump Testing) hazardous materials sampling and testing are complete and a draft report has been submitted to DOW. The pump testing is scheduled for the week of March 17, after a slight delay due to wet weather.
- ✓ The early start of Phase 2 of AMFAC Shaft 11 Renovation is delayed pending completion of the consultant procurement process. Depending upon the consultant selected, contract negotiations may further delay the start.
- ✓ Staff and consultant are currently obtaining right-of-entry from adjacent landowner at the Kapahi 1.0 MG Storage Tank. Topographic surveying is complete. Environmental and geotechnical field work is underway.
- ✓ Final design for the Kapa'a Homesteads 0.5 MG Storage Tank is complete. DOW staff reports that insufficient funding is available to proceed with construction.
- ✓ The contract for the initial phase of Kapa'a Homesteads Well No. 4 is executed and a notice to proceed has been issued.
- ✓ SSFM continues final design of the Akulikuli Tunnel renovation. An early March meeting between consultant and DOW staff provided valuable information and facilitated continuation of design. All environmental field work is complete and the Draft EA is being prepared. The geotechnical report was submitted and comments returned.

Affordable Housing Projects

Although not directly a part of Plan Implementation, a summary of the Affordable Housing Project activities was included for the Board's reference.

Mark Salmon's Projects' Reports:

1. **(KW-25), Kapilimao 0.5 MG Tank-Summary Project Status: March '08**
Project Manager: Mark Salmon -- Design Consultant: Brown and Caldwell

Work underway: permitting

Work ahead: permitting, construction

Current Major Area of Focus: permitting

Potential obstacles: none currently

Tentative Date Project in Service: December 2009

- Summary: Design complete. EA complete and FONSI published. Use and Zoning Permit application submitted to the County of Kauai on February 8, 2008.
- Contract Status: Design contract executed.
- Schedule: Schedule extended due to permit acquisition. Construction expected to start early 2009.
- Permits: County use and zoning permits are primary outstanding permits.
- Land & Easements: Draft easement maps complete.
- Agency Coordination: See Permits.
- Problems and Proposed Mitigation: Project delayed due to County permits.

2. (KW-28), Amfac Shaft 11 Renovation–Summary Project Status: March '08

Project Manager: Mark Salmon -- Design Consultant: Brown and Caldwell

Work underway: Hazardous materials sampling and pump testing.

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: site demolition, HAZMAT testing and pump testing preparation

Potential Obstacles: water quantity and quality unknown – testing pending

Tentative Date Project in Service: December 2009

- Summary: Phase 1B – On-site HAZMAT sampling is complete, and a draft report has been submitted to DOW. Pump testing is scheduled for week of March 17. Field work for HAZMAT and pump testing delayed from original schedule due to insurance issues and wet weather. Overall Phase 1B project schedule extended by one week.
- Contract Status: Phase 1B contract complete. Phase 2 contract was delayed pending completion of consultant procurement.
- Schedule: Phase 1B okay. See Problems and Proposed Mitigation below for Phase 2.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Consultant procurement process delaying start of Phase 2 (final design).

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

Project Manager: Mark Salmon -- Design Consultant: Belt, Collins

Work underway: final design

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: Final design, updated schedule

Potential obstacles: easement acquisition from private landowner

Tentative Date Project in Service: March, 2009

- Summary: Final design continues. Environmental & geotechnical field work began.
- Contract Status: Final design contract executed.
- Schedule: Current schedule shows project completion in March '09. Updated schedule due.
- Permits: No issues.
- Land & Easements: Consultant and DOW staff obtaining right-of-entry from adjacent landowner for surveying and other engineering investigations.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Project configuration and landowner issues not yet resolved. Analysis and final resolution part of current phase scope of work.

4. (WK-09)Kapa'a Homesteads 0.5 MG Storage Tank–Summary Status Report–March '08

Project Manager: Mark Salmon --- Design Consultant: Belt, Collins

Work underway: final design

Work ahead: bidding and construction

Current Major Area of Focus: final construction documents

Potential obstacles: none currently

Tentative Date Project in Service: July 2009

- Summary: Engineering work is complete. Project is now ready for advertisement and bidding by DOW staff. Current amount in budget for construction is \$2.2 million. Engineer's estimate is \$3.6 million. DOW reports that insufficient funding is available to proceed with construction.
- Contract Status: Contract complete.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Insufficient funding available to proceed with construction.

5. (WK-39) Kapa'a Homesteads Well No. 4--Summary Status Report--March '08

Project Manager: Mark Salmon
 Design Consultant: HDR Engineering (Hawaii Pacific Engineers)

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 2009

- Summary: Final contract signed and NTP issued dated March 17, 2008. Kickoff meeting with DOW staff and consultant is being scheduled for near the NTP date.
- Contract Status: See above.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: No issues.

6. (WK-02) Akulikuli Tunnel Renovation--Summary Status Report -- March '08

Project Manager: Mark Salmon -- Design Consultant: SSFM Int'l

Work underway: final design

Work ahead: final design, environmental/permitting and construction

Current Major Area of Focus: EA. access road alignment, wetlands mitigation

Potential obstacles: water quantity and quality unknown -- potential addition of treatment

Tentative Date Project in Service: December 2008

- Summary: Final design underway. A March 3rd meeting and field visit with DOW staff was very productive and the design consultant received some valuable information and direction. Consideration is being given to moving the access road onto property adjacent to DOW to avoid wetlands.
- Contract Status: No issues.
- Schedule: Revised project schedule due.
- Permits: No issues.
- Land & Easements: Access road may be shifted away from the wetlands on DOW property and onto property and onto pastureland owned by an adjacent landowner. If so, an easement for the access road will be needed.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: No issues.

Re: Request for Proposal (RFP) for Program Manager

Acting Manager Ushigome reported on the following:

RFP Status Report

RFP Committee has completed its work. Based on last month's meeting and discussion, the Board requested RW Beck be available to discuss the finding and concerns of the "Program Manager". Tom Jacobs was suppose to be available by telephone to discuss any questions or concerns of the Board; however, they decided that a conference call would not be the best type of communication; therefore, a meeting will be setup with Ann Hajnosz of the RW Beck firm, who will be on island for another meeting on Wednesday, April 9, 2008 and has time to meet with the DOW.

Acting Manager Ushigome reviewed that there were many issues that arose as a result of the work done by the RFP Committee for the Program Manager, like privatization, funding of the projects, etc.; therefore, the Board needs to revisit the Water Plan 2020 Program and consultant services.

Acting Manager Ushigome invited Board Chair and another Board member to attend the April 9, 2008 meeting with RW Beck so they can answer any of the Board's questions.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that initially RW Beck proposed that the DOW should outsource and hire a Program Manager, which they hoped to get that job and then transfer the knowledge to the staff. She added that they never focused on getting more positions internally to support Water Plan 2020.

Mr. D. Fujimoto added that the Board needs to look at options, for example, a study could be done to see how much staff we would need if we wanted to do Water Plan 2020 in-house.

On query by Acting Manager Ushigome, Mr. D. Fujimoto stated that the new Board members should be given a heads up on what RW Beck was initially tasked to do and anything else up to present day.

On query by Mr. D. Fujimoto, Acting Manager Ushigome stated that if the Board wanted to go to the next step to do a \$180 million bond to fund the Water Plan 2020 projects, Waterworks Controller Ganaden would have worked with RW Beck under a separate contract for a Water Rate Study to see how the RFP would be implemented. However, the current status of the RFP has been found that it is not a viable avenue. She added that the DOW does have an annual 8-1/2 percent water rate increase until 2010 that will help financially. As 2010 gets near, Acting Manager Ushigome felt that another Water Rate and FRC Study would be needed to see how the DOW would proceed thereafter.

Mr. D. Fujimoto felt that a Board workshop with RW Beck would be good to hear a summary of all that RW Beck did for the DOW and Board, where we are today and their next step recommendations. Mr. D. Fujimoto suggested that Ann Hajnosz

should have Dave Jochim give her a heads up on what transpired previously to assist in her presentation to the Board.

Acting Manager Ushigome will report back to the Board on the results of the April 9th meeting with RW Beck.

Status of CEVII – Engineering Division Reorganization Proposal:

Currently, the table of organization of the Department reflects the Civil Engineer VII (formally Chief of Engineering) in the Administration Division. However, (to date) we have not re-submitted the position description back to the Department of Personnel Services. Since the CE VII would be in-charge and tasked with over-seeing the Program Manager in implementing the WP2020 Sustainability Program, I recommend the Board resolve whether how (or, if) they will proceed with issuing an RFP for the Program Manager.

Ms. Sakoda moved to receive the reports and placed on file, seconded by Mr. Kahawai; motion was carried.

ADJOURNMENT:

There being no further business, the meeting was duly adjourned at 3:07 p.m.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer
rm