

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, May 13, 2010

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Thursday, May 13, 2010. Chairperson Randall Nishimura called the meeting to order at 10:40 a.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Ian Costa
Mr. Donald Fujimoto
Mr. Leland Kahawai
Mr. Roy Oyama (was excused and left meeting at about 12 noon)

Absent & Excused: Mr. Dee Crowell
Mr. Raymond McCormick

STAFF: Mr. David Craddick
Mr. William Eddy
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
DOW's Deputy County Attorney Andrea Suzuki
Board's Deputy County Attorney Amy Esaki

GUESTS: Mr. Eugene Jimenez, County Housing Agency Director (left at about 11:55 am)
Mr. Gary Mackler, County Housing Agency (left at about 11:55 am)
Ms. Barbara Pendragon, County Housing Agency (left at about 11:55 am)

Ms. Emi Tanihiro (left at about 10:55 am)
Ms. Karen Goo (left at about 10:55 am)

AGENDA:

Chair Nishimura requested to have the Resolutions 12-15 to be taken up after Correspondence and New Business H1, Presentation by the County Housing Agency to be taken up after Old Business, G1, Strategic Plan Update.

As there were no objections, the Agenda was so re-ordered by Chair Nishimura.

MINUTES:

Mr. Costa moved to receive the Regular Meeting Minutes of April 15, 2010, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Letter from DOW to Mayor Bernard Carvalho Jr. Regarding the DOW's Water Plan 2020 CIP Plan, Phase 1 and 2 Update Project List

Chair Nishimura explained that this was one of the Manager's goals that was accomplished when it was sent to the Mayor's Office on April 20, 2010.

Mr. Costa moved to receive the DOW's letter to Mayor Carvalho, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

NEW BUSINESS

The following resolutions were approved by the Board and then each resolution was read and presented to each employee at the meeting.

Re: Resolution No. 12, (09/10), Congratulations Faith Shiramizu, 2009 DOW Employee of the Year

Mr. Costa moved to approve Resolution No. 12 (09/10), Congratulations Faith Shiramizu, 2009 DOW Employee of the Year, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Resolution Nos. 13, 14, and 15, (09/10), Mahalo and Aloha Retirees Emi Tanihiro, Bruce Inouye and Karen Goo

Mr. Costa moved to approve Resolution Nos. 13,14, and 15 (09/10), Mahalo and Aloha Emi Tanihiro, Bruce Inouye and Karen Goo, respectively, who all will be retiring from the Department of Water as of June 1, 2010, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

(Ms. Tanihiro and Ms. Goo left the meeting at about 10:55 a.m. Recess: 10:55 – 11:05 am)

OLD BUSINESS:

Re: Report from Issue Champions

Issue No. 1, Morale:

1) Fun Committee Events:

- a) The Fun Committee created a list of Tentative Activities for the year 2010 which were emailed to employees and presented at the Employee Meeting on March 31st. These tentative 2010 activities include 2 hikes (Sleeping Giant and the Bike Path), 2010 Pau Hana Annual Family Cookout, 6th Annual Golf Tournament, Meal for the people at the Homeless Shelter, and gifts for the Angel Tree.
- b) We are currently awaiting feedback and volunteers to move forward on some of these events.

2) Rewards Committee:

- a) First Quarter Water Bucks were presented to Margie Loo (Margie received 2 water bucks!), and Scott Shibuya.....with Congratulations going to our Employee of the 1st Quarter: Margie Loo.
- b) The four Employee of the Quarters were automatically nominated for the Employee of the Year. There were also two additional nominations, Dustin Moises and Faith Shiramizu. A selection committee was created by drawing names from each division. This committee was then presented with the write up on each of the nominations, then given the opportunity to vote. Congratulations to Faith Shiramizu, our 2009 Employee of the Year.
- c) The Rewards Committee continues to urge all division heads and managers to actively assist with the success of this Committee's mission, which is to reward positive behaviors to our DOW employees, for being proactive, being helpful, going the extra mile, doing outstanding work, etc. Rewards are via our Water Bucks Program, which we are already familiar with, for any employee that deserves recognition for a 'job well done'. All employees are issued 2 water bucks and will be replenished if given out. Check with Margie Loo, our new Water Bucks Coordinator, if you need an additional supply of Water Bucks. Thanks for your continued support!!

Issue No. 2, Strong and Qualified Workforce:

Updated April 6, 2010

RECRUITMENT:

Ops Division:

1. Water Service Supervisor III position filled effective February 16, 2010.
2. Clerk Dispatcher II position filled effective February 16, 2010.
3. Waterworks Inspector II filled as of April 1, 2010.
4. Lead Pipefitter vacancies due to promotion. Position description pending review by DPS.
5. Operations Division Account Clerk vacancy due to promotion. Pending review of updated position description by DPS.
6. Operations Re-organization pending review by DPS.

Fiscal Division:

1. Accountant IV position filled effective February 16, 2010.
2. Accountant II position description update pending review by Department of Personnel Services (DPS).

Engineering Divisions:

1. Civil Engineer V vacancies in Engineering and Special Projects. Interviews being scheduled.
2. Project Assistant (Special Projects Division). Interview questions being prepared.

Administration Division:

1. Computer Systems Support Technician I. Selection is underway.
2. Commission Support Clerk resumés are being reviewed. Interviews pending.
3. Summer Interns applications being received. Application closing date: April 16, 2010.

Issue No. 3, Water Quality:

1. Sample site work order for Kuamoo Rd. submitted in September, but no work yet. Operations requested a different site be selected. Currently using the old Poliahu State Park site since they have constructed a new bathroom.
2. New sites chosen for routine sampling to replace sites that were hard to access or have been removed
3. Main break monitoring on hold, pending finalizing procedures and follow up between both the Lab and Operations. In the meantime, Peggy is informally checking on mainline breaks.
4. New Issue #3 champion or co-champion should be from Operations.
5. Decided to go with Triggered Monitoring Plan for the new GWR. Plan submitted to SDWB (accepted by SDWB).
6. Sampling sources to see if any will present problems with fecal indicators if triggered monitoring is required. So far only Garlinghouse Tunnel seems to be problematic.
7. Kalaheo, Lawai/Omao and Koloa have to be one system under the GWR. We propose to call it Kalaheo/Koloa System #434. The proposed system has been submitted to SDWB. We are awaiting approval. Has been approved as of 12/1/09.

Status Of Water Plan 2020 Projects:

PROJECTS UNDER DESIGN:

- 1) Job 03-02, HW-03, (Phase II), Wainiha Booster and Haena Tank Renovations (Consultant: Brown & Caldwell) – Consultant preparing the revised plans and specifications to address the DOW's review comments.
- 2) Job 02-18 WK-32 Phase II, Kaehulua Road Waterline (Consultant: Fukunaga & Associates)
 - a. Pre-bid Meeting scheduled for April 7, 2010.
 - b. Bid Opening scheduled for April 22, 2010.
- 3) Job 04-02, WK-14 Phase II, Apopo Road Waterline (Consultant: Fukunaga & Associates)
 - a. Pre-bid Meeting scheduled for April 7, 2010.
 - b. Bid Opening scheduled for April 22, 2010.
- 4) Job No. KW-28 Amfac Shaft (Consultant: Brown & Caldwell)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.
- 5) Job 02-06, WKK-15 Kilauea Tank #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed tank site.
- 6) Job 05-02, H-8 Drill and Test Hanalei Well #2 (Consultant: Kodani & Associates) – Negotiating with landowners of the proposed well site.
- 7) Job 05-02, HW-12 Drill and Test Wainiha Well #4 (Consultant: Kodani & Associates) – Consultant preparing the Environmental Assessment.
- 8) Job 02-14, WK-08, Kapahi (Ornellas) Tank (Consultant: Belt Collins)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.

- 9) Job WK-39 Kapaa Homesteads Well #4 (Consultant: Hawaii Pacific Engineers)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.
- 10) Job No. 02-24, WK-02 Renovate Akulikuli Tunnel, Phase 2 (Consultant: SSFM International)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.

PROJECTS UNDER CONSTRUCTION:

- 1) Job 05-03, KW-25, 03-03, KW-24, Kapilimao 0.5MG Tank and 03-03 Generator Shelter (Consultants: Brown and Caldwell, Kodani & Associates)(Contractor: Kauai Builders)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.
- 2) Job 02-14, WK-09, 03-03, WK-15, Kapaa Homesteads 0.5 MG Tank and Makaleha Generator Shelter (Consultants: Belt Collins, Kodani & Associates, Contractor: Kauai Builders)
 - a. Refer to the Manager's Report for Affordable Housing Projects – Quarterly Summary Status as of March 2010.
- 3) Job WK-42 Phase I, 1 MG Stable Tank and Control Valves (Consultant: Tom Nance Water Resource Engineering, Contractor: Kauai Builders) – Project is 74% complete.
- 4) Job WK-42 Phase II, Kaapuni Road Waterline for Stable Tank (Consultant: Hawaii Pacific Engineers, Contractor: Earthworks Pacific, Inc.) – Project is 90% complete.
- 5) Job 02-18, WK-32, 04-02, WK-14, Phase I, Kaehulua & Apopo Roads Waterlines (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific, Inc.) – Project is 88% complete.
- 6) Job 97-10, WKK-14 Kilauea Booster Pump Station (Consultant: Austin Tsutsumi, Contractor: Oceanic Companies) – Project is 96% complete.
- 7) Job No. 05-04, KW-27, 12-Inch Waterline along Kaumualii Highway, Elepaio Road to Huakai Road, Kekaha (Consultant: Fukunaga & Associates, Contractor: Earthworks Pacific) – Project is 100% complete.
- 8) Job No. 05-07, K-07, Waha, Wawae, and Niho Road Main Replacement, Kalaheo (Consultant: Akinaka & Associates, Contractor: Koga Engineering & Construction, Inc.) – Project is 100% complete.
- 9) Job No. 04-04, PLH-09, Pipeline Replacement for Lihue Town (Consultant: Akinaka & Associates, Contractor: Cushnie Construction) – Project is 100% complete.
- 10) Job No. 04-06, KW-05 & KW-20, Kekaha Well B Renovations (Consultant: Engineering Solutions, Contractor: Goodfellow Bros.) – Project is 12% complete.
- 11) Job No. 05-01, KW-16 & KW-23, Waimea Town Waterline (Consultant: Hawaii Pacific Engineers, Contractor: Goodfellow Brothers) – Project is 17% complete.

- 12) Job No. 02-03, KW-14 & KW-15, 12" Waterline along Kaumualii Highway and Waimea Canyon Drive (Consultant: Park Engineering, Contractor: Koga Engineering & Construction) – Project is 0% complete. Notice to proceed issued on February 1, 2010.
- 13) Job No. 02-05, HE-10A & PLH-41 12-Inch Waterline along Ulaula & Uliuli Roads, Eleele and 8-Inch Pressure Reducing Valve, 400 GPM Booster Pump & 6" Connecting Main, Nawiliwili (Consultant: Kodani & Associates, Contractor: Earthworks Pacific) – Project is 98% complete.

Issue No. 4, Workplace Efficiencies:

Ongoing:

- a) Jeff Mendez in IT continues to work to broaden our information base for our Geographic Information System (GIS). He is assisted by WR&P's Engineer Heath Prow and Eng. Tech. Cleve Shigematsu.

- 1) Jeff and Heath are in the process of setting up a Geodatabase that will contain all the different types of information that will be used for GIS. This geodatabase will contain data features, such as pipe, tanks, meters, hydrants, etc. We are also determining the attributes or information that describes these features, such as type of material.

They will be 'GPS'ing' all of the water system infrastructure and have begun testing out using our GPS devices by testing on the Anini Water System. They have no formal training on using the devices; therefore, it has been a sort of learning experience for them.

- 2) Current GIS Update by Jeff

After some initial testing in Anini, they began working on the Anahola Water System. They have shot probably 90% of Anahola and are currently drawing in the pipe layer.

GPS shots include all valves, hydrants, tanks, pumps, and water meters. The hardest part right now is finding the maps that show the elevations for the valves.

We hope to complete Anahola by next board meeting and will shortly begin working on the Hanalei System.

Upcoming:

- a) The Issue Champions Committee requested to work on the implementation of the DOW Contract Management System to monitor progress of the DOW's contracts.
- 1) Still work in progress on gathering required information to input into the system.
- 2) Clerical training will follow to assist with updating the projects on the program.
- 3) Implementation of the DOW Contract Management System has been delayed with a new target implementation date of April 1, 2010.
- 4) Once the system works, documentation of the process would be included in the DOW's work process manual.
- b) Envision a department-wide work process manual to be compiled with documentation of any type of divisional work processes to assist with succession planning and to better internal and external customer service

- 1) Processes need to be reviewed and updated.
 - 2) Will be documented using Microsoft Visio software.
 - 3) Will setup internal meetings.
- c) The Issue Champions Committee requested the DOW employee's vacation/sick leave status into a computerized monthly statement, which will eventually be issued as part of the computerized payroll module.

Issue No. 5, Accountability:

- a) Of note, all DOW cell phone users are now all on Verizon.

Mr. Costa moved to receive the Issue Champions Update Report, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

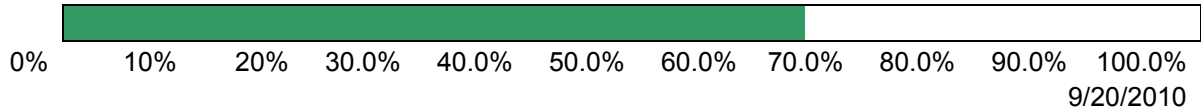
Re: Affordable Housing Projects – Quarterly Summary Status as of April 2010
(formerly prepared by RW Beck)

This report is a summary of progress on the Affordable Housing Projects.

Job No. 05-03, KW-25, Kapilimao 0.5 million gallon tank:

- A. Under construction.

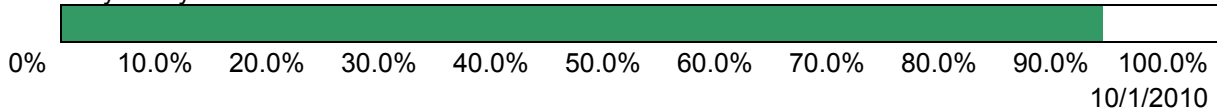
Construction



Job No. KW-28, Amfac Shaft:

- A. Awaiting decision by management to proceed with more testing.

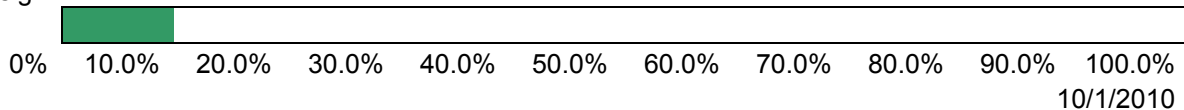
Feasibility Study



Job No. 02-14, WK-08, Kapahi 1.0 million gallon tank:

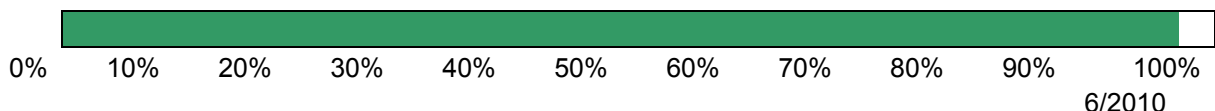
- A. Proceeding with the trapezoidal tank at the existing Ornellas Tank site. EA being prepared.

Design



Job No. 02-14, WK-09, Kapaa Homesteads 0.5 million gallon tank:

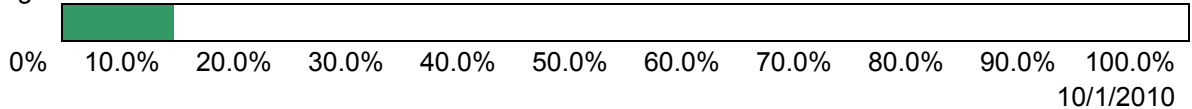
- A. Under construction. Completing punchlist items.



Job No. WK-39, Kapaa Homestead Well #4:

- A. Proceeding with locating the well at the existing Ornellas Tank site. EA being prepared.

Design



10/1/2010

Job No. 02-24, WK-02, Akulikuli Tunnel:

- A. Department will be conducting water quality testing.

Mr. Costa moved to receive the DOW Affordable Housing Update Report, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Presentation by the County Housing Agency on our Request for an Update of the Upcoming County's Affordable State Housing Projects

Housing Director Eugene Jimenez, Housing Development Coordinator Gary Mackler, and Housing Planner Barbara Pendragon were present at the meeting upon the request of the Water Board to give an update of the County's upcoming affordable housing projects. Mr. Jimenez stated that Mr. Mackler and Ms. Pendragon were instrumental in compiling this presentation.

Mr. Jimenez said that he was very happy that the Department of Water has been participating with the County's Affordable Housing Task Force (AHTF) monthly meetings. The AHTF discusses all County housing projects and any type of private affordable housing projects. Mr. Jimenez explained that the AHTF was the brainstorm of the late former Mayor Bryan Baptiste several years ago and has been very helpful to expedite some of their projects as all areas of County government are represented.

Mr. Mackler discussed that several years ago when the economy and housing were booming, former Mayor Baptiste was looking for alternative affordable housing and he looked at a few State lands to mitigate the shortage of affordable housing. Former Mayor Baptiste met with Governor Lingle and the Department of Land & Natural Resources to seek State lands and the following presentation highlights the designated State lands that were geared for the County's proposed affordable housing projects.

- **SET ASIDE FOR STATE LAND PARCELS**
 - December 9, 2005: BLNR recommended a set aside for eight (8) parcels of State land for affordable housing. Two (2) parcels have been removed (Waimea & Aliomanu)
 - Six remaining State land parcels include one (1) parcel in Kekaha (TMK: 1-2-002:032) and 5 parcels in Kapaa (three along Kaapuni Road (TMK: 4-3-003:11, 4-3-003:8, & 4-3-003:7; one by Mahelona Hospital (TMK: 4-6-014:030; one by Hundley Heights)

- December 21, 2008: At County's request, BLNR extended set aside deadline to December 31, 2013 to meet set aside requirements for issuance of an executive order.
- EXECUTIVE ORDER (SITE CONTROL)
 - BLNR Set-Aside Requirements for Issuance of Executive Order:
 - Archaeological Survey
 - Environmental Compliance (Chapter 343)
 - Subdivision Design/Construction Plans
 - Development Plans
 - Government Permits and Approvals
 - Funding Commitments
 - Construction Contracts
 - Agreement with OHA (ceded lands)
- AGREEMENT WITH OHA
 - OHA has a statutory mandate to manage the income and proceeds from Ceded Lands granted to the State of Hawaii by Section 5(b) of the Admissions Act.
 - For purposes of affordable housing placed on Ceded Lands, OHA requires at least 20% of unit density be occupied by persons of Hawaiian ancestry.
 - MOU with County dated November 13, 2007 requires subdivision to reserve 20% of unit density for development by OHA for persons of Hawaiian ancestry.
- DHHL ENTITLEMENT (KEKAHA PARCEL)
 - Pursuant to the Hawaiian Homes Commission Act of 1920, DHHL has entitlement to 30% of state receipts for leasing of lands cultivated as sugar cane lands whenever such lands are set-aside for purposes other than sugar cane cultivation.
 - Receipts are transferred to the Native Hawaiian Rehabilitation Fund.
 - No formal agreement with DHHL exists for resolution of this entitlement.
- DEVELOPMENT POTENTIAL? (for these State lands)
 - Density Analysis
 - Planning Considerations
 - Site Feasibility (Consultant Contract)
 - Feasibility Determination for housing development serving households ≤ 140% of Kauai Median Household Income expected in 6 to 8 months.

Mr. Mackler discussed that under the MOU, any structures on these lands can only be rented or leased because it is ceded lands. He added that each project would probably contain less than 50 units as wastewater requirements would be greater for a project 50 units or over.

He also added that these projects on State lands would have an entitlement of 20% for OHA and 30% for DHHL; therefore, there would be about 130 units in total.

Mr. Mackler stated that Ms. Pendragon has worked extensively on a spreadsheet that shows the potential criteria and constraints that affect these parcels; therefore, they are doing analysis and proceeding carefully before any funding commitments for development.

Mr. Mackler added that, in addition, they are also negotiating with their consultant to do a feasibility study for these sites. Per County Council's request, they need to have these sites analyzed and do a comparison to see which sites have the greatest potential for affordable housing development. The tentative timeline would be that it would take about 6-8 months to complete.

On query by Mr. Costa, Mr. Mackler stated that so far there is one parcel that they are not considering as it was felt that it would be better to have the Department of Water possibly build a tank on it instead.

Mr. Mackler stated that once their consultant's feasibility study is done and they know which sites are best to build affordable housing, they would report back to the Board on their findings.

Chair Nishimura stated that the intent of their request for an update on the County's affordable housing projects is to ensure that the DOW is working concurrently with the County Housing Agency to support their projects.

On query by Mr. D. Fujimoto, Mr. Mackler stated that they are using the same consultant to do a water master plan study for the 'Ele'ele 75 acre parcel that they acquired this February, 2010, which will include water needs. This will be about a 9 month process.

On query by Mr. D. Fujimoto, Mr. Jimenez stated that their office is working on several affordable housing projects and that the 'Ele'ele Project could potentially have 600-800 units.

Mr. Mackler thanked Manager Craddick and Mr. Fujikawa for all the help with the financing of one of their projects, the Paanau Affordable Housing Project.

Mr. D. Fujimoto thanked the County Housing Agency staff for all they do and to let them know that the Board and staff are committed to affordable housing. Mr. Eugene Jimenez expressed their appreciation for the DOW's support and thanked the Board and staff too as it makes everyone's job easier.

Mr. Costa moved to receive the report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

As Mr. Crowell was absent from this meeting, Ms. Suzuki asked on his behalf the following questions:

1. Has there been any instances where the DOW prevented affordable housing from moving forward?

Mr. Jimenez replied that in the 1-1/2 years he has been in his position, there have been some delays but no prevention of any affordable housing projects.

Mr. Mackler added that he has been on staff longer and in his recollection, there were 2 times that they came to the Board for assistance and both were favorable: 1) asked for consideration to reallocate 21 units of water from the Kalepa Village Project, which originally had density for 242 units, to move it to the Lihu'e Theatre Elderly Housing Project. At that time, there was no water available in Lihu'e. The Board enthusiastically approved that request; and 2) asked for a larger water meter for the Kaua'i Economic Opportunity (KEO) Emergency Shelter Transitional Housing Project and again received a favorable response.

2. Does the Housing Agency have access to Federal funds that the DOW could use for affordable housing?

Mr. Jimenez stated that the CDBG funds does delineate which community is considered low income so it is not for a specific housing project but for the community at large.

Mr. Mackler added that there is another available grant that use to be called Special Purpose Grant which is now called the Economic Development Initiative Grant. This grant can be accessed via Senator Daniel Inouye's Office and the application process is an easy one. Senator Inouye's contact is Alan Yamamoto.

The Board thanked the County Housing Agency for their presentation.

Mr. Costa moved to receive this presentation, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Mr. Jimenez, Mr. Mackler and Ms. Pendragon all left the meeting at about 11:55 a.m.

Recess: 11:53 a.m. to 12 noon

BOARD COMMITTEE REPORTS:

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

Due to a possible conflict of interest, Chair Nishimura recused himself from the Claims Payables portion of the Board's Finance Committee Report.

Re: Claims Payable

Finance Vice Chair Kahawai reported that at the May 13, 2010 Finance Committee Meeting the Committee approved the Claims Payables for a total of \$820,002, 01.

Mr. Costa moved to receive the Claims Payable and place on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Proposed Budget for Fiscal Year 2010-11

Mr. Costa moved to approve the budget, seconded by Mr. Oyama.

Manager Craddick added that \$10,000 will still need to be added to the budget for a legislative liaison.

Mr. Costa moved to approve the budget, as amended, and to receive the Finance Committee Report and place on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Mr. Oyama was excused and left the meeting at about 12 noon.

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

Rules Chair Ian Costa reported that at the April 15, 2010 Rules Committee Meeting, the following was discussed:

Re: Committee Discussion and Possible Action on Various Proposed Rule Revisions

The Department is moving forward on correcting the errors in the proposed rule revisions and to recommend to the full Board to approve and schedule a public hearing.

Mr. D. Fujimoto moved to approve the Rules Committee Report on the proposed rule revision and to start the review process by the SBRRB and SBAC, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

OLD BUSINESS

Re: Re-Election for 2010 Vice Chair of the Water Board

RECOMMENDATION:

It was recommended that the Board hold a re-election for the position of Vice Chair of the Water Board.

BACKGROUND:

Mr. Crowell was voted as the 2010 Vice Chair at our December 17, 2009 Board Meeting. His first term ended in December 31, 2009 but he agreed to the maximum carryover 3-month term extension of March 31, 2010. In the meantime, Mr. Crowell was nominated for his second term by the Mayor; however, he was not confirmed by the County Council until their April 14, 2010 Meeting, the day before our April 15, 2010 Board Meeting. Since there was a break in service, Chair Nishimura had this request on the May 13, 2010 Board Meeting Agenda.

Chair Nishimura opened the floor for nominations for Vice Chair for 2010 and Mr. D. Fujimoto nominated Dee Crowell. Mr. D. Fujimoto moved to close the nominations and approve the election of Mr. Crowell as the 2010 Vice Chair {corrected at the 6-17-10 Board Mtg.}, seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Mr. Daniel Yamaguchi - Request for Additional Adjustment to his Water Bill for Service Account No. 1003640-10107033

This matter was deferred from the April 15, 2010 Board Meeting. To reiterate the Department's position on this matter, the following are excerpts from last Board Meeting's report on this agenda item:

RECOMMENDATION:

It was recommended that the Board deny Mr. Daniel Yamaguchi's request to dismiss the entire excess charge of \$3,868.36 (correct amount is \$3,788.40) or any further adjustment to his water bill than allowed per Section IX – Adjustment of Bills for Undetected Leaks and Unforeseen Damages, under Part 2 of the Department's Rules and Regulations.

RATIONALE: *While the department sympathizes and feels bad for what happened with the Yamaguchi's, it is not the responsibility or fault of other rate payers to cover costs related to the fact that the line installed is a low cost line subject to easy breakage. In addition, there are many people that do not come to the Board asking for adjustment, so if there is to be a policy change it should be applied to everyone not just the people that come to the Board. On an annual basis, reimbursements for leakage are not large and amount to about one half of one percent of all revenues. One alternative is to change the rules and cover water department fixed costs for the wasted water rather than individually give some a break while others pay the costs associated with their faulty waterline construction.*

Chair Nishimura stated that at the last Board Meeting, there was a motion to provide the Yamaguchi's further adjustment but did not pass due to a lack of the necessary amount of votes.

On query by Chair Nishimura, Mr. Ganaden discussed that the Yamaguchi's have had three (3) waterline leak problems in the past and had water bill adjustments. In light of this new information, the Board felt that they should be more vigilant about checking their waterlines.

Mr. Costa moved to support the Department's prior recommendation to not approve any further adjustment in light of the current information and requested that the Department work with our customer to implement a payment plan for the balance owed, seconded by Mr. D. Fujimoto.

Mr. D. Fujimoto discussed that he would still want the staff to work on a process for early detection of leaks.

Manager Craddick stated that there are new gadgets that can be installed in one's home to personally read their water meter and they could also personally install a pressure regulator to reduce their pressure. Mr. D. Fujimoto added that these would be helpful hints that could be given to our customers as part of public education.

Chair Nishimura directed the staff to write a letter to our customer on today's results.

By a unanimous vote; motion was carried.

Re: Resolution No. 11, Notice of Clarification (MANAGER'S REPORT NO. 10-74)

Manager Craddick reported that Project No. 02-18 - Kapa'a Pipeline Project in the Bond Project list, attached as Exhibit A to Resolution No. 11, needed to be clarified. In the bond list that the Department works off of, which is separate and apart from Exhibit A, the two Kapa'a Pipeline jobs are treated as one and are identified as "02-18- -". Thus "02-18- -" technically refers to two projects with two different job numbers: WK-32 and WK-14. While these two projects are both located in Kapaa Homesteads, were designed by the same consultant (Fukunaga & Associates), were bid together, with the same opening dates and time and were considered one project on the SRF documents, they will actually be completed by two different construction contractors.

As such, the Department would like to recommend that the Board amend the adoption of Resolution No. 11 to clarify that Project No. 02-18 on Exhibit A refers to both Job Nos. WK-32 and WK-14 as shown in the new Exhibit A.

Mr. D. Fujimoto moved to approve the clarification of Resolution No. 11 to have separate projects as named, WK-32 and WK-14, seconded by Mr. Costa.

Chair Nishimura discussed a point that was brought up at a previous meeting that this project was a former SRF funded project. He has been in discussion with one of our congressional members and there was some concern that since SRF funded projects can take 2-3 years to approve, which entails hard work from our staff and the Department of Health, it may not be taken well in the future that this project was switched to be funded by our bond issue. He added that although we have \$60 million now, SRF funds have always been and will continue to be a great avenue to fund our projects.

By a unanimous vote; motion was carried.

NEW BUSINESS

Re: Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Site Plan Approval by the Department of Land and Natural Resources, State of Hawaii, (right of entry), Tax Map Key: (4)5-6-02:001, Hanalei, Kaua'i (MANAGER'S REPORT NO. 10-75)

RECOMMENDATION:

It was recommended that the Board approve the conditions for the DLNR's site plan approval for the Department to conduct land surveying and soil testing, required prior to proceeding with the siting and construction of the (west) Hanalei Well #2 and 0.5 million gallon tank.

Further, Board approval is specifically requested of the indemnification provision in this agreement.

FUNDING:

Not applicable at this time.

BACKGROUND:

This project includes siting for an alternate 0.5 million gallon tank and 250 gallon per minute well site for the Hanalei community, preferably on the west side of the town. After preliminary research, we have located a site on the State of Hawaii's property. In order to evaluate and determine its feasibility, the Department will need to conduct the required land surveying and soil testing on the property. We have requested for a right of entry from the State and they've approved the request with conditions (see attached). One of the items for the approval is an indemnification condition:

"The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss liability, claim, or demand for property damage, personal injury, and death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors, and agents under this approval or relating to or connected with the granting of this approval."

The staff reviewed DLNR's conditions for the right of entry and find it acceptable.

Mr. K. Fujimoto added that there are about 3-4 properties that the Department would need to traverse for this project so there will be more right of entry agreements.

Mr. D. Fujimoto moved to approve the conditions for the DLNR's site plan approval for the Department to conduct land surveying and soil testing, seconded by Mr. Costa; by a unanimous vote; motion was carried.

Re: Request Board Approval of Conveyance of Water Facility Documents

It was requested that the Board approve the following documents from the following applicants for their respective projects:

1. Conveyance of Water Facility from Blazer Enterprises, Inc. for the 2nd Water Meter Plan for Lot 10-C; TMK: (4) 5-2-004:071, Kilauea, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Blazer Enterprises, Inc., 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, in place complete, for the 2nd Water Meter Plan for Lot 10-C; TMK: (4) 5-2-004:071, Kilauea, Hanalei District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Kahawai moved to approve a Conveyance of Water Facility from Blazer Enterprises, Inc., seconded by Mr. Costa; by a unanimous vote; motion was carried.

2. Conveyance of Water Facility from Jane M. Perreira for Nakamura Estates, Units 2, 3 & 4, TMK: (4) 4-1-012:018, Wailua, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Jane M. Perreira, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 2-inch copper triple service lateral for 5/8-inch water meter; one (1) each, 6-inch gate valve, including C.I. valve box and cover; and one (1) each, fire hydrant assembly w/ 1-4½” & 1-2½” outlet, in place complete, for Nakamura Estates, Units 2, 3 & 4, TMK: (4) 4-1-012:018, Wailua, Kawaihau District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Kahawai moved to approve a Conveyance of Water Facility from Jane M. Perreira, seconded by Mr. Costa; by a unanimous vote; motion was carried.

3. Grant of Easement from Koloa Creekside Estates L.P., a Texas limited partnership; for Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, Kauai, Hawai'i

It is recommended that the Board approve the grant of easement whereby Koloa Creekside Estates L.P., a Texas limited partnership; grant to the Board of Water Supply, County of Kauai, perpetual easement “AU-2” on, over and under that certain parcel of land located at TMK: (4) 2-8-009:001, Koloa, 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 Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, 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 Grantor 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 Koloa Creekside Estates L.P., including its indemnification provision, seconded by Mr. Costa; motion was carried.

Re: Conveyance of Water Facility from Koloa Creekside Estates L.P., a Texas limited partnership; for Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Koloa Creekside Estates L.P., a Texas limited partnership; transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

- 320 lineal feet of 6-inch Ductile Iron Waterline
- 80 lineal feet of 4-inch Ductile Iron Waterline
- 2 Ea. 12-inch Gate Valve, Including C.I. Valve Box and Cover
- 3 Ea. 6-inch Gate Valve, Including C.I. Valve Box and Cover
- 1 Ea. 2 ½-inch Cleanout
- 2 Ea. Fire Hydrant Assembly w/ 1-4 ½" & 1-2 ½" outlet
- 1 Ea. 1-inch Copper Single Service lateral for 5/8" water meter
- 3 Ea. 1 ½-inch Copper Double Service Lateral for 5/8" water meters

in place complete, for Koloa Creekside Estates, Phase I (Z-IV-2007-24), TMK: (4) 2-8-009:001, Koloa, Kauai, Hawaii.

Mr. Kahawai moved to approve the Conveyance of Water Facility from Koloa Creekside Estates L.P., seconded by Mr. Costa; motion was carried.

Re: Request Board Approval of Job No. 02-19, WK-12, Waipouli Main Replacement, Lihue-Kapaa Water System, Second Contract Amendment with Kodani and Associates, Inc. MANAGER'S REPORT No. 10-77

RECOMMENDATION: It was recommended that the Board approve the second contract amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of \$53,600.00 and void previously approved Amendment No. 1. The revised scope of work includes:

- A. Revise pre-final construction drawings, previously approved by the Department.
- B. Coordinate and incorporate the County's proposed bike path design affecting several of the project's roads.
- C. Prepare and process the necessary permits (shoreline setback, variance, etc.) for the project.
- D. Prepare and process the National Pollutant Discharge Elimination System (NPDES) permit.

We further request that the Board allocate \$53,600.00 from Account 106b, CIP Reserve to fund the contract amendment.

FUNDING:

Total Fund Budgeted \$ 147,500.00

Contract No. 405, Kodani and Associates, Inc.,
Job No. 02-19, WK-12, Waipouli

Main Replacement \$ 147,500.00
Amendment #1. VOID

Amendment #2.<\$ 53,600.00>
Balance Required, Account No. 101b, CIP Reserve < \$ 53,600.00>

Total Project Budget..... \$201,100.00

BACKGROUND:

The project consultant, Kodani and Associates, Inc. was selected to prepare the construction drawings and specifications for the mainline replacement along Kalokolu, Keaka, Moanakai, Fernandez, Hoi, Panihi, Niulani, Makaha and Kealoha Roads at Waipouli.

Previously approved contract Amendment No. 1 (4/15/2010) for this project did not include the preparation and processing of the NPDES permit.

Further, it was estimated that the consultant will need approximately 100 calendar days from the notice to proceed for the contract amendment to complete the project exclusive of governmental agencies' review and approval. The Department anticipates that the consultants should be able to complete the design by September 1, 2010 subject to timely reviews by the Department of Water and the other governmental agencies.

Mr. Costa moved to approve the second contract amendment for Contract No. 405 with Kodani and Associates, Inc. in the amount of \$53,600.00, along with the revised scope of work, void previously approved Amendment No. 1, and approve the allocation of \$53,600.00 from Account 106b, CIP Reserve to fund the contract amendment, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Delegation of Board Authority Amendment to Rules (MANAGER'S REPORT NO. 78)

Chair Nishimura reported that this matter was approved by the Rules Committee and forwarded to the full Board for action and was approved under Board's Committee Reports.

On April 19, 2010, Governor Lingle signed into law Act No. 037(10), which gives the Board the option to delegate authority to disburse funds to its manager and chief engineer. The specific language of that Act is as follows:

§54-25 Disbursement of fund. The county treasurer shall disburse all [~~monies~~ moneys] of the board [~~of water supply~~] only upon warrants issued by the county auditor or other county authorized signatory on accounts payable vouchers signed by the chairperson or the acting chairperson of the board[-], except as provided herein. The board may delegate, through rules and policies adopted pursuant to chapter 91, its powers and duties regarding the disbursement of funds to the manager and chief engineer."

In accordance with the new law, the following are proposed rule drafts that would be included in Part 1, Rules of Practice & Procedure for the Board of Water Supply for the County of Kauai:

For Insertion under Part I, Section III:

4. *The Board may delegate its administrative duties, as it relates to waterworks, either by rule or by policy, to the acting Manager and Chief Engineer of the Department.*

OR

4. *The Board may delegate its powers and duties regarding disbursement of funds, by way of policy adoption, to the acting Manager and Chief Engineer of the Department.*

Approved as per the Rules Committee's recommendation. {corrected at 6-17-10 Bd. Mtg.}

Re: Request Board Approval to Fund Job No. 02-18 Consisting of Two (2) Kapaa Pipeline Projects: a) WK-32 Kapaa Homesteads Phase I; and b) Job No. 04-02, WK-14, Vivian Heights and Kanaele Phase II (MANAGER'S REPORT NO. 79)

RECOMMENDATION:

It was requested to have the Board approve \$5.528 million to fund the Kapaa pipeline project.

FUNDING:

There are two pipelines in Job 02-18... Kapaa Pipeline project in the Bond projects listing. One is WK-32 Kapaa Homesteads Phase I \$2.842 million and the other is WK-14 Vivian Heights and Kanaele Phase II \$2.686 million. The project is a total \$5.528 million or \$0.928 over the estimated bond list amount.

BACKGROUND:

Other details pertaining to each portion of the project are provided in the reports attached to this report.

This was originally one project when it was being SRF funded and has not been separated and we are continuing to show it as one project. There is no necessity to do this in the future if you would feel more comfortable separating the projects.

Mr. Costa moved to approve to fund the Kapaa pipeline project for \$5.528 million, seconded by Mr. D. Fujimoto.

Mr. K. Fujimoto clarified that there are two parts to this project: Job No. 02-18, WK-32, and Job No. 04-02, WK-14, with each project having a DOW Job No. and a Water Plan 2020 Project No. It was so noted.

On query by Chair Nishimura, Manager Craddick stated that the DOW will be funding this project until the actual funding is clarified.

On query by Mr. D. Fujimoto, Deputy County Attorney Esaki stated that when bond funds are used, there has to be a clear paper trail of the payments and what funds are being used.

On query by Mr. D. Fujimoto, Waterworks Controller stated that with this bond issue, the Board's monthly Statement of Revenues and Expenditures now includes a

separate accounting section to track the use of the bond monies. Mr. K. Fujimoto added that there is also in the Manager's Update monthly Board Report which shows what contracts the Manager awarded, and the fund balance.

Manager Craddick added and explained that there is a concern that we would still need to also use SRF (State Revolving Fund) Federal funds to ensure that Hawaii's designated allotment of Federal funds is not decreased because the State of Hawaii did not use enough of the SRF funds, which would decrease our future allotments.

Mr. D. Fujimoto was reassured with the above explanations.

On query by Chair Nishimura, Ms. Shiramizu stated that these 2 projects are still on the DOH's SRF list; therefore, if it was decided to use available SRF monies, all the DOW would need to do is to submit the proper paperwork.

On query by Chair Nishimura, Waterworks Controller Ganaden stated that if these 2 projects were to be funded by SRF funds, as per the process, the DOW would need to front the monies but these 2 projects were not budgeted for SRF funding.

Manager Craddick added that the priority now is to spend down the bond funds. He also added that with this bond the Department has now gone from a debt to asset ratio from about .28 to .37, which is starting to get to the high side for a utility of our size. Therefore, continuing debt funding, recurring costs is not a good idea, as we need to get to the point of cash fund of what we need to do in a year's time.

Mr. K. Fujimoto corrected that both of these projects should be Phase II. It was so noted.

By a unanimous vote, motion was carried.

Re: Right of Entry Agreement from Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, Dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, Dated July 30, 1993 for the Future Yamada Tank Site, TMK: (4) 2-4-003:007, Poowai Road, Kalaheo, Kauai, Hawai'i (MANAGER'S REPORT NO. 80)

It was recommended that the Board approve the Right Of Entry Agreement; whereby, Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, dated July 30, 1993, grants to the Board of Water Supply, County of Kaua'i, a right of entry affecting Tax Map Key: (4) 2-4-003 Parcel 7 for the Department and its consultants to conduct land survey and other associated work on the property in the preparation of the environmental assessment required for the Board's acquisition of the property for the future Yamada tank site.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein, the Board agrees to indemnify and hold harmless the Grantor 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.

Chair Nishimura made a correction that the road name was misspelled as it should be Puuwai Road. It was so noted.

Mr. Costa moved to approve this Right-of-Entry from Robert Yamada, Trustee of the Saitaro Yamada Revocable Trust Agreement, dated July 30, 1993 and the Mildred Fujiko Yamada Revocable Trust Agreement, dated July 30, 1993, along with its indemnification provision, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

Re: Request Board Approval of Job No. 05-02, H-8, HW-12, Drill and Test Hanalei Well #2, Hanalei, Kauai, Right of Entry Agreement for a Portion of Tax Map Key: (4) 5-6-002:006 from Francis Merriman (MANAGER'S REPORT No. 81)

It was recommended that the Board approve the Right of Entry Agreement; whereby, Francis Merriman, grants to the Board of Water Supply, County of Kaua'i, a right of entry affecting a portion of tax map key: (4) 5-6-002 Parcel 6 for the Department and its consultants to access and use an unimproved road to get to the proposed Hanalei Well #2 and 0.5 million gallon tank site on tax map key: (4) 5-6-002 Parcel 1 owned by the State of Hawaii.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantor 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 this Right-of-Entry from Francis Merriman, along with its indemnification provision, seconded by Mr. Kahawai; by a unanimous vote, motion was carried.

Re: Job No. 02-06, WKK-15, (east) Kilauea 1.0 Million Gallon Storage Tank and Connecting Pipeline, Kilauea, Kauai, Right of Entry Agreement for a portion of Tax Map Key: (4) 5-1-005:125 from the Jacquelyn Barnard, Trustee for the B. Jacquelyn Barnard Trust, Unit B (MANAGER'S REPORT No. 82)

It was recommended that the Board approve the Right of Entry Agreement whereby B. JACQUELYN BARNARD, Trustee of the unrecorded declaration of trust known as B. JACQUELYN BARNARD TRUST, dated February 23, 2007, grants to the Board of Water Supply, County of Kaua'i, a right of entry affecting a portion of tax map key: (4) 5-1-005 parcel 125 (Unit B) for the Department and its consultants to conduct land survey, soils testing and other associated work on the property to determine the site's feasibility for the construction of a proposed 1.0 million gallon storage tank and water well on the site.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantor 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 Right-of-Entry from Jacquelyn Barnard, along with its indemnification provision, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

STAFF REPORTS

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

Waterworks Controller Ganaden reported that a new section had been incorporated into this monthly report to the Board to show the activity on the use of the bond proceeds

On query by Chair Nishimura, Mr. Ganaden stated that debt service is paid semi-annually.

Mr. D. Fujimoto moved to approve the Statement of Kaua'i County Water Department's Revenues and Expenditures report and placed it on file, seconded by Mr. Costa; by a unanimous vote, 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

HWWA Annual Conference: Assisting Conference Chair Sandi Nadatani when able to. Met with Kanani Aton from the Board of Water Supply in Hilo and Sandi to discuss conference possibilities based on the 2009 Conference which was held on the Big Island.

Project WET: While in Oregon, met with Lin Howell the Regional Director for Hawaii. He shared information, resources and experiences that will help our program here.

A Project WET Educator Workshop sponsored by KEDB was held at KCC on April 28, 2010. There were a total of 12 in attendance. Kanani (from Hilo) and Sara Bowen from the East and West Kauai Soil and Water Conservation Districts assisted with conducting the workshop.

We are working to partner on a second workshop for fifth grade teachers for early September, prior to our annual Make a Splash Water Festival. Kanani is also organizing a workshop in Hilo for mid September.

Blackboard Connect CTY: We have been utilizing the County's Blackboard Connect CTY to notify customers of planned water outages. Because this

notification system has not been used a lot, we are still trying to fine tune our contact selection with Blackboard Connect. Using this notification system saves time and energy from our operations crew.

Source Protection Plan: Erin from National Rural Water Association has been prepping documents while she waits for the new Source Water Assessment to be completed. Once the report is done in a few weeks, Erin will be able to move quickly to complete the Source Protection Plan.

USDA Rural Development: Met with Ted Matsuo from USDA Rural Development (via phone) and Taani Taumalolo, the Kauai Representative, regarding grant/loan eligibility for three projects. It was determined that the DOW qualifies to receive funding, however, the eligibility for the grant portion cannot be determined until a complete application and required documents are reviewed by USDA staff. It was decided that DOW will focus our energies on one project due to personnel and time constraints.

Mr. Kahawai moved to receive the Public Relations Update and placed it on file, seconded by Mr. Costa; by a unanimous vote, motion was carried.

Re: Deputy Manager's Summary Report on Monthly Operational Maintenance

Deputy Eddy reported that our Puhi Water System, which is a little more modern than our other water systems, was put to the test due to a fire in the area and seemed to fare well as the Fire Department used our water for the fire. Our Puhi deepwells was enhanced by water from our Lihue Water System and pumped about 1,800 gpm for the fire.

On query by Chair Nishimura, Deputy Eddy stated that DPS returned our approved Ops Re-org and he hoped to start the first tier of the Re-org plan soon. Manager Craddick added that the Ops Re-org plan that was approved was at lower levels than requested by the DOW. He discussed that the expertise needed for the jobs that were downgraded may be a recruitment concern.

Manager Craddick stated that the test results have not come in yet for the District Service Overseer (DSO) testing.

Mr. Costa moved to receive the Deputy Manager's Summary Report and placed it on file, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

Re: Manager's Update for April, 2010 to May, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: Kapa'a Pipeline Project – Job No. 02-18, Water Plan 2020 Project WK-32, Kapa'a Homesteads Pipeline Replacement, Phase II, Kapa'a Water System, Kapa'a, Kaua'i, Hawai'i

Manager awarded a contract to Jennings Pacific, LLC, in the amount of \$2,706,628.00

FUNDING:

Account No. 201-01, Bond – BAB \$56,778,161.34

Contractor, Jennings Pacific LLC \$2,706,628.00

Contingency, approximately 5%..... \$ 135,372.00

Total <\$ 2,842,000.00

Balance Remaining

Account No. 201-01, Bond – BAB \$53,936,161.34

Re: Kapa’a Pipeline Project – Job No. 04-02, Water Plan 2020 Project WK-14, Pipeline Replacement for Vivian Heights and Kanaele Road , Phase II, Kapa’a Water System, Kapa’a, Kaua’i, Hawai’i

Manager awarded a contract to Earthworks Pacific, Inc, in the amount of \$2,558,770.00.

FUNDING:

Account No. 201-01, Bond – BAB \$59,464,161.34

Contractor, Jennings Pacific LLC \$2,558,770.00

(Correction: Earthworks Pacific Inc.)

Contingency, approximately 5%..... \$ 127,230.00

Total <\$ 2,686,000.00

Balance Remaining

Account No. 201-01, Bond – BAB \$56,778,161.34

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

PERSONNEL MATTERS UPDATE: (Updated May 6, 2010)

RECRUITMENT:

Fiscal Division:

- 7. Billing Section’s **Data Entry Operator I** Interviews will be held mid-May.
- 8. Accounting Section’s **Accountant II and III** internal departmental recruitments closed. Reviewing applications.

Operations Division:

- 1. Operations Division **Account Clerk** internal department recruitment closed. Reviewing applications.
- 2. Recently sent requests to DPS for a list of eligible’s for **Automotive Mechanic I**

Engineering Division:

1. Engineer Division's **Civil Engineer V** interviews completed. Selection pending.
2. Special Project Division's **Project Assistant** interviews scheduled for mid-May.
3. Recently sent requests to DPS for a list of eligible's for **Civil Engineer VI**

Administration Division:

1. Administration's **Computer Systems Support Technician I**, follow-up questions with candidates continuing.
2. **Commission Support Clerk** reference check underway interviews completed.
3. Awaiting response from DPS for our request for names to fill the **Clerical Assistant (Community Relations)** position.
4. Recently sent requests to DPS for a list of eligible's for **Secretary**
5. Six **Summer Interns** selected. Pending passing pre-employment drug test to be taken before the end of May.

Affordable Housing Update (Same update as the May 10, 2010 Affordable Housing Task Force Meeting was cancelled). The last Affordable Housing Task Force (AHTF) meeting was held on Monday, April 12, 2010 at Pi'ikoi Conference Room A, with the status of projects below.

Updates on AHTF Projects:

1. Habitat - Eleele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the sewer main is underway. Housing agency estimated that on-site infrastructure improvements for Phase II, Increment 1, will be bid out during summer, 2010.
2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board. Planning will check if conveyance documents were submitted to the Planning. Housing Agency is preparing amendments to the zoning ordinance and related housing agreement to change the lease hold ownership to fee simple ownership. Housing estimates that Council may approve amendments by April, 2010.
3. Kukui'ula Employee Housing- "Gap" Housing subdivision and zoning permit. Kukuiula Development Co. will request that the County Council amend the housing agreement that is required by the Zoning Amendment ordinance this week. The Planning Commission and Planning Department is recommending against the KDC proposal.
4. Kohea Loa (Hanamaulu Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton is requesting meetings with DOW, Wastewater and Planning relating to the conditions.
5. Paanau Village, Phase 2: Kaua'i Housing Development Corp (KHDC) was awarded the RFQ to develop 50 units. KHDC submitted the application to the State for low income financing. If successful the project will be able to move

on. If not successful Housing Agency may have funds to complete on-site infrastructure. The current owner/subdivider, Kukuiula Development Company must bond the roadway improvements prior to final subdivision map approval and transfer of parcels to the Housing Agency.

6. 'Ele'ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency has hired a consultant, to prepare a master development plan that may include a water master plan element for the project.

State Land Parcels (County Affordable Housing): No report at meeting.

Next meeting is scheduled for Monday, May 10, 2010 at the Pi'ikoi Conference Room A at 10:00AM-11AM. (Cancelled)

Legislative Update: The bills for the delegation of Board authority regarding payment voucher signing has been approved by the Governor.

Boards & Commissions Office: As of June 1, 2010, the Boards and Commissions Office will start to have on the County's website, all of the meeting reports that are submitted as part of the agenda for the Boards and Commissions meetings. This will be in addition to the respective commission's agenda and minutes that are already placed on the County's website. All other boards and commissions need to follow suit soon thereafter. The Boards and Commissions Office stated that this is the next phase of County government being transparent.

AWWA, HI Section Conference: The annual AWWA, HI Section Conference will be held on O'ahu from May 19-21, 2010 with a pre-conference workshop on May 18th. Staff attendees are: Margie Loo, Lance Nakata, Edward Doi and David Craddick and Board attendees are: Donald Fujimoto, Ian Costa, and Roy Oyama. Bill Eddy will be there for the pre-conference workshop.

Manager Craddick added that he has volunteered to be the Water Utility Trustee for the AWWA, HI Section.

Mr. D. Fujimoto moved to approve the Manager's Update and place on file, seconded by Mr. Kahawai.

Chair Nishimura thanked the applicable staff for their hard work to finalize the budget, the bond issue and getting out our Water Plan 2020 projects as he knows how challenging it can be. He hopes that the staff can continue to have our projects move along.

By a unanimous vote; motion was carried.

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).

EXECUTIVE SESSION AGENDA: None.

Review of Executive Session Minutes: March 18, 2010

Mr. Costa moved to approve the March 18, 2010 Executive Session minutes, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

There was no Executive Session at this Board Meeting.

TOPICS FOR NEXT WATER BOARD MEETING:

1. Request Board Approval of Final Budget for Fiscal Year 2010-11 (*June, 2010*)
2. Final Approval of the Proposed Rule Amendments (*June, 2010*)

TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Public Hearing for our Proposed Rule Revisions (*July, 2010*)
2. Request Board Approval of Resolution No. 1, (*10/11*), Budget for Fiscal Year 2010-11 (*August, 2010*)
3. Job Performance Evaluation of the DOW Manager and Chief Engineer (*August, 2010*)
4. Request Board Approval of a Right of Entry for Kawamura Farms, Lihu'e, Kaua'i
5. Quarterly Reports:
 - a. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects (*July, 2010*)
 - b. Strategic Plan Update: Issue Champions & Affordable Housing Reports (*July, 2010*)

UPCOMING EVENTS

1. AWWA, HI Section Annual Conference in Honolulu – *May 19-21, 2010*
2. AWWA National Conference in Chicago – *June 20-24, 2010*
3. Hawai'i Water Works Association (HWWA) Annual Conference on Kaua'i - *October 13-15, 2010*

NEXT WATER BOARD MEETINGS

1. Thursday, June 17, 2010, 10:00 a.m.
2. Thursday, July 15, 2010, 10:00 a.m.
3. Thursday, August 19, 2010, 10:00 a.m.
4. Thursday, September 16, 2010, 10:00 a.m.
5. Thursday, October 21, 2010, 10:00 a.m.

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 1:00 p.m.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer

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