

REGULAR MEETING
BOARD OF WATER SUPPLY
Tuesday, November 21, 2006

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, November 21, 2006. Chairperson Josephine Sokei called the meeting to order at 9:17 a.m. On roll call, the following answered present:

BOARD: Ms. Josephine Sokei, Chairperson
Mr. Ian Costa (present at about 10:53 am to 1:07 pm)
Mr. Donald Fujimoto (left at about 1:07 pm)
Mr. Steven Kyono (excused from 11:15 am to 12 noon)
Ms. Lynn McCrory
Ms. Bernie Sakoda
Mr. Myles Shibata (present at about 10:25 am)

STAFF: Ms. Wynne Ushigome
Mr. Paul Ganaden
Mr. Les Yoshioka
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Deputy County Attorney James Tagupa (left at about 2:38 pm)

GUESTS: County Attorney Lani Nakazawa (about 10:22 am to 12:20 pm)
Mr. Tom Takatsuki, Dept. of Personnel Services (about 10:45 am – 12:20pm)
Mr. Dave Jochim, RW Beck

AGENDA

Ms. McCrory moved to reorder the Agenda to have F1b, Discussion on the Engineering Division's Proposed Position Descriptions of the Two EM-5 Positions that were Approved at the October 17, 2006 Board Meeting for the Engineering Division to go after I. Update on the Strategic and Business Plan and Needs Assessment for the Kaua'i County Water Department as they are related agenda items. There was no second; motion died.

Acting Manager Ushigome also requested that New Business G1, Request to Testify by William Rita be deferred as they requested more time before they come before the Board and will let us know when they are ready. Ms. McCrory moved to defer G1 until further notice, seconded by Ms. Sakoda; motion was carried.

The Board will also work around the presence of when County Attorney Lani Nakazawa is able to attend this Board Meeting to discuss the Executive Session matter.

County Attorney Lani Nakazawa was present at the meeting at about 10:22 a.m.

County Attorney Nakazawa stated that she was on the agenda to talk about the impacts to the Board of the new Charter amendments in Executive Session and since she was at the meeting, she was also available in case the Board needed any other advice with other Board agenda items.

Mr. Shibata was present at the meeting at about 10:25 a.m.

Mr. Fujimoto wanted to make sure that F1b, Discussion on the Engineering Division's Proposed Position Descriptions of the Two EM-5 Positions that were Approved at the October 17, 2006 Board Meeting for the Engineering Division was taken up earlier in the Agenda as he had to leave early from the meeting.

Mr. Fujimoto wanted to clarify again since all of the Board members were present and for the staff's benefit, that the reason that the Board approved the reallocation of the EM-7 position was to revert back in time when the Engineering Division originally had two EM-5 positions, who each were responsible for the Design and Construction Section and the Special Projects Section. He felt it would be easy to revert back to the old organization as it worked before.

Thereafter, subsequent to this action the new Manager could revise these positions if desired. The Board wanted to get more qualified people at the DOW as soon as possible and it would be easier since there are old job descriptions for the previous two EM-5 positions.

He further explained to the staff that whenever this matter is discussed it would be in Executive Session as it deals with a personnel matter.

Acting Manager Ushigome added that although she was not privy to the Executive Session proceedings at the last Board Meeting and it was confusing as the Board approved two EM-5 positions, which in actuality should have been to reallocate the EM-7 position to an EM-5 position and to approve an additional EM-5 position. There was not enough information for the Core Planning Team (CPT) on the background of this decision for them to move forward; therefore, the CPT asked RW Beck for assistance to understand the Board's decision in order to formalize a draft restructuring of the DOW. Acting Manager Ushigome added that there is nothing in writing to visualize what had transpired. Mr. Fujimoto disagreed and stated that the past organization of the Engineering Division was in writing with a Table of Organization and position descriptions. He stated that the Department would go back in time to how it was prior to the reallocation of the two EM-5 positions to the one EM-7 position. Acting Manager Ushigome disagreed that back in time there was no Water Plan 2020.

Chair Sokei requested to get back to the order of finalizing the Agenda and this matter can be discussed later when appropriate.

Due to Mr. Fujimoto having to leave the meeting at about 1:00 p.m. and Mr. Kyono having to leave the meeting temporarily from about 11:15 am to 12 noon and as Mr. Tom Takatsuki of the Department of Personnel Services (DPS) was also available at the Board Meeting, Mr. Fujimoto moved to re-order the Agenda so that Old Business F1b, Discussion on the Engineering Division's Proposed Position Descriptions of the Two EM-5 Positions that were Approved at the October 17, 2006 Board Meeting for the Engineering Division be discussed after Correspondence, with I. Update on the Strategic Plan and Old Business F1b(1) to follow, seconded by Ms. McCrory; motion was carried.

MINUTES

Mr. Fujimoto moved to accept the Regular Meeting Minutes of November 21, 2006, and placed on file, seconded by Ms. McCrory; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

1. Hawai'i State Ethics Commission Newsletter No. 2006-3 Dated October, 2006
2. Thank You Letter from Mayor Bryan Baptiste to Mr. Roy Oyama for Acceptance to Serve on the Board of Water Supply

3. Thank You Letter from Mayor Bryan Baptiste to Ms. Lynn McCrory on her Acceptance of her Reappointment to Serve on the Board of Water Supply
4. October 25, 2006 News Article in The Honolulu Advertiser on the Honolulu Board of Water Supply
5. October 27, 2006 News Article in The Honolulu Advertiser on the Honolulu Board of Water Supply
6. Letter from Mayor Bryan Baptiste to Council Chair Kaipo Asing to Request Confirmation of New Board Member Roy A. Oyama

Mr. Kyono moved to receive all of the Correspondence and place on file, seconded by Ms. McCrory; motion was carried.

OLD BUSINESS

Re: Discussion on the Engineering Division's Proposed Position Descriptions of the Two EM-5 Positions that were Approved at the October 17, 2006 Board Meeting for the Engineering Division 1) Request Board Approval of Funding of the 2nd EM-5 Position

Mr. Fujimoto wanted to clarify again since all of the Board members were present and for the staff's benefit, that the reason that the Board approved the reallocation of the EM-7 position was to revert back in time when the Engineering Division originally had two EM-5 positions, who each were responsible for the Design and Construction Section (Mel Matsumura) and the Special Projects Section (Wayne Hinazumi). He felt it would be easy to revert back to the old organization as it worked before and that organization was in place longer than the EM-7 position. The Board felt that 2 positions were better than 1 position. They envision that these 2 sections would eventually expand into larger sections that would increase the responsibility of the section heads.

Thereafter, subsequent to this action the new Manager could revise these positions if desired. The Board wanted to get more qualified people at the DOW as soon as possible and it would be easier since there are old job descriptions for the previous two EM-5 positions.

Mr. Fujimoto felt that since the two EM-5 positions are not new type of positions but previously existing positions, there would not be a need for buy-in from the CPT. The only major change since then was that Mr. Fujikawa's position was upgraded from an EM-5 to an EM-7. He added that they are not tampering with any positions that are filled but only made a change to a vacant position. He stated that the Board did the reallocation with the intent of benefiting the Department, which increased the number of personnel.

Mr. Fujimoto shared some of the feedback that he has been getting from staff. The staff has stated that the Board should be a policy board, which they would want to be; however, they have the ability to be a working Board and they feel at this time they need to be a working Board as there are so many issues that are coming out that contradicts their policies that they want to implement. He hoped that the staff understood the issues.

Mr. Kyono stated that he and Acting Manager Ushigome were not privy to the Executive Session so he inquired whether the Board had looked into other successful water departments of similar size on how their organization was structured. If so, was it similar to what is being proposed? Mr. Kyono felt that going back to the previous organization may not progressively support what is happening today with Water Plan 2020 and the Strategic Plan, which were non-existent during the previous organization. Mr. Kyono felt that as a Board member he did not want to hastily do something that may take us backwards while we think

we are going forward. Mr. Kyono did not want the Department to go through the whole process of filling these positions and then get stuck with these positions if it does not work, so he was wondering how much research was done to substantiate the action.

Acting Manager Ushigome concurred that only because an organization worked well several years ago does not mean that it will work well today.

Mr. Fujimoto also stated his disappointment with RW Beck that with their expertise, they did not recommend more potential organizational structures that were already successful instead they asked the CPT for suggestions.

Mr. Tom Takatsuki was present at the meeting at about 10:45 a.m.

Mr. Fujimoto stated that the Board definitely did not do their homework but they felt that 2 employees are better than 1 employee as more work could be done.

Mr. Kyono added that his contention was that if you look at program areas of organizations worldwide, there would be program areas like our Water Resource and Planning Division, which is headed by an EM-7 and the Design and Construction and Special Projects Division, which should also be headed individually with EM-7 positions. He felt that if these positions are headed by EM-5s that the Department may not get the caliber of program managers.

Mr. Ian Costa was present at the meeting at about 10:53 a.m.

Mr. Fujimoto stated that if the full-pay scale is looked at there is not much difference in pay between the EM-5 and the EM-7, about 10%. Mr. Kyono added that it is about \$100,000 for an EM-7 to about \$92,000 for an EM-5.

Mr. Fujimoto also stated that the Board thought it would take too long to create the new position as an EM-7 versus an EM-5. Also, the new Manager could later easily reallocate the EM-5 position to an EM-7 if it is so desired.

On query by Mr. Kyono, Mr. Fujimoto stated that he would think that RW Beck would help us by giving their suggestion on what level should this position be but they have not and he was a little disappointed.

Mr. Kyono stated that it looks like the Board wants to create program managers for the 2 divisions and typically at the Public Works Department, their program managers are all EM-7 positions. He added that the program managers at the Honolulu Board of Water Supply are mostly EM-8s. He also would think that the water departments in Maui and Hawaii would also probably be EM-7s.

Mr. Fujimoto stated that all of this should have been part of RW Beck's study and should have had buy-in from the staff in order to assist with their suggestions for reorganization. He also stated that he felt that if the EM-5 did his/her job well and beyond, it could be easily raised to an EM-7 position; it would be harder to demote an EM-7 position if you later find that person did not really qualify for that position. The Board also felt the urgency to fill the vacancy quicker to get qualified people to do the work. The Board also recommended to DPS to hire at full scale to get the best, qualified personnel.

Mr. Kyono discussed with Mr. Fujimoto that if there is not much of a difference between an EM-5 and an EM-7, why not get the EM-7 position. Mr. Fujimoto reiterated the time involved to create the EM-7 position. Mr. Kyono stated that the EM-5 position would also need to be created, which Mr. Fujimoto disagreed with as the Department had an EM-5 position before.

Mr. Kyono added that the EM-5 position does not exist any longer; however, Mr. Fujimoto felt that the position was not lost as it existed before and that position could be reactivated. He felt that reactivating the old EM-5 position is easier than justifying an EM-7 position. He wanted Mr. Takatsuki to clarify for the Board the big difference between an EM-5 and EM-7 positions, which makes it harder to justify for an EM-7 position. Mr. Kyono felt that functionally speaking that the division responsibilities, which is a major program area, could easily be justified to be an EM-7 position.

Mr. Takatsuki stated that the duties and responsibilities and complexity of the job dictates pricing. On query by Mr. Kyono, Mr. Takatsuki stated that generally an EM-5 position used to be considered a division head until such time as the EM-7 positions were created. Historically, he explained that there was only one EM-7 (Kiyoji Masaki) at the Public Works Department, Engineering Division. Mr. Masaki was a division head with sections under him that were supervised by EM-3 positions and he also was responsible for their CIP projects. There were other positions that were section chiefs that were EM-5 positions.

Mr. Takatsuki briefed the Board on the compensation study that DPS has in progress to verify all compensation levels. However, the DOW had minimal participation with this study; therefore, if the Board wanted to pursue completing this compensation study for the DOW, we would need to do a separate contract with DPS' consultant.

On query by Mr. Kyono, Mr. Takatsuki stated that their way to classify now is to have the Departments submit their position descriptions and say what duties and responsibilities will be assigned to this position, which can be difficult to decipher which level is best suited. Then it is up to each individual department to do job performance reports to verify that the employee is doing well to satisfy the job requirements.

It was verified that the CPT has not reviewed the draft position descriptions that were drafted by RW Beck.

Mr. Kyono summarized that although for expediency sake, the Board wanted to revert back to the old organization; however, the Department is not in the same position today. There are differences of having Water Plan 2020 and the upcoming Strategic Plan implementation that have increased the duties and responsibilities. Mr. Fujimoto concurred and felt that this increase should not be a burden to only one person and could be better done by two people.

Mr. Kyono felt that more research should be done on this matter as he would not feel comfortable as a Board member to make a decision without more information. Mr. Fujimoto felt that it would be up to the new Manager to decide with the new responsibilities if an EM-7 position is warranted. He is also relying on RW Beck to give suggestions/options to the staff on possible scenarios that could help the DOW.

Mr. Kyono suggested that the Board look into other avenues that could help with reviewing our organization like the American Water Works Association (AWWA) Qualserve Peer Review; whereby, water utility members volunteer to visit other water utilities to audit and recommend improvements to the organization. Acting Manager Ushigome added that she does not think that Qualserve reviewed the organizational structure as they only gave recommendations on improvement in certain areas.

Acting Manager Ushigome stated that in defense of RW Beck, they were not privy to the Executive Session meetings and per the Board's instruction, they worked on the position descriptions on what they felt the Board would want of the two EM-5 positions. RW Beck did work with the CPT and facilitated discussions on the functional task areas of the organization versus the current Table of Organization, which is based on operational positions.

Mr. Fujimoto stated that former water manager Ed Tschupp did share with him before he left that he had initially hoped that the RW Beck study would point out how many EM-7s the DOW should have and what the pay should be, etc.; however, it did not pan out that way. Mr. Fujimoto was disappointed that this study did not give recommendations on what works and what does not work and suggestions on how do we fix it.

Ms. McCrory stated that it came out loud and clear that there are problems that the Department faces and one of the fixes was to have an operational audit, which the Department is in the process of getting a consultant. RW Beck is also working with the CPT and a report will be finalized shortly that would show what other areas need to be worked on. It would be the goal for next year to work on these issues.

Mr. Fujimoto further stated that the staff felt that the Department is spending so much money to do this study and ultimately it falls on the shoulders of the employees to fix. He felt that RW Beck should assist with identifying the problem areas in the Department to make others in the Department aware and clear of where and what needs to be improved.

Mr. Jochim stated that the question has always been what is the Department's appetite for change and started this process with a long list of major issues that needed to be addressed. One of the things that were brought up with the CPT was whether to tackle the Table of Organization; however, they felt that the other major issues had priority. They did, however, look at other water utility organizational structures. Basically, there are 2 ways to organize: 1) have your organizational structure be based on the people in the organization at the time and their strengths; or 2) have your organizational structure to be easily understandable to the external customers.

On query by Mr. Shibata, Ms. McCrory stated that the Board approved the two EM-5 positions to have the 2 positions start soon and RW Beck was tasked with submitting an overview on how does the Department transition with the new position in charge of Water Plan 2020. Then this goes back to the CPT for their review and comments. If all agrees, then a timeline could be set.

Mr. Takatsuki informed the Board that any reorganization needed to be reviewed and approved by the Personnel Director. Upon submittal of a proposed re-organization, DPS would send their staff to the DOW to audit to verify the re-organization.

As Mr. Kyono had to leave temporarily for an appointment, he requested and moved that this matter be tabled to after 12 noon upon his return, seconded by Mr. Costa; motion was carried.

Mr. Kyono was excused from 11:15 a.m. to 12 noon.

EXECUTIVE SESSION:

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

1. Review of Executive Session Minutes for October 17, 2006

2. Executive Session

ES-1: Pursuant to Haw. Rev. Stat. §§92-4, 92-5(a)(4), the purpose of this executive session is to permit the Board of Water Supply to deliberate upon and consult

with the Office of the County Attorney on questions and issues relating to the Charter amendments passed in the last General Election.

This consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department of Water as they relate to this agenda item.

The Board may take any appropriate action or make any decision arising from its deliberations concerning this item, including approval or modification of the proposed settlement in this case. Actions may be taken or decisions may be made in executive session pursuant to Haw. Rev. Stat. §92-5(b).

Chair Sokei read the Executive Session rules. There was no public testimony. *Mr. Kyono, Acting Manager Ushigome, the staff, and Mr. Jochim were excused from the meeting.*

Ms. McCrory moved to go into Executive Session at 11:20 a.m., seconded by Ms. Sakoda; motion was carried.

The meeting reconvened at 12:20 p.m. Lunch Recess: 12:20 p.m. to 12:50 p.m. *Mr. Kyono was present again at the meeting.*

Re: Discussion on the Engineering Division's Proposed Position Descriptions of the Two EM-5 Positions that were Approved at the October 17, 2006 Board Meeting for the Engineering Division 1) Request Board Approval of Funding of the 2nd EM-5 Position – (cont'd)

Mr. Fujimoto discussed the merits of posting recruitment by intra departmental (within the department, interdepartmental (within the County) and open (open to public). He felt that first going intra, then inter and then open is best as it helps morale by giving your employees the first opportunity to be hired. He added that there is also a non-competitive process that at the Manager's discretion could post the position for 10 days and if there are qualified applicants, hire at will. The drawback with this process is that you cannot offer full-scale pay.

Acting Manager Ushigome added that she has consistently gone simultaneously intra, inter and open no matter what type of positions were being recruited.

Mr. Fujimoto felt that it is a morale booster to take care of your people. Acting Manager Ushigome stated that there are other ways to take care of your people by mentoring them and offering training for their career development to help them seek promotions.

Board concurred that the Position Descriptions and what recruitment process to use is up to management. Mr. Fujimoto added that he just wanted to share his perspective on this situation.

Re: Update on the Strategic and Business Plan and Needs Assessment for the Kauai County Water Department

Mr. Dave Jochim was present at the meeting.

Strategic Plan Update: The Core Planning Team (CPT) met on October 18, 2006. On the previous day, at its regular monthly meeting, the Board decided to move forward to eliminate the Engineering Division's Chief position. This Board action caused a bit of confusion and cast a degree of uncertainty over the validity of the on-going work of the CPT. Throughout the strategic planning process, one of the primary objectives the CPT focused on was "how

do we accomplish the infrastructure improvements identified in WP2020”, to this end.....the CPT worked on identifying strategies and tactics to achieve or resolve five (5) issues/concerns facing the Department, in addition to defining roles and responsibilities within the organization. Faced with limited amount of information regarding the Board’s intent and direction in re-structuring the Department, coupled with the timing of the re-org change in relation to the development of the plan, the CPT was initially taken aback; however, attempted to stay focused on how to document the recent turn of events while still moving forward. After lengthy discussions and a lot of unanswered questions, the CPT requested RW Beck consult and advise the Board to effectively provide details relating to the “envisioned” roles and responsibilities of the revamped organizational structure.

A copy of the RW Beck’s memorandum entitled “Suggested Roles and Responsibilities of the EM-5 Positions and Draft Organization of Water Plan 2020 Sustainability Program” dated November 9, 2006 was given to the Board for their review.

Also, in response to staff’s request, Board member Lynn McCrory met with the CPT on October 25th to explain and answer questions relating to the Board’s intent in re-structuring the Department’s table of organization. It was acknowledged that (currently) the Board is functioning as an operational board, although at some point in time, they would want to become a policy board. Based on the County Council’s attempts to restructure the Department under the Executive Branch of the Mayor’s Administration and other Board initiatives, the Board has acted and directed the Department to identify and address issues such as:

- constructing required water system infrastructure to support affordable housing;
- developing the Strategic and Business Plan to address WP2020 implementation delays;
- implementing a WP2020 program sustainability services;
- providing training for supervisors and management staff;
- approving funding to conduct an operational audit through a time entry process assessment;
- investigating various options to increase the Manager’s salary (charter amendment, HRS §54-33, and, procurement of a professional services contract, etc.)
- reorganizing the Board meeting agenda, standing committees, and presentation format.

The CPT appreciates the time and effort put forth by Board member McCrory to assist them throughout the process by sharing her insights and knowledge. Her presentation was very informative and well received by the CPT. The open dialog allowed the CPT to ask questions and received immediate responses to their inquiries and concerns.

The CPT’s last workshop with RW Beck was postponed from Wednesday, November 1, 2006 to Friday, December 15, 2006 in order to have enough time to receive comments from the Board and CPT to finalize the Strategic and Business Plans.

Again as a reminder to the Board that RW Beck will conduct their monthly updates with the Board at its regular Board meetings to report on the progress of the Strategic and Business Plan summarizing the outcome and findings of the last Core Planning Team (CPT) meeting. At the conclusion of the regular Board meeting, a monthly workshop session will be conducted by RW Beck, which is anticipated to take about 2 hours, so the Board was asked to set aside to 3:00 p.m. on their calendars to accommodate the Board meeting and update/workshops with RW Beck.

Acting Manager Ushigome also reported that RW Beck has also been assigned with an additional task to assist with the Table of Organization restructure and to get the CPT to buy-in on it. Mr. Fujimoto apologized to the staff for having to work harder on this change, although it is just reverting back to the old organization. He stated that the Department was probably operating on this old system longer than after the change to an EM-7, so he felt that most of the staff would fully understand how the department did operate. Acting Manager Ushigome stated that a lot of the players were not working here yet when the old system was in place including herself; we still need to get buy-in from the CPT.

Mr. Jochim stated that their assignments were to report to the CPT at their upcoming final workshop on December 15th on how the two EM-5 positions could be integrated into what we need to do to move forward. They were not tasked to verify if these 2 positions should be EM-5 or EM-7 positions; it was a given that they were working with two EM-5 positions.

Mr. Jochim referenced Page 5 of his handout, which showed the draft revised Table of Organization that the CPT endorsed on October 18, 2006 prior to the approval of the reallocation of the EM-7 to an EM-5 and the new EM-5 position, which is similar to the existing Table of Organization. That draft Table of Organization will also include the Strategic Planning & Community Connections and the Water Plan 2020 Sustainability Program, which Mr. Kyono stated would probably evolve into 2 new divisions with each its own staff.

Mr. Jochim also referenced Page 6 of his handout, which is the Water Plan 2020 Sustainability Program Table of Organization an extension of Water Plan 2020 program. It is a proposed draft organization of the program itself. The sample Table of Organization shows positions for a Chief Engineer and a DOW Liaison (for adequate communication between the program and the internal staff at the DOW) that would probably be the same person with 2 responsibilities.

Mr. Fujimoto explained that on Page 5 of the handout the reallocations would change to having 2 boxes (divisions) instead of only one for the Engineering Division. The first box would be revised for one box for Special Projects and the 2nd box would be for Design and Construction. The Microbiology Laboratory is the 3rd box that would be incorporated into either the Special Projects for the Design and Construction Divisions.

Mr. Costa and Mr. Fujimoto both left the meeting at about 1:07 p.m.

Mr. Jochim discussed that the Strategic Planning & Community Connections will be a box on the Table of Organization. RW Beck will initially head this plan; however, they strongly suggest that eventually this position should be filled internally, with this person being the liaison between the DOW and the community.

Mr. Jochim stated that on Page 6 of his handout, the positions showed in the Sustainability Program Conceptual Table of Organization and Staffing Plan has departmental positions that would need to be filled in addition to the EM-5 position, which could be either contracted to RW Beck or to a local firm. This Program would work independently to get Water Plan 2020 done.

On query by Ms. McCrory, Acting Manager Ushigome explained that some of the reasons why Water Plan 2020 fell behind are due to the strong economy that there are more private projects and plan reviews. The Department's engineering staff had remained the same for many years and there are also vacancies that are hard to fill.

Ms. McCrory asked Mr. Jochim if he or the CPT ever looked at having a more tiered structure to have Public Relations, Human Resources, Information Technology and Waterworks Legal Advisor report to one person as an Administrator? This person would be the liaison between the divisions and these sections to see positive interactions that would benefit everyone. Mr. Jochim stated that there were 4-5 different conceptual organizational structures that may have had this concept; however, the consensus of the CPT was to focus more on addressing the major issues then on doing a total reorganization. Ms. McCrory requested that this should be looked at sometime in the near future, which would make it more manageable for the employees that report to the Manager.

On query by Mr. Kyono, Mr. Jochim stated that the expanded Water Plan 2020 Sustainability Program Table of Organization does not necessarily show employee positions but are list of duties that could be combined and done by one person. Also, these duties could be contracted out or hire someone and will not be additional responsibilities of the existing employees.

On query by Acting Manager Ushigome, it was pointed out that the draft revised Table of Organization basically shows who reports to who and does not show the line of authority. Mr. Jochim explained that the reason it is that way is that the Board directs the Manager and the Manager directs the Water Plan 2020 Program Manager. Ms. McCrory also asked that the Water Plan 2020 position should have a dotted line connection to the Board.

Mr. Jochim also reported that with the addition and completion of some Water Plan 2020 projects, the revised project amount is about 220 projects. It was projected back in 2001 that Water Plan 2020 would cost about \$150 million; however, it looks like the cost will be more than double, although they are still are working on the final costs.

With the strong economy on Kaua'i and in Hawai'i, resources are limited; therefore, in order to attract contractors, the plan is to cut the island of Kaua'i into 3 areas and combine the projects in the area into about \$30 to \$40 million blocks of projects and bid it out. Each block would have about a 3-year time period. They have checked and it is allowable under State law to issue that type of RFPs. They are still doing some research to make it a balanced mix of qualifications-based selection, in addition to price. A larger package of \$30 to \$40 million worth of projects would be more attractive to the large design-build firms in Hawai'i and the Mainland.

Mr. Jochim stated that the job of the project team is to manage these design-build contracts. The project team may do some conceptual designs but will not be designing the projects. Therefore, it is critical that the person who is in the Chief Engineer position for Water Plan 2020 know the Water System Standards.

On query by Ms. McCrory, Mr. Jochim stated that he and Mark Salmon of RW Beck will be at the December 14th Board Meeting to give the Board a report on their draft 60-day plan that will consist of concepts and costs identified and layout the 3 alternatives.

On query by Acting Manager Ushigome, Mr. Jochim stated that they would have to look at how the Department will pay for it. Ms. McCrory added that they would have to check whether it should be a 2-year, 5-10 years or a 15-year plan. On query by Acting Manager Ushigome, Mr. Jochim stated that Art Griffith and Ann Hajnosz are looking into how this plan will affect our water rates.

Mr. Kyono discussed that this Strategic Plan has been all about getting all of the staff's input so what about getting the staff's input on whether two EM-5 positions are really what the Department needs. Mr. Jochim stated that the Board approved the two EM-5 positions.

However, Mr. Jochim stated that the CPT reviewed the Table of Organization for the Sustainability Program for Water Plan 2020 and he felt that the CPT would have recommended that the Chief Engineer position be filled by an internal process. So, for Water Plan 2020, Mr. Jochim felt that the CPT would have still recommended that a senior level engineer was required for that position.

Acting Manager Ushigome stated that previously with only one Engineering Division Chief, it worked well as that person knew the Water System Standards and would oversee and provide consistency that all Water Plan 2020 and private projects met our standards.

Water Plan 2020:

On query by Mr. Kyono, Mr. Jochim stated that RW Beck will be on island full time 24/7 and they will have business cards printed with Water Plan 2020 on it as that will be their only job. They were hoping to temporarily borrow office space on the 2nd Floor of our Micro Lab Building and they will eventually get their own office. Mr. Jochim further stated that the Water Plan 2020 representative would report to the Deputy Manager, as well as the EM-5 positions.

Mr. Jochim added that under the Water Plan 2020 Table of Organization, there are opportunities for young engineers to get on board to get training to move up the ranks.

Mr. Jochim discussed that they found out that they could do programmatic documents for environmental permit approvals for groups of projects, which they want to start the process soon.

Mr. Jochim also discussed that once they are done with the 60-day plan, which would offer options on which avenue the Board would want to use to proceed with Water Plan 2020, whether it was to do Water Plan 2020 aggressively in a 2-year plan, 5-10 year plan or a 15-year plan. Since the Board may take some time to decide which plan to use, Mr. Jochim recommended that since their funding ends at the end of 2006, that the Board may want to consider some bridge funding to carry over into the first quarter of 2007.

Mr. Kyono advised Mr. Jochim that when he grouped projects to be sure to not have one project that may have an Environmental Impact Statement (EIS) that can be timely and clog the progress of the rest of the group of projects that may only have an Environmental Assessment (EA) as a requirement. It was so noted.

Affordable Housing Projects:

Mr. Jochim stated that they have been having some meetings with the consultants for the Affordable Housing Projects and they now have produced a master schedule and supplementary detailed schedules for each of the projects. To compile their work schedule, RW Beck team has worked backward from the deadline date of December, 2008.

Operational Audit:

On query by Ms. McCrory, Mr. Jochim stated that once he gets the Amendment to the Contract signed, then he can proceed to work with Moss Adams to start the operational audit about January 1, 2007. He will report back to the Board on this status at the December 14, 2006 Board Meeting.

Governance Policies:

Mr. Jochim asked the Board on how they wanted to proceed with the draft Governance Policies that they have produced. Ms. McCrory replied that they were not ready yet to finalize these policies as there was a lot to read through; therefore, she recommended that this be brought up again in January or February, 2007.

The Board thanked Mr. Jochim for his report. Received for the record.

- **Request Board Approval of Funding of the 2nd EM-5 Position**

Recommendation: It was recommended that an amount of \$91,000 be budgeted from Account No. 15, Salaries from the Water Utility Fund to cover the salary of the additional EM-5 position, which the Board created at its October meeting.

On query by Ms. McCrory, Acting Manager Ushigome stated that the \$91,000 is the maximum salary for the position and benefits, etc. were not included. Ms. McCrory recommended that the amount budgeted to be revised to about \$150,000 to include all benefits, furniture and equipment, etc.

Mr. Shibata moved to approve \$150,000 to fund the new EM-5 position, seconded by Ms. McCrory.

Mr. Kyono expressed that he could not support this at this time as the CPT did not review this yet and hoped that the Board would hold off on this until such time that the CPT is consulted and they can confirm that this EM-5 position is warranted and not a EM-3, EM-7, etc. He added that he did not want to fund this until he has a clearer picture.

On query by Mr. Shibata, Mr. Kyono stated that he agrees that there should be this position but not clear on what level it should be.

Chair Sokei called for the vote:

Aye: Myles Shibata and Lynn McCrory

Nay: Josephine Sokei, Bernie Sakoda and Steven Kyono. The motion died.

Both Chair Sokei and Ms. Sakoda concurred with Mr. Kyono that there should be staff input first on the job description, etc. As the next CPT Meeting is not until Friday, December 15, 2006, a day after the next Board Meeting, this matter was deferred to the January 16, 2007 Board Meeting.

Re: For Board's Information on the Department of Water's Vacant Positions

Discussion and Action Steps concerning Selection Process for new Manager and Chief Engineer of the Kaua'i County Water Department 1) Water Manager's Salary Update and 2) Contract Hire to Assist the Acting Manager

- **Water Manager's Salary Update**

As requested by the Board, the Department submitted a request letter to the County Attorney Lani Nakazawa, Esq., seeking written confirmation that the County Attorney concurs with the conclusions stated in the Goodsell, Anderson, Quinn & Stifel, A Limited Liability Law Partnership LLP letter dated August 9, 2006. In response to a follow up call and in light of the recent passage of Charter Amendment No. 5, County Attorney Lani Nakazawa offered to be present at the upcoming November Board meeting to further discuss her position on whether the Board has the legal standing to establish through resolution a compensation package for the Manager.

This matter was taken up in Executive Session.

- **Contract Hire to Assist the Acting Manager**

To date, a solicitation notice has not been prepared and no action has been taken on this matter. The Department needs to prepare the necessary procurement notice to solicit professional service providers (a company) to assist with the management of the Department.

Re: Job No. 98-6, Refurbish 0.2 M.G. Ornellas Tank, Kapaa, Kauai, Hawai'i, (Water Plan 2020 Project No. WK-07)

Recommendation:

It was recommended that an amount of \$10,250.00 be budgeted from Account No. 106B, CIP Reserve for the additional work required to remove and replace the damaged influent line, piping support and hold down pedestal for the Ornellas 0.2 M.G. Tank; and to clear the tank's drainage swale.

Project Funding:

Contract No. 431, Oceanic Companies, Inc. – Construction

Total Funds Certified.....	\$ 837,900.00	
Oceanic Companies, Inc.....	\$<836,641.69>	
Balance Remaining.....		\$ 1,258.31
Proposed Change Order...<	10,959.86>	
Contingency (5%).....<	548.45>	
Total.....		\$< 11,508.31>
Additional Funds Requested, Account 106B, CIP Reserve	\$<	10,250.00>

Background:

After the refurbished Ornellas 0.2 M.G. Tank was returned into service, it appears that an unanticipated pressure spike may have occurred in the County's water system; causing the piping on the tank's influent line to fail. The influent line failure also damaged the influent line pipe support and hold down pedestal. In order to repair the damage, the piping for the tank influent line must be re-installed and the influent line pipe support and hold down pedestal removed and reconstructed.

In addition, the Department asked the Contractor to clear and excavate the tank's drainage swale to enable the onsite flows and water that is drained from the tank washout line to flow into a nearby drainage ditch. Clearing and excavating the tank's drainage swale was not part of the original scope of work.

Mr. Kyono moved to approve the amount of \$10,250.00 be budgeted from Account No. 106B, CIP Reserve for the additional work required, seconded by Ms. Sakoda; motion was required.

NEW BUSINESS

Re: Request to Testify by William C. Rita on their Water Requirement for Subdivision No. 2006-42, Lot 88A, Kalaheo Homestead, 1st Series, Kalaheo, Kauai, Hawai'i

This matter was deferred as the Ritas were not ready to address the Board; they will notify us when they are ready.

Re: Request Board Approval to Revise Board's Rules of Procedure

Recommendation:

It was requested that the Board approve to eliminate the Public Affairs Committee, which is part of and documented in the Board's Rules of Procedure. To record this action and a few corrections made to the Board's Rules of Procedure, it is also recommended that the Board approve the revised Rules of Procedure.

Funding: not applicable

Background:

At the October 17, 2006 Board Meeting, the Board decided that the duties of the Public Affairs Committee had diminished and felt that the Public Relations Specialist could take over this duty by submitting her public affairs report as part of the Regular Meeting Agenda under Reports.

Ms. McCrory moved to approve to eliminate the Public Affairs Committee and to approve the revised Board's Rules of Procedure that will reflect this action and a few corrections that were made, seconded by Ms. Sakoda; motion was carried.

Re: Job No. 97-10, WKK-14, Kilauea Booster Pumps, Kilauea, Kauai

RECOMMENDATION: It was recommended that the Board award a contract to Oceanic Companies, Inc. in the amount of \$1,309,149.59 for the construction of this project and approve a contingency of \$65,850.41 (approximately 5% of the contract amount) for a total of \$1,375,000.00. It was further requested that the Board allocate \$300,000.00 from Account 301b FRC Fund Balance and \$215,000.00 from Account 106b CIP Reserve in to fund the total balance required of \$515,000.00.

FUNDING:

301. FRC CIP, Job No. 97-10

WKK-14, Kilauea Booster Pumps	\$500,000.00	
Additional Funding Allocation (October 17, 2006)	\$360,000.00	
Total Available Funding		860,000.00

Oceanic Companies, Inc.	\$1,309,149.59	
Contingency approx. 5%	\$ 65,850.41	
Total:.....		<\$1,375,000.00>

Additional Funds Requested:

Account No. 301b, FRC Fund Balance	<\$300,000.00>	
Account 106b CIP Reserve	<\$215,000.00>	
Total Funds Requested		<\$ 515,000.00>

BACKGROUND:

The major components of this project are:

- Furnish, deliver and install two booster pumps, discharge piping and electrical control equipment and building to pump to the Puu Pane Tank for the east Kilauea community service area.
- Approximately 1300 feet of 8" ductile iron connecting pipeline.
- Misc. ancillary items, antenna, fencing, paving, landscaping, etc.

Bids were received and opened for the subject project on October 17, 2006 with the following results:

Oceanic Companies, Inc.	\$1,309,149.59 (corrected)
R Electric, Inc.	\$1,329,065.00

The engineer's estimate for this work was \$817,140.00.

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

There appears to be no single item that is a major factor in the cost difference between the engineer's estimate and the low bidder, as most of the items were consistently higher than the estimate. It is speculated that this difference is due to the increased cost of the construction materials and the current construction (labor) market, as indicated by the few bidders that submitted proposals.

It was further noted that additional costs and time delays would be incurred to re-design the project in the attempt to lower the project costs. Due to the recent closure of the irrigation water in this area, the Department has been experiencing higher water demands, resulting in low water pressures in the higher elevations of the area. Delays to the construction of this project will further subject the community to bearing the low water pressure condition.

On query by Ms. McCrory, Mr. K. Fujimoto stated that the consultant could not pinpoint any specific line item that made the bid higher as all line items were higher than expected. Ms. McCrory was hoping that these cost line items could be handy for future projections. Mr. K. Fujimoto added that it would be hard to project if the future climate of construction will still be as high as the current flurry of construction.

On query by Mr. Kyono, Mr. K. Fujimoto stated that the Job No. 97-10 probably reflects when this project started. Mr. Kyono added that since this project was budgeted much earlier, it is hard to get up-to-date costs. He stated that he runs into this problem all the time at his work place.

Acting Manager Ushigome also explained that another reason for higher costs were that the original site was changed as the community did not want it there.

Ms. McCrory moved to approve to award a contract to Oceanic Companies, Inc. in the amount of \$1,309,149.59 for the construction of this project and approve a contingency of \$65,850.41 (approximately 5% of the contract amount) for a total of \$1,375,000.00 and also approved the allocation of \$300,000.00 from Account 301b FRC Fund Balance and \$215,000.00 from Account 106b CIP Reserve to fund the required total balance of \$515,000.00, seconded by Mr. Kyono; motion was carried.

Re: Grant of Easement from Howard Andrew Graves and Sonja Graves for the Water Meter, Hydrant and Backflow Preventer at TMK: (4) 2-6-04: 049 for "Koloa Makai Condominium", Koloa, Kauai, Hawaii

It was recommended that the Board approve the grant of easement whereby Howard Andrew Graves and Sonja Graves grant to the Board of Water Supply, County of Kauai, perpetual easements "W-1" and "W-2", over and under that certain parcel of land located in TMK: (4) 2-6-04: 049, 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 Water Meter, Hydrant and Backflow Preventer at TMK: (4) 2-6-04: 049 for "Koloa Makai Condominium", Koloa, Kauai, Hawaii

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

Mr. Kyono moved to approve the Grant of Easement from Howard Andrew Graves and Sonja Grave, including the indemnification provision, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Howard Andrew Graves and Sonja Graves for the Water Meter, Hydrant and Backflow Preventer at TMK: (4) 2-6-04: 049 for "Koloa Makai Condominium", Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Howard Andrew Graves and Sonja Graves transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each – Fire Hydrant Assembly with one (1) 4-1/2-inch and one (1) 2-1/2-inch outlet; one (1) each – 6-inch Gate Valve, including C.I. Valve Box & Cover; and one (1) each – 2-inch Copper Single Service Lateral for 1-1/2-inch Water Meter, Hydrant and Backflow Preventer at TMK: (4) 2-6-04: 049 for the "Koloa Makai Condominium", Koloa, Kauai, Hawai'i.

Mr. Kyono moved to approve the Conveyance of Water Facility from Howard Andrew Graves and Sonja Grave, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Matthew Beall for the Akahai CPR, TMK: (4) 5-8-08:058, Haena, Hanalei, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Matthew Beall transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) single service lateral for 5/8" water meter and one (1) 6-inch fire hydrant assembly, including fire hydrant, 6-inch ductile iron pipe, 6-inch tapping valve with valve box and cover, in place complete, for the Akahai CPR, TMK: (4) 5-8-08:058, Haena, Hanalei, Kauai, Hawaii.

Mr. Kyono moved to approve the Conveyance of Water Facility from Matthew Beall, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Beverly Young for the Single Service Lateral for "New Moon Estates" CPR at TMK: (4) 4-4-02:105, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Beverly Young transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) ea. – 1" Copper Single Service Lateral for 5/8" water meter for the Single Service Lateral for "New Moon Estates" CPR at TMK: (4) 4-4-02:105, Kawaihau District, Kauai, Hawai'i. A Grant of Easement was not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Beverly Young, seconded by Ms. McCrory; motion was carried.

Re: Board Meeting Dates Year 2007

The tentative Board Meeting dates for 2007 were submitted to the Board that may be subject to changes. The Board Meeting dates were scheduled for the 3rd Tuesday of each month. It was noted that the AWWA, HI Section May Annual Conference and the AWWA June National Conferences were both scheduled at the end of the month next year so no adjustment of meeting dates would be necessary.

It was requested again that the December Board Meeting date be shifted to the 2nd Thursday instead of the 3rd Tuesday as the DOW's Annual Breakfast/Employee Meeting will be scheduled on that same date. Often times, the employees will take vacation during the 2-week holiday season at the end of December so an earlier breakfast meeting date will have better attendance. It will also make it convenient for the Board to join the staff for the annual meeting/ breakfast and then have the monthly Board Meeting thereafter. The following are the tentative Board Meeting dates:

1. **January, 2007:** Tuesday, January 16, 2007 - 10:00 a.m.
2. **February, 2007:** Tuesday, February 20, 2007 - 10:00 a.m.
3. **March, 2007:** Tuesday, March 20, 2007 - 10:00 a.m.
4. **April, 2007:** Tuesday, April 17, 2007 - 10:00 a.m.
5. **May, 2007:** Tuesday, May 15, 2007 - 10:00 a.m.
[Note: May 23-25, 2007 is the AWWA, Hawai'i Section Conference in Honolulu at the Hawai'i Convention Center
6. **June, 2007:** Tuesday, June 19, 2007 - 10:00 a.m.
[Note: June 24-28, 2007 is the AWWA Nat'l Conference-Toronto, Canada]
7. **July, 2007:** Tuesday, July 17, 2007 - 10:00 a.m.
8. **August, 2007:** Tuesday, August 21, 2007 - 10:00 a.m.
9. **September, 2007:** Tuesday, September 18, 2007 - 10:00 a.m.
10. **October, 2007** Tuesday, October 16, 2007 - 10:00 a.m.
11. **November, 2007** Tuesday, November 20, 2007 - 10:00 a.m.
12. **December, 2007** Thursday, December 13, 2007 - 10:00 a.m.
[Note: 2nd Thursday for Dec. only]

REPORTS

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

Received this report for the record.

Re: Manager's Update for October, 2006 to November, 2006

CONTRACTS AWARDED BY THE MANAGER:

Re: Bids – Solicitation GS-2006-02, Furnishing And Delivery of Brass and Bronze Products:

FUNDING:

Account No. 102, Miscellaneous Other Capital Expenditures	\$626,668.61
Contract to Ferguson Enterprises, Inc.	<\$ 62,243.75>
Remaining Balance	<u>\$564,424.86</u>

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

WAIVER, RELEASE, AND INDEMNITY AGREEMENTS SIGNED BY THE MANAGER:

1. Multi-Purpose Building for Kaua'i Ohana YMCA, TMK: 3-3-03:043, Lihu'e, Kauai
2. Courtyards at Waipouli Affordable Housing Project – KD Waipouli

Affordable Housing Update:

OCA-County Housing Agency forwarded the Administration's Affordable Housing Policy to the County Council for adoption.

Updates on Affordable Housing Task Force Projects:

1. DHHL – Anahola Residence Lots Unit 6, "Pi'ilani o Kekai, Phase 1: DOW waiting for DHHL's right-of-entry for Phase 1. DOW approved Phase 1 subdivision water improvement bond amount and notified Planning.
2. Habitat - Eleele I Luna Subdivision Phase 1: Subdivider in process of submitting the final subdivision map to Planning.
3. Puhi Self Help Subdivision - DOW waiting for right-of-entry (ROE) agreement from subdivider.
4. Kauai Lagoons – Waipouli Courtyard- Remaining conditions not completed include construction plan approval (DOW waiting for submittal of final tracings), certification of completion issuance by DOW and payment of FRC. Kauai Lagoons submitted written request to DOW executed a Waiver, Release & Indemnity (WR&I) agreement (including posting a bond) with the Department. The WR&I has not been completed to date. FRC not paid to date.
5. Kauai Lagoons – Kapule Project: Council approved the Kauai Lagoons zoning amendment. The developer will build 31 affordable housing units on R-20 zoned parcel all at the same site.
6. KEO Transitional Housing Project Phase I & II: Phase 1 is underway. Phase II: KEO submitted letter to Acting Mgr requesting waiving water meter requirement. DOW approved building permit for Phase II; however, certification of occupancy will not be issued prior to the completion and acceptance of the water system improvements. Final plan drawings need to be submitted to the Department.
7. County-State parcel affordable housing projects: Kekaha, Kaapuni, Mahelona, Hundley Project sites: OCA and Finance Director preparing money bill to Council for \$150k to do a site feasibility study of the four affordable housing (State) parcels.

Acting Manager Ushigome also reported that the Affordable Housing Policy will be discussed at the November 21, 2006 Council Meeting as well as the December 6, 2006 Council Meeting and a workshop will also be held on January 3, 2007.

Ms. McCrory stated that the Department should continue to find ways to help affordable housing.

On query by Ms. McCrory, Mr. K. Fujimoto stated that the FONSI was not issued yet for the Stable Tank as there was an issue that needed to be addressed about Waipouli Beach Resort's contribution to the cost of the tank, which the Department has submitted their comments.

On query by Ms. McCrory, Mr. Inouye stated that he has been in contact with Ms. Claudia Shay and she will be submitting the ROE shortly for the Puhi Self-Help Subdivision.

DOW Waterworks Legal Advisor: The Department is pleased to announce Amy Esaki has accepted the DOW Waterworks Legal Advisor position. Her start date is Monday, November 27, 2006. Amy is an experienced, well-qualified and extremely dedicated attorney. She has worked in the County Attorney's Office and is very familiar with County and State government, regulations, ordinances, laws and legislative process, formerly with Council

Services as a legal analyst. Amy's systematic, practical approach to problem solving, in addition to her diligent work ethic makes her a true asset to the Department.

We welcome Amy to the Department of Water and look forward to working with her.

On query by Ms. Sakoda, Acting Manager Ushigome stated that this position was not posted as it is a contract position. She added that this position was budgeted in this year's budget.

Also on query by Ms. Sakoda, Acting Manager Ushigome stated that with this position, the Department would not need to contract with a local firm to assist with day-to-day legal operations as this Waterworks Legal Advisor position would be responsible to do that type of work. Acting Manager Ushigome added that the other major firm that was talked about at the last Board Meeting was to use for special technical services and for support from their lobbyist that was on staff.

On query by Acting Manager Ushigome, Deputy County Attorney Tagupa stated that if the DOW wanted to go out for special legal services, a new advertisement should be made for that specific legal service. Acting Manager Ushigome stated that this would be the avenue to hire legal services for e.g., the lobbyist, etc. Our new Waterworks Legal Advisor would do the day-to-day legal support services.

USGS Well Drilling Program's Liquidation of Assets: The drill rig equipment (liquidation) bids were opened on October 12, 2006. Relo Construction was the high bidder at \$426,900. Based on the bid price, the Department will receive \$135,763.24. In addition, the Department requested the welder and 40-foot storage container, the suggested value of these items were \$2,500 and \$3,500, respectively.

Again, the distribution of the bid proceeds from the sale of the well drilling equipment was computed by dividing the bid amount by 3 (participating County Water Departments) and subtracting any miscellaneous expenses and acquisition of equipment by the respective departments. The respective departments shall also be responsible to pay all shipping and related costs for the items they selected.

Revised Water Rates

Acting Manager Ushigome added that the water rates would be going up on January 1, 2007; therefore, a press release was being prepared to go out shortly.

Hawaii Employer's Council

Acting Manager Ushigome also reported that Mr. Jochim will be contacting and coordinating training with the Hawaii Employer's Council.

Received for the record.

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

This matter was already taken care of in Committee Meetings.

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

This matter was already taken care of in Committee Meetings.

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

This matter was already taken care of in Committee Meetings.

Re: TOPICS FOR NEXT WATER BOARD MEETING

1. Board's Finance and Rules Committee Meetings
2. Election of Officers (December, 2006)
3. Appointment of Finance and Rules Committees (December, 2006 or January, 2007)
4. Old Business – Board Support of Affordable Housing (December, 2006)
5. Resolution No. 3, Mahalo and Aloha Josephine Sokei
6. Resolution No. 4, Mahalo to All Make-A-Splash Water Festival Helpers
7. Executive Summary of Organizational Changes and Position Description Guidelines

Mr. Jim Tagupa left the meeting at about 2:38 p.m.

K. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Board's Finance and Rules Committee Meetings
2. For the Board's Information on the Quarterly Report regarding Kaua'i County Water Department Manager's Top 4 Goals for 2006 (January, 2007)
3. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects (January, 2007)
4. Old Business: Request Board Approval of Funding of the 2nd EM-5 Position (January, 2007)

L. NEXT WATER BOARD MEETINGS

1. Thursday, December 14, 2006, 10:00 a.m. (revised date)
2. Tuesday, January 16, 2007, 10:00 a.m.
3. Tuesday, February 20, 2007, 10:00 a.m.

M. WATER BOARD'S UPCOMING EVENTS

1. Department of Water's Employee Annual Meeting and Brunch (December 14, 2006)
2. Aloha Dinner for Josephine Sokei (December 14, 2006)
3. AWWA, HI Section Workshop on Kaua'i (February 22-23, 2007)
4. AWWA, HI Section Annual Conference at the Hawai'i Convention Center on O'ahu (May 23-25, 2007)
5. AWWA National Conference (June 24-28, 2007)

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 2:42 p.m.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

rm