

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Tuesday, November 20, 2007

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, November 20, 2007. Chairperson Lynn McCrory called the meeting to order at 10:13 a.m. On roll call, the following answered present:

BOARD: Ms. Lynn McCrory, Chairperson
Mr. Ian Costa
Mr. Donald Fujimoto (10:22 a.m. – 12:52 p.m.)
Mr. Leland Kahawai
Mr. Roy Oyama

Absent & excused: Mr. Steven Kyono
Ms. Bernie Sakoda

STAFF: Ms. Wynne Ushigome
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. William Eddy
Mr. Keith Fujimoto
Ms. Faith Shiramizu
Ms. Amy Esaki
Mr. Dustin Moises
Deputy County Attorney Jim Tagupa
Mr. Keith Aoki (present at about 12:45 p.m.)

Absent & excused: Mr. Bruce Inouye
Deputy County Attorney Rosa Flores

GUESTS: Ms. Mona Clark, Deputy County Attorney
Mr. Max Graham, Esq. for Mr. Ben Garfinkle (left mtg. at about 11:27 a.m.)
Mr. Ben Garfinkle (left mtg. at about 11:27 a.m.)
Mr. Ben Wellborn, Mr. Garfinkle's consultant (left mtg. at about 11:27 a.m.)
Mr. Tom Nance, Mr. Garfinkle's consultant (left mtg. at about 11:27 a.m.)
Mr. Shawn Smith, Guest (left mtg. at about 11:27 a.m.)

AGENDA

Chair McCrory re-ordered the Agenda to have New Business No. G2, Resolution No. 5, Mahalo to DOW Volunteers at the Make-A-Splash Festival to be taken after Correspondence/Announcements.

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

MINUTES

Regular Meeting – October 16, 2007

Mr. Oyama moved to accept the Regular Meeting Minutes of October 16, 2007, and placed on file, seconded by Mr. Costa; motion was carried.

Special Meeting – November 9, 2007

Chair McCrory revised Page 6, Paragraph 3, “Chair McCrory felt that with Kauai Department of Water being at the lower end of the range, this would result in the Kauai Department of Water’s numbers being higher than the national average. There may be other issues to consider but this is a reference [this was a good reference] and would help with next year’s budget preparation. (Note: double underline are additions and [brackets] are deletions.)

Mr. Costa moved to accept the Special Meeting Minutes of November 9, 2007, as amended, and placed on file, seconded by Mr. Oyama; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS: None

NEW BUSINESS

Re: Resolution No. 5 (07/08), Mahalo to DOW Volunteers at the Make-A-Splash Festival

Public Relations Specialist Shiramizu read Resolution No. 5.

Mr. Costa moved to approve Resolution No. 5 (07/08) Mahalo to DOW Volunteers at the 4th annual Make-A-Splash Festival that was held on Friday, September 21, 2007, seconded by Mr. Kahawai; motion was carried.

On behalf of the Board, Chair McCrory thanked the DOW staff for an incredible event.

Resolution No. 5 (07/08) will be forwarded to each participant at the November 30, 2007 Monthly Employee Meeting.

AGENDA

Chair McCrory also requested to re-order the Agenda to have 1) New Business No. G1, Request to Testify by Max W. J. Graham, to be taken up next; 2) New Business G3, Request Board Approval on the Water Plan 2020 Sustainability Program – Phase 1 and Phase 2 Update Project List to be taken up at the end of New Business; and 3) Executive Session to follow New Business G3, Water Plan 2020.

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

Mr. D. Fujimoto was present at the meeting at about 10:22 a.m.

Re: Request to Testify by Max W.J. Graham, Opaekaa Falls Land Company 1 LLC and Opaekaa Falls Land Company 2, LLC, Request to Amend Subdivision Conditions for Opaekaa Falls Land Co. Subdivision (S-2007-47), Consolidation of Lots 23-A-1, 23-A-2 & 23-B and Resubdivision into Lots 1, 2,&3, TMK: 4-2-03:12, 65&66, Kuamoo Road, Wailua Homesteads, Wailua, Kauai, Hawaii

Mr. Max Graham (Legal Counsel), Mr. Ben Wellborn (Consultant), and Mr. Ben Garfinkle (Developer) were present at the meeting

Board Report:

RECOMMENDATION:

Part 3, Section II “Availability of Water and Approval of Subdivision Map” of the DOW rules state that the Department must have a sufficient water system developed for domestic use and fire protection for DOW subdivision approval. The existing Wailua Homestead System transmission waterlines that serve the proposed subdivision are inadequate to provide the required domestic and fire flow demands. The DOW subdivision conditions for final subdivision approval include the construction by the subdivider of transmission mainline extensions for the subdivision.

In addition, the existing Wailua Homestead Water System is deficient in storage system capacity. The area is currently affected by a DOW restrictive policy for water meter and building permit requests. The DOW policy restricts the number of water meters or dwelling units to an existing lot to five (5) water meters/dwelling units per existing lot until adequate storage facilities are completed. Further development of the proposed subdivision (i.e. additional dwelling units) will require additional storage system capacity improvements.

Over the years, the Department has consistently applied its Rules and Regulations in accordance with the review and approval of subdivision applications, including this subdivision application; therefore, the Department recommends that the Board not approve the applicant’s request to waive and delete conditions arbitrarily, which are inconsistent with the applicable Standards, Ordinances and Rules:

It is recommended that the Board not approve the applicant’s request to:

1. Amend Paragraph C.3. of, the DOW Revised Subdivision Report dated September 27, 2007 to read as follows:
 - “3. Before final approval can be recommended, the subdivider must:
 - i. Prepare and receive Department of Water’s approval of construction drawings for the necessary water system facilities and either construct said facilities or post a performance bond for construction. These facilities shall also include:
 1. The domestic service connections.
 2. The fire service connections.”
2. Add Paragraph 3.F. to the DOW Revised Subdivision Report dated September 27, 2007 to read as follows:
 - “3.F. The applicant shall record deed restrictions in the Bureau of Conveyances for Lots 1, 2 & 3 within ninety (90) days of final subdivision approval by the Planning Commission to read as follows:
 1. Lot 1,
“Because the Water System operated by the Department of Water of the County of Kaua’i (DOW) is presently inadequate, Lot 1 shall be restricted to a maximum of three (3) five-eighth (5/8) inch DOW water meters and three (3) residential dwelling

units. This restriction shall remain in effect unless and until: the source, storage and/or transmission facilities are increased sufficiently, as determined by DOW, to allow the issuance of additional water meters to, or the approval of additional dwelling units on Lot 1; or DOW, in its sole and absolute discretion, agrees to release additional water meters to Lot 1”

2. Lot 2.

“Because the Water System operated by the Department of Water of the County of Kaua’i (DOW) is presently inadequate, Lot 2 shall be restricted to a maximum of one (1) five-eighth (5/8) inch DOW water meter and one (1) residential dwelling unit serviced by DOW. Provided, however, that if Lot 2 Owner obtains approval from DOW for a private water system on Lot 2, a maximum of six (6) additional dwelling units, serviced by the private water system shall be allowed; provided further that the Lot 2 Owner obtains all government approvals for such additional units. This restriction shall remain in effect unless and until: the source, storage and/or transmission facilities are increased sufficiently, as determined by DOW, to allow the issuance of additional water meters to, or the approval of additional dwelling units on, Lot 2; or DOW in its sole and absolute discretion, agrees to release additional water meters to Lot 2.”

3. Lot 3.

“Because the Water System operated by the Department of Water of the County of Kaua’i (DOW) is presently inadequate, Lot 3 shall be restricted to a maximum of two (2) five-eighth (5/8) inch DOW water meter and two (2) residential dwelling units. This restriction shall remain in effect unless and until: the source, storage and/or transmission facilities are increased sufficiently, as determined by DOW, to allow the issuance of additional water meters to, or the approval of additional dwelling units on, Lot 3; or DOW, in its sole and absolute discretion, agrees to release additional water meters to Lot 3.”

BACKGROUND:

Part 3, Section II “Availability of Water and Approval of Subdivision Map” of the DOW rules state that the Department must have a sufficient water system developed for domestic use and fire protection for DOW subdivision approval. The existing Wailua Homestead System transmission waterlines that serve the proposed subdivision are inadequate to provide the required domestic and fire flow demands. The DOW subdivision conditions for final subdivision approval include the construction by the subdivider of transmission mainline extensions for the subdivision.

In addition, the existing Wailua Homestead Water System is deficient in storage system capacity. The area is currently affected by a DOW restrictive policy for water meter and building permit requests. The DOW policy restricts the number of water meters or dwelling units to an existing lot to five (5) water meters/dwelling units per existing lot until adequate storage facilities are completed. Further development of the proposed subdivision (i.e., additional dwelling units) will require additional storage system capacity improvements.

Request 1: Amend Paragraph C.3. of the DOW Revised Subdivision Report dated September 27, 2007:

The applicant's request waives the DOW water system improvement requirement for two mainline extensions that include a 12-inch mainline at 5,900 feet along Puu O Pae Road and an 8-inch mainline at 2,250 feet along Kuamoo Road (See Attachment 1). DOW determined that the existing waterlines are not adequate to provide the domestic and fire flow demand of the proposed subdivision and that the completion of both mainline extensions is needed to provide necessary transmission capacity to the subdivision. In addition a engineering report that was prepared by the subdivider's engineer, Tom Nance Water Resource Engineering dated July 3, 2007 (Attachment 5) also concluded that the existing DOW waterlines are not adequate for the proposed subdivision. The Nance report concludes that fire flows available at Fire Hydrant No. R-15 that is located at the subdivision, range from 464 gallons per minute (gpm) to 673 gpm. The required fire flow for the subdivision is 750 gpm.

The Graham letter to the Board dated November 9, 2007 (Graham letter), states that the existing DOW water facilities are adequate to supply potable water via the 6 existing water meters to the proposed subdivision. The approval of two water meters to each of the three existing subdivision lots (total 6 existing meters) was not affected by the fire flow requirement. The 2007 Amendments to the 2002 Water System Standards amended Table 100-19 "Fire Flow Requirements". The rule amendment exempted the requirements of fire flow (Table 100-19A) for the approval of building permits for first and second dwelling units and applications for the first and second 5/8" water meters. However, the rule applies only to the existing lot of record and does not apply to subdivision of land. The transmission mainline extensions as stated in the DOW subdivision report is needed to provide adequate domestic and fire protection demand for the proposed subdivision.

The Graham letter to the Board also refers to the DOW letter dated April 5, 2007 regarding a fire hydrant flow test that was conducted on March 7, 2007. The DOW letter does not state that Fire Hydrant No. 15 has sufficient capacity (250gpm for 1 hour) to provide fire protection for the 6 – Lot 2 Ag Units as stated by the Graham letter. The fire hydrant flow test is not a conclusive method of determining system hydraulic capacity in accordance with DOW standards. The fire flow requirement for the proposed subdivision is 750 gpm at 2 hours duration and not 250 gpm at 1 hour as stated by the Graham letter.

Request 2: Add new section 3.F: " The applicant shall record deed restrictions in the Bureau of Conveyances for Lots 1, 2 & 3 within ninety (90) days of final subdivision approval by the Planning Commission to read as follows:

Lot 1: Lot 1 is designated as R-4 zoning. The existing DOW system is unable to provide the required fire flow and domestic water demand. There is no DOW policy or rule that allows the subject 3-lot subdivision to waive DOW water system improvements and instead encumber the lot with a deed restriction that restricts development beyond three residential units and/or three water meters.

Lot 2: Lot 2 is a part of the subdivision and is affected by the same water system conditions for Lot 1 and Lot 3. The proposed subdivision private water system would be allowed if the private system supplies the entire 3 lot subdivision and if the subdivider records a waiver and release document that state that County water service is not available to the subdivision. The private water system must be in accordance with DOW standards and be able to provide all domestic and fire protection demands for proposed development. The subdivider will be required to disconnect all existing County DOW water meters if a private water system is provided for the subdivision.

Lot 3: Same as Lot 1

DOW COMMUNICATION RECORD:

The following is a chronological listing of DOW letters and report regarding TMK: 4-2-03:012,065 & 066:

DOW Subdivision **Revised** Report S-2006-47, Opaekaa Falls Land Co. LLC, TMK 4-2-03: 012 & 065, October 16, 2007: (Attachment 2)

The Department recommended to the Planning Department that tentative subdivision map approval be granted provided the subdivider is required to complete the following:

- Prepare and receive DOW's approval of construction drawings and construct the following water improvements:
 - An extension of main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12-inch waterline along Olohena Road and running south along Puu O Pae Road to Opaekaa Road.
 - An extension of main 8-inches in diameter, approximately 2,250 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running southeast to the Kuamoo/Lilia Place intersection.
 - The domestic service connections
 - The fire service connections

DOW Subdivision **Revised** Report S-2006-47, Opaekaa Falls Land Co. LLC, TMK 4-2-03: 012 & 065, September 27, 2007: (Attachment 3)

The Department recommended to the Planning Department that tentative subdivision map approval be granted provided the subdivider is required to complete the following:

- Prepare and receive DOW's approval of construction drawings and construct the following water improvements:
 - An extension of main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12-inch waterline along Olohena Road and running south along Puu O Pae Road to Opaekaa Road.
 - An extension of main 8-inches is diameter, approximately 2,250 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running southeast to the Kuamoo/Lilia Place intersection.
 - The domestic service connections
 - The fire service connections

DOW / Opaekaa Falls Land Co, LLC (“Opaekaa Falls”) Meeting (S-2007-47)
Revised Subdivision Map Consolidation/Resubdivision Lots 23-A-1, 23-A-2 & 23-B,
TMK: 4-2-03:012, 065 & 066, September 10, 2007: (No Attachment)

The DOW acting manager met with Ben Wellborn, Opaekaa Falls land Co. LLC, and informed him of the DOW’s decision to not accept the subdivider’s request and proposal for nine (9) additional meters/dwelling units that would be included with the development of subdivision S-2006-47. DOW informed Mr. Wellborn that DOW will submit a revised subdivision report regarding the revised preliminary subdivision map to the Planning Department.

DOW Staff Meeting: (S-2006-47) Subdivider Request for Nine (9) Additional Water Meters in addition to Six (6) existing meters, August 29, 2007(Attachment 4)

DOW staff meeting notes summary:

1. Parallel new 8” parallel main – 1040 feet and keep existing 6” Cast Iron waterline: The DOW staff recommended that the new 8-inch mainline improvement should replace the existing 6” 70+ year old cast iron mainline.
2. Provide system pump/pressure sequence controls as an alternative to installation of 12” or 8” mainline extensions along Puu o Pae Road: The DOW staff recommended against allowing the water system operation to be restricted by mechanical means as an alternative to installing larger waterlines to provide domestic and fire protection flows. The increased risk of relying on mechanical and electronic safeguards is not currently allowed and the resulting increase in risk is not warranted.
3. Non-development agreement with DOW and Planning Department to restrict further development of Lot 1 (R-4 zone) until adequate domestic and fire flows are available: the DOW staff recommended that the required water system improvements be completed or bonded prior to final subdivision map approval. The DOW staff commented that special tracking of approved subdivisions is not desirable.
4. Fifteen (15) water meters requested as a aggregate allocation for the three (3) subdivided lots with meter distribution as follows: Lot 1 (5wm), Lot 2 (8wm), Lot 3 (2 wm): The DOW staff recommended that the DOW’s 5 water meter/unit restrictive policy for Wailua Homesteads does not allow aggregate allocation and that transfer of potential meter allocation from one Lot to another Lot is not allowed.

Opaekaa Falls Land Co, LLC (“Opaekaa Falls”) Transmittal Letter (S-2007-47)
Revised Subdivision Map Consolidation/Resubdivision Lots 23-A-1, 23-A-2 & 23-B,
TMK: 4-2-03:012, 065 & 066, August 13, 2007: (Attachment 5)

Opaekaa Falls Land Co. submitted a transmittal letter that documented the July 13, 2007 meeting with the DOW Acting Manager. The letter documented the subdivider’s proposed revised subdivision map and development of a total of 15 dwelling units on the three proposed lots.

At the meeting, the subdivider requested that DOW allocate an additional nine (9) water meters so that the combined total would be fifteen (15) water meters when added to the existing six (6) water meters that was approved for the three original lots. The subdivider’s proposed breakdown of water meters were as follows:

Lot 1 (pink) – 5 meters- one (1) for the existing home and four (4) additional meters for an anticipated 5-unit CPR project. Lot 1 is zoned R-4. Lot 1 will be further subdivided into a 9-lot subdivision. A development agreement between Opaekaa Falls and DOW would restrict further development of the Lot 1 additional R-4 density until such time that sufficient fire flow and domestic water are available to the parcel. The subdivider offered to prepare the agreement.

Lot 2 (green) – 8 meters (2 existing and 6 additional). Lot 2 would consist of an 8-unit CPR. One of the existing meters would continue to service the existing residence on CRP unit 8.

Lot 3 (blue) – 2 existing meters. To be developed into a two (2) unit CPR on Lot 3.

The subdivider acknowledged that the fifteen (15) meters requested are consistent with the DOWs expressed policy guideline of 5 meters per parcel within the Ag/Open District. The subdivider requested that this be an aggregate allocation of fifteen (15) meters for the three lots with the meter per lot distribution as outlined above (Lot 1 – 5 meters, Lot 2 – 8 meters, Lot 3 – 2 meters).

The subdivider proposed the following:

- 1) Revise the DOW water system improvement requirements for the development. Per Tom Nance, engineering consultant, memo dated July 3, 2007 – require the subdivider:
 - a. To install a new 8-inch pipeline parallel to the existing 6-inch water line along approximately 1,040 feet of Kuamoo Road.
 - b. To install a pressure actuated start/stop override of the well and booster pump (starting one well pump and stopping the Puupilo booster pump) in response to a fire flow induced pressure drop in the system.
- 2) Subdivider enter into development agreement with the DOW and Planning Department restricting further development of proposed Lot 1 until such time that adequate domestic water and fire flow are available to the site. This would limit the present density of Lot 1 to five (5) residences, which would be developed as a Condominium Property Regime.

The subdivider requested that the DOW review and consider the subdivider's proposal to increase the number of meters/dwelling units for proposed subdivision and the subdivider's request to revise the DOW water system requirements.

DOW Subdivision Report S-2006-47, Opaekaa Falls Land Co. LLC, TMK 4-2-03: 012 & 065, June 21, 2006: (Attachment 6)

The Department recommended to the Planning Department that tentative subdivision map approval be granted provided the subdivider is required to complete the following:

- Prepare and receive DOW's approval of construction drawings and construct the following water improvements:
 - An extension of main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12-inch waterline along Olohena Road and running south along Puu O Pae Road to Opaekaa Road.

- An extension of main 8-inches in diameter, approximately 1,400 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running southeast to the lot.
- The domestic service connections
- The fire service connections
- The interior plumbing plan with the appropriate backflow device.

DOW Water Meter Request Letter, Mr. Erik Schumacher, April 13, 2006:
(Attachment 7)

The Department informed Mr. Schumacher that his request for the four 5/8-inch water meters to service a four unit CPR for TMK 4-2-03:066 for residential use were conditionally approved by the DOW. The applicant was required to prepare and receive DOW's approval of construction drawings and construct the following water improvements:

- An extension of main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12-inch waterline along Olohena Road and running south along Puu O Pae Road to Opaekaa Road.
- An extension of main 8-inches in diameter, approximately 1,400 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running southeast to the lot.
- The domestic service connections
- The fire service connections
- The interior plumbing plan with the appropriate backflow device.

DOW Water Meter Request Letter, Mr. Benjamin Garfinkle, Opaekaa Falls Land Co.,
June 21, 2005: (Attachment 8)

The Department informed Mr. Garfinkle that his request for the 3rd, 4th & 5th water meters for TMK 4-2-03:065 for residential use was conditionally approved by the DOW. The applicant was required to prepare, receive DOW's approval of construction drawings and construct the following water improvements:

- An extension of main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12-inch waterline along Olohena Road and running south along Puu O Pae Road to Opaekaa Road.
- An extension of main 8-inches in diameter, approximately 1,400 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running southeast to the lot.
- The domestic service connections
- The fire service connections

DOW Water Meter Request Letter, Dr. Gregory Smith, January 18, 2005:
(Attachment 9)

The Department informed Dr. Gregg Smith that his request for two 5/8-inch water meters for TMK 4-2-03:065 & 066 for residential use was conditionally approved by the DOW. The applicant was required to prepare and receive DOW's approval of construction drawings for domestic service connections and interior plumbing plans and appropriate backflow prevention devices.

DOW Water Service Inquiry Letter, Dr. Smith, January 12, 2005: (Attachment 10)

The Department informed Dr. Greg Smith that the existing water transmission facilities are not adequate to allow more than two 5/8 -inch water meters or two dwelling units to the lot. The construction of adequate transmission facilities is needed to provide the required fire protection flow for the lot's zoning/use designation. Completion of the transmission of the transmission facilities would be required prior to approval of additional water meters or dwelling unit building permits.

DOW Water Service Inquiry Letter, Dr. Smith, September 27, 2004: (Attachment 11)

The Department informed Dr. Gregg Smith that water system improvements that include two mainline extensions and additional storage facilities will be required for a proposed 24 lot subdivision of TMK 4-2-03:012. The required mainlines were described as follows:

- A extension of a main 12-inches in diameter, approximately 5,900 feet in length, beginning at the existing 12_inch waterline along Olohena Road and running southeast along Puu O Pae Road To Opaekaa Road
- An extension of a main 8-inches in diameter, approximately 1,400 feet in length, beginning at the existing 8-inch waterline along Kuamoo Road and running south east to the lot.

Presentation:

A presentation was made by Mr. Max Graham and Mr. Ben Wellborn, with some assistance of Mr. Ben Garfinkle. However, it became evident mid-stream of their presentation that their request was different from what was stated in their written request. The Board was informed that the developer's situation evolved from the time of their written request to the Board and the Board Meeting date.

The presenters requested that this matter be deferred to the next Board Meeting as they felt they needed more time to review and study this matter further.

To facilitate both their presentation at the next Board Meeting and the Board's decision, Mr. Graham, etal needed to research the following items:

1. Check with their insurance company if they would be covered if the houses on their R-4 property would be covered with only 250 gpm fire flow and not the 750 gpm? If they are not covered, would they sign a waiver?
2. Possibility of re-zoning the R-4 area (750 gpm fire flow) to ag zone (250 gpm) fire flow?
3. Sprinkler system to assist with fire protection

Mr. Fujikawa added for their information that if the developer wanted to have a total private water system that is a personal choice; however, as part of the subdivision process, it would be best to have the private water system be up to County standards as far as fire flow requirements.

On query by Chair McCrory, Mr. Fujikawa stated that the two (2) waterline requirements for the developer's subdivision are scheduled for the 3rd phase of our Water Plan 2020 Project Listing, which would be approximately 10 years or so from now.

Mr. Costa moved to defer this matter to the next Board Meeting, seconded by Mr. Oyama; motion was carried.

(Note that a followup reminder was given to the presenters that if their written request prior to the Board Meeting had major changes, their request would be deferred to the next Board Meeting. This would ensure that all in attendance have consistent information in advance and to have enough time to review the request of our customer. At this meeting it became somewhat confusing when what they presented at the Board Meeting was different from their written request. They were also told that their colored maps would also be helpful for all the Board and staff to each have one.)

Mr. Graham, Mr. Garfinkle, Mr. Wellborn, Mr. Nance and Mr. Smith left the meeting at about 11:27 a.m.

OLD BUSINESS

Re: Update on the Selection Process for the Recruitment of the Manager and Chief Engineer of the Kaua'i County Water Department

Acting Manager Ushigome reported on the following:

At its October 16, 2007 meeting, the Board instructed the Department to proceed with soliciting the services of a job search firm to assist the Board with the recruitment and selection process of hiring a Water Manager. In addition, the Board approved the necessary funds allowing the Department to begin advertising for qualified providers and procuring the services of a job search consulting firm.

In anticipation of receiving Statements of Qualification (SOQ) from job recruitment providers and in order to expedite the selection process, the Board established an ad-hoc committee and scheduled a Special Board meeting to review the résumés of qualified providers. On November 9, 2007, the Board convened a Special meeting and selected CPS Human Resource Services (CPS) to assist the Board in recruiting, screening, evaluating and assessing applicants for the Water Manager's position.

The Board requested CPS be contacted and notified that they have been selected and the Board would like to confirm the terms of the bid (fee proposal, scope of services, and project schedule). The Department will prepare the notification letters and follow up with the required recommendation of award and Internet contract posting information within 7 days of the award.

The Board formed a selection committee, which needed to be comprised of at least three (3) Board members (Roy Oyama, Lynn McCrory, Leland Kahawai, Steve Kyono and/or Donald Fujimoto). The selection committee will work with the job search firm to review, evaluate and present a final candidate listing to the Board. Chair McCrory volunteered to lead the selection committee until her departure at the end of 2007, then Mr. Oyama would take over as the Chair of the selection committee.

Acting Manager Ushigome stated that the County Attorney's Office was working on drafting a contract for CPS. In the absence of Deputy County Attorney Flores, who is on extended leave, Deputy County Attorney Tagupa stated that he was not sure who would be assigned to this matter; however he added that if he was assigned to it, he would work with the Selection Committee to finalize the contract.

Deputy County Attorney Tagupa had a draft contract and a copy was given to the Selection Committee Chair McCrory for her review and comments. She will forward her comments to Deputy County Attorney Tagupa. Acting Manager Ushigome thanked him for pitching in.

Re: Request Board Approval for an Agreement to Allow Mr. Michael Fernandes Authorization to Continue Maintenance of the Department's (inactive) Nonou 0.2 MG Tank Site, Wailua, Kaua'i

Acting Manager Ushigome reported that this matter was deferred from the October 16, 2007 Board Meeting to ensure that adequate liability language is documented in this Agreement. It was requested that the Board approve this agreement with Michael Fernandes to allow him to continue his maintenance of the Department's inactive Nonou 0.2 MG Tank Site located at Wailua Houselots, more particularly on Tax Map Key: (4) 4-1-009-019. The agreement is similar in nature to the agreement used by the Department of Land and Natural Resources for its volunteer program.

Also, since the October Board meeting, the County Council approved the resolution to transfer the control and maintenance of lands that were executive ordered to the Board of Supervisors for water purposes to the Board of Water Supply.

Mr. Costa moved to approve the Agreement with Mr. Michael Fernandes, seconded by Mr. Oyama; motion was carried.

Re: Automated Meter Reading (AMR) Implementation for the Department of Water, County of Kauai, First Contract Amendment

Acting Manager Ushigome reported on the following:

RECOMMENDATION: It was recommended that the Board approve the first contract amendment with Professional Meter, Inc. (PMI), contractors for this project for the following items:

1. Revise the scope of work to replace the existing Hersey meters instead of retrofitting them.
2. Delete the furnishing of ¾" water meters.
3. Increase in the cost of the meters.
4. Purchase additional meters.
5. Incorporate existing Badger meters (installed by DOW) to the AMR billing system inventory.
6. Revise the implementation schedule to reflect the delays to process the contract and contract amendment.

FUNDING:

Proposal from Professional Meter Inc.,
Best and final offer (BAFO),
January 12, 2006: \$3,764,160.00
First Contract Amendment: \$ 184,710.00

Total Contract Amount < \$3,948,870.00>
Account No. 101, CIP, Automated Meter
Reading implementation for the
Department of Water \$4,000,000.00
Balance Remaining \$ 51,130.00

BACKGROUND:

1. Replace Table P2 for the existing (Hersey) water meters to be retrofitted as originally specified with Table P2-Alternate of the contractor's BAFO for a cost increase of \$27,830.00.
Justification: Due to installation and warranty concerns, it was determined that replacement instead of retrofitting the existing Hersey meters was in the best interest of the Department.

2. Delete the furnishing of 78 each, 3/4" water meters. Contractor agreed to reduce the contract cost by \$56.00 per meter or <\$4,368.00>.
Justification: The Department received an adequate supply (at no cost) of 3/4" meters from the Honolulu Board of Water Supply.

3. Water meter cost increase due to delay in the contract execution. Replace Table P1 and P2 (Alternate) of PMI's BAFO with the attached Table P1 and P2 (Alternate), resulting in an increase in the original project cost of \$56,296.00.
Justification: Contract (and notice to proceed) could not be executed until the bid protest was resolved. The 1-year delay caused an increase of approximately 4% to the production cost of the meters.

4. Furnish and deliver to the Department of Water's Baseyard, Lihue: 700 each - 5/8" water meters at \$136.50 each or \$95,550.00.
2 each - 1" water meters at \$187.00 each or \$374.00.
2 each - 1-1/2" water meters at \$327.00 each or \$654.00.
2 each - 2" water meters at \$437.00 each or \$874.00.
Total: \$97,452.00
Justification: The Department's inventory of water meters was insufficient to sustain the requirements for defective meter replacements and customers' installations. With the award of the contract, the Department was committed to the installation of the meters supplied by the Contractor. The Contractor was agreeable to furnish the meters prior to the execution of the contract.

5. Incorporate existing Badger meters (installed by DOW) to the AMR billing system inventory. Contractor agreed to provide the inclusion of approximately 300 existing Badger meters installed by DOW for \$25.00 per meter or \$7,500.00.

Justification: See item 4 above. The Department was required to start installing the Badger meters prior to the contract execution; however, the meters will need to be incorporated into the AMR's billing implementation.

6. Replace the implementation schedule with the revised schedule.

Justification: The implementation schedule needs to be revised to reflect the current anticipated start dates.

Mr. Costa moved to approve the first contract amendment with Professional Meter, Inc. (PMI), contractors for this project for the above 6 items, seconded by Mr. Oyama.

Chair McCrory inquired what is the revised implementation schedule as stated in Item 6 on Page 2. Mr. K. Fujimoto responded that he did not have the exact date but it should be in early 2009 when everything should be done.

On query by Mr. Costa, Mr. K. Fujimoto stated that based on the initial award date, the approximate original implementation date would probably have been in early 2008.

Motion was carried.

Re: Old Business: Request Board Clarification of the Board's Decision on the Water Requirements for the Jessie Muramaru Subdivision (S-2007-41), TMK: 4-6-15:011, Kapa'a, Kauai, Hawai'i

Acting Manager Ushigome reported that this matter was resolved as it was clarified and there is a consensus from the Board Chair and the Muramaru's consultant that each of the 5 lots that were afforded water meters would be allowed only one house per lot until the storage tank is completed. This matter came up as it was not specifically stated in the motion at the October 16, 2007 Board Meeting.

NEW BUSINESS

Re: Conveyance of Water Facility from Chris Mann, for the Water Meter Installation Plan for Unit 2, Lot 4, Seacliff Plantation at Kilauea Bay; TMK: (4)5-2-04:077, Kilauea, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Chris Mann transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for the Water Meter Installation Plan for Unit 2, Lot 4, Seacliff Plantation at Kilauea Bay; TMK: (4)5-2-04:077, Kilauea, Hanalei District, Kauai, Hawai'i.

Grant of Easement not required.

Mr. Costa moved to approve and accept the Conveyance of Water Facility from Chris Mann, seconded by Mr. D. Fujimoto; motion was carried.

Re: Conveyance of Water Facility from FMMC, LLC, for the Matsumura Warehouse, Hanahao Place, TMK: (4) 3-3-12:003, Puhi, Kauai, Hawaii

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

Detector Check Meter Box and Lateral:

- 1 ea. 2 ½" x 2 ½" PVC Tee (S x S x S)
- 2 ea. 2 ½" Copper Male Adaptor (S x T)
- 1 ea. 2 ½" Nibco Gate Valve
- 20 lf. 2 ½" Copper Tube, Type K
- 1 ea. 2 ½" Copper 90 Elbow
- 1 ea. 2 ½" Copper Flush Bushing
- 1 ea. 2" Copper Male Adaptor
- 1 ea. 2" Angle Ball Valve (Ford BFA13-777)
- 1 ea. 2" Ball Valve (Ford BF13-787)
- 1 ea. Type 3 Detector Check Meter Box Frame and Cover

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR MATSUMURA WAREHOUSE, prepared by Project Design, Inc., Hanahao Place, Puhi, Kauai, Hawaii.

A Grant of Easement was approved by the Board on June 19, 2007.

Mr. Costa moved to approve and accept the Conveyance of Water Facility from FMMC, LLC, seconded by Mr. D. Fujimoto; motion was carried.

Re: Conveyance of Water Facility from John S. McGee, Trustee of the John S. McGee Revocable Living Trust Agreement, dated October 8, 2002; Edward R. H. McDowell and Joyce P. McDowell, Trustees of the Edward R. H. McDowell and Joyce P. McDowell Trust, under Unrecorded Declaration of Trust dated October 29, 1992; and Sandy Seamann, Trustee of the Sandy Seamann Trust of 1990 for the Water Service Installation for TMK: 5-2-04:068, Lot 7, Unit "B" and Unit "C", Kilauea, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, John S. McGee, Trustee of the John S. McGee Revocable Living Trust Agreement, dated October 8, 2002; Edward R. H. McDowell and Joyce P. McDowell, Trustees of the Edward R. H. McDowell and Joyce P. McDowell Trust, under Unrecorded Declaration of Trust dated October 29, 1992; and Sandy Seamann, Trustee of the Sandy Seamann Trust of 1990 transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: two (2) each, 1-inch copper single service lateral for 5/8" water meter, for the Water Service Installation for TMK: 5-2-04:068, Lot 7, Unit "B" and Unit "C", Kilauea, Hanalei District, Kauai, Hawaii

Grant of Easement not required.

Mr. Costa moved to approve and accept the Conveyance of Water Facility from John S. McGee, Edward R. H. McDowell and Joyce P. McDowell, and Sandy Seamann, seconded by Mr. D. Fujimoto; motion was carried.

Re: Conveyance of Water Facility from Lani Properties Corporation and Ho Enterprises, Inc. for the Ho Enterprises Subdivision (S-2004-39); TMK: (4)4-6-12:018 & (4)4-6-12:118 to 124, Kapaa, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Lani Properties Corporation and Ho Enterprises, Inc., transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: two hundred fifty six (256) lineal feet, 6-inch ductile iron waterline; one (1) each, 2 ½" cleanout; one (1) each, fire hydrant assembly; one (1) each, 6-inch gate valve; two (2) each, 1-inch copper single service lateral for 5/8" water meter; and three each, 1 ½-inch copper double service lateral for 5/8" water meter; for the Ho Enterprises Subdivision (S-2004-39); TMK: (4)4-6-12:018 & (4)4-6-12:118 to 124, Kapaa, Kawaihau District, Kauai, Hawai'i.

Grant of Easement Approved at the May 2006 Board Meeting.

Mr. Costa moved to approve and accept the Conveyance of Water Facility from Lani Properties Corporation and Ho Enterprises, Inc., seconded by Mr. D. Fujimoto; motion was carried.

Re: Conveyance of Water Facility from Andrew Lovett, for the Water Meter Installation Plan for Unit 2, Lot 11-A, Kapaa Homesteads First Series; TMK: (4) 4-6-07:100:002, Kapaa, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Andrew Lovett transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, for the Water Meter Installation Plan for Unit 2, Lot 11-A, Kapaa Homesteads First Series; TMK: (4) 4-6-07:100:002, Kapaa, Kawaihau District, Kauai, Hawai'i.

Grant of Easement not required.

Mr. Costa moved to approve and accept the Conveyance of Water Facility from Andrew Lovett, seconded by Mr. D. Fujimoto; motion was carried.

Re: Extinguishing and Cancellation of the Easement dated February 14, 1952, between McBryde Sugar Company, Limited and the County of Kauai, Including Subsequent Amendments; TMK: (4) 2-7-08:087, Lot 2, Omao Kauai, Hawaii by the Current Property Owner, Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995

It was recommended that the Board approve the Extinguishing and Cancellation of the Easement dated February 14, 1952, between McBryde Sugar Company, Limited and the County of Kauai, including subsequent amendments; TMK: (4) 2-7-08:087, Lot 2, Omao Kauai, Hawaii by the current property owner, Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995.

The original easement (30-feet wide) dated February 14, 1952 was granted for roadway purposes over Piwai Reservoir Dam. This easement was subsequently amended and recorded on September 11, 1995, to include the installation and maintenance of an 8-inch water transmission line within the original 30- foot wide roadway easement.

In 2000, the Taylor family, who had purchased the reservoir property from McBryde Sugar Company, subdivided the land and negotiated with the County of Kauai to dedicate land at both ends of the dam for cul-de-sac purposes, in exchange for cancellation of the 30-foot wide easement over the dam. Because the Easement dated February 14, 1952, including subsequent amendments, will be cancelled, the property owner will grant a new waterline easement "W-1", in accordance with the approved final subdivision map, for the existing 8-inch water transmission line, which will remain in place undisturbed.

Mr. Costa moved to approve the Extinguishing and Cancellation of the Easement dated February 14, 1952, between McBryde Sugar Company, Limited and the County of Kauai, including subsequent amendments; TMK: (4) 2-7-08:087, Lot 2, Omao Kauai, Hawaii by the current property owner, Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995, seconded by Mr. Oyama; motion was carried.

Re: Grant of Easement from Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995, for the Piwai Gardens Subdivision (S-2000-33), TMK: (4) 2-7-08:087, Lot 2, Omao, Koloa District, Kauai, Hawaii

It was recommended that the Board approve the grant of easement; whereby, Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995, grant to the Board of Water Supply, County of Kauai, a perpetual easement "W-1" on, over and under that certain parcel of land located in TMK: (4) 2-7-08:087, Lot 2, Omao, 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 Piwai Gardens Subdivision (S-2000-33), TMK: (4) 2-7-08:087, Lot 2, Omao, Koloa District, Kauai, Hawai'i.

Further, Board approval is specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify and hold harmless the Grantee from property damage and injuries to person (including death), when such

damages and injuries are caused by the Department's negligence while using the area.

Mr. Costa moved to approve the Grant of Easement from Diana G. Taylor, Trustee of the Revocable Living Trust of Diana G. Taylor dated April 12, 1995, with the indemnification provision, seconded by Mr. Oyama; motion was carried.

Re: Right of Entry from Kukuiula Development Company (Hawaii), LLC, for Kukuiula Residential Subdivision, Phase IIB, S-2006-5; TMK: (4) 2-6-17:040 and (4) 2-6-17:041, Koloa, Kauai, Hawaii

It was recommended that the Right of Entry Agreement document be approved; whereby, Kukuiula Development Company (Hawaii), LLC, grants the Board, its officers, agents and employees, a right-of entry over and across the subject property for the purposes of conducting all necessary inspections for and on behalf of the Board, and, if appropriate, for constructing maintaining, conducting water meter readings on, and repairing any and all facilities and improvements the conveyance of potable water to the lots which will result from the said Subdivision Application S-2006-5, Kukuiula Residential Subdivision, Phase IIB.

Mr. Costa moved to approve the Right-of-Entry from Kukuiula Development Company (Hawaii), LLC, seconded by Mr. Oyama; motion was carried.

Re: Request Board Approval of a Water Facilities Agreement from Kukuiula Development Company (Hawaii), LLC, for Lots 1 to 64 inclusive, of the Kukuiula Residential Subdivision, Phase IIB, TMK: (4) 2-6-17:040 and (4) 2-6-17:41, Koloa, Kauai, Hawai'i

Recommendation:

It was recommended that the Kukuiula Residential Subdivision, Phase IIB, Water Facilities Agreement document be approved; whereby, Kukuiula Development Company (Hawaii), LLC, and the Board of Water Supply, County of Kauai, agree to allow the installation and maintenance of the Department of Water's facilities within the Private Subdivision Roads, and agree to the required road restoration procedures and assumption of liability as described in the Agreement.

Funding: Not Applicable

Background:

Kukuiula Development Company (Hawaii), LLC, (KDC) intends to construct their subdivision and dedicate only certain backbone roads to the County of Kauai (County). The roads to be dedicated are identified as the Western Bypass Road, the Major Project Road and the Lawai Connector Road. All other subdivision roads shall be constructed to County Standards, however, shall remain private with unrestricted public access. The rationale to maintain private subdivision roads is to provide roadways that will be operated, maintained and landscaped, to a degree higher than typically provided by the County.

KDC is aware that the Department of Water (DOW) typically requires that its water facilities be placed within the County Right-of-Way (R.O.W.) and not within private

property. For those projects with private access roads, the DOW typically requires a single master meter, located in County property, to service the facilities within the project. Due to the location of the project's proposed storage reservoirs, transmission lines and the subdivision layout, it is not practical for the subdivision's water service requirements to be handled by a single master meter.

The DOW has agreed to allow the installation of its water facilities within the private subdivision roads, under the condition that KDC and the Board execute an agreement that encompasses the unrestricted ingress and egress of the private subdivision roads. In addition, KDC shall be responsible to complete the final roadway "hot patch" AC restoration of any waterline repairs to ensure a smooth riding surface, at no cost to the Department. Finally, KDC and not the DOW shall be responsible for the assumption of liability for damages that may be caused by KDC's landscaping and other facilities.

Mr. Costa moved to approve the Water Facilities Agreement from Kukuiula Development Company (Hawaii), LLC, seconded by Mr. Kahawai; motion was carried.

Re: Tentative Board Meeting Dates for 2008

The following are the tentative Board Meeting dates for next year 2008. The Board Meeting dates are normally the 3rd Tuesday of each month but subject to change, if having a quorum becomes a problem. Board meetings are scheduled for 10:00 a.m.

1. January, 2008: Tuesday, January 15, 2008
2. February, 2008: Tuesday, February 19, 2008
3. March, 2008: Tuesday, March 18, 2008
4. April, 2008: Tuesday, April 15, 2008
5. May, 2008: Tuesday, May 20, 2008
6. June, 2008: Tuesday, June 17, 2008
7. July, 2008: Tuesday, July 15, 2008
8. August, 2008: Tuesday, August 19, 2008
9. September, 2008: Tuesday, September 16, 2008
10. October, 2008: Tuesday, October 21, 2008
11. November, 2008: Tuesday, November 18, 2008
12. December, 2008: Thursday, December 11, 2008

[Note: 2nd Thursday for Dec. only]

Received for the record.

Re: Request Board Approval on the Water Plan 2020 Sustainability Program – Phase 1 and Phase 2 Update Project List

Mr. Gregg Fujikawa gave a presentation on the updated project listing.

Recommendation:

It was recommended that the Board approve the proposed updated prioritized list of projects for Phase 1 (FY09-FY13) and Phase 2 (FY14-FY18) of Water Plan 2020.

Background:

The recently completed Water Plan 2020 Update has developed the proposed tentative schedule for the Department’s Capital Improvements Project (CIP) program and associated spending priorities for the five year period for Water Plan 2020 Phase 1 and Phase 2 implementation period. The Phase 1 period will be extended through Fiscal Year 2012-2013 (FY2013). The Phase 2 period will be extended to start in FY2014 instead of FY2007, and will be extended through Fiscal Year 2018. A new project category was created to identify DOW in-house projects that are currently budgeted and in the Design Phase. These “on-going” projects are currently covered by DOW design contracts.

The primary intent for the Water Plan 2020 project update is to provide a Phase 1 and Phase 2 project list that will be included in the Water Plan 2020 Sustainability Program RFP to hire a Program Manager consultant (PM consultant) to provide project management services to the DOW.

The objective of the “PM consultant” is to complete all Phase 1 (including assigned “DOW under Design”) projects during the Phase 1 five year CIP period completion schedule and to complete project identification and procurement of Phase 2 projects during the later segments of the five year Phase 1 CIP completion schedule. The DOW Project Update team reviewed and prioritized the Water Plan 2020 projects for the “PM Consultant” RFP.

The PM Consultant project list includes:

<u>Project Phase</u>	<u>No. Projects</u>	<u>Total Cost Estimate</u>
0.7 (On-going)	17	\$ 29.2M
1 (Phase 1)	21	\$ 80.1M
<u>2 (Phase 2)</u>	<u>42</u>	<u>\$ 9.4M</u>
TOTAL	80	\$118.7M

The PM Consultant project list is described in further detail in the attached report titled “Water Plan 2020 Phase I & II Projected Costs Summary by Project Manager Consultant”.

It is recommended that following acceptance of the proposed Water Plan 2020 updated project list, the CIP program should be forwarded to our financial planning consultant to address the funding issue related to the PM Consultant RFP as well as the overall CIP program for the Department.

Attached Reports:

There were several reports attached that describe the prioritized project list that will support the “PM consultant” RFP document as well the overall project list update for all Water Plan 2020 projects.

The attached reports were described as follows:

“Water Plan 2020 Plan “A” Project Evaluation Summary Reports”:

Attached are two separate reports that are titled “Water Plan 2020 Plan “A” Project Evaluation Summary Report”. Both reports include all 255 Water Plan 2020 projects. The first version of the report (*Attachment 1*) is sorted first by project number and is

useful in reviewing the projects within each water system. The second version (*Attachment 2*) is sorted first by “Strategic Initiative” (0, 0.5, 0.7, 1, 2, or 6) and secondly by “score”. The score is the raw number of points assigned to each project based on the Water Plan 2020 prioritization criteria. These criteria include:

- Condition Assessment
- Public Health and Safety, and
- Level of Service

On a scale of 1 to 10, points for each of these criteria were assigned by consensus of the project team. High total points were given to improvements of an asset that is very deteriorated (condition assessment), in an area where there is deficient fire protection (health & safety), and with significant capacity constraints leading to numerous denials of requests for new service (level of service). In addition to total points, there are other judgments that are considered in the prioritization, partly in recognition that some projects that do not gain many points in one category may be very important to initiate ahead of other projects with a higher point count. By way of example, a purely new facility inherently would receive 0 points for “level of service” because the repair does not increase water system capacity. Other considerations included the department’s understanding of construction timing constraints, our perceptions of the urgency of the current conditions, review of the mix of projects island-wide and by project type, and how the project addresses the most critical needs of our customers.

Information included in the reports summarized details of the project such as the project name, “RUL” (‘remaining useful life’), the type of project (CIP is new construction, CRP is rehabilitation project, CRPL is a replacement project with the addition of capacity), and budgetary projections. Separate design and construction budget estimates have been prepared for the 0.7 (under design / “on-going”) projects, Phase 1 and Phase 2 projects, and in some cases for planning estimates. The budget information is for planning and scheduling purposes, and has been updated to reflect current estimated costs. The estimated costs for Phase 3 projects were not updated.

A category for “phase type” and “project management” was created to identify and classify the projects. “Phase type” refers to the project status and is labeled as follows:

- 0 = Completed Project
- 0.5 = Project Under Construction
- 0.7 = Project Under Design
- 1 = Phase 1 Project
- 2 = Phase 2 Project
- 3 = Phase 3 Project
- 6 = Deleted Project

The “under design” category, labeled as Phase 0.7, include projects that are in the project design phase and is covered by a DOW design contract. Other phase types include: Phase 0 for projects that are already completed, Phase 0.5 for projects that are under construction and not completed. Phase 1 is for the first 5-year projects;

Phase 2 is the second 5-year projects. Phase 3 projects are projected for the remaining 10-year period. Phase 6 projects have been deleted or no longer needed.

The “PM” (“project management”) classification refers to the project manager in charge of the project. Originally, all projects were classified as “DOW In-House” and were under DOW direct project management. Recently, two new classifications have been created for the report. The updated project list includes eight projects that are being managed by a consultant under the “Professional Services Contract for Strategic and Business Plan and Water Plan 2020 Sustainability Services” with R.W. Beck, Inc. The updated project list also included projects that were being proposed to be managed by the RFP Project Manager consultant. The following legend was used in the reports:

I = DOW In-House
A= Affordable Housing – BECK
P = Program Manager Consultant

“Water Plan 2020 Phase I & II Projected Cost Summary Reports:

Also attached are two versions of the same report that identifies the updated Water Plan 2020 prioritized project list and tentative schedule and annual budget for completion of Phase I projects and initiation of Phase II projects. The first “Water Plan 2020 Phase I & II Projected Cost Summary by Program Manager” report (*Attachment 3*) is sorted for all 105 Phase 1 & 2 projects by “phase type” and includes a annual budget projection for design and construction funding for each project. The projects are prioritized first by “phase type” and ‘program management’ classification.

The second report “Water Plan 2020 Phase I & II Projected Cost Summary – Assigned to PM Consultant” version (*Attachment 4*) describes projects that will be listed in the Water Plan 2020 Sustainability Program RFP to hire a Program Manager consultant (PM consultant) to provide project management services to the DOW. The report is sorted for all 80 Phase 1 and 2 projects by PM consultant and “phase type”. The “PM consultant” RFP list includes design and construction annual cost estimates.

The budget information has been used in the CIP scheduling. In most cases, a new project name will start with a design budget, followed a couple years later by construction funds. The tentative schedule developed in this update is useful in identifying the new projects that are planned to begin design in the upcoming years and the status of “On-Going” projects that have already begun but are not completed. Project initiation and anticipated construction are scheduled to allow a more or less consistent volume of work over the next five years. Actual project bidding in any specific year is addressed in the annual budget and is adjusted from year to year consistent with the completion of construction plans.

W2020 – 2007 Sustainability Program Total Cost Breakdown Report: (*Attachment 5*)

This report is a table summary of the Water Plan 2020 updated project estimated project cost breakdown for DOW “on-going” projects (0.7), Phase 1 and Phase 2 projects by Program Management Type (I –DOW In-House, A – Affordable Housing-Beck and P – Program Manager Consultant). The estimated planning, design and

construction costs are summarized for all Water Plan 2020 projects that are scheduled for Phase 1 and Phase 2 schedule period.

Mr. Costa moved to approve Phases 1 and 2 of the updated project list for Water Plan 2020 Sustainability Program, seconded by Mr. Oyama.

Mr. D. Fujimoto thanked Mr. Fujikawa and his team for a job well done as his written report was informative, well organized and easy to understand. The rest of the Board also thanked Mr. Fujikawa.
Motion was carried.

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: September 18, 2007, October 16, 2007 & November 9, 2007

The Executive Session minutes for the September 18, 2007 and October 16, 2007 were received for the record and placed on file. The November 9, 2007 Executive Session Minutes was deferred to the next Board Meeting.

2. Executive Session Meeting

ES-1. (September 18, 2007 Board Meeting). Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding questions and issues pertaining to the Board's and Department of Water's liabilities as it relates to the Request for Proposal for a Program Manager and the Professional Services Contract for Strategic and Business Plan and Water Plan 2020 Program Sustainability Services Contract. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

ES-2. Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with legal counsel and department staff regarding questions and issues pertaining to the Board's and Department of Water's liabilities as it relates to the Request to Testify by Benjamin Garfinkle Regarding DOW Conditions of Tentative Subdivision Approval for Boundary Adjustment (Consolidation and Resubdivision), TMK Nos. (4) 4-2-03:12, 65 and 66. This consultation involves consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

(Note: ES-2 was deferred as this matter in Regular Meeting was deferred.)

Chair McCrory read the Executive Meeting Session E-1 Notice above. There was no public testimony. Mr. Costa moved to enter into Executive Session at 12:20 p.m., seconded by Mr. Oyama; motion was carried. The Regular Meeting reconvened at 12:25 p.m. Recess: 12:25 – 12:30 p.m.

REPORTS

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

Waterworks Controller Ganaden reported that we are in our first quarter of our fiscal year and gave a brief synopsis. The DOW has a total Operating Revenues of \$4.7 million and a total Operating Expenditures of \$3.5 million. There is an operating income before depreciation. If he prorates the depreciation expense, which was \$5 million last year, it would be about \$1.2 million. On paper, it shows that we 'broke even'.

On query by Chair McCrory, Waterworks Controller Ganaden stated that it should be in the next couple of months that he would be going through the procurement process to get a consultant to revamp the Statement of Revenues and Expenditures to be aligned with the budget and to get a consultant for our water rate study.

Waterworks Controller Ganaden also reported that Richard Cuthbert from RW Beck will be at the December 13, 2007 Board Meeting to recap the Capital Reserve Study and the auditors will be submitting the DOW's draft audit report at the January, 2008 Board Meeting.

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

Public Relations Specialist Faith Shiramizu gave the following report:

Re: Public Relations Update

Employee Events: The Employee Council's Trick or Treat Spooktacular 2007 was a fun event for everyone that attended. Once again, entries from the DOW family received awards. Congratulations to Marielle Yano, for the Scariest in the child division with her "Count Scrooge" entry and to Shaina Yano, receiving the People's Choice award in the teen division with her "Flying Eyeballs". They are the daughters of DOW Accountant Marites Yano.

Coming up on December 11th, is the 5th Annual Holly Jolly Christmas event, which includes the entertaining Song Contest and the conclusion of the Wreath and Ornament Contests. Festivities will be from 10:00-11:30 AM at the Mo'ikeha Building Courtyard.

Drinking Water State Revolving Fund: An Interim Loan Agreement should be in place by mid December for the Stable Tank Project. An application for the Waimea Canyon Drive Main Replacement will be submitted before the holidays. We will be meeting with staff from the Department of Health, Safe Drinking Water Branch on December 3rd.

Strategic Plan: As part of our Strategic Plan, the proposal from the Rewards and Recognition Committee has been approved and will be presented at the November

Employee Meeting. **WATER**, (**W**ater **A**ppreciation **T**hrough **E**mployee **R**ecognition), will commence in January, 2008. This will be an avenue for DOW employees to recognize and thank other DOW employees that are helpful. Further details will be given at the December, 2007 Board Meeting.

Attended Supervisor Training presented by HEC. Sessions covered; Basic Supervision and the New Supervisor, Sexual and Other Harassment Avoidance, Employment Law and Related Rules, Performance Appraisal Overview, and Discipline and Discharge.
Compiling discussions and input from employees regarding services provided by R.W. Beck, past and future.

Notice to Kīlauea Customers: The final letter was sent out to Kīlauea customers, to notify them that Well #2 pump replacement has been completed, tested and is running smoothly.

On query by Chair McCrory, PR Specialist Shiramizu stated that there were about 10 supervisors that attended the last Supervisory Training, with a few from the Shop that did not attend. Chair McCrory suggested to have another training that would be for the few that did not have the Supervisory Training yet and to also have the supervisors from the 1st session to also attend as a refresher. She added that Sexual Harassment training should be done on a yearly basis. Chair McCrory also reminded us that this training is mandatory.

On query by Chair McCrory, PR Specialist Shiramizu stated that the training had good information; however, it was geared more towards the private sector instead of the government sector. Chair McCrory discussed that the Hawaii Employers' Council (HEC), our trainers, should be notified as they have worked with government entities previously and should be knowledgeable.

Acting Manager Ushigome added that the trainer was not aware that some of the attendees were UPW union workers.

Acting Manager Ushigome also added that one of the things that came out of the training session was to have departmental house rules in place, which the DOW or the County does not have in place. Chair McCrory concurred that was a good idea.

RE: SUMMARY REPORT OF MONTHLY OPERATIONAL MAINTENANCE:

A written report was given to the Board from Acting Chief of Operations William Eddy.

Chair McCrory stated that it was great to have Kilauea Well back online.

Acting Chief of Operations Eddy stated that the bids went out for new trucks and there was a bid opening last Thursday, November 15, 2007. Bids were received for the 3 smaller trucks but not for the larger dump truck. He will check with the dealers to see why they did not submit bids on the dump truck.

On query by Chair McCrory, Acting Chief of Operations Eddy stated that the dealers have 8 months from the Notice to Proceed date to deliver the trucks as these trucks are specialty trucks.

RE: MANAGER'S UPDATE FOR OCTOBER, 2007 TO NOVEMBER, 2007

CONTRACTS AWARDED BY THE MANAGER: None.

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

Affordable Housing Update:

Updates on Affordable Housing Task Force (AHTF) Projects:

1. DHHL – Anahola Residence Lots Unit 6, Pi'ilani o Kekai, Phase 1: No progress
2. Habitat - Eleele I Luna Subdivision Phase 2: Phase 2 granted tentative subdivision approval, Esaki Surveying & Mapping preparing construction plans for the site improvements. To date, DOW has not received design plans.
3. Puhi Self Help Subdivision – Grove Farm is responsible for completing the booster pump and off-site waterline improvements prior to DOW building permit/water meter approvals. The waterline and the pump testing is completed, the booster pump is on-line, however, the conveyance is not completed. Grove Farm anticipates the booster pump and waterline improvements will be completed by mid-November 2007.
4. Kauai Lagoons – Kapule Project: No progress. The final Water Study Report dated July 24, 2007 has been submitted to the Department of Water. The 31 affordable units will be service by a new water meter which is will require development of off-site source and storage improvements. .
5. Kauai Lagoons – Waipouli Courtyard-Submitted Waiver, Release and Indemnity (WR&I) agreement (including posting a bond) with the Department on 10/18/07.
6. KEO Transitional Housing Project Phase I & II: Phase 1 is completed. Phase II: Construction of the water meter and fire connections are completed
7. Kalepa Village Phase III & IV – Phase III- 40 unit multi-family development is under construction with estimated occupancy by February 2008. Phase IV is scheduled to start construction in January 2008.
8. Princeville Employee Homes: No report
9. Kukui'ula Employee Housing – Developer working with DOW on revising KDC water master plan to include the workforce housing project.
10. Kohea Loa (Hanama'ulu Triangle): DOW reviewing the water mater plan for the AMFAC/JMB Lihu'e-Hanama'ulu Master Planned Community Lands. An affordable housing agreement with Council is required.
11. County-State parcel affordable housing projects:
 - Housing Agency is preparing (in-house) a RFP for affordable housing and site development.
 - MOU w/OHA was returned to OHA with comments from the County Attorney's Office. This MOU is critical for developing the State Land Parcels.
 - DLNR has not issued and Executive Order for the properties yet, a "set aside" with conditions to be completed by the County was issued.
 - The State Land Parcel issue will be placed on the Council agenda to discuss the status and need for the project.

Requests to Testify at Water Board Meetings:

In order to facilitate the receipt and preparation of Board Reports, the Department is clarifying procedures and deadlines for any person(s) requesting to testify before the Board. We are distributing the attached *Requirements to Testify at Water Board Meetings* to inform Board members of the submittal due date for anyone requesting an appeal before the Board. The procedures and guidelines afford the staff time to research, compile and prepare a written report to the Board.

In order for an item to be on the upcoming Board agenda, all necessary documents and supporting information should accompany an applicant's written request to testify and be submitted by the 1st of each month. This allows the Department to review and research the background, provide the necessary recommendations to the Board for consideration. Anything that comes after the 1st of the month will be automatically deferred to the following month's agenda.

If additional information is hand-carried and submitted for consideration at or during the Board meeting, the Department requests "automatic" deferral since staff has not had the opportunity to review the documents.

Chair McCrory discussed that the staff may want to consider to be more flexible as there may be cases that do not require too much background information to research so it could be up to the Manager's discretion. Acting Manager Ushigome will take it under consideration. The final version could possibly be a Board policy.

Mr. Keith Aoki was present at the meeting from about 12:45 p.m. Mr. D. Fujimoto left the meeting at about 12:52 p.m.

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

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

All reports were received for the record.

STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

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

Acting Manager Ushigome gave the following report update:

Updates of Strategic Goals and Implementation Deadlines: An updated summary of the highlights of the task plans and affordable housing projects are provided for your review. (See enclosed "Board Briefing: Strategic Plan Implementation Status Report" dated October 31, 2007, prepared by RW Beck.)

Due to travel constraints and scheduling limitations, we opted to consider an alternate approach to follow-up on the various strategies and tactics. RW Beck is scheduling (via telephone conference) meetings to discuss and review the summary of tasks and open action items for 2008 with each of the Issues Champions. RW

Beck proposes to summarize and wrap-up the open action items and plans to prepare an update to the Board at its January, 2008 meeting.

Staff Input Regarding Continuation of Strategic Plan Implementation:

In light of the Board request to allow staff input at the November meeting, a newsletter article was included in the Department's October issue of *As the Water Flows*, reminders were provided at the monthly employee meeting and electronically via email.

A report was given to the Board from the Special Projects Section. Their efforts were appreciated as they met and collaboratively discussed and recommended possible alternatives to move the Strategic initiatives forward. Also, Faith, Shiramizu, our PR Specialist will verbally present at the Board Meeting the comments and suggestions received from the staff.

RW Beck's Report Submittal:

Board Briefing: Strategic Plan Implementation Status Report

RW Beck staff was on site for two weeks during October. Plan implementation is underway with many action items planned, initiated or completed, as summarized below and noted on the revised Task Plans (attached).

DOW staff continues to make progress on various implementation action items. The current focus has been on completing as many tasks as possible during 2007 and consciously delaying some tasks until 2008. The combined teams of DOW staff and RW Beck staff continue to work through the detailed Task Plans. The following highlights items that are noteworthy since the October Board briefing document:

- ✓ *Issue Champion Meetings:* We met with all DOW Issue Champions during October, except for Issue #5 due to vacation schedule, to review progress on tasks and plan future activities associated with each Issue.
- ✓ *Rewards and Recognition Program:* A proposed Rewards and Recognition program has been developed by a team of DOW staff members and has been presented to the Acting Manager for review and approval. The program provides for a way for each employee to recognize their fellow employees for acts that are above and beyond the normal call of duty.
- ✓ *Labor Cost Reporting:* In addition to the OT report that the Board has seen, we have been working with staff to develop a other reports related to attendance and AWWA benchmark metrics.
- ✓ *Water Quality Monitoring:* A process map has been developed showing the procedure for testing a water main after a break has occurred. A draft standard detail has also been developed for installing water quality sampling stations in new subdivisions on the island. This standard is currently being reviewed within the DOW.
- ✓ *Engineering Division Re-organization:* A package was sent to County Personnel Services in June and is still under review.
- ✓ *Engineering Salary Classifications:* We were ready to make recommendations to adjust salaries for engineers in the Department and to propose new classifications

for DOW engineers to acknowledge the different experience required for engineers working for a water utility than for other agencies employing engineers. Now that the County is adjusting engineering salaries throughout the County, we have put our recommendations on hold until more specific information regarding the engineering salary structure is available from the County.

- ✓ *Operations Division Re-organization:* Documentation is being prepared for review by the Acting Manager and the Operations Division. DOW staff will then assemble the necessary documents to present to County Personnel Services for job postings to be initiated.
- ✓ *Comprehensive Employees Manual:* The Manual is currently being reviewed by County Attorney's office and no date on when Manual can be presented to DOW staff is available.
- ✓ *Training:* Additional training has been outlined for first line supervisors and staff as outlined in the Task Plans. This training will be conducted in October 2007. Follow-up training for Supervisors is being planned in conjunction with HEC for early 2008.
- ✓ *Hiring:* All Civil Engineering positions are under continuous recruitment and posted on the range in the County website; regular monitoring is being done to ensure that the postings are maintained in this manner. The Department also plans on posting the positions on web-based posting sites for increased exposure to potential candidates.
- ✓ *Progress Schedules:* Updated Issues schedules are attached for your review. Progress on these and other items specified in the Task Plans is noted in the attached updates. Note that a ✓ in the Task Plan "Dates" column indicates task or element completion.

Affordable Housing Projects

Although not directly a part of Plan Implementation, we include a summary of the Affordable Housing Project activities here for your reference

Good progress was made in October. Contract issues were resolved on three projects, and those contracts are currently being circulated for signatures.

The Kapilimao 0.5 MG Storage Tank and the Kapa'a Homesteads 0.5 MG Storage Tank are both progressing and likely will be in construction in early 2008.

Other projects are farther from completion and construction start dates are less predictable. Details are provided below.

- ✓ The Kapilimao 0.5 MG Storage Tank final design is proceeding. The 95% design is scheduled for submittal in early November. NPDES and County Use Permit applications are under review at the corresponding agencies, with review expected to be complete in early November. The final EA and FONSI are scheduled for completion in November.
- ✓ A revised contract amendment for AMFAC Shaft 11 Phase 1B, including the indemnification language approved by the Board in October is being circulated for signatures. A limited amount of engineering work was completed during the contract approval period, and design will now resume in earnest. The long-awaited proposal for early final design was received on October 18, and comments were returned to the consultant October 24. We expect to submit to the Board in December an explanation of the potential time savings and budget

risks of proceeding with final design in advance of fully completing Phase 1B (field pump testing).

- ✓ The contract amendment for final design services for the Kapahi 1.0 MG Storage Tank was executed by the consultant and DOW, and then staff requested a change to the contract. A revised contract is being circulated for signatures. Consultant has not resumed work.
- ✓ Final design for the Kapa'a Homesteads 0.5 MG Storage Tank is nearly complete. Belt-Collins planned to submit final construction documents to DOW the third week of October, but is waiting for a contract. See comments above for Kapahi Tank since both projects are addressed in the same contract. Consultant has resumed work without a Notice To Proceed.
- ✓ Scope and fee negotiations are underway with Hawai'i Pacific Engineers for design of the Kapa'a Homesteads Well No. 4. The scope is complete and the consultant is still working on the fee estimate. The pace of getting a contract executed has been disappointing, and we continue to remind Hawai'i Pacific of the Department's of their schedule commitments.
- ✓ SSFM has begun final design of the Akulikuli Tunnel renovation. The Department of Health has expressed concern regarding the potential influence of surface water on the discharge from the tunnel. EPA Region 10 investigated the influence of surface water in 1998, but the results were inconclusive. EPA reported some physical signs of surface water influence, but did not find the biological signs that would have made the investigation more conclusive. EPA reported that deteriorated tunnel facilities, which would be renovated by this project, might have been the reason surface water influence was suspected. Consultant discussed the issue with DOH and Region 10 of EPA and a plan for more conclusively determining surface water influence was debated, but the conclusion was that the tunnel renovation needed to be complete before any further determination could be made. Temporary tunnel repairs and additional water quality testing would not suffice.

The next step is to determine whether or not to include water treatment in the project at this stage, or to defer that decision until the renovations are complete and the water quality can be tested. Each alternative has advantages and disadvantages, and work continues to quantify those and make a recommendation to the Board. Design work continues while surface water treatment options are being evaluated.

Approach and Schedule

At the request of the Board Chair and the Acting Manager, R.W. Beck has been engaged in an ambitious schedule to support Strategic and Business Plan implementation during 2007. The results – in terms of effective, focused and timely action – have been extremely positive. The progress and results have been captured each month in both a summary memorandum and updates to the Task Plans; both submitted to the Board. We have also prepared a list of 2007 accomplishments and 2008 activities required to maintain momentum on Plan Implementation. These lists have been provided to the Board Chair and Acting Manager. Amendment #5 has been executed and provides funding for R. W. Beck personnel to continue to make on-site visits through early December. This will conclude R. W. Beck's Strategic and Business Plan Implementation assistance for 2007. There are currently no plans in place for us to continue implementation support beyond 2007.

Mark Salmon's Project Reports:

1. **(KW-25), Kapilimao 0.5 MG Tank-Summary Project Status Nov., '07**

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

Work underway: final design, permitting and environmental assessment

Work ahead: complete final design, construction

Current Major Area of Focus: 95% design submittal, final EA and easements

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: Design progress continues. Final Environmental Assessment and FONSI due 11/7/07. Draft parcel and easement maps due 11/8/07. NPDES and County Use Permit Applications scheduled to clear agency reviews 11/5/07. Public hearing for County permits 11/6/07. Pre-final design submittal due 11/13/07.
- Contract Status: Design contract executed.
- Schedule: The project schedule was revised in October with some tasks finishing later, but overall project completion is unchanged.
- Permits: Various required permits under agency review. Agency reviews scheduled for completion in November.
- Land & Easements: Preparation of parcel and easement maps will begin in October and drafts are scheduled for submittal to DOW 11/8/07.
- Agency Coordination: See Permits.
- Problems and Proposed Mitigation: None.

2. **(KW-28), Amfac Shaft 11 Renovation-Summary Project Status Nov., '07**

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

Work underway: Phase 1B contract amendment execution and final design proposal.

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: contract execution, getting pump testing underway

Potential Obstacles: water quantity and quality unknown – testing pending

Tentative Date Project in Service: December 2008

- Summary: New contract for Phase 1B (Field Testing) that includes indemnification language for hazardous materials is being circulated for signatures. Project work is resuming. Proposal for early design received 10/18/07.
- Contract Status: Phase 1B contract being circulated for signatures. Long-awaited proposal for early design received 10/18/07. Returned to consultant with comments 10/24/07.
- Schedule: See Problems and Proposed Mitigation below.
- Permits: No issues.
- Land & Easements: No issues.

- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Contract issues resolved and work will resume. Early design proposal received, which will reduce the overall time required for engineering. When final fee proposal is received, I will describe the potential savings and risks of early design in detail.

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

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

Work underway: final design

Work ahead: final design, environmental/permitting, construction

Current Major Area of Focus: Final design, updated schedule

Potential obstacles: easement acquisition from private landowner

Tentative Date Project in Service: March, 2009

- Summary: Following execution of contract, staff requested some contract revisions. Revisions have been completed and contract is being circulated for signatures. No NTP has been issued and work has not resumed..
- Contract Status: See above.
- Schedule: Current schedule shows project completion in March '09. Updated schedule due shortly after resumption of work.
- Permits: No issues.
- Land & Easements: Discussing easement acquisition with landowner. No recent activity.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Project configuration and landowner issues not yet resolved. Analysis and final resolution part of current phase scope of work. Project work will resume after hiatus during contract amendment development.

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

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

Work underway: final design, easement acquisition

Work ahead: bidding and construction

Current Major Area of Focus: final construction documents

Potential obstacles: none currently

Tentative Date Project in Service: July 2008

- Summary: Final construction plans and specs were scheduled for completion in October. Same contract issue as Kapahi 1.0 MG Tank, but consultant is working anyway. Submittal of final work products pending complete contract execution.
- Contract Status: See above.
- Schedule: Project progress is shown unchanged from last month, but that is misleading. Progress is continuing toward finalizing the construction documents, but it cannot yet be reported that design is 100% complete.
- Permits: No issues.
- Land & Easements: No issues.

- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Contract revisions have delayed project completion. That issue should be resolved with new contract being circulated for signatures. Project will be ready for bid advertisement shortly.

5. (WK-39) Kapa‘a Homesteads Well No. 4–Summary Status Report–Nov., ‘07

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

Work underway: contract negotiation

Work ahead: well design, environmental/permitting and construction

Current Major Area of Focus: consultant contract

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: Contract and scope of work complete, consultant still working on fee estimate.
- Contract Status: See above.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Work not yet underway. Consultant has been slow to produce fee estimate despite consistent urging.

6. (WK-02) Akulikuli Tunnel Renovation–Summary Status Report – Nov., ‘07

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

Work underway: final design

Work ahead: final design, environmental/permitting and construction

Current Major Area of Focus: final design.

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

Tentative Date Project in Service: December 2008

- Summary: SSFM working on final design. Field trip with consultant and DOW staff scheduled for 11/5/07. Potential still exists to add water treatment to project. Staff is discussing options.
- Contract Status: See above.
- Schedule: Revised project schedule due.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: SSFM met with the Department of Health on 9/24. DOH concerned that tunnel water may be under the influence of surface water, which would require treatment. Agencies and consultant believe there is now way to conclusively determine whether or not the tunnel is under the influence of surface water without first completing the renovation.
- Problems and Proposed Mitigation: Addition of water treatment to project is still possible. Staff is discussing options internally and may ask for more information prior to making a decision whether or not to proceed with

treatment engineering. Addition of treatment to project will almost surely extend project completion date.

Special Projects Division Board Report:

Re: Contract Extension for RW Beck to Continue Its Implementation Support for the Strategic and Business Plan for the Department of Water, County of Kauai

“Summary: I would like the Board’s consideration to defer the contract extension for RW Beck (“Beck”) to continue its implementation support for the Strategic and Business Plan until the Department can evaluate other local consultants for the job.

Disclosure and Background: This report is prepared at the request of the Board for comments and suggestions on the proposal by RW Beck to continue its implementation support of the Strategic and Business Plan for Department of Water, which was announced to the Department’s staff at its monthly meeting on October 31, 2007. The announcement noted that the Board is considering extending Beck’s contract for the Strategic and Business Plan implementation support and asks for the Department’s staff input and comments to the proposal.

I am the acting Special Projects Section Head and met and discussed the proposal with the section, together with most of the plan’s issue champions and the Acting Manager and Chief Engineer. I am the author of this report; and although have concurrence with the section, I am fully responsible for its contents and representations.

Evaluation and Justification: We concluded that the plan was developed to try to improve the Department and should be implemented. We further believe that a plan facilitator is needed to implement the plan and recognize that the proper personnel for this task is the Department’s Deputy Manager. However, since she is presently the Acting Manager, she is not able to provide this job.

After review of Beck’s proposal and their accomplishments, we do not see the value and justification for their continued involvement. We discussed and determined that there are other locally (on island or within the State) qualified consultants/facilitators that should be able to provide the job for the plans’ implementation facilitator. By contracting with the local talent, it not only provides the facilitator with local knowledge to assist with local issues, but also supports the local talent and keeps the dollars in the community. Further, being a resident to the island or State, their expenses should be significantly less than Mainland-based consultants. We believe that the evaluation and selection of the facilitator would need to be the job for the Acting Manager and she has agreed to provide a recommendation by the end of the year. If the option is accepted by the Board, she will proceed with the selection and will be updating the Board at the next Board’s meeting. Further, if the consultant is found to be knowledgeable and qualified to assist the Acting Manager, he may be asked to expand his scope of work to include assisting her with her work.

I, therefore, request the Board’s consideration to pursue this option before committing to extending Beck’s contract. (I will be available for any questions or clarifications if

any).” This report was signed by acting Special Projects Section Head Keith Fujimoto and his staff.

Staff Report:

**Re: Staff Input Regarding Continuation of Strategic Plan Implementation -
Compilation of Group and Individual Discussions Regarding R.W.
Beck/Strategic Plan Implementation**

Public Relations Specialist Faith Shiramizu and as Issue 1 Co-Champion read the following report that was compiled on behalf of some of the DOW staff:

“In the past couple of weeks, as our employees were invited to provide you with input regarding the R.W. Beck, I sat in on a couple of group meetings as well as private meetings with individuals. I’ve consolidated similar comments and categorized them. Although this may seem like a bit much, the employees that participated were sincere and it was never a gripe session so I felt that this is important enough to share with you all the aspects that were touched upon. Comments may not necessarily be the consensus of the entire group. I was afraid if I summarized it, I would miss important points...so..the people willing to have their names included are:

Andy Canavan, Peggy Yoshioka, Bruce Inouye, Keith Fujimoto, Dustin Moises, Carl Arume, Bill Eddy, Debra Togioka, Amy Esaki, Wynne Ushigome, Rona Miura, Paul Ganaden, Keith Aoki, Faith Shiramizu and there were a few others choosing to remain anonymous.

In favor or somewhat in favor of retaining R.W. Beck in 2008:

- If R.W. Beck is here, the plan is moving they’ve helped to push some things forward by facilitating the implementation of these items.
- If R.W. Beck is not here, but the Board wants us to implement the plan, how much of our time will it take? They (Beck) are the ones that bird dog the tasks.
- If Beck would be carrying the load of implementing the Strategic Plan, the engineers could concentrate on their projects...and not have to sit in so many meetings...if projects were getting done...the council and board wouldn’t be able to complain or criticize. (as a side note - DOW completed 21 projects in 5 Years...which is good considering the size of our department....would Beck actually be able to complete 59 projects in 5 years? They don’t really know the ins and outs of the state, how the government functions...it’s not that quick and easy with land acquisitions and so forth.....)
- For Issue #5, it will not happen without R.W. Beck - Tom has contributed a lot to assist Bill (Bill will expand on this later)....observation / comments from others on this is that, “Issue 5.. ..#1&2 from the R.W. Beck 2008 To Do List is more enforcing what is already here ...Enforcing and informing...which will have to be done by DOW anyway....” (meaning DOW should already be working on these without Beck)
- If Beck leaves and no one takes it over...everything will stop (opinion of 1?)
- If we don’t do anything..we’re throwing away all that’s already been spent
- We like Beck here..but the price is just too high for the amount of tangible results that we’ve seen...for the amount they’re charging, they should have

been doing more of the actual work...instead of just telling staff what needs to be done...or redoing what was already here...in a new format.

- Prioritize...narrow scope..there are things that can be put aside for now...choose priorities and focus on them
- If Beck is retained..they should have to do some of the work..not just tell us what we need to do...
- If Beck will be retained..need to negotiate pay..in relation to completing milestones..adjust scope..and set pay based on completed work...

Against retaining R.W. Beck:

- Haven't seen anything positive so far, what was accomplished in 2007?
- Not a noticeable improvement considering the amount that was spent
- Pertaining to the projects...what are they really doing?...everything seems to just come back to our engineers
- It appears that only a few have benefited from R.W. Beck..with reallocations/step movements (has Beck really done anything? If so, was it sent to County Personnel or Mayor?)
- Beck provided guidance and assistance...they did research and some leg work..but overall, the cost was much more than the department gained
- The employee manual already existed..Beck just made it look neater by categorizing, creating a table of contents and creating a cover (that kind of work does not warrant spending additional \$)
- Beck is not in touch with Kaua'i...with our issues, our unions..etc...DOW staff still had to do most of the work, with Beck not giving sound advice, causing a loss of time and effort...going in one direction, then having to do a U turn...(did they charge us for their mistakes and the time it took to correct it?)
- The auditors have questioned the increase in expenditure for contract services (RW Beck contract).
- Some of us did not have enough time to do anything since the last meeting with Beck..so it's wasting time and \$ for them to come down to meet with us...just so we can say we didn't have time to work on our issues...unless we stretch out their visits allowing us more time to have accomplished something when we meet with them
- They provided guidance and some work...but not worth the \$...maybe we need clarification on their scope of work...

Facilitator:

- If you look at the accomplishments, you'll see that DOW staff actually did most of the work...Beck just facilitated ...met with champions, collected their information and put it together to present to the Board
- We just need a driver...(until we get a manager)We need a facilitator....Can we find a facilitator that won't cost as much? Are their local firms?
- We should explore hiring one person on contract...to have in house...all the time...to be our facilitator...since Beck is a consulting firm..we should look at possibilities on island...suggestions...look at list of local consulting firms...(specific suggestions mentioned ...Myles Shibata, Mark Hubbard, Jean Camp, Nadine Nakamura, General Shinseki)

- Get local firm with a transition time with Beck..(is it in the Beck contract that they will transition a new firm/person at no additional charge?)

Ownership:

- DOW needs to take ownership
- Implementation is a management chore...but we have no management (manager)
- It shouldn't be just one person...it should be everybody
- Not enough top management to move it forward...like pushing to get more staff
- The Strategic Plan is from the department...it came from staff input..thoughts and feelings...can we move forward without Beck? (there were mixed answers to this question)
- Champions serve on other issues (all working together, but also taking more time than just on our one particular issue)
- Eventually, DOW will need to take ownership to make the DOW what we want to make it...Beck will eventually have to leave
- Beck taught us, gave us tools...we should try to do it on our own...and if it doesn't work, we can ask for help then?
- We could meet weekly for updates..to keep everyone on task..the Champions could report to the Board...and DOW could take ownership
- Need a decision to direct us to make this a priority..and put some of our regular work aside
- We could farm out some of the tasks to consultants that will actually DO the work..without Beck telling us we should get a consultant....

Other acknowledgements:

- Chair Lynn McCrory was using the Strategic Plan to help keep DOW semi-autonomous and to work on WP2020 and Sustainability Plan (thanks Chair McCrory!)
- We need to hire an assistant for our acting manager until a manager is hired
- Need to focus on finding a Manager and Chief Engineer as well as a Chief of Engineering, so the Deputy can then spend the time needed to address the Strategic Plan

Issue Champions met and after most of the discussions above, we request the board to look into the following guidelines before retaining R.W. Beck in 2008.

- Narrow the scope of work, which should lower the price
- The scope should address only critical issues (2 and 5 - other champions should continue to work on their issues with support from the Manager and Division Heads)
- The Issue Champions should be included when developing the new refined scope of work
- The new scope should be focused on the first 6 months of 2008 with the assistance of Beck
- With excess budgeted amount, retain a local firm that can be transitioned in before the end of June

I think there are several options to look into based on the above thoughts and comments, some of them are:

1. As stated by the Issues Champions, to look into the guidelines as listed before retaining R.W. Beck
2. Hire an assistant for our Acting Manager (until a manager is hired)
3. Explore hiring a consulting firm

In conclusion, these are my personal comments: If nothing else, it appears clear to me that the people responding to your invitation believes we need to continue to work toward accomplishing the goals of the Strategic Plan – with or without Beck, since it really is our plan and we don't want to waste the investment of time, energy and money already spent. For me personally, it was a very positive realization. Thank you Chair and Board for getting us to this point.”

Chair McCrory stated that the biggest piece in this staff report was the ownership by the employees.

Acting Chief of Operations Eddy added that there were mixed feelings about spending another \$200,000 to \$300,000 to hire RW Beck for another 6 months.

On query by Acting Chief of Operations Eddy, Chair McCrory gave an overview of the status of the hiring of a job search firm that would hopefully get good candidates for the Board to interview to be our new Manager. The Board has hired a job search firm as the Board had about 6 advertisements since July, 2007 to attract applications for our vacant Manager positions. The results were that we received 4 résumés with 3 of the applicants not qualified and the 4th applicant is from the Mainland.

As salary seems to be the issue, Chair McCrory had hoped that a previous legal opinion would allow the Board to set the salaries of the Manager; however, 2 County Attorneys have not accepted that legal opinion.

Chair McCrory added that the other option for the DOW is to go to the Legislature to get the statute changed that would allow the Board to set the salaries of the Manager and Deputy Manager of the Department of Water. She added that the boards at the Honolulu Board of Water Supply and the Hawaii Department of Water Supply already have the ability to set the salaries of the Manager and the Deputy Manager.

Chair McCrory stated that if an effort was made to change the statute, the timeline would be that the proposed bill would be submitted to the Legislature in January, 2008; and if it passed, it would be about May, 2008.

She added that RW Beck has consistently stated that the Manager's salary is not high enough to attract a wide range of good qualified candidates.

Chair McCrory also added another possible option that may be a harder sell is to possibly return to the Salary Commission with justification that the Water Manager's position has greater requirements then the other County department heads in order to get a higher salary for the Water Manager.

Chair McCrory added that the Board gave Acting Manager Ushigome the leeway to hire a contract hire that has managerial experience to help her in the meantime; however, that would not work as Acting Manager Ushigome would still need to be the one responsible to sign off on everything and be accountable for whatever the contract hire would do.

Chair McCrory stated that with the success of the job search firm that the Police Commission hired to seek applicants for the vacant Police Chief position, they felt that this was the way to go. The Board expects that the job search firm would submit applicants to them to interview in the next 3 months or so. The Selection Committee has been formed and consists of Roy Oyama, Leland Kahawai, Donald Fujimoto or Steven Kyono and Lynn McCrory (until her last day with the Board on December 31, 2007)

Chair McCrory added that Deputy County Attorney Jim Tagupa is working on the draft contract for the job search firm that was selected and will get that contract to her by the end of this week.

Chair McCrory guessed that the earliest that a Manager could be hired would be June, 2008.

Acting Chief of Operations Eddy stated that this was helpful as this gave the staff an indication that there would probably not be a new Manager on board in the next 6 months and would help them with the decision on whether or not to hire a consultant to assist with the implementation of the Strategic Plan.

On query by Mr. Eddy, Chair McCrory stated that it is in the budget to hire a consultant for 6 months. It would be up to the DOW whether we would want to use that money to hire a local consultant or to hire RW Beck for possibly 3 months to assist the DOW in the transition of hiring the local consultant.

Chair McCrory discussed that RW Beck were suppose to only be facilitators as the DOW staff would have to do the work. She added that it would be up to the DOW staff to decide the next steps and not the Board.

Chair McCrory added that she was happy to see that there was staff response and staff ownership as the Strategic Business Plan is for our department to make it as good, as healthy and supportive of each and every person working here, which takes each and every employee.

Chair McCrory requested that the Issue Champions decide and report back to the Board on its proposed plan.

Waterworks Controller Ganaden added that the plan should be streamlined and focused on the most critical issues. Chair McCrory concurred that working on the critical issues and defining the scope is a great plan.

Chair McCrory added that if we decide to have a facilitator, it would be best to have one that has experience working with other government agencies, who could also give us perspectives on how to do things.

The Board applauded the staff that was present at the meeting on a job well done.

Received for the record.

ADJOURNMENT:

There being no further business, Mr. Costa moved to adjourn the meeting at about 1:33 p.m., seconded by Mr. Oyama; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

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