

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Tuesday, October 16, 2007

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, October 16, 2007. Chairperson Lynn McCrory called the meeting to order at 10:07 a.m. On roll call, the following answered present:

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

Absent & excused: Mr. Ian Costa
Mr. Donald Fujimoto

STAFF: Ms. Wynne Ushigome
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
Ms. Amy Esaki
Mr. Dustin Moises
Deputy County Attorney Rosa Flores

Absent & excused: Mr. William Eddy

GUESTS: Mr. Tom Jacobs, RW Beck
Mr. Harrison Kawate, First Deputy County Attorney
Mr. Clyde Kodani (left at about 10:47 am)
Ms. Lorna Nishimitsu (left at about 10:47 am)
Mr. Lindsay Crawford, Kukuiula Development Co. (10:25 - 10:50 am)
Mr. Sean Perkins, Kukuiula Development Co. (10:25 - 10:50 am)

AGENDA

Chair McCrory re-ordered the Agenda to have New Business No. G1, Request to Testify by Clyde Kodani, to be taken after Correspondence/Announcements.

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

MINUTES

Mr. Kyono moved to accept the Regular Meeting Minutes of September 18, 2007, and placed on file, seconded by Mr. Oyama; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Letter from the Department of Water to Mr. Robert Grinpas, Esq. Regarding the Results of the July 17, 2007 Board Meeting, Request to Testify by Mr. Kevin Hurst and Mr. Chris Jensen for the Kawaihau Ridge Subdivision, Phase I (S-2005-3, Jensen Homes of Hawai'i, TMK: 4-6-39:029, Kapa'a, Kauai

Re: Thank You Letter from Ted Inouye on behalf of the East and West Soil and Water Conservation Districts

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

NEW BUSINESS

Re: Request to Testify by Clyde Kodani for Reconsideration of Subdivision Conditions for Jessie Muramaru Subdivision (S-2007-41) Lot 30, TMK: 4-6-15:001, Kapaa, Kauai, Hawaii

Mr. Clyde Kodani and Ms. Lorna Nishimitsu, Esq. were present at the meeting representing Mrs. Muramaru.

Acting Manager Ushigome gave the following report:

RECOMMENDATION:

It was recommended that the Board not approve the applicant's request to:

1. Delete the additional storage condition and instead provide a deed restriction that will limit the 10-lot subdivision to five 5/8-inch water meters and five single family dwelling units until additional storage facilities are available.
2. Delete the 6-inch main extension (approximately 300 feet) condition along Ohu Road and instead provide a deed restriction that will place a Non-Development Restriction on proposed Lot 30-K.

BACKGROUND:

The Muramaru Subdivision, S-2007-41, is a proposed subdivision of Lot 30 into 10 new lots. Lot 30 is bordered by portions of Hauaala, Moa and Ohu Roads in Kapa'a, Kauai. Lot 30 is designated Residential R-4 under current Comprehensive Zoning Maps. There are currently three 5/8-inch water meters assigned to Lot 30 and two existing dwelling units; one of the existing dwellings is located on proposed Lot 30-K. (referenced on Exhibits A and B)

Nine of the proposed lots of S-2007-41 border Moa Road and one proposed lot (Lot 30-K) borders Ohu Road.

DOW Subdivision Report, June 27, 2007:

The DOW prepared a subdivision report (reference Exhibit C) that recommended that the subdivision applicant be required to prepare construction drawings and construct the following water system facilities:

1. An extension of a main 6-inches in diameter, approximately 675 feet in length, beginning at the 8-inch main on Hauaala Road and running northwest along Moa Street and connecting to the existing 6-inch main on Moa Street.
2. An extension of a main 6-inches in diameter, approximately 300 feet in length, beginning at the 8-inch main at the Ohu/Hekili Road intersection and running north along Ohu Road to the subdivision.
3. Appropriately spaced fire hydrants

4. The domestic service connections; including the relocation of existing water. Each lot will have a single 5/8-inch water meter service connection and meter, as appropriate.
5. Additional storage facilities

The main extension along Ohu Road is to provide adequate domestic and fire flows to the proposed Lot 30-K. The main will replace an existing 75 year old, undersized 2-inch galvanized steel pipeline. The main extension along Moa Road is to provide adequate domestic and fire flows to the other 9 proposed lots of S-2007-41.

Kodani Letter, September 4, 2007:

The applicant (via agent, Kodani & Associates, Inc.) requested to delete the additional storage requirement and proposed to replace it with a deed restriction, which limited the subdivision to five 5/8-inch water meters until additional storage facilities are available.

The applicant also requested that the DOW delete the main extension requirement along Ohu Road and replace it with a non-development restriction affecting proposed Lot 30-K. (reference Exhibit D)

DOW letter, September 28, 2007:

The Department denied the applicant's request. (reference Exhibit E)

Kodani Letter to Board, October 3, 2007:

The applicant requested to appear before the Board to ask for a reconsideration of their September 4, 2007 request. (reference Exhibit F)

Board/Staff Discussion:

On query by Chair McCrory, Acting Manager Ushigome stated that there is a 5-meter restriction in the area; therefore, the owners could either comply with the water requirement of building a minimum sized tank of 100,000 gallons or wait till the DOW addresses storage deficiencies in that area. Acting Manager Ushigome added that the owners' 10-lot subdivision has the potential density of having 20 meters.

Chair McCrory added that the letter from the owners state that they would restrict the subdivision to one house per lot and that Lot 30-K already has 3 water meters so they would be allowed 2 more water meters for a total of 5 water meters for 5 of their lots (including Lot 30-K) as per our 5-meter restriction policy. The other 5 lots would have a deed restriction until the DOW's storage tank is completed.

On query by Mr. Kyono, Mr. Fujikawa explained, using a map, so the Board could visualize the area of concern and to show the location of the proposed waterline and its appurtenance requirements.

On query by Chair McCrory, Mr. Fujikawa stated that the waterline replacement on Ohu Road is in Phase 3 of our Water Plan 2020 Project List, which may be about 10 years from now.

Mr. Kyono discussed that he felt that he wanted to see if there were alternatives to doing the waterline extension on Ohu Road as well as installing a new waterline on

Moa Road. Acting Manager Ushigome explained that these requirements were triggered as a result of the subdivision process for a 10-lot subdivision.

On query by Mr. Kyono, Mr. Fujikawa replied that although it would be possible for the original lot (Lot 30-K) to be fed off the new proposed waterline along Moa Road, fire protection would be a problem if there was a fire and the Fire Department would have to plug into a fire hydrant on Moa Road and stretch their fire hose across one of the lots to get to Lot 30-K. He added that a steep contour leads up to this subdivision that lies on a hill that may also be problematic for the Fire Department.

Testimony:

Mr. Clyde Kodani, consultant for the Mrs. Muramaru and Ms. Lorna Nishimitsu, Esq. were present at the meeting.

Mr. Kodani testified that the reason why he was at the meeting to testify was because he felt that whether there was the subdivision process or not, the existing house (on Lot 30-K) already has existing water service from the waterline on Ohu Road. Therefore, he does not feel that the owners should have the water requirement to upgrade the waterline on Ohu Road, as there is further impact to the system. They do agree that with the waterline requirement on Moa Road, as that waterline would service the proposed lots.

Mr. Kodani stated that their plan is to hopefully get final subdivision so that they could sell 5 lots out of the 10-lot subdivision and then the remaining 5 lots would have a deed restriction; whereby, the 5 lots could not get building permits until the water tank is in place. He added that it was not feasible for them to install the water tank plus it was their understanding that the DOW would be doing a water tank somewhere in Kapaa in the next 2 years or so and they are willing to wait.

Ms. Nishimitsu added that her clients would need to market the 5 lots in order to fund the waterline extension on Moa Road. She felt that deed restrictions and subdivision map notations have always been accepted by government agencies to put encumbrances on the properties so owners cannot get their building permits or in the DOW's case, water service. Ms. Nishimitsu added that doing the deed restrictions, etc. has helped the Planning Department to catch potential violations. She added that once the tank is built than the deed restrictions could be lifted.

On query by Chair McCrory, Ms. Nishimitsu confirmed that the 5 lots that could have water meters would be restricted to one meter per lot.

On query by Chair McCrory, Mr. Kodani stated that due to personal family reasons, the Muramaru family at the initial time of subdivision in 1997 decided not to proceed. However, now as Mrs. Muramaru is getting older, she wants to finalize her subdivision for her family.

On query by Chair McCrory, Ms. Nishimitsu stated that although Mrs. Muramaru did get tentative approval for her subdivision back in 1997, she never followed through to get final subdivision approval; therefore, her subdivision expired. Mrs. Muramaru then recently submitted a new subdivision application.

On query by Mr. Kyono, Mr. Kodani stated that there were no changes with the subdivision application from the 1997 subdivision application to the present subdivision application. Mr. Kyono then queried Acting Manager Ushigome on what changed from then to now to revise the requirements. Acting Manager Ushigome stated that the area presently has a 5-meter per lot restriction and the fire protection standards have changed. She added that with the area being zoned R-4, with its potential maximum growth and with the subdivision process and the present conditions of the water system, were the reasons for the water requirements.

Mr. Kyono wanted further confirmation on why there was the new requirement of the upgrade of the waterline on Ohu Road. Mr. Fujikawa stated that he believed that the original subdivision report did have the Ohu Road waterline upgrade and the current revised subdivision report had the non-development deed restriction. However, Acting Manager Ushigome further clarified that the original subdivision report referenced only Lot 30-K and not all of the 10-lot subdivision.

Ms. Nishimitsu added that they are now giving the Department further protection as back in 1997 ADUs would have been allowed if the Muramarus did have final subdivision approval.

Motion:

Mr. Kahawai moved to approve the Muramaru's request: 1) that condition 3(b)(2) be deleted in its entirety; 2) that this Board confirm that the owner is currently entitled to a total of five (5) meters, and that two additional meters can be installed upon the payment of the FRC for 2 new meters; 3) that condition 3(b)(5) be deleted in its entirety; and 4) that a new condition 3(d) be imposed, to read essentially as follows: "Until such time that additional storage facilities for the area have been completed and put into service by the Department of Water, 5 of the lots (will be numbered later) shall not be entitled to any meters for water service. In addition, the other 5 lots (will be numbered later) including Lot 30-K shall be limited to a single 5/8-inch meter for water service until said additional storage facilities have been completed and put into service by the Department of Water.

The restrictions set forth above shall be noted on the final subdivision map, and incorporated in a declaration of restrictions to be executed by the subdivider and recorded with the Bureau of Conveyances of the State of Hawai'i and/or filed with the Assistant Registrar of the Land Court of the State of Hawai'i, as applicable.

At such time the aforesaid additional storage facilities have been completed and put into service by the Department of Water, this restriction shall be null and void. The Board shall execute a written cancellation and termination of this restriction upon presentation to it by the subdivider, or its successors and assigns."

The motion was seconded by Ms. Sakoda.

Acting Manager Ushigome stated that this would set a bad precedent and that the Board may want to revisit the 5-meter restriction policy.

Motion was carried.

Mr. Kodani and Ms. Nishimitsu both left the meeting at about 10:47 a.m.

OLD BUSINESS

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

Acting Manager Ushigome reported on the following:

The Department is requesting the Board reconsider its decision to defer interviewing the qualified candidates and proceeding with procuring the services of a job search firm to assist the Board with the Manager's selection process. Although the Department is not privy to the details and qualification of any of the candidates, the mere fact that the Board intended to forward the names of at least two (2) of the applicants to a job search firm seems to indicate they meet the minimum qualifications of the position. Due to its unsuccessful attempts in recruiting qualified applicants during the past 22 months, coupled with the tight labor market and shortage of engineers in the State, the Department requests the Board consider (at least) meeting and interviewing these candidates prior to enlisting the help of a job search firm.

If the desire of the Board remains to procure a consultant contract with a job recruitment agency, the Department anticipates another 4-5 month delay. In addition, timely action and progress will hopefully send positive feedback to the job applicants and they will remain interested and available for the position.

(1) Status on Procuring Job Search Firm

Based on the Board's review of the applicants' résumés, each of the four (4) candidates were sent letters of appreciation informing them of the outcome of the initial review process.

Also, in accordance with the directions of the Board at the last meeting, the Department prepared the request for qualifications (RFQ) solicitation for a job search firm to assist the Board with the manager's selection process. Based on the Department's abovementioned request for reconsideration of the Board's motion and approval of funding, no further action has been taken to finalize the solicitation notice.

The Board requested to discuss this matter in Executive Session.

Executive Session

Chair McCrory read the Executive Meeting Session notice: Pursuant to Haw. Rev. Stat §§92-4 and 92-5(a)(2), the purpose of this executive session was for deliberation that involved personnel matters regarding the 4 applications that were received for the Department of Water's Manager and Chief Engineer vacant position. This consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.

There was no public testimony. Mr. Kyono moved to enter into Executive Session at 10:50 a.m., seconded by Mr. Oyama; motion was carried. The Regular Meeting reconvened at 11:48 a.m.

Ms. Sakoda moved to amend her motion that was stated in the September 18, 2007 Board Meeting minutes on Page 3, Paragraph 2 to also include the underlined in the motion: “Ms. Sakoda moved to approve to advertise for a search firm to fill the Manager’s vacancy with a response time to the ad of 2 weeks and that it be submitted for immediate publication in newspapers of general circulation in the State of Hawai’i on the dates of Sunday, October 21, 2007 and Wednesday, October 24, 2007.....”, seconded by Mr. Oyama; motion was carried.

Chair McCrory stated that there would be a 2-week deadline for the advertisement of the RFP and it needed to be finalized by the end of the business day tomorrow, October 17, 2007.

Chair McCrory added that an Ad-Hoc Committee would be formed as a Sub-Committee of the Whole will review the resumes sometime in the first full week of November, 2007. She will be the Chair of the Ad-Hoc Committee with Mr. Kyono as the Vice Chair. The goal would be to make a decision on the job search firm by the next Board Meeting.

Chair McCrory also added that the Board was upset that 2-3 weeks have passed and the ad did not go out; therefore, the Department would need to notify Chair McCrory if for some extenuating circumstance that this ad could not go out as directed.

Mr. Kyono moved to receive the ad for publication with the addition of the deadline of November 7, 2007, seconded by Mr. Oyama; motion was carried.

(2) Request Board Approval for Funds to Procure Job Search Firm

The Department requested Board approval to utilize \$50,000 from Account 27 – Contractual Services to procure the services of a job search consultant. The cost of procuring a consultant contract for retaining the job search firm was not included in the current budget. We estimated the consultant’s fee to be about \$50,000.

Again, the Department would like to thank Deputy County Attorney Flores for providing the “sample” RFQ solicitation ad and for sharing her knowledge and experience on this matter.

Mr. Kahawai moved to approve the funding of \$50,000 to procure the services of a job search consultant, seconded by Mr. Oyama; motion was carried.

Re: Quarterly Report on Manager’s Top 4 Goals for Year 2007

<u>Recommendation:</u>	Not Applicable
<u>Project Funding:</u>	Not Applicable
<u>Background:</u>	Manager’s Top 4 Goals for the Year 2007:

1. Fill key departmental vacancies and improve office work area (Admin)
2. Improve internal communications-Strategic Business Plan (Admin)
3. Install AMR system (Fiscal-Special Projects-Operations)

4. Develop the Water Use and Development Plan (Water Resources & Planning)

Departmental Vacancies

Current vacancies and status of the filling the positions:

- Manager and Chief Engineer Deadline for submitting résumés ended on August 31, 2007, the Board met and reviewed the qualifications of the applicants. Board proposed to procure the services of a job search firm to assist with the selection process.
- EM-7 Engineer
2 EM-5 Positions Checked with DPS on the status of revising the DOW's Table of Organization, Personnel Director met with his staff, the reorganization action is pending review and recommendations by DPS staff.
- Operations Staffing Position descriptions have been drafted; however, the new class specifications for these positions need to be worked on.
- Engineer/Planner No progress since our last report.
- SCADA/Electronic Tech Met with staff to work on defining the position, in conjunction with establishing an annual maintenance contract with the SCADA system integrator.

Internal Communications

Improved communication remains an ongoing process and commitment.....it is an important goal and continue to work on trying to improve open discussions and dialog with and among the staff.

AMR System

The Department has consulted with the unions; and we received an acknowledgement letter from UPW stating they agree with the Department's proposal to do a one (1) time initial hire of a private contractor to install and implement the AMR system.

On query by Chair McCrory, Mr. K. Fujimoto stated that due to the delay of this contract, there was a cost increase; therefore, an Amendment needed to be executed first in order to give Notice to Proceed. He added that the Amendment to the Contract was just finalized and sent to the Contractor for signature and will be on the next Board Meeting Agenda for approval.

Water Use and Development Plan

Reviewed the scope and requirements of the Kaua'i Water Use and Development Plan, need to finalize consultant contract and coordinate development of the plan with the State Commission of Water Resource Management (CWRM).

Re: Request Board Approval of the Memorandum of Understanding for Mr. James E. Beyer Request to Transfer Water Meters to their Property, TMK: 2-3-02:010, 14.698 Acres

RECOMMENDATION:

It was recommended that the Board approve the Memorandum of Understanding that was a condition that the Board made in order for the Beyers to be able to transfer 2 water meters, one from Parcel 10-B and the other from Lot 124 to Parcel 10-A.

FUNDING: n/a

BACKGROUND:

At the June 19, 2007 Board Meeting, the Board approved Mr. James E. Beyer's request to transfer 2 water meters, one from Parcel 10-B and the other from Lot 124 to Parcel 10-A with the following conditions:

1. Lot 124 and 10-B owners need to record deed restrictions at the Bureau of Conveyances and/or Land Court with a limit of one 5/8-inch water meter per lot. Evidence of deed restrictions to be submitted to the DOW prior to any permits or applications signed off by the DOW for Lot 124, Lot 10-A and Lot 10-B.
2. Prior to any permits or applications being issued by the DOW, a Memorandum of Understanding (MOU) between James E. and Vaughn Beyer, Patrick and Autumn Claytor, and the DOW shall be executed to acknowledging the conditions of placing the restrictions of one 5/8-inch water meter allowed on Lot Nos. 124 and 10-B.

The Memorandum of Understanding was drafted by the Beyers and approved by staff to finalize and was given to the Board for reference.

Ms. Sakoda moved to approve the Memorandum of Understanding that was a condition that the Board made in order for the Beyers to be able to transfer 2 water meters, one from Parcel 10-B and the other from Lot 124 to Parcel 10-A., seconded by Mr. Kyono; motion was carried.

NEW BUSINESS

Re: Request Board Approval of Capital Improvement Projects (CIP) Projects for the 2008 Legislative Session

Recommendation

It was recommended that the Board approve the proposed CIP projects for submittal to the upcoming legislative session. Included in our proposed CIP request are projects in the areas that will benefit State facilities, specifically for fire protection for public schools at the Kīlauea and Waimea Canyon Schools, along with Kapa'a High School and Mahelona State Hospital. In addition, we also included a request to improve the storage for the Kapa'a area in order to facilitate the construction of affordable housing in the Kawaihau District.

Legislative appropriations have a 2-year window for agencies to encumber the funds; therefore, the project status and the anticipated construction schedule needs to be considered when proposing a project. In light of these funding constraints, the Department deleted the Anahola Well No. 4 project from the 2008 legislative CIP request since a suitable location needs to be identified prior to proceeding with the project.

Also, the Department proposes to include a funding request for the Haena 100,000-Gallon Storage Tank, Booster Pump and Connecting Pipeline since this rehabilitation project may be ready to bid by mid-2008.

Acting Manager Ushigome added that it was recommended by our legislative consultant last year that the DOW's CIP should be included with the County's CIP to make it is easier to lobby. Chair McCrory concurred that if Kaua'i was a unified front it would make a stronger statement to the legislators.

Ms. Sakoda moved to approve the CIP Projects for the 2008 Legislature, seconded by Mr. Oyama; motion was carried.

Re: Request Board Approval of Draft Proposed DOW Budget that will be sent with the CIP Projects Request for the 2008 Legislative Session (Resolution No. 4 (07/08))

Ms. Sakoda moved to approve Resolution No. 4 (07/08), seconded by Mr. Kyono; motion was carried.

Re: Job No. 06-01 (WP 2020 Project No. KW-28), AMFAC Shaft 11 Renovation Phase 1B, Kekaha-Waimea Water System, Kapa'a, Kaua'i, Hawai'i

Recommendation: It was recommended that the Board approve the contract language, which defined Brown and Caldwell, Inc's roles and responsibilities, and provides indemnification from problems arising due to the pre-existence of any hazardous materials.

Board action is required to extend indemnification to any party doing business with the Department. This indemnification applies only to the above-referenced project; this action will not cause the language to be added to the Department's standard contract.

Background: Brown and Caldwell completed Phase 1A, Pump Test Planning, in June 2007. A Phase 1B scope and contract, which includes investigation of the site for the presence of hazardous materials, was developed to continue the work. The current scope and budget include tasks for site investigation, sample collection and laboratory analysis, and an optional task for disposal if hazardous materials are found.

There is the possibility that hazardous materials could be present at the site. Potential materials include lead-based paint on structures and machinery, PCBs in electrical power transformers, and asbestos in pipe insulation. Quantities of hazardous materials are expected to be small.

It has been customary for owners to be identified as the generators of hazardous waste in projects like this one and to indemnify the consultants. DOW staff and the County Attorney have reviewed the proposed language, and have found it acceptable.

Mr. Kyono moved to approve the contract language which defined Brown and Caldwell, Inc's roles and responsibilities, and provides indemnification from problems arising due to the pre-existence of any hazardous materials, seconded by Mr. Oyama; motion was carried.

Re: Request Board Approval of Utilizing the County's Adopt-a-Park Program Agreement to Allow Mr. Michael Fernandes Authorization to Continue Providing Maintenance of the Department's (inactive) 0.2 MG Nonou Tank Site, Wailua, Kauai

Recommendation: It was recommended that the Board approve the Agreement that allows Mr. Michael Fernandes to continue providing voluntary site maintenance of the (inactive) 0.2 MG Nonou Tank Site through the County's Adopt-A-Park Program.

Funding: No funding required for this action.

Background: Mr. Fernandes has been maintaining a portion of the Department's old Nonou Tank site located in Wailua Houselots for nearly twenty years through what he claims was an informal mutual agreement in 1998 with a former Department Water Manager. Mr. Fernandes expressed interest in continuing the maintenance of the Department's old Nonou Tank Site. He is interested in keeping the Department's tank site maintained because he has the lease for the adjacent pasture lands. Mr. Fernandes has fenced the area between the old tank site and surrounding properties and has indicated that the fence would need replacement due to the age of the current fence. The Department's old Nonou Tank has not been in active use for approximately 26 years as it was replaced by the 2.0 MG Nonou Tank in 1981, but the site may be put back into service in the future.

The old Nonou Tank site was originally executive ordered to the Board of Supervisors and not the Board of Water in about 1959 (see next agenda item). Therefore, Mr. Fernandes was referred to Mr. Eddie Sarita, who administers the Hoolokahi Volunteer Program which allows citizens to volunteer with the maintenance of County properties. Mr. Sarita and Mr. Fernandes signed the County's Agreement which was given to the Board for their reference.

Although the Board is not required to sign the agreement, maintenance of the tank site is generally left to the Department's staff and therefore Board's approval of having Mr. Fernandes continue the maintenance of the tank site is requested.

The Board requested that a letter of thanks be sent to Mr. Fernandes.

Chair McCrory stated that she felt that a liability clause should be incorporated into the Hoolokahi agreements; therefore, she recommended that the County Attorney's Office review this agreement.

Mr. Kyono moved to defer this matter, seconded by Mr. Oyama; motion was carried.

Chair McCrory further discussed that Waterworks Legal Advisor Esaki should check with DLNR, State Parks to see how their form is written. Ms. Esaki also stated that she would check with Gerald Estenzo of the County to verify if this matter would be covered under the County's insurance policy.

Re: Request Board Acknowledgement of Council Resolution Authorizing the Board of Water Supply to Manage and Control Certain Executive Order Lands

The Department requested the Board acknowledgement of Council Resolution to transfer management and control of eleven (11) parcels that were previously Executive Ordered to the Board of Supervisors, County of Kauai. The resolution would effectively allow the County Council to transfer management and control of these waterworks sites to the Board of Water Supply.

From the 1930s to 1963, prior to the establishment of the Board of Water Supply, these Executive Ordered parcels were set aside for waterworks purposes, under the control and management of the County Board of Supervisors. However, these older Executive Ordered set aside lands were never corrected to reflect the Board of Water Supply as the entity having jurisdiction and management control of the waterworks and all property for the purposes of supplying water to the public.

The State Department of Land and Natural Resources was consulted, and advised the Department that the transfer of the management and control of the lands would best be handled through a Council Resolution. A resolution was prepared and transmitted to Council for review and approval. (The transmittal letter dated September 24, 2007 and a copy of the Resolution were given to the Board for their information.)

Ms. Sakoda moved to approve the Council Resolution to transfer management and control of eleven (11) parcels that were previously Executive Ordered to the Board of Supervisors, County of Kauai, seconded by Mr. Oyama; motion was carried.

Re: Grant of Easement from McBryde Sugar Company, Limited, for the Omao Water System 16" Transmission Line (S-2004-45); TMK: (4) 2-7-03: 003; Koloa District, Kauai, Hawaii

It was recommended that the Board approve the grant of easement; whereby McBryde Sugar Company, Limited, grants to the Board of Water Supply, County of Kauai, a perpetual easement on, over and under that certain parcel of land located in TMK: (4) 2-7-03: 003; 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

Omao Water System 16" Transmission Line (S-2004-45), Koloa District, Kauai, Hawai'i.

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

Mr. Oyama moved to approve the Grant of Easement from McBryde Sugar Company, Limited, with the indemnification provision, seconded by Mr. Kyono; motion was carried.

Re: Conveyance of Water Facility from Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company for the Omao Water System 16" Transmission Line (S-2004-45), TMK: (4) 2-7-03 and (4) 2-7-04, Koloa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Kukuiula Development Company (Hawaii), LLC, a Hawaii limited liability company, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: See Exhibit A, for the Omao Water System 16" Transmission Line (S-2004-45), TMK: (4) 2-7-03 and (4) 2-7-04, Koloa, Kauai, Hawaii

Mr. Kyono moved to approve the Conveyance of Water Facility from Kukuiula Development Company (Hawaii) LLC, seconded by Mr. Kahawai; motion was carried.

Re: Conveyance of Water Facility from Manoa Falls Haena LLC, a Hawaii Limited Liability Company, for the Water Meter Installation Plan for Lot 61, TMK: (4) 5-9-02: 065, Haena, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Manoa Falls Haena LLC, a Hawaii Limited Liability Company, 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 Lot 61, TMK: (4) 5-9-02: 065, Haena, Hanalei District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Manoa Falls Hawaii LLC, seconded by Ms. Sakoda; motion was carried.

Re: Conveyance of Water Facility from Andrew Vea and William and Pamela J. Prinzing for the Hawea Subdivison, TMK Nos.: (4) 2-3-02:104 and (4) 2-3-02:113, Kalaheo, Kauai, Hawaii

A Conveyance of Water Facility was previously approved for the Hawea Subdivision at its December 14, 2006 Board Meeting; however, it was later found that Mr. Vea had sold part of his property to William and Pamela J. Prinzing. Also to note that the

TMK No. for the Prinzing portion of the property became 2-3-02:113. Therefore, it was recommended that the revised Conveyance of Water Facility document be approved; whereby, both parties, Andrew Vea and William and Pamela J. Prinzing, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to:

Two-Hundred Ninety (290) L.F. 6-Inch Ductile Iron Waterline,
Four (4) Ea. 6-Inch Gate Valve, including C.I. Valve Box and Cover,
One (1) Ea. 1-Inch Copper Air Relief Valve Assembly,
One (1) Ea. 2½" Copper Cleanout Assembly,
One (1) Ea. 6-Inch Fire Hydrant Assembly,
Three (3) Ea. 1-Inch Copper Single Service Lateral for a 5/8-Inch Water Meter,
Two (2) Ea. 1½-Inch Copper Double Service Lateral for a 5/8-Inch Water Meter,
One (1) Ea. 2" Copper Triple Service Lateral for a 5/8-Inch Water Meter, and
One (1) Ea. 2 ½-Inch Copper Quadruple Service Lateral for a 5/8-Inch Water Meter

in place complete, for the Hawea Subdivision; TMK: (4) 2-3-02:104; Kalaheo, Kaua'i, Hawai'i.

Grant of Easement not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Andrew Vea and William and Pamela J. Prinzing, seconded by Ms. Sakoda; motion was carried.

REPORTS

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

Waterworks Controller Ganaden reported that our Water Sales is ahead about \$700,000, probably due to the dry summer weather. In September, the water sales were about \$1.5 million, which correlates to our pumping and electrical costs being about \$100,000 over.

He also reported that no new fund agreements were executed under the State Revolving Fund (SRF) and that all are done except for \$500,000 for the Kuhio Highway Waterline Project.

On query by Chair McCrory, Waterworks Controller Ganaden stated that SCADA is listed only as a line item as we received deposits last year; however, this year nothing is scheduled.

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

Public Relations Specialist Faith Shiramizu gave the following report:

Employee Events: The Employee Council's Trick or Treat Spooktacular 2007 begins with the pumpkin carving contest, which will have entries displayed in the lobby area fronting the Driver's License area on October 24th and 25th. Festivities

continue on Thursday the 25th from 5:00 to 8:00 p.m. Once again the breezeway will be filled with excitement as children of all ages gather to participate in the activities available, which will include a costume contest, games, face painting, refreshments and, of course, trick o' treating to the participating offices in the area. The DOW will be donating plastic bags and will ask for volunteers to assist with games.

Project WET: Make-A-Splash 2007 was a great success thanks to the many volunteers! With one last minute cancellation by a school and two unexpected classes, we ended up with over 500 students plus a small group from ARC. The day moved smoothly and quickly as most of our volunteers were seasoned and can function without needing instructions for every task. Overall, there were many positive comments with a few suggestions for the future, which I will try to incorporate, if possible, for next year's festivities.

The presenters for all of the activities were great, some of them like Gregg, were even nurturing, training the cadets to practice their leadership skills by instructing them on being the presenter. Although the Long Haul appears to be the favorite, anyone that observed Tom Cummings at the Hana Noi'i tent, were given a real treat as this was something new to MAS, but he also had a way of keeping the students engaged, gently demanding their full attention. All of our leaders and presenters were fantastic, with so many stepping up to the plate! Of course our leaders couldn't have done it without all of our other volunteers! Someone that volunteers at the Ag Awareness day mentioned that it makes a huge difference in how the day goes with more volunteers.

Drinking Water State Revolving Fund: An Interim Loan Agreement should be in place soon for the Stable Tank Project.

HWWA Annual Conference: Sustainability of Water Resources was the theme of this year's annual conference that was held at the Sheraton Waikiki Hotel from October 3-5, 2007. As at most conferences, there were many terrific speakers sharing their knowledge and thoughts about the buzz word, "Sustainability". No matter how it was presented, the message is that water is a precious resource, we need to find a balance and harmony for its use, we need to protect it and conserve it. We need to communicate and share this information, educate our staff and community. Then there was that "inspirational" speaker, the one that needs to keep you up after lunch, a great quote that he used from Earl Nightingale, "You become what you think about most of the day", so Mr. Bagnola suggested we think about good things most of the day and not spend a lot of time on negative thoughts. It was a fantastic conference, leaving us (me at least) inspired to be even more proactive in our efforts to communicate and educate with our staff and community about protecting and conserving our water. To earn credibility, we need to start with our staff first so they can demonstrate by action what we want to share and promote in the community. Thank you for allowing me to attend this conference.

Re: Summary Report of Monthly Operational Maintenance: A written report was given to the Board from Acting Chief of Operations Eddy.

Acting Manager Ushigome stated that they hoped to finish changing the pump for Kilauea Well soon and to have the well online by October 26, 2007. She added that

although Kilauea Booster Pump was online, it would be pumping from the same source. Mr. K. Fujimoto added that they have been investigating why the pumping rate is not up to its specs; therefore, they may have to shut it down. On query by Acting Manager Ushigome, Mr. K. Fujimoto stated that according to its specs, the rate should be about 300 gpm but it was pumping at 220 gpm.

Re: DOW Quarterly Projects Briefing

Acting Manager Ushigome reviewed the Executive Summary of the quarterly report of the status of the DOW's projects, which was given to the Board for their information.

Acting Manager Ushigome reported that the Department has made considerable strides with Water Plan 2020 as 30 projects are under design, not including the projects being worked on by RW Beck. She added that the Department has completed 21 projects since the year 2001.

On query by Chair McCrory, Acting Manager Ushigome stated that most of the 30 projects would stay with the Department and not go to a consultant project manager as it is already being worked on and the timing of the projects. There is a departmental team that is presently reviewing the projects and will re-prioritize the projects if necessary and report to the Board at its November 20, 2007 Board Meeting.

Re: Manager's Update for September, 2007 to October, 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.
3. Puhī 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.
4. Kauai Lagoons – Kapule Project: No progress. The final Water Study Report dated July 24, 2007, 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. According to the Housing Agreement, these affordable units must be completed prior to February 2010 or before 50% of the market units are completed.
5. Kauai Lagoons – Waipouli Courtyard-Outstanding items include the Kaua'i Lagoon's request to use a Waiver, Release and Indemnity (WR&I) agreement (including posting a bond) with the Department. Kaua'i Development LLC will

continue to oversee the project; they are routing the building permits for review and anticipate groundbreaking after they receive building permit approval in October.

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 completion by December 2007. Phase IV is scheduled for bid in February 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. Koheha Loa (Hanama'ulu Triangle): DOW reviewing the water mater plan for the AMFAC/JMB Lihu'e-Hanama'ulu Master Planned Community Lands.
11. County-State parcel affordable housing projects: Housing Agency is preparing (in-house) a RFP for affordable housing and site development. MOU w/OHA is being reviewed by the County Attorney's Office. This MOU is critical for developing the State Land Parcels.

Puhi Booster Pump Update:

Grove Farm has submitted their monthly updates to the Board. See enclosed Grove Farm's "Status Report for the Puhi 393'-510' Booster Pump Station" letter dated October 9, 2007. The report states that the completion of the booster pump station should be done by October 15, 2007.

On query by Mr. Kahawai, Mr. K. Fujimoto stated that the actual completion date would probably be on Thursday, October 18, 2007 instead.

Grove Farm has also submitted their monthly update to the Board, "Status Report for the Kilohana 16-inch Transmission Line" letter dated October 5, 2007. The report states that the construction of the pipeline installation has been completed, tested and approved.

Koloa Well F:

The Department placed Koloa Well F in service in mid-September, this additional source is for the Koloa-Poi'pu water systems. The well pumping capacity is 1,025 gallons per minute with Poi'pu Wells C & D pumping. The well site is located about a mile east of the former McBryde Sugar Mill in Koloa. The well site is situated at the western edge of the Mahaulepu Valley, near the base of a 500-foot high ridge, at an elevation of approximately 130 feet above MSL.

The Koloa Well F project design included the installation and construction of a pump, controls, CMU pump control building, chlorination facilities, access roadway, drainage improvements, retaining walls and about 3,300 lineal feet of 16-inch transmission main from the existing Koloa Well C site to the new Well F pump control building.

The funding for the project was provided from DOW's capital improvement program budget. The total cost of the project cost was about \$2.4 million.

The Department would like to acknowledge and thank all those involved in the Koloa Well F project: DOW project engineers were Michael Hinazumi, Keith Fujimoto,

Dustin Moises and the Operations staff; design consultants Okahara & Associates, and contractor Goodfellow Brothers.

On query by Ms. Sakoda, Acting Manager Ushigome stated that this project was about 6 months delayed.

Chair McCrory requested of Mr. Fujikawa to add on Koloa Well "F" and any other new well or tank onto the graph that he did on the status of all our water systems, as they found the graph to be very helpful.

Mr. Fujikawa added that the water allocation for Koloa Well "F" is shared with Kiahuna Mauka Partners (KMP) and the Knudsen Trust. They both are cost sharing the cost of developing Koloa Well "F" with the DOW and have signed cost share agreements.

Our DOW Website:

Our new Boards and Commissions Office, in response to the County Council's request, has requested that all Boards and Commissions voluntarily have their monthly Board Meeting Agenda, approved Minutes, and the Rules and Regulations posted on their respective websites. The Department's Rules and Regulations and the Agenda of the monthly Board Meetings were already on our website; therefore, we only need to add the approved minutes of our Board meetings. We will work with our IT personnel to have that done.

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.

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

STRATEGIC AND BUSINESS PLAN AND NEEDS ASSESSMENT

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

Mr. Tom Jacobs of RW Beck was present at this meeting.

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 September 10, 2007, prepared by RW Beck.)

Tom Jacobs will be at the Board meeting to update and provide status report of the various issue strategies and associated tactical action plans.

Update of Program Manager RFP and Report of Sub-Committee's Project Prioritization:

The RFP Committee prepared a draft proposal document and continues to work on providing concise language to define and clarify the scope of work, background and evaluation criteria of the Program Manager. The majority of the work on the RFP focused on reviewing and prioritizing the Phase 1 project list. A sub-committee consisting of Gregg Fujikawa, Bruce Inouye, Keith Fujimoto, Bill Eddy, Dustin Moises and myself meet on several occasions to review the status of various Water Plan 2020 projects. In addition to developing a final list of projects, the sub-committee updated the cost estimates for the projects. This list of projects will be submitted to the Board at next month's meeting.

The Department also acknowledges staff members Paul Ganaden, Jeff Mendez and Amy Esaki for assisting with providing necessary financial and technical support to the RFP sub-committee.

Mr. Jacobs submitted the following report:

RW Beck staff was on site for two weeks during September. Plan implementation is underway with many action items planned, initiated or completed, as summarized below and noted on the revised Task Plans that was given to the Board for their information.

DOW staff continues to make progress on various implementation action items. These efforts are led by many of the assigned Issue Champions with others stepping forward to volunteer expertise and assistance. The combined teams of DOW staff and RW Beck staff continue to work through the detailed Task Plans. There have been some new tactics and associated tasks added related to the Time Entry Study completed by Moss-Adams.

The following highlights items that are noteworthy since the September Board briefing document:

- ✓ *Issue Champion Meetings:* We met with all DOW Issue Champions during September to review progress on tasks and plan future activities associated with each Issue. One focus was to review the strategies and tactics which resulted from the Moss Adams study.
- ✓ *Community Educational Activities:* RW Beck participated in the Department's Make a Splash activity on September 21.
- ✓ *Labor Cost Reporting:* In addition to the OT report that the Board has seen, we have been working with staff to develop a couple of other reports related to attendance and benchmark metrics that can be compared to AWWA 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 and will then be reviewed with the County.

- ✓ *Engineering Division Re-organization:* A package has been sent to County Personnel Services and is currently under review.
- ✓ *Operations Division Re-organization:* Documentation is being prepared and is under review by the Acting Manager and Personnel Assistant. DOW staff will then assemble the necessary documents to present to County Personnel Services for job postings to be initiated.
- ✓ *Cell Phone Policy:* A cellular phone policy has been drafted and submitted to the Acting Manager for approval and distribution with a goal of including the revised policy in the Comprehensive Employee Manual.
- ✓ *Comprehensive Employees Manual:* The Manual has been reviewed by County offices and HEC. No comments were received from the Unions. The Manual will be presented to all employees on October 31 during a staff meeting and briefing. Signatures of receipt will be required.

Chair McCrory requested to see a copy of the manual at the next Board Meeting. It was so noted.

- ✓ *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.
- ✓ *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. R.W. Beck has prepared templates for use as supporting paperwork for various positions to recruit and hire above the minimum.
- ✓ *Progress Schedules:* Updated Issues schedules were given for the Board's review.

Progress on these and other items specified in the Task Plans was noted in the updates that were part of this report. 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, they included a summary of the Affordable Housing Project activities here for the Board's reference.

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

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

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

Work underway: final design, environmental assessment

Work ahead: complete final design, construction

Current Major Area of Focus: 95% design submittal, NPDES and County Use Permit Applications

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: Design progress continues. Draft Environmental Assessment noticed in the September 23 OEQC Bulletin. NPDES and County Use Permit Applications being drafted.
- Contract Status: Design contract executed.
- Schedule: Project work on schedule.
- Permits: Various required permit applications under preparation.
- Land & Easements: Preparation of parcel and easement maps will begin in October.
- Agency Coordination: Agencies currently reviewing Draft EA.
- Problems and Proposed Mitigation: None.

The Kapilimao 0.5 MG Storage Tank final design is proceeding. The 95% design submittal is being prepared for submittal in late October. Consultant has begun preparation of NPDES and County Use Permit applications. The Engineer's estimate was submitted in September with a total estimated construction cost of approximately \$3.4 million. Staff is recommending some adjustments, but the estimate will remain within the \$4.0 million currently budgeted.

2. (KW-28), Amfac Shaft 11 Renovation – Summary Project Status Oct., '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, early final design proposal

Potential Obstacles: water quantity and quality unknown – testing pending

Tentative Date Project in Service: December 2008

- Summary: First amendment contract executed by consultant in August. Staff and consultant requested some changes to executed contract, most notably involving indemnification for hazardous materials analysis and disposal and addition of generator shelter to project. Contract re-execution pending approval of indemnification language.
- Contract Status: New first amendment near completion. Board will be asked to approve indemnification language at October Board Meeting
- Schedule: See Problems and Proposed Mitigation below.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: First amendment to contract still incomplete, but is close. Addition of hazardous material indemnification language is final step before execution. Despite elevating request for early design proposal to B&C management, there still has been no response.

The contract amendment for AMFAC Shaft 11 Phase 1B was executed by the consultant. DOW Staff and consultant subsequently asked for revisions to contract. Most notable change was requested by consultant to add indemnification language regarding hazardous materials. County attorney has

approved proposed contract language but Board action is required. A request to the Board to approve the language will be presented at the October Board meeting.

Field pump testing and water quality testing will proceed after amendment language is approved. Brown and Caldwell continues to delay preparing proposal for early design.

3. (WK-08), Kapahi 1.0 MG Storage Tank – Summary Project Status Oct., '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: Contract amendment executed by consultant and DOW in August, but fully executed contract not available. DOW staff tracking it down. 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.

The contract amendment for final design services for the Kapahi 1.0 MG Storage Tank has been executed by the consultant and DOW. The consultant has not received the fully executed contract amendment and no Notice to Proceed has been issued. The DOW staff is tracking down the contract. The consultant has not resumed work.

4. Kapa'a Homesteads 0.5 MG Storage Tank – Summary Status Report – Oct., '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 scheduled for completion in October. Same contract issue as Kapahi 1.0 MG Tank, but consultant has resumed work anyway.
- Contract Status: See above.
- Schedule: Project progress is shown unchanged from last month, but that is misleading. Good progress has been made in 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: NTP for contract amendment not issued. DOW staff tracking down contract. Project will be ready for bid advertisement shortly.

Final design for the Kapa'a Homesteads 0.5 MG Storage Tank is nearly complete. Belt-Collins plans to submit final construction documents to DOW during the third week of October. The construction bidding process will then follow.

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

Scope and fee negotiations are underway with Hawai'i Pacific Engineers for the 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 schedule commitments.

6. (WK-02) Akulikuli Tunnel Renovation – Summary Status Report – Oct. '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 – testing pending
Tentative Date Project in Service: December 2008

- Summary: SSFM has begun final design. Consultant met with DOH in September to review project. May conduct additional water quality testing.
- Contract Status: See above.
- Schedule: Revised project schedule due in October.
- 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. SSFM, DOH and Region 10 EPA working on plan to measure potential surface water influence.
- Problems and Proposed Mitigation: See Agency Coordination, above.

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. The consultant is working with DOH and Region 10 of EPA to develop a plan for more conclusively determining surface water influence. Temporary tunnel repairs and additional water quality testing could be elements of the plan. If surface water can get into the tunnel after the renovation project is complete, treatment of the tunnel discharge would likely be required, adding to project expense and time of completion. Progress on this aspect of the work will be reported next month. Design work will continue while surface water investigation plan is developed.

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. Amendment #5 has been executed and provides funding for R. W. Beck personnel to continue to make on-site visits during September, October and late November/early December. This will conclude R. W. Beck's Strategic and Business Plan Implementation assistance for 2007 and the last verbal report, with only written reports for the rest of 2007. There are currently no plans or requests in place for us to continue implementation support beyond 2007. At that time, Plan implementation in 2008 and beyond will fall solely on DOW staff, unless R. W. Beck is contracted for further support.

The DOW staff continues to contribute to plan implementation progress and making a difference in the organization. Staff participation continues to be the highest priority of the Plan Implementation Phase.

On query by Chair McCrory, Mr. Jacobs stated that per Amendment No. 5, they were to work with the DOW until June, 2008; however, Amendment No. 5 was revised to end in December, 2007.

Chair McCrory requested that RW Beck submit at the next Board Meeting a proposed schedule of specific projects that they would work on from January, 2008 to June 2008. It was so noted.

On query by Chair McCrory, Acting Manager Ushigome stated that there was no paperwork on any salary revisions for all County engineers and that Mr. Moises paperwork was done. Acting Manager Ushigome will followup with the Department of Personnel Services (DPS) to confirm any proposed personnel actions.

Ms. Sakoda moved to receive the above reports for the record and place on file, seconded by Mr. Kahawai; 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** (review deferred to the November 2007 Board Meeting)
2. **Executive Session Meeting**

ES-1: Pursuant to Haw. Rev. Stat. Section 92-4 and 92-5(a)(4), the purpose of this executive session is to consult with the County Attorney on the privileges, immunities, and liabilities of the Board in the selection of the Manager/Chief Engineer. 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.

- a. Review of Executive Session Minutes: September 18, 2007
- b. Executive Session

ADJOURNMENT: There being no further business, Mr. Oyama moved to adjourn the meeting at about 12:47 p.m., seconded by Mr. Kahawai; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

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