

**REGULAR MEETING  
BOARD OF WATER SUPPLY  
Tuesday, September 18, 2007**

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, September 18, 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 (left at about 11:30 a.m.)  
Deputy County Attorney Margaret Sueoka (present at about 11:30 a.m.)

Absent & excused: Mr. William Eddy

GUEST: Mr. Tom Jacobs, RW Beck

**AGENDA**

Acting Manager Ushigome requested that the following agenda items be deferred:

1. Request Board Approval for a Conveyance of Water Facility from Gaylord and Carol Wilcox Family Limited Partnership, A Hawaii LP, for the Detector Check and Lateral for Kilohana Carriage House, Puhi Road, TMK: (4) 3-4-05:001, Puhi, Kauai, Hawai'i
2. Request Board Approval for a 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, Hawai'i

Mr. Kahawai moved to defer these 2 agenda items; seconded by Mr. Kyono; motion was carried. Mr. Kyono moved to approve the Agenda, as amended, seconded by Ms. Sakoda; motion was carried.

**MINUTES**

Mr. Kahawai moved to accept the Regular Meeting Minutes of August 21, 2007, and placed on file, seconded by Mr. Oyama; motion was carried.

**CORRESPONDENCE/ANNOUNCEMENTS:** None.

**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:

**Status of Response to Advertisement for Manager and Chief Engineer**

Friday, August 31, 2007 was the deadline for receiving applications for the Manager's position. A total of four (4) résumés were received and these have been distributed to the Board members for review.

In accordance with the Kaua'i County Charter, Section 17.04: Staff, the Board shall appoint an engineer duly registered under Hawai'i State laws pertaining to registration of engineers. Individuals shall have had a minimum of five (5) years of training and experience in an engineering position, at least three (3) years of which shall have been in a responsible administrative capacity.

On query by Acting Manager Ushigome, Chair McCrory suggested that the Board go into Executive Session to discuss how to handle this matter.

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 10:10 a.m., seconded by Mr. Oyama; motion was carried. The Regular Meeting reconvened at 10:30 a.m.

Acting Manager Ushigome further reported on the following:

**Discussion on Procuring Job Search Firm**

As requested by the Board at the August meeting, Deputy County Attorney Rosa Flores provided an informational brochure from CPS Human Resource Services. The brochures were provided for information purposes only, as a possible alternate option for the Board's consideration.

The Department would like to thank Deputy County Attorney Flores for providing the informational brochures and for sharing her knowledge and insight on this matter.

No action has been taken on this item, pending direction from the Board. In the event, the Board decides to solicit bids for a recruitment firm, the Department will likely follow a similar procurement process as the Police Commission in hiring a job search firm to help with the assessment and selection process.

Ms. Sakoda moved to approve to advertise for a search firm to fill the Manager's vacancy and at the same time to write thank you letters to the 4 applicants, 2 that did not qualify for the position and to inform the 2 qualified applicants that their applications would be referred to the search firm to process, and for Deputy County Attorney Flores to work with Waterworks Legal Advisor Esaki on the procurement process to solicit a search firm, seconded by Mr. Oyama; motion was carried.

**Re: Additional Funding for Job No. 94-3, K-10, 0.5 Million Gallon Kalaheo Storage Tank, Kalāheo**

RECOMMENDATION: It was recommended that the Board approve the change order for Kaua'i Builders, Inc. for the Nursery Tank pipeline restoration, being a portion of the March 2006 rain damages previously approved by the Board. It was further recommended that the Board reallocate \$82,659.76 from Account No. 106.b CIP Reserve to Job No. 94-3, K-10, 0.5 Million Gallon Kalaheo Storage Tank to fund the additional work.

**FUNDING:**

Job No. 94-3, K-10, 0.5 MG Kalāheo Storage Tank, Kauai Builders, Contract 442 (through Change Order No. 4):.....	<\$3,354,847.99>
Change Order No. 5 Board approval May 15, 2007:.....	<\$ 31,801.54>
Change Order No. 6: .....	< <u>\$ 50,858.22</u> >
Total Additional Funds Requested: .....	< <u>\$ 82,659.76</u> >
Account No. 106b, CIP Reserve	
TOTAL CONTRACT AMOUNT .....	< <u>\$3,437,507.75</u> >

**BACKGROUND:**

Kaua'i Builders has submitted their proposal for the Nursery Tank pipeline restoration work required as part of the rain damages that was sustained during the March 2006 rainstorm. Additionally, they have requested a total time extension of 369 calendar days due to the rain delays. The Board previously approved the compensation requested by the contractor at its May 15, 2007 meeting.

Ms. Sakoda recused herself from this agenda item due to a conflict of interest. Mr. Oyama moved to approve the change order for Kaua'i Builders, Inc. for the Nursery Tank pipeline restoration, being a portion of the March 2006 rain damages previously approved by the Board and the allocation of \$82,659.76 from Account No. 106.b CIP Reserve to Job No. 94-3, K-10, 0.5 Million Gallon Kalaheo Storage Tank to fund the additional work, seconded by Mr. Kyono; motion was carried.

**Re: Request Board Approval for a Time Extension Contract Amendment for Job No. 04-06, KW-05, KW-20, Waimea Well "A" Renovation, Kekaha Well "B" Renovation, Kekaha-Waimea Water System, Kekaha-Waimea, Kauai, Hawaii**

**RECOMMENDATION:** It was recommended that the Board approve the first contract amendment for this project to extend the time of completion by 150 calendar days.

**FUNDING:** Not applicable

**BACKGROUND:**

Engineering Solutions, Inc., consultants for this project, has exceeded their contract time (March 2007) by approximately 105 days past their completion date. The Department requested an explanation and they indicated that the primary project engineer experienced unanticipated personal (family) issues and was not able to complete the project as scheduled.

Based on our discussions with Engineering Solutions, the consultants updated the Department on the status and progress of the work. The discussion focused on getting the project back on schedule and moving forward with completing the design of the project. We worked with the consultant to establish a final design submittal deadline. Engineering Solutions indicated that they would be able to complete their final design submittal by the end of September.

If funding is available for construction, we anticipate the completed design and specifications will be ready for bidding in early 2008.

Mr. Kyono moved to approve first contract amendment for this project to extend the time of completion by 150 calendar days, seconded by Mr. Oyama; motion was carried.

**NEW BUSINESS**

**Re: Suggestions for Year 2008 Capital Improvement Projects (CIP) Submittal to the State Legislature**

Acting Manager Ushigome reported that the Department would be preparing CIP projects to be submitted to the 2008 Session of the State Legislature for funding.

She asked for the Board's input on any project suggestions as it is important in this process. Last year's (2007) CIP packet that was sent to the Legislature was submitted to the Board for their review. The final CIP list should be on the October 16, 2007 Board Meeting for approval.

The Board concurred with the previous CIP request but to change the priority as follows:

1. Kīlauea Water System: Waterline Improvements to support the Kīlauea School Cafeteria for the Department of Education (DOE) & the Kīlauea Pre-School for the Department of Accounting and General Services (DAGS)

Acting Manager Ushigome stated that the Legislature gave us \$250,000 for this project but she had a call prior to this Board Meeting from Ernest Lau of DAGS, who informed us that the engineer's estimate was currently \$600,000; therefore, he asked if the DOW could fund the additional monies needed. She added that there was some discussion with the Department of Education (DOE) to assist with the funding; however, DOE felt that they should not be funding a waterline project.

She added that Mr. Lau also clarified that DAGS was in charge of the pre-school and DOE was in charge of the cafeteria.

On query by Chair McCrory, Acting Manager Ushigome stated that before DAGS goes out to bid, he needed to secure the funding.

Since it was noted that the \$250,000 that was already given by the Legislature will lapse as of July 1, 2008, if not used, Mr. Kyono suggested that our CIP request to the Legislature should include the entire estimated cost of the waterline in case there is no time to encumber the funds and to ensure that we would not need to go back to the Legislature for more funding. Therefore, our budget Request will be for \$700,000.

2. Hanalei, Kawaihau and Waimea Water Systems: Fire Protection Improvements for State Schools and Affordable Housing Infrastructure Development
  - a. Hanalei Water System, WP 2020 #H-5, Hanalei School WL Improvements
  - b. Waimea Water System, WP 2020 #KW-14 & 15, Waimea Canyon School WL Improvements
  - c. Wailua/Kapa'a Water System, WP 2020 #WK-8 & 9, Storage Improvements
  - d. Wailua/Kapa'a Water System, WP 2020 #WK 27 & 33, Kawaihau & Kahuna Roads, 12" and 16" Mains
3. Wainiha-Hā'ena Water System, HW-13, Wainiha 100,000 Gallon Tank, Booster Pump and Connecting Pipeline
4. Anahola Water System, A-2, Anahola Well No. 4

On query by Chair McCrory, Acting Manager Ushigome stated that the County got \$70,000 to do a non-potable study for the Kīlauea area. Therefore, our CIP request for legislative monies for the Kīlauea Non-Potable Water Study was deleted.

Received for the record.

**Re: Informational Board Presentation by Gregg Fujikawa, DOW Water Resource and Planning Division Head on Islandwide Water Meter Restrictions Island of Kaua'i**

As per the Board's request, Mr. Gregg Fujikawa gave the following report:

Recommendation: N/A

Background:

Water system policies guide the development and financing of the water system infrastructure required to provide water service throughout the island. Board policies impact many areas of planning including water system development, redundancy, and sizing. Current DOW water system policies are described and documented in the Department of Water, County of Kaua'i Rules and Regulations, as amended and

Board policies that are established from time to time by the Board. There are also administrative policies and procedures that guide the actions of the Department.

In September 2002, the Water System Standards, State of Hawai'i was incorporated into the Department's Rule and Regulations. These standards establish criteria for evaluating and planning sources of supply, fire protection, storage, transmission and distribution systems, pump stations, treatment, and system redundancy. The criteria for developing water system source and storage facilities are listed below:

Source Criteria: Total Pump Capacity must meet the maximum day demand over a 24-hour pumping period with the largest pump unit considered out of service.

Storage Criteria: There are two sizing criteria for storage facilities:

1. Total storage tank capacity must meet the maximum day demand plus fire flow for the duration of the fire with the tank at  $\frac{3}{4}$  full at the start of the fire with one maximum size pump out of service.
2. Total storage tank capacity must meet maximum day demand, with the tank full at the start of the 24-hour period, not including source input to the reservoir.

Present source and storage system capacity is monitored by the Department. The system capacity is analyzed by water system and by sub-water system as needed. The monitoring and analysis of the existing source and storage facilities include the tracking of water system capacity and water system consumption demands that include pending (future water consumption) demands. The results of the analysis describe the amount of remaining source and storage capacity that is available for each water system. The amount of available source and storage system capacity is measured in terms of million gallons per day demand as well as in terms of the equivalent number of single family and resort units.

The available source and storage reports are updated at least annually to reflect additional source and storage facilities that are constructed or abandoned and to reflect change in existing and future water consumption. He gave the Board a graph exhibit that described the available source and storage capacity in terms of available single-family dwelling units for each water system and sub-system listed. (Reference Exhibit A)

#### Water Meter Restrictive Policy:

The Department of Water operates 13 separate potable public water systems on the island. Water Plan 2020 (adopted in 2001) indicated that 12 of the 13 County water systems required additional source and storage capacity.

Many of the water systems currently lack adequate source and storage capacity to meet the maximum day demand (MDD) of the water system from existing consumption and planned development demands that are being placed on the water system. In general, when the source and storage facilities are unable to meet the system's lower demand threshold that is referred to as the average day demand (ADD), the Department considers implementing policies to restrict new water meters. The possibility of water system pressure fluctuations and outages will increase when the existing source and storage facilities are not able to handle the lower Average

Day Demand standard. The consequences of a water outage would conceptually result in voluntary or mandatory water conservation measures and lower water system pressures until permanent system improvements are affected. Several water systems or sub-systems that experience higher deficits in source and storage capacity were identified and considered for the implementation of water meter restrictions.

The water meter restrictive policy basically restricts the number of water meters or dwelling units to an existing lot. The policy is generally applied to new meter requests, building permit applications and subdivision applications. The intent of the interim policy is to restrict the approval of new water meters or dwelling units until planned water system improvements are constructed. Once the system improvement is completed the restrictive policy may be modified or eliminated for the water system service area.

Each water meter restrictive policy was established and approved separately. The amount of the "water meter/unit per lot" restriction that was established by each policy included the Department's evaluation of past water meter installation trends in the area and the available property that may be subject to additional water meter requests in the near term. New water meter installations typically service "infill" subdivisions, additional dwelling units and CPR development. Based on a continuation of the historical water meter installation trend, the Department determined the amount of new meters/units that may be approved before the planned water source or storage facilities are built. The policy states that the additional development would be accommodated by the existing system capacity.

With the support of the Planning Department, the Department also evaluated the general zoning designation of the undeveloped land in the service area and the allowable residential density for existing lots. In general, the determination of the number of "meters/units per lot" that could be applied to the water meter restrictive policy tended to be the same as the allowed density for the general zoning of the area. Although the policy allows for the development of the majority of existing lots, the policy would limit the number of new water meter installations and development of medium and larger projects that are planned for the area.

The water meter restrictive policies were established and approved by administrative (Water Manager) approval or by Water Board approval. Some of the administrative water meter restrictive policies are verbal (non-written) and are applied and documented as actual conditions for proposed developments and subdivisions that were affected by the policy.

The following was a summary of the water meter/dwelling unit restrictive policies island-wide:

**Island Wide Water Meter/Dwelling Unit Restrictive Policies**

<b>Water System / Sub-System</b>	<b>Water Meter Policy Restriction (water meter per lot)</b>	<b>Comments</b>
Kekaha – Waimea	5	Board approved
Lawa'i – 'Oma'o	2	Administration approved
Koloa	14	Administration approved
<b>Water System / Sub-System</b>	<b>Water Meter Policy Restriction (water meter per lot)</b>	<b>Comments</b>
Poi'pu	300	<i>This is not part of the meter restriction policy but for information only:</i> Board approved 50% of new tank to be allowed for new development; 50% to make up storage deficit.
Puhi	2	Administration approved
Lihu'e-Hanama'ulu	3	Administration approved
Wailua Homesteads	5	Administration approved
Upper Wailua Homesteads	2	Administration approved
Kapa'a Homesteads	5	Board Approved
Moloa'a	0	Water Purchase agreement
Kīlauea – Kalihiwai	5	Administration approved
East Kīlauea	1	Administration approved
'Anini	1	Water Purchase agreement
Upper Wainiha Valley	1	Administration approved
Wainiha-Ha'ena	3	Administration approved

Chair McCrory asked Mr. Fujikawa that since the DOW is aware of these restrictive measures, without redundancy in the water systems, and increasing population, etc. was there any discussion to quickly and proactively resolve these issues. Mr. Fujikawa stated that this policy is based on water meter requests, at which time they (WR&P) would look at the system capacity. Pending development allocations are set aside, which look at the big picture to make the water system more robust. Water Plan 2020 has evolved as the avenue to resolve ongoing and future water issues.

Acting Manager Ushigome also added that historically Average Day Demand (ADD) was used; however, presently the standard was changed to Max Day Demand (MDD), which automatically put almost every water system in a deficit. Mr. Fujikawa added that there has been a major influx of water meter requests in the past several years as the population and the water demand has greatly increased, as we went to having about 15,000/16,000 customers to now having about 20,000 customers. It has been challenging for the DOW to try and keep up with the current water demands.

On query by Chair McCrory, Mr. Fujikawa stated that these restrictions help with maintaining the water systems, while waiting for expansion of the water system and its facilities. When needed facilities are done, they have been lessening the restrictions, for example in Waimea, a new well went on-line; therefore, the restriction

of having only one (1) water meter per lot of record was reduced to having 5 water meters per lot of record. He added that the goal is to eliminate these restrictions.

Deputy County Attorney Flores left the meeting and Deputy County Attorney Sueoka arrived at the meeting at about 11:30 a.m.

The Board thanked Mr. Fujikawa for his presentation that was helpful for the Board members.

**Re: RFP Committee Update of Program Management & Procurement**

Acting Manager Ushigome reported that following the August 21, 2007 Board Meeting, the RFP Committee that was comprised of Gregg Fujikawa, Dustin Moises and Amy Esaki convened for its first meeting on August 28, 2007. The Committee was tasked to prepare the Request for Proposal ("RFP") document to procure a Program Manager to implement the Department's Water Plan 2020 and Sustainability Program.

Sample RFPs and applicable State of Hawaii procurement laws were distributed to each member. A discussion on concerns and issues regarding the Request for Proposal was held followed by the division of work among the members. A memo listing the concerns and issues of the Committee was submitted. An initial draft was prepared and presented at the Committee's second meeting held on September 11, 2007. The Committee is currently reviewing the draft RFP and plans to meet for its third meeting.

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

**Re: Conveyance of Water Facility from Michael Ivan Thompson and Donna Marie Jollay, for the Single Service Lateral and BFP for Lot 145-D-1, Unit 1, Pu'u Road, TMK: (4) 2-3-08:002, Kalaheo, Kauai, Hawaii**

It was recommended that the Conveyance of Water Facility document be approved; whereby, Michael Ivan Thompson and Donna Marie Jollay transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline: 1 ea. 1 inch copper lateral for single service connection of 5/8" meter

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR SINGLE SERVICE LATERAL AND BFP FOR LOT 145-D-1, UNIT 1, prepared by Portech Engineering, Inc., Kalaheo, Kauai, Hawaii.

A Grant of Easement is not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Michael Ivan Thompson and Donna Marie Jollay, seconded by Mr. Oyama; motion was carried.

**Re: Conveyance of Water Facility from Ernest B. DeSilva, Malana K. DeSilva, Gregory Kenneth Yost, and Robin Jan Yost, for the Water Meter Plan Servicing Lot 38-F, Puuwai Road, TMK: (4) 2-4-05:083, Kalaheo, Kauai, Hawaii**

It was recommended that the Conveyance of Water Facility document be approved; whereby Ernest B. and Malana K. DeSilva, along with Gregory Kenneth and Robin Yan Yost transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline: 1 ea. 2 inch copper lateral for triple service connection of 5/8" meters in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR WATER METER PLAN SERVICING LOT 38-F, prepared by Esaki Surveying and Mapping, Inc., Kalaheo, Kauai, Hawaii.

A Grant of Easement is not required at this time.

Mr. Kyono moved to approve the Conveyance of Water Facility from Ernest B. DeSilva, Malana K. DeSilva, Gregory Kenneth Yost, and Robin Jan Yost, seconded by Mr. Oyama; motion was carried.

**Re: Conveyance of Water Facility from Steven R. Pastore and Sari E. Pastore, for Lot R-2, Wainiha Hui Land, TMK: (4) 5-9-02: 075; Hanalei District, Kauai, Hawaii**

It was recommended that the Conveyance of Water Facility document be approved; whereby, Steven R. Pastore and Sari E. Pastore transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, single service lateral for 5/8" water meter for Lot R-2, Wainiha Hui Land, TMK: (4) 5-9-02: 075; Hanalei District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Kyono moved to approve the Conveyance of Water Facility from Steven R. Pastore and Sari E. Pastore, seconded by Mr. Oyama; motion was carried.

**Re: Conveyance of Water Facility from Robert Scott Lindman, Nancy Ann Lindman, Nicolas Prisselkoff-Lindman, and Jessica J. Prisselkoff-Lindman, for the Water Service Installation Plan for Lot 106, Wainiha Hui Land, Kuhio Highway, TMK: (4) 5-8-09:012, Hanalei, Kauai, Hawaii**

It was recommended that the Conveyance of Water Facility document be approved; whereby Robert Scott Lindman, Nancy Ann Lindman, Nicolas Prisselkoff-Lindman, and Jessica J. Prisselkoff-Lindman transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to the following item:

Waterline: 1 ea. 1 1/2 inch copper lateral for double service connection of 5/8" meters

in place complete, in accordance with the as-built construction drawings for CONSTRUCTION PLANS FOR WATER SERVICE INSTALLATION PLAN FOR LOT 106, WAINIHA HUI LAND, prepared by Wagner Engineering Services, Inc., Hanalei, Kauai, Hawaii.

A Grant of Easement is not required at this time.

Mr. Kyono moved to approve the Conveyance of Water Facility from Robert Scott Lindman, Nancy Ann Lindman, Nicolas Prisselkoff-Lindman, and Jessica J. Prisselkoff-Lindman, seconded by Mr. Oyama; motion was carried.

**Re: Grant of Easement from Department of Land and Natural Resources, State of Hawaii for Perpetual Non-Exclusive Easement for Overflow Drainage and Channel Purposes, affecting Portion of Tax Map Key: (4) 2-7-004:011, Omao, Kauai, Hawaii**

It was recommended that the Board approve the Grant of Easement document; whereby, the Department of Land and Natural Resources, State of Hawaii grants to the Board of Water Supply, County of Kaua'i a perpetual non-exclusive easement, on, over and under that certain parcel of land located in TMK: (4) 2-7-004:011, Omao, Kauai, Hawai'i for overflow drainage and channel purposes for the construction, use, maintenance, repair, replacement and removal of overflow drainage line and channel and related facilities, installed in accordance with the as-built construction drawings for OMAO WATER SYSTEM, 0.5 M.G. RESERVOIR AND CONNECTING PIPE LINES prepared by Esaki Surveying and Mapping, Inc., together with the right of ingress and egress at any time to and from the said easement area with or without vehicles or other equipment as the Department of Water shall deem necessary for the proper operation of its water system.

Further, Board approval was specifically requested of the indemnification provision in this agreement, wherein the Board agrees to indemnify, defend and hold the Grantor harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: 1) any act or omission on the part of the Grantee relating to the Grantee's use, occupancy, maintenance, or enjoyment of the easement area; 2) any failure on the part of the Grantee to maintain the easement area and sidewalks, roadways and parking areas adjacent thereto in the Grantee's use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of the Grantee to maintain the easement area in a safe condition; and 3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of the Grantee's non-observance or non-performance of any of the terms, covenants, and conditions of this grant of non-exclusive easement or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.

Mr. Kyono moved to approve the Grant of Easement from the Department of Land and Natural Resources, with the indemnification provision, seconded by Mr. Kahawai; motion was carried.

## REPORTS

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

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

Public Relations Specialist Faith Shiramizu gave the following report::

**Employee Events:** The 4<sup>th</sup> Annual County of Kaua'i Employee Cook-Off, **Iron "County" Chef – Chicken** schedule for September 20<sup>th</sup> has been postponed. The next event will be the Halloween Spooktacular, scheduled for October 25<sup>th</sup>.

**Project WET:** The DOW 2007 Make-A-Splash (MAS) Water Festival is here! There will be 475 5<sup>th</sup> graders from public, private and home schools. We have 35 volunteers (26 from DOW) to assist with set up on Thursday morning and 150 volunteers to run the fun hands on activities on Friday at the park across the Department of Water. Our Friday volunteers consist of 39 DOW employees, 40 community members and 71 JROTC students.

We will once again have 10 fun, hands-on activities. A new activity this year, coming from the Bishop Museum, **Hana Noi'i**, will be presented by Tom Cummings. He has done an excellent job of incorporating Hawaiian culture and practice on preserving our water resource, while demonstrating how the water cycle works. Our other activities and activity leaders will be: **Incredible Journey** – Lincoln Ching (East & West Kaua'i SWCD) & Andrea Erichsen (DOFAW), **Aqua Bodies** – Sherri Paul & Lynlie Waiamau (DOFAW), **Groundwater Model** – Alan Muraoka (East & West Kaua'i SWCD) & Larry Dill (Princeville at Hanalei), **Long Haul** – Stanley Sarmiento (DOW), **H2O Olympics** – Denby Freeland (Hawai'i Nature Center), & Susan Cox (COK-Koloa NC), **Sum of the Parts** – Sybil Nishioka (Sybee Designs), **Water Works** – Gregg Fujikawa (DOW), **Humpty Dumpty** – Stefani Gee (National Tropical Botanical Garden), **No Bellyachers** – Alan Silva (DOFAW).

After a sluggish start, Make a Splash 2007 is moving ahead smoothly with many people stepping up to the plate to help make this another successful event.

**Drinking Water State Revolving Fund:** The application for the Stable 1.0 MG Tank and Connecting Waterline has been submitted along with a few of the required documents. Met with Jennifer Nikaida and Stuart Yamada from DWSRF to discuss additional documents that are required as well as address questions that have come up. Jennifer will begin reviewing the Environmental Reports and Plans that have already been submitted.

**Notice to Kilauea Customers:** A letter was sent to all DOW customers in the Kilauea/Kalihiwai area, providing them with information on the status of the pump that is requiring them to practice more water conservation measures than normal. Several residents called to express gratitude for the information.

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

**Re: Manager's Update for August, 2007 to September, 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 1: Habitat preparing to submit building permit for the remaining 8-10 lots in Phase 1. No waiver of County fees will be available
3. Hookena at Puhi- Grove Farm is responsible for completing the booster pump and off-site waterline improvements by September 2007.
4. 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. On query by Chair McCrory, Mr. Moises added that the waterline has been tied into the system.
5. Kauai Lagoons – Kapule Project: 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.
6. 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. Announcement that the 50/50 ownership of the project between Kauai Development LLC and Marriott Hotels was terminated by agreement. Marriott Hotels will take ownership of the Kapule Project and Kaua'i Development LLC will take ownership of the Courtyard at Waipouli project.
7. KEO Transitional Housing Project Phase I & II: Phase 1 is completed.  
Phase II: Construction of the water meter and fire connections are completed
8. Kalepa Village Phase III & IV – Phase III- 40 unit multi-family development is under construction.
9. Princeville Employee Homes: No report
10. Kukui'ula Employee Housing – No progress
11. Kohea Loa (Hanama'ulu Triangle): Since Fall 2006 there has been no updates or revisions to the Water Infrastructure Master Plan.
12. County-State parcel affordable housing projects: No report.

On query by Chair McCrory, Mr. K. Fujimoto stated that the Kīlauea Booster Pump Station is on schedule.

**Hanama'ulu Well No. 4:**

The Department recently placed Hanama'ulu Well No. 4 in service, the rated capacity is 300 gallons per minute. The well site is on land owned by Grove Farm and is located approximately 0.2 miles northwest of Tanaka Pond (the site of the Grove Farm Water Purification Facility). Due to its relatively close proximity to the Department's Hanama'ulu Well No. 3, both wells will not operate simultaneously.

Hanama'ulu Well No. 4 is part of the third and final phase of the Lihu'e-Hanama'ulu Water Development Project. Previous phases developed both the Pukaki Well and Hanama'ulu Well No. 3 which were placed in service in July and September 2005, respectively. The Lihu'e-Hanama'ulu Water Development Project also included the construction of a new 100,000-gallon storage tank and 16-inch transmission main along Maalo Road. The Maalo Road transmission main delivers water from the new Grove Farm Water Purification Facility into the Lihu'e-Hanamaulu Water System.

The funding for the project was provided in part by Federal grants, including a Paku'i Housing Program Community Development Block Grant and a Special Purpose Grant, which were administered by the County Housing Agency. Additional funding was provided by the Department of Water making this a collaborative effort between both agencies to expand the existing water system. The total cost of the project cost was about \$7 million.

The Department would like to acknowledge and thank all those involved in the Hanama'ulu Well No. 4 project: DOW project engineers were Keith Fujimoto and Dustin Moises and Operations staff; design consultants Fukunaga & Associates, and contractor R. Electric.

**Hawai'i Water Works Association (HWWA) Conference:**

The HWWA Annual Conference is in Honolulu on October 3-5, 2007 at the Sheraton Waikiki Hotel. The theme of this year's conference is *Sustainability of Water Resources* and is hosted by the Honolulu Board of Water Supply and the Hawai'i State Department of Health.

This year's attendees from the DOW staff are: Faith Shiramizu, Marites Yano, Virgil Kapanui, Raymond Chow, Carl Arume and Gloria Rafael; and from the Board: Lynn McCrory (*could not attend*), Roy Oyama, Ian Costa, and Donald Fujimoto.

**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.

Ms. Sakoda 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. (Reference "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.

**Affordable Housing:**

RW Beck prepared and submitted the following recommendations and attached language to amend Contract No. 466 for the AMFAC Shaft 11 Renovation Phase 1B project, Job No. 06-01 (WP 2020 Project No. KW-28).

**Recommendation:**

It was recommended that the Board review the contract language that was given to them, which defined Brown and Caldwell, Inc's roles and responsibilities, and provides indemnification from problems arising due to the preexistence of any hazardous materials.

Board action will be 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 is 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.

The Department will include this item for approval on the Board's October 16, 2007 meeting agenda.

Mr. Jacobs reported on the following:

R.W. Beck staff was on site for one week during August. Plan implementation is underway with many action items planned, initiated or completed, as summarized below and noted on the revised Task Plans that were given to the Board.

DOW staff continues to make progress on various implementation action items. These efforts are led by many of the assigned Issues Champions with others

stepping forward to volunteer expertise and assistance. The combined teams of DOW staff and R.W. Beck staff continue to work through the detailed Task Plans. The latest revisions of the Task Plans were given to the Board for their reference. There have been some new tactics added related to the Time Entry Study completed by Moss-Adams.

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

- ✓ Issue Champion Meetings: We met with several DOW Issue Champions during July 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.
- ✓ Time Entry Assessment: Task plans that incorporate the Time Entry Assessment recommendations have been completed and are included in this briefing packet. R.W. Beck will continue to work with DOW Issues Champions to implement these tactics.
- ✓ Operations Division Re-organization: Documentation has been prepared and is under review by the Acting Manager. 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. Modifications to the Manual have been made and the Manual was sent to the Unions for their review; no substantive comments were received by the deadline. We will distribute the Manual to all employees on September 30 during a staff meeting and briefing. Signatures of receipt will be required.
- ✓ Training: Additional training has been outlined for supervisors, working supervisors and staff as outlined in the Task Plans. DOW will rely on HEC for continued training support.
- ✓ 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 is preparing supporting paperwork for various positions to hire above the minimum as well as a comprehensive recommendation and procedure for adjusting salaries based on the bi-annual AWWA Salary Survey. RW Beck is also working with Personnel Assistant Togioka on streamlining to request personnel movements by drafting templates for the supporting paperwork.
- ✓ 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 updates given to the Board. 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

- ✓ The Kapilimao 0.5 MG Storage Tank final design is proceeding. The 65% design submittal was submitted in August. The schedule for the EA was revised in August and will be completed two weeks later than originally projected. The design schedule was not changed.
- ✓ 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 September Board meeting. Brown and Caldwell continues to delay preparing proposal for early design.

- ✓ The contract amendment for final design services for the Kapahi 1.0 MG Storage Tank has been executed by the consultant. Work has resumed on this project.
- ✓ Generator shelter plans submitted for review week of 9/3. Contract amendment has been executed by the consultant. Work has resumed on this project.
- ✓ Scope and fee negotiations are underway with Hawai'i Pacific Engineers for design of Kapa'a Homesteads Well No. 4. Scope expected to be finalized week of September 17, 2007.
- ✓ Contract executed for Akulikuli Tunnel final design. Work has resumed on this project.

### **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 Plan implementation. The results – in terms of effective, focused and timely action – have been extremely positive. We are currently scheduled for on-site visits during October and late November/early December. However, our work beyond the September Board meeting is dependent upon DOW authorization of Amendment 5.

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

### **Affordable Housing Projects:**

1. **(KW-25), Kapilimao 0.5 MG Tank – Summary Project Status Sept. '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: environmental assessment, staff review of 65% design submittal review

Potential obstacles: none currently

Tentative Date Project in Service: December 2008

- Summary: Design progress continues. 65% design submittal made to staff week of August 20.
- Contract Status: Design contract executed.
- Schedule: Schedule revised in August to extend EA completion date by two weeks. Project and design completion dates not changed.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: None.

2. **(KW-28), Amfac Shaft 11 Renovation – Summary Project Status Sept. '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. Work on revisions will be finished this month.
- Contract Status: New first amendment under preparation. Board will be asked to approve indemnification language at September Board Meeting (*inadvertently not on Agenda for September 18, 2007 Board Meeting and will be on the October 16, 2007 Board Meeting Agenda.*)
- Schedule: See Problems and Proposed Mitigation below.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: Department of Health has expressed interest in project status. DOW and design consultant will contact Department of Health.
- Problems and Proposed Mitigation: Revisions to first amendment still underway, but are near completion. Contacts have been made with B&C management regarding early design proposal, but have not yet shown results.

**3. (WK-08), Kapahi 1.0 MG Storage Tank – Summary Project Status Sept. '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: contract amendment execution for final design

Potential obstacles: easement acquisition from private landowner

Tentative Date Project in Service: March, 2009

- Summary: Contract amendment executed by consultant, who has begun work.
- Contract Status: Contract amendment executed by consultant, some County/DOW signatures remain.
- Schedule: Current schedule shows project completion in March '09.
- 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 has resumed after hiatus during contract amendment development.

**4. Kapa'a Homesteads 0.5 MG Storage Tank – Summary Status Report – Sept. '07**

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

Work underway: final design, easement acquisition

Work ahead: construction

Current Major Area of Focus: contract amendment execution, generator shelter addition

Potential obstacles: none currently

Tentative Date Project in Service: July 2008

- Summary: Contract amendment for adding generator shelter to plans, bid period services and construction services executed by consultant. Generator shelter drawings submitted for review. Contract documents will be ready for final review and bidding after generator shelter addition completed.
- Contract Status: Contract amendment executed by consultant, some County/DOW signatures remain.
- Schedule: No issues.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: None. Project work has resumed after hiatus for contract amendment development.

**5. (WK-39) Kapa'a Homesteads Well No. 4 – Summary Status Report – Sept. '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: Consultant has reviewed scope of work and contract and suggested some revisions. Expect scope to be in final form week of 9/17.
- 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, but contract is close to completion.

**6. (WK-02) Akulikuli Tunnel Renovation – Summary Status Report – Sept. '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: New contract executed by consultant and DOW/County 9/7/07.
- Contract Status: See above.
- Schedule: Preliminary schedule developed by SSFM without contract. Project is currently behind schedule.
- Permits: No issues.
- Land & Easements: No issues.
- Agency Coordination: No issues.
- Problems and Proposed Mitigation: Work resuming after hiatus for contract development.

**Water Plan 2020 Sustainability Program Implementation Plan:**

Mr. Kyono moved to receive the above reports for the record and place on file, seconded by Mr. Oyama; 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: June 19, 2007 and August 21, 2007**
  
2. **Executive Session Meeting**

**ES-1:** 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.

Chair McCrory read the Executive Meeting Session notice above. There was no public testimony. Mr. Oyama moved to enter into Executive Session at 11:53 a.m., seconded by Ms. Sakoda; motion was carried. The Regular Meeting reconvened at 12:50 p.m.

**ADJOURNMENT:** There being no further business, Mr. Kahawai moved to adjourn the meeting at about 12:50 p.m., seconded by Mr. Kyono; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome  
Acting Manager and Chief Engineer

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