

REGULAR MEETING
BOARD OF WATER SUPPLY
Thursday, December 14, 2006

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Thursday, December 21, 2006. Chairperson Josephine Sokei called the meeting to order at 10:20 a.m. On roll call, the following answered present:

BOARD: Ms. Josephine Sokei, Chairperson
Mr. Donald Fujimoto
Mr. Steven Kyono
Ms. Lynn McCrory
Ms. Bernie Sakoda

Absent & excused: Mr. Ian Costa
Mr. Myles Shibata

STAFF: Ms. Wynne Ushigome
Mr. Paul Ganaden
Mr. Les Yoshioka
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Amy Esaki
Ms. Debra Togioka
Deputy County Attorney James Tagupa

GUESTS: Mr. Dan Chang, State Department of Health (left at about 12 noon)
Mr. Ephraim Leon-Guerrero, Environmental Protection Agency
(left at about 12 noon)
Mr. Dave Jochim, RW Beck (left meeting at about 1:35 p.m.)
Mr. Mark Salmon, RW Beck (left meeting at about 1:35 p.m.)

AGENDA

Ms. McCrory moved to approve the Agenda, seconded by Mr. Fujimoto; motion was carried.

MINUTES

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

CORRESPONDENCE/ANNOUNCEMENTS:

Re: News Article in The Garden Island on "Council Sends Mixed Messages on ADU"

Re: Memo from the Office of Information Practices on Legislative Proposals to Amend the Sunshine Law

Re: Memo from Mayor Bryan Baptiste to Council Chair Kaipo Asing on the Re-appointment of Lynn McCrory to the Board of Water Supply and to Request Council Confirmation

Re: Ordinance No. 843, A Bill Amending an Ordinance Amending Section 8-26.1, Kaua'i County Code, 1987, Relating to Additional Dwelling Unit on Other Than Residentially Zoned Lots

All Correspondence was received and place on file.

OLD BUSINESS

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

- **Water Manager's Salary Update**

Acting Manager Ushigome reported that in light of the recent passage of Charter Amendment No. 5 during the November General Election and based on discussions with the County Attorney, the Board recommended the Department hold off processing the rule amendment until the Salary Commission had a chance to get established and afforded the opportunity to formulate a salary recommendation for the Water Manager and Deputy positions.

And, the Department is submitting a request letter to Mayor Baptiste to convene the Salary Commission and request that the Water Manager's and Deputy's salary be given priority consideration in its deliberations.

The Board also discussed requesting the Salary Commission consider setting the Manager's and Deputy's salary based on a percentage of the highest paid civil service salary in the Department. As requested, Tom Takatsuki, DPS Personnel Management Specialist had provided a comparison of the various State and County executive pay rates. (The "Comparison of Executive Pay Rates for State and Counties" dated 08/15/06 was given to the Board for their information.)

In addition, the Department will continue to work on preparing a negative declaration for submittal to the Small Business Regulatory Review Board (SBRRB) and the Small Business Advisory Committee (SBAC), in the event the Salary Commission's efforts do not adequately provide a fair, equitable and competitive salary for the managers.

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

The Department is preparing a solicitation notice to solicit professional service providers (a company) to assist with the management of the Department.

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

Chair Sokei reported that she met with Acting Manager Ushigome, after conferring with County Attorney Nakazawa, who recommended that Acting Manager Ushigome should disclose her intentions if she intends to apply for vacant civil service positions to the Board and recuse herself from all aspects of the job posting, discussions and advertisement process of the job vacancies that she applies for. Accordingly, the Board shall then be responsible for establishing a sub-committee to process and fill the vacancies.

Acting Manager Ushigome did clarify, if the Board decides to advertise vacant positions intra/inter-agency only, then full salary range will not be afforded to the position. Therefore,

contrary to the discussion at the November Board meeting, unless the Board posts and advertises the position as “open” the full salary range would not be offered to the position.

Just to reiterate, Acting Manager Ushigome stated her strong belief to recruit a qualified staff is imperative and a benefit to the department; therefore, she posts all positions as “intra/inter/open” when recruiting eligible candidates for a position. The argument was made that morale is diminished by when management does not consider promotions from within an organization; however, she believes if “in-house” qualified candidates are interested, they could apply and should have a definite advantage over an “outsider”. On the flip side, if there is no opportunity to recruit openly, we create a system where promotions are typically based on “seniority” which she felt increased the tendency for low employee morale.

The next Strategic and Business Plan Core Plan Team (CPT) meeting was scheduled for the day after the Board Meeting on December 15, 2006. As recommended by the Board, R.W. Beck will present the draft position descriptions (PD) for the EM-5 position to the CPT for review and comments.

Mr. Fujimoto reiterated his intent of the two EM-5 positions that it was reverting back in time; therefore, there are existing job descriptions for the 2 positions. It was a Board action as it was confirmed that the Board was able to do such changes. The Board downgraded the EM-7 position to an EM-5 position and created another EM-5 position.

Acting Manager Ushigome stated that the position descriptions that RW Beck has drafted are different from the old positions. Mr. Fujimoto clarified that what RW Beck is doing is independent of what the Board decided to do.

Acting Manager Ushigome apologized as she thought that there was 1 action, with the Board reverting back in time and revamping the 2 old position descriptions by having input from RW Beck to formalize 2 new position descriptions, which would take awhile to finalize. She stood corrected that the Board’s intent, per Mr. Fujimoto, was actually to use the 2 old position descriptions ‘as is’ to expedite the implementation process of having the 2 EM-5s in place.

On query by Ms. McCrory, Acting Manager Ushigome stated that the 2 old position descriptions are not consistent with the 2 new position descriptions that RW Beck has proposed.

On query by Ms. McCrory, Acting Manager Ushigome stated that the 2 old position descriptions would probably not fit the actual description of today’s duties; however, she was not employed at the DOW at that time, so others who were here at the time should be consulted.

Mr. Fujimoto stated that the Table of Organization was clear on how it was and the Board’s action was clear on how it should be for now. Then the Board could move later on RW Beck’s recommended reorganization. Mr. Fujimoto summarized that the Board action was done to have 2 EM-5 positions, so the Board asked Acting Manager Ushigome for her support to send the justification and paperwork to the Department of Personnel Services (DPS) for processing.

Acting Manager Ushigome reiterated that Chair Sokei informed her that she would need to disclose her intentions to apply for vacant DOW civil service positions to the Board and recuse herself from all aspects of the job posting, discussions and advertisement process of the job vacancies that she applied for; therefore, Acting Manager Ushigome went on record to inform the Board that she is interested in applying for the EM-5 positions. Accordingly,

she gave the Board a heads up that they would then be responsible, with the support of the DOW's staff, to work on the Board's action to submit the paperwork to DPS.

On that same note, Mr. Kyono added that he did submit his application for our vacancy when it was an EM-7 position; however, he has since removed his application at DPS. He wanted to make it known to everyone that there would be no conflict of interest for his participation in these discussions. Mr. Kyono stated that he was informed by DPS that if anyone is on an eligibility list and a lower position opens up, DPS would add on the names to the lower position eligibility list from the higher position eligibility list. So to eliminate any type of conflict of interest, he removed his name from the EM-7 eligibility list. On query by Ms. McCrory, Mr. Kyono stated that he is not interested in the DOW's EM-5 positions as he is an EM-7 in his present job.

On query by Ms. McCrory, Personnel Assistant Togioka stated that she had worked on draft new position descriptions based on the 2 old EM-5 position descriptions. However, she needed to consult with a supervisory position that would oversee the EM-5 positions in order to clarify and finalize the position descriptions. She asked for direction from the Board on who she should be working with to finalize the position descriptions. Mr. Fujimoto added that it would be simply to submit the 2 old position descriptions to DPS with the justification that the EM-7 position has more responsibilities and grown into 2 EM-5 positions. Personnel Assistant Togioka stated that the position descriptions still needed to be tweaked and finalized.

On query by Mr. Fujimoto, Mr. Kyono explained that the position descriptions could not be submitted 'as is' to DPS as the position descriptions would need to be updated to reflect as accurately as possible what the duties are today and not 2-5 years ago. Mr. Fujimoto stated that the intent is not to modify these job descriptions and it is real clear that these 2 positions represent the 2 previous divisions on the organizational chart. He felt that the 2 original position descriptions would be used for now and RW Beck's proposed job descriptions could be later incorporated.

Chair Sokei suggested that a Board Committee should be formed to work on filling these 2 EM-5 positions and that this Board Committee should first gather the input of the CPT on how they feel about the Board's action on the reallocation of the EM-7 to an EM-5 and the new EM-5 position.

On query by Mr. Kyono, Personnel Assistant Togioka explained that the ultimate approval by DPS would be needed to approve our reorganization request. We would need to submit to DPS for approval of the position descriptions, proposed Table of Organization and the justification that the Board Committee could provide. Once DPS approves our actions, then the recruitment process can begin.

On the request of Chair Sokei, Lynn McCrory, Bernie Sakoda and Steven Kyono volunteered to be on the Board Personnel Committee, with Ms. McCrory being the Chair of the Committee. Mr. Fujimoto recused himself from this Committee due to a conflict of interest. The Board Personnel Committee will meet on a separate day from the regular Board Meeting and the meetings would need to be per the Sunshine Law. Personnel Assistant Togioka will prepare the materials necessary for this Committee to review at its inaugural meeting.

Ms. McCrory will followup with Mayor Baptiste on the possibility of the Board moving forward on its Rules to allow the Board to set the Manager's salaries.

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

This matter was deferred to the next Board Meeting.

Re: Request Board Approval for Additional Funding for an Amended Contract with R.W. Beck, Inc. and the Kaua'i Water Department for their Strategic and Business Plan and Water Plan 2020 Program Sustainability Services

Recommendation:

It was recommended that the Board approve additional funding for Amendment No. 3 to the professional services contract for Strategic and Business Plan and Water Plan 2020 Program Sustainability Services with R.W. Beck, Inc. for \$147,500.00 plus a 5% contingency of \$19,300.00 for a total of \$166,800.00.

The total contract amount is \$722,500.00 plus a \$19,300.00 contingency.

Amendment No. 3 includes additional services to implement the Strategic and Business Plan and to conduct an independent audit utilizing a consulting firm to conduct an operational process assessment as related to time entry and reporting procedures within the Department of Water.

Funding:

Contract No. 463, R.W. Beck, Inc., Total Funds Certified	\$355,000.00
Contracted Amount.....	<u>(\$338,000.00)</u>
Total funds available.....	17,000.00

Amendment No. 1

1. Board Governance Policies	(\$ 38,000.00)	
and Additional CPT Session		
5% Contingency.....	<u>(\$ 2,000.00)</u>	<u>(\$ 40,000.00)</u>

Account No. 27, Contractual Services	\$220,000.00
Total funds available.....	\$197,000.00

Amendment No. 2

2. Affordable Housing	(\$ 65,000.00)	
15% Contingency.....	<u>(\$ 3,200.00)</u>	<u>(\$ 68,200.00)</u>
Total funds available.....		\$128,800.00

Amendment No. 3

3. 60-day Sustainability Program.....	118,000.00	
4. Implementation of Strategic and Business Plan		(\$250,000.00)
5. Time Audit.....	(31,500.00)	
5% Contingency.....	<u>(14,100.00)</u>	<u>(\$295,600.00)</u>

Additional Funds Requested, Account 106b CIP Reserve (\$ 166,800.00)

Background:

Amendment No. 1 - The Board requested RW Beck, Inc. provide additional services and compensation related to the development and preparation of Water Board Governance Policies. The task is to prepare a set of governance policies for the Board of the County of Kauai Department of Water that will include, but not limited to:

- Establishing the Water Board's objectives, roles and responsibilities;

- Identifying existing policies and enacting authority from the State of Hawaii and/or County of Kauai that may impact future board policies, and;
- Identifying governance issues that may be specific to Kauai.

In addition, the Board approved an additional CPT work session to provide additional time needed to develop implementation tactics associated with moving the Strategic and Business Plan forward.

Amendment No. 2 – At the August Special Board meeting for affordable housing projects, the Board instructed the Department to proceed with trying to expedite the construction and completion of the WP2020 projects which supported the affordable housing development of the 4 State projects. The Board instructed the Department to prioritize the following WP2020 projects:

- Construct Kapilimao 0.5 MG Tank in Kekaha
- Rehabilitate the former AMFC Shaft 11 in Kekaha
- Construct Kapaa Homesteads 0.5 MG Tank at Makaleha Tank site
- Rehabilitate the Akulikuli Tunnel

The Board discussed utilizing the design-build process to expedite the completion schedule in order to meet the December 2008 Housing Agency's timeline. The Board also expanded the suggestion to hire a consultant through the Request for Qualifications (RFQ) process to actually do our procurement and design-build documents.

Based on further research and advisement, under Task 1 of the existing RW Beck professional services contract for the Strategic and Business Plan and Water Plan 2020 Program Sustainability Services, the Board directed and tasked RW Beck with prioritizing and completing these four (4) WP2020 projects as part of their WP2020 program sustainability scope of services.

Ms. McCrory moved to approve the additional funding for Amendment No. 3 to the professional services contract for Strategic and Business Plan and Water Plan 2020 Program Sustainability Services with R.W. Beck, Inc. for \$147,500.00 plus a 5% contingency of \$19,300.00 for a total of \$166,800.00, seconded by Mr. Kyono; motion was carried.

NEW BUSINESS

Re: Request Board Approval of the Proposed Rule Amendment that will Allow the Board to Set the Manager's and Deputy's Salary

Recommendation:

It was recommended that the Board approve the rule amendment that will allow the Board to set the Manager's and Deputy's salary. Again, as indicated in the Water Manager's Salary Update report (Agenda Item F.1.a.), the Department will hold off processing the rule amendment until after the Salary Commissions has an opportunity to convene and offer a recommendation.

Funding: No funding required.

Background:

The Department is submitting a request letter to Mayor Baptiste to convene the Salary Commission and request that the Water Manager's and Deputy's salary be given priority consideration in its deliberations.

The Board also discussed requesting the Salary Commission to consider setting the Manager's and Deputy's salary based on a percentage of the highest paid civil service salary in the Department. As requested, Tom Takatsuki, DPS Personnel Management Specialist has provided a comparison of the various State and County executive pay rates. (Reference "Comparison of Executive Pay Rates for State and Counties" dated 08/15/06.)

In addition, the Department will continue to work on preparing a negative declaration for submittal to the Small Business Regulatory Review Board (SBRRB) and the Small Business Advisory Committee (SBAC), in the event the Salary Commission's efforts do not adequately provide a fair, equitable and competitive salary for the managers.

Mr. Kyono moved to approve the proposed rule amendment that will allow the Board to set the Manager's and Deputy's salary, seconded by Ms. Sakoda.

Ms. McCrory requested that it should be reflected in the motion that the proposed rule amendment was as a result of the November 21, 2006 Board Meeting.

Mr. Kyono amended his motion to also reflect that the proposed rule amendment was as a result of the November 21, 2006 Board Meeting, seconded by Ms. Sakoda; motions were carried.

Re: Conveyance of Water Facility from Kiahuna Mauka Partners, LLC. for the Omao 0.5 Million Gallon Tank, TMK: (4) 2-7-04:014, Koloa, Kauai, Hawaii

Mr. Kyono moved to approve the Conveyance of Water Facility from Kiahuna Mauka Partners LLC for the 'Ōma'ō 0.5 MG Tank, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Kiahuna Mauka Partners, LLC. for the 12" waterline along Hapa Road, Weliweli Road and Koloa Road, TMK: (4) 2-8-03, (4) 2-8-04, (4) 2-8-06, (4) 2-8-07, (4) 2-8-08, (4) 2-8-09, (4) 2-8-11, (4) 2-8-12, (4) 2-8-13 and (4) 2-8-14, Koloa, Kauai, Hawai'i

Mr. Kyono moved to approve the Conveyance of Water Facility from Kiahuna Mauka Partners LLC for the 12" waterline along Hapa Road, Weliweli Road and Koloa Road, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Andrew Vea for the Hawea Subdivision; TMK: (4) 2-3-02:104; Kalaheo, Kauai, Hawai'i

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

Re: Conveyance of Water Facility from Thomas H. Hoxie and Marilyn Hoxie, Jarett P. Chytka and Tanya L. Chytka, Steven Mu and Lailee S. Mu, Martin E. Arthur, II and Stephanie Arthur for Lots 34 and 98 of the Molokoa III Subdivision, Unahe Street, TMK: (4) 3-6-18:46 (Units 1 & 2) and (4) 3-6-18:69 (Units 1 & 2), Lihue, Kauai, Hawaii

Mr. Kyono moved to approve the Conveyance of Water Facility from Thomas H. Hoxie and Marilyn Hoxie, Jarett P. Chytka and Tanya L. Chytka, Steven Mu and Lailee S. Mu, Martin E. Arthur, II and Stephanie Arthur, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from David Edward McLernon III and Carol McLernon for Subdivision Application S-2005-45, Waikomo Road, TMK: (4) 2-8-09:014 and (4) 2-8-09:015, Koloa, Kauai, Hawai'i

Mr. Kyono moved to approve the Conveyance of Water Facility from David Edward McLernon III and Carol McLernon, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Secret Beach Properties, LLC for Lot 11-A-15, Kauapea Road, TMK: (4) 5-2-05:036, Kilauea, Kauai, Hawai'i

Mr. Kyono moved to approve the Conveyance of Water Facility from Secret Beach Properties, LLC, seconded by Ms. McCrory; motion was carried.

Re: Conveyance of Water Facility from Daniel Laniakea Soong and Dianna Carolyn Soong for Lot 13, Kalua Mo'a Road, TMK: (4) 2-6-09:024, Lawai, Kauai, Hawai'i

Mr. Kyono moved to approve the Conveyance of Water Facility from Daniel Laniakea Soong and Dianna Carolyn Soong, seconded by Ms. McCrory; motion was carried.

Re: Right-of-Entry Agreement from Wayne R. Daniel, Trustee of the Wayne R. Daniel Self-Trusteed Trust dated February 18, 1999, and Walton D.Y. Hong, Trustee of the Walton D.Y. Hong Self-Trusteed Trust dated November 30, 1994, for S-2005-2, Ka Mahuna Subdivision, Tax Map Key No. (4) 4-4-15:003, Wailua, Kawaihau District, Kauai, Hawai'i

Ms. McCrory moved to approve the Right-of-Entry from Wayne Daniel and Walton D. Y. Hong, seconded by Mr. Kyono; motion was carried.

Re: Resolution No. 3, Mahalo and Aloha Josephine Sokei

Mr. Kyono moved to approve Resolution No. 3, Mahalo and Aloha Josephine Sokei, seconded by Ms. McCrory; motion was carried.

Re: Resolution No. 4, Mahalo to All Make-A-Splash Water Festival Helpers

Ms. Sakoda moved to approve Resolution No. 4, a Mahalo to All Make-A-Splash (MAS) Water Festival Helpers, seconded by Mr. Fujimoto; motion was carried.

(Some of the DOW MAS helpers were present to accept their resolution from Chair Sokei during one of the Board Meeting breaks.)

Re: Election of Officers

The following slate of officers for the Water Board for the year 2007 were submitted from the Committee of the Whole:

Chairperson: Lynn McCrory
Vice Chair: Bernie Sakoda
Secretary: Myles Shibata

Mr. Kyono moved to approve the 2007 slate of officers for the Kaua'i Board of Water Supply, seconded by Mr. Fujimoto; motion was carried.

Chair Sokei congratulated the new officers for 2007.

REPORTS

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

Received this report for the record.

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

CONTRACTS AWARDED BY THE MANAGER: None

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

Affordable Housing Update:

OCA-County Housing Agency forwarded the Administration's Affordable Housing Policy to the County Council for adoption. As noted at the November Board meeting, the County Council has scheduled an affordable housing workshop on January 3, 2007 at 9:00 am, anyone interested is welcome to attend.

Updates on Affordable Housing Task Force Projects:

1. DHHL – Anahola Residence Lots Unit 6, "Pi'ilani o Kekai, Phase 1: DOW waiting for DHHL's Right-of-Entry for Phase 1. According to the Planning Department, the subdivision agreement has not been completed.
2. Habitat - Eleele I Luna Subdivision Phase 1: Subdivider in process of submitting the final subdivision map to Planning.
3. Puhi Self Help Subdivision – DOW and DPW processing right-of-entry (ROE) agreement from subdivider.

On query by Ms. McCrory, Mr. Inouye stated that Ms. Claudia Shay did mention that she was going to submit the ROE but we have not received it yet.

4. Kauai Lagoons – Waipouli Courtyard- Remaining conditions not completed include construction plan approval (DOW waiting for submittal of final tracings), certification of completion issuance by DOW and payment of FRC. Kauai Lagoons submitted written request to DOW executed a Waiver, Release & Indemnity (WR&I) agreement (including posting a bond) with the Department. The WR&I has not been completed to date. FRC not paid to date.

On query by Ms. McCrory, Mr. K. Fujimoto stated that the FONSI was not done yet as they are still working on responding to the parties that submitted comments.

5. Kauai Lagoons – Kapule Project: No progress since last month.
6. KEO Transitional Housing Project Phase I & II: Phase 1 is underway. Phase II: DOW approved building permit for Phase II; however, certification of occupancy will not be issued prior to the completion and acceptance of the water system improvements. Final plan drawings need to be submitted to the Department.
7. County-State parcel affordable housing projects: Kekaha, Kaapuni, Mahelona, Hundley Project sites:
 - OHA approved preparation of MOU with County to allow affordable housing leases on State owned ceded lands.

- Kaapuni and Mahelona project sites are first priority, Kekaha is second.
- Council money bill (\$150,000) being prepared by the Finance Department for RFP to hire a consultant for assessment of project sites.

AMR Bid Protest: With the assistance of the Department's Legal Advisor Amy Esaki, we were finally able to provide a response to the bid protest denying their claim. Pursuant to HRS Section 103D-709, the protester is entitled to file an appeal with the Department of Commerce and Consumer Affairs within 10 days of receipt of the notice.

Department of Health: Acting Manager Ushigome stated that at the October, 2006 Hawai'i Water Works Association (HWWA) Conference, the State Department of Health Safe Drinking Water Branch gave a summary of funding opportunities at one of the concurrent sessions that was for Managers and Board members of each island's water departments. To extend this information to all of the Board members and staff that did not attend the HWWA Conference, the State had agreed to give follow-up informational briefings to each of the island's water departments. Mr. Dan Chang of the State Department of Health (DOH) and Mr. Ephraim Leon-Guerrero of the US Environmental Protection Agency (EPA) were present at meeting to give the Board an overview of the Source Water Assessment and Protection (SWAP) Program, which is a requirement of the 1996 Safe Drinking Water Act Amendments, for all states to develop.

Break: 10:40 a.m. to 11:08 a.m.

Mr. Chang stated that at the HWWA Conference he gave a brief presentation on the SWAP Financial Assistance Program. He stated that the State DOH, Safe Drinking Water Branch, has a Source Water Assessment and Protection Program that is required as part of the Safe Drinking Water Act 1996 Amendments, which also encourages the State to develop a Source Water Protection Program (SWWP), which promotes management measures to prevent pollution of drinking water sources.

Source Water Assessment

- Delineate Source Water Assessment/Protection Area around each of the water sources
- Identify Potential Contaminating Activities in the water source areas
- Susceptibility Analysis based on different criteria related to the contamination of the water source

He outlined the method to delineate the water source areas for:

- Groundwater Sources
- Groundwater Under Direct Influence (GWUDI) and Surface Water Sources

Potential Contaminating Activity (PCA) are identified, locate and rated:

Very High: contaminants like gas stations, landfills, cesspools, pineapple/sugar cultivation, etc.

High: contaminants like car repair shops, sewer lines, golf courses, septic systems, etc.

Medium: contaminants like car washes aboveground storage tanks, hospitals, parks, high schools, etc.

Thereafter, the PCAs are verified and the locations were outlined on a map.

To get the score for each source, Groundwater Susceptibility Analysis Criteria is based on:

- Type of PCA (non-point or point source)
 - Rank of PCA (very high, high or medium)
 - Distance from source (Zone A, B or C)
 - Detected contamination (above or below MCL)
- (The above would equal to a score of each source.)*

Mr. Chang stated that as of 2004 to present, they completed assessments for over 450 drinking water sources throughout the State. In 2005 they completed 25 more new services that were installed by either government or private entities. In the future, they will continue to do source water assessments of new drinking water sources, which will be passed on to the water utilities. Also, at some point that is not designated yet, they will also be updating all of the source water assessments as new information becomes available.

Mr. Chang further discussed that after the assessment phase, they would go into the protection phase, along with incorporating this with the drinking water rules requirements like the Groundwater Rule, Surface Water Rule and other requirements like the Consumer Confidence Reports (CCRs) that require some type of assessment or mention of a source water assessment in them. This would also be incorporated into other water and environmental programs. Basically, they want to change their focus from assessment to protection.

Mr. Chang stated that the focus is to be proactive and concentrate on protection as the water system utilities are tasked to provide safe drinking water to its consumers instead of being reactive by monitoring and treatment. This could save billions of dollars to remediate water contamination that have occurred throughout the nation. He gave some examples of contamination that happened around the nation, including Hawaii; whereby, millions of dollars were spent for each occurrence to remediate. He also gave examples of the cost of contamination:

Direct Cost of Contamination:

- Investigation costs
- Potential legal fees
- Remediation and treatment cost
- Cost of public information/education to address contaminated drinking water
- Costs of new drinking water source

Indirect Cost of Contamination:

- Increased operation and maintenance (O&M)
- Increased monitoring expenses
- Potential loss of jobs
- Potential lawsuits from consumption of contaminated water
- Decline in consumer confidence in water supply

Mr. Chang gave some challenges that will have to be faced in order to implement Source Water Protection:

- no funding for a voluntary program that is not mandatory
- defining and measuring substantial implementation
- lack of staffing
- lack of funding for staffing
- lack of funding to get community and stakeholder involvement
- lack of funding for coordination and data sharing to other agencies
- lack of funding for management support.
- Source Water Protection is vague
 - since voluntary, it would be a do the best you can type of program.
 - What is protection (definition)?
 - Hard to measure progress and performance.
- Maintaining Program Progress/success

The DOH is trying to get the local Source Water Protection started at the County level. These are the following steps:

- Development and implementation of a reasonable and effective SWP program requires cooperation from:
 - Federal, state and local governments
 - Citizen groups
 - Public water system
- Requires management strategies and public awareness

Steps of Source Water Protection Plan Development

1. Obtain a copy of Source Water Assessment
2. Form a local planning team to develop the plan
3. Develop protective management strategies
4. Prepare a written plan and provide the plan for public review and comments
5. Secure resources (financial or technical assistance) to implement the plan (short and long-term commitments)

Mr. Chang did elaborate further on the above 5 steps to develop your local Source Water Protection Program and those details can be found in a copy of his PowerPoint Presentation.

Financial Assistance

Mr. Chang discussed that the State has different pots of monies to finance the Source Water Protection, Wellhead Protection Program through EPA grants and programs including Clean Water State Revolving Funds, Drinking Water State Revolving Funds as well as other programs through different agencies.

He discussed the Water Protection Financial Assistance Program that is under the Drinking Water State Revolving Fund. It utilizes 15% Drinking Water State Revolving Fund Set-Aside Funds to assist water utilities to plan and implement drinking water source protection activities.

Who is eligible for financial assistance?

1. All community and non-transient, non-community public water systems that utilize groundwater as a source of water, exclusive of federally owned public water systems.
2. Government agencies, planning agencies, educational institutions, and community groups who are partnered with a public water system, work must benefit drinking water sources, or have the authority for protection activities (land use,) on a State- or County-wide basis.

Eligible Activities for Funding:

1. Protection Planning
2. Implementing Protection
3. Delineation activities
4. PCA and land use inventory activities
5. Management activities
6. Contingency plan/Emergency response activities
7. New drinking water well activities
8. Public participation activities
9. Other projects may be submitted for evaluation and approval.
10. EPA preparing guidance document identifying acceptable uses of DWSRF funds for Source Water and Wellhead Protection activities. (Early Spring 2007)

More detailed activities can be found in Mr. Chang's PowerPoint presentation. He also mentioned that if we think of any other activities not on the list to submit it to them and they would make a determination if it could be eligible. He added that EPA is presently preparing a guidance document identifying acceptable uses of DWSRF funds for Source Water and Wellhead Protection activities and it should be ready by early Spring 2007.

Ineligible Activities for Funding:

1. Land acquisition
2. Infrastructure and Construction

Minimum Funding Available:

FY 2006: \$250,000 (for disbursement after January 2007)

FY 2007: \$400,000 (for disbursement after January 2007)

FY 2008: \$600,000 (for disbursement after January 2008)

(Mr. Chang stated that there may be more funding available, depending on additional eligible projects.)

FY 2009 and beyond: Pending continuance of DWSRF Funding

Mr. Chang stated that Proposal and Applications for protection planning and implementation projects for the FY 06/07 funding is currently being accepted. Proposals/projects may be for multiple years (not to exceed 3 years). Proposals and applications should be sent to the Safe Drinking Water Branch at the State Department of Health on O'ahu. Also if more info is needed, Mr. Chang can be contacted at (808) 586-4258 or daniel.chang@doh.hawaii.gov.

Project Evaluation and Selection:

- Evaluated by SDWB/EPA
- Criteria: Does project move the public water system towards protection of the drinking water sources
- Selected projects will undergo project design discussion with SDWB-SWAP staff
- Project may not be funded 100%
- Final approved projects will require a contractual agreement and MOA

Mr. Chang gave the following list of proposed projects that were identified for each island:

Proposed Projects for Kaua'i

- Local Source Water Protection Workgroup
- Water Use and Development Plan Update

Proposed Projects for Oahu

- Local Source Water Protection Workgroup
- Wai'anae Watershed Management Plan – Source Water Protection Project
- Koolauloa Watershed Management Plan – Source Water Protection Project

Proposed Projects for Maui

- Local Source Water Protection Workgroup
- MDWS Wellhead Protection Program
- Hawaii Nature Center – Maui Protection Plan and Drinking Water Education Program

Proposed Projects for Hawai'i

- Local Source Water Protection Workgroup
- Water Use and Development Plan Update
- Water Source Protection and Security Project

Program Contacts for this Wellhead Protection, Financial Assistance Program:

Mr. Stuart Yamada, Chief
DOH - Safe Drinking Water Branch

Mr. Daniel Chang, Source Water Program Coordinator
DOH – Safe Drinking Water Branch

Both can be reached at 919 Ala Moana Blvd., #308, Honolulu, HI 96814 and Phone No. is (808) 586-4258.

Mr. Chang gave the Board a heads up that the DOH would want to do a future presentation to the Board related to the Source Water Assessment and Protection (SWAP) Program to identify and discuss the SWAP Program in the context of how it is related to other drinking water requirements that the County has to meet and how those would play into monitoring waivers or source assessment to meet the groundwater rule and now that Kaua'i has a surface water treatment plant to who meet the surface water requirements.

Mr. Chang summarized that he has met with Acting Manager Ushigome to see how the funding can be utilized for our Water Use and Development Plan and he hoped to have a draft agreement ready for us in January, 2007.

On query by Mr. Fujimoto, Mr. Chang stated that they would work with the funding requestors to ensure that monies are dispensed as fairly as possible. Also monies needed for a project may be prorated over the 3-year span if applicable to make the monies available for more projects per year.

Mr. Leon-Guerrero from EPA stated that the monies have a stipulation of a 3-year period as EPA wants to ensure that the monies are spent fairly quickly and there are results with water sources being protected and remediation activities going on. He added that he felt that funds would still be available after the 3-year period.

On query by Ms. McCrory, Mr. Chang stated that a source assessment has been done for Kaua'i but there was nothing significant to report.

Mr. Chang and Mr. Leon-Guerrero left the meeting at about 12 noon.

Recess: 12:03 p.m. to 12:20 p.m.

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

PR Specialist Shiramizu gave the following report:

Water Rate Increase: In anticipation of our rate increase that will take affect on January 1, 2007, a press release is being prepared to remind the general public of this scheduled increase. This reminder should alleviate some of the phone calls that we expect from our customers.

Newsletter: The long awaited "As the Water Flows", employee newsletter has returned. Future newsletters will include input and information from DOW employees, administration and the Board.

Toastmasters: Attending Toastmasters meetings to improve my public speaking skills to better represent our department when called upon at future activities and events.

Employee Council: The annual County Christmas Celebration, “A Holly Jolly Christmas”, is happening as we speak. Due in part to our annual employee breakfast and monthly Board meeting schedule, the DOW staff has decided to limit our participation on this year’s Christmas Celebration. Although we may not be participating in the song contest, employees are planning to submit an entry in the wreath competition.

Drinking Water State Revolving Fund: Working with the Department of Health to complete the Pre-award Compliance Review Report Form for the 16” Waterline Replacement along Poi’pu Road. The funds are in place and we can receive funds as soon as we submit the report and proper documents. (We are waiting on one last piece from Goodfellow Bros., Inc.) We will be meeting with Business Loan Officers Susan Yuen and Kevin Yoshioka from the Department of Health, DWSRF section on December 19, 2006, to briefly review current projects and look for future funding opportunities.

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

This matter was already taken care of in Committee Meetings.

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

This matter was already taken care of in Committee Meetings.

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

Mr. Dave Jochim and Mr. Mark Salmon of RW Beck were present at the meeting.

Acting Manager Ushigome gave the following update:

Strategic Plan Update: The CPT’s last workshop with RW Beck was postponed from Wednesday, November 1, 2006 to Friday, December 15, 2006. Pending the discussions generated at tomorrow’s CPT meeting, there is no progress update to the Strategic and Business Plan at this time.

Water Plan 2020 Sustainability Program-Implementation Plan: The Department received RW Beck’s Draft Water Plan 2020 Sustainability Program-Implementation Plan dated December 2006 today. Although Acting Manager Ushigome did not get a chance to review the contents of the draft report, she enclosed a copy for the Board’s review and comments. Dave Jochim and Mark Salmon will be available to answer any questions or provide clarification to the program objectives.

For the Board review was RW Beck’s fee proposal for start up activities for the Water Plan 2020 Sustainability Program. Please note the \$385K fee described in Contract Amendment No. 4 only covers the consultant’s start up cost for the period ending April 30, 2007.

Without careful review of the long-term (overall) costs associated with implementing the sustainability program, Acting Manager Ushigome withheld her recommendation to approve the RW Beck’s fee proposal. As she previously stated, due to the extremely “open-ended” nature of proposed sustainability program and the long-term financial ramifications on the Department of executing such a tremendous undertaking, she was concerned and uncomfortable recommending Board approval at this time.

Discussion:

Mr. Jochim re-introduced Mr. Mark Salmon of RW Beck to the Board and staff. Mr. Salmon recently finished an \$800 million water supply program in Sacramento that he has been managing for the last 4-5 years.

Mr. Jochim apologized as due to technical difficulties, they instead distributed handouts of their PowerPoint presentation.

Mr. Jochim explained the status of our Water Plan 2020 projects program that had identified 212 projects in 2001, with 14 projects completed, 21 projects underway, 44 projects that have since been added, with a total of 221 projects remaining. There are more projects on our list than initially identified. The estimated cost of the 212 projects in 2001 was estimated at \$152 million. Without considering inflation, the 221 projects are estimated to cost about \$180 million in 2001 dollars. The estimated annual accomplishment has been about \$3 million to \$5 million; at this rate, it would take about 35 years to finish all of the 221 projects. This would mean that the projects that were done initially would need to be addressed again.

Mr. Jochim stated that initially it was hoped that WP 2020 could be finished in 2 years or so but that is physically impossible. They have instead researched 3 alternatives to complete WP 2020:

Alternative	Estimated Total Cost \$M (2006 \$)	Estimated Annual Cost \$M (2006 Dollars)
5 – year.....	\$250 - \$360	\$50 - \$72
10 – year.....	\$250 - \$360	\$25 - \$36
15 – year.....	\$250 - \$360	\$17 - \$24

Note: Does not include an approximately \$30 million for the affordable housing projects (part of the Program CIP but not included in proposed design-build contracts) and an additional 21 projects currently underway (not part of the CIP Program)

Mr. Jochim stated that using the Corps of Engineers method of inflating construction projects, stretching out to the future, the current value of the projects would be about 37% more than in 2001 which gave the above figures for 2006. Also, they also looked at statewide construction activities in the last 5 years or so and have found that costs have even doubled. So as a result of using those criteria, they calculated that on the high side, it could go up as high as a \$360 million program. The figures need to be fine tuned more but that is the grand scale of costs.

Mr. Jochim referenced the table below that showed that looking solely at the net present worth, it would be best to get the projects done as soon as possible as that will be the cheapest alternative.

Annual Construction Inflation Rate	5-Year Alternative	10-Year Alternative	15-Year Alternative
3%	\$239	\$225.....	\$213
5%	\$258	\$255.....	\$252
10%	\$311	\$347	\$389

Mr. Jochim stated that the challenges to implementing the CIP Program would be:

- How to increase annual accomplishment by a factor of ten (or more)?

- How to attract contractor interest?
 - contractors are more interested in private jobs than government jobs
- How to execute the work? by a factor of 10?
 - control costs
 - accomplish the schedule
 - maintain quality

Mr. Salmon discussed that the design-bid-build process is presently the most common way; however, they are proposing a design-build process to expedite the process for our projects. The design-build team will be based on a cost upfront and the goal to finish the project. The means to get to their goal is left up to the design-build team. The advantages are that they can accelerate the project schedule because they can be designing the later phases of the project while already constructing the earlier phases. This could speed up the process and there is a single contract with one contractor.

Mr. Salmon further discussed that the disadvantages are that the owner cannot be as involved in the nuts and bolts of the design. Also, since there is a lot of money that is needed to be put upfront, a lot of the smaller contractors are not that interested in this type of approach.

Mr. Salmon added that to attract the larger contractors, their plan is to divide the island in 3 areas that are contiguous geographically but will be split up; whereby, the dollar value of the contract work will be about the same in the 3 different areas for about \$20 million in each area. They felt that it would be easier to have larger contractors bid on tens of millions of dollars of projects in a single contract.

Mr. Salmon stated that the 5-year approach would be too short to do phases as the first 2 years or so, the contractor would be doing the preliminary things like addressing environmental concerns and getting the contractors on board, etc. and then the rest of the 3 years or so, the contractor would be tearing up the island to finish all of the projects in such a condensed period. The 10- or 15-year periods would be easier to split up the phases over time and it gives the contractors an incentive to do good work in the 1st phase, to be cooperative and be good partners to ensure that they will get more work in the 2nd and 3rd phases.

Mr. Salmon also stated that they have consulted a design-build firm that has done projects all over the country and they stated that they had no restrictions with design-build projects already done in the counties and the State of Hawaii as it is an approved legal route. The Board has the authority to go this route if they so choose.

They have been considering a 2-stage selection process; whereby, qualifications and cost are used to choose a contractor and is a legal route to be used in Hawaii. They have contacted the General Contractors Association, both the State and the Kauai chapter and talked to a bunch of local contractors who stated that doing a 5-year project is do-able but would be tough to do. They preferred to do this project on a longer term for the 10- or 15-year periods to absorb the costs. Mr. Salmon summarized that all 3 alternatives are do-able but the 5-year project would be most costly.

On query by Mr. Kyono, Mr. Salmon stated that they did contact some of the bigger construction firms on Oahu and they inferred that they would be interested in our projects if the projects were worth at least about \$20 million.

Mr. Jochim stated that they contacted some Mainland design-build firms and they were interested in our bulk projects. Mr. Salmon added that they had also contacted some

Mainland manufacturing companies and they felt that they would be able to easily supply larger quantities of pipes, materials, etc.

Also presented were one Table of Organization (TO) of RW Beck's Program Management Office (PMO) and another TO of how the PMO would integrate with the present DOW's Table of Organization.

Financial Impacts of the 3 Alternatives:

Mr. Jochim discussed that Mr. Art Griffith of RW Beck, who worked on our water rate model for the last water rate study, used that water rate model and plugged in these 3 alternatives into a graph. Mr. Jochim also discussed that if we went with the 5-year plan, the impact on water rates on a compounded basis would probably result in about a 30-35% water rate increase per year. For the 10-year schedule, the compounded rate of increase would be roughly a 14-17% water rate increase per year. For the 15-year schedule, the compounded rate of increase would be roughly an 8-10% water rate increase per year.

Mr. Jochim suggested a couple of potential strategies to buffer these costs, for example, to look at longer term borrowing, revisit impact fees, etc. On query by Mr. Kyono, Mr. Jochim stated that they have not looked at revenue bonds but it may be an avenue to review.

Mr. Jochim summarized that a 5-year plan would not work so the Board should look at either the 10-year or 15-year plans.

Mr. Jochim stated that the 10-year schedule was the most probable schedule because of the flexibility of how to lead into the future. He felt that without the knowledge of how inflation would occur, taking an aggressive schedule initially and then re-review the CIP projects.

Mr. Jochim also added that they got the population potential growth figures from Planning Director Ian Costa and some of the various areas have different growth projections than what was included in Water Plan 2020; therefore, they would need to revisit to ensure that the water infrastructure would be able to support the future growth of the area.

He also stated that they would get the highest priority projects done first then use that initial time to re-assess and re-evaluate the next batch of priority projects to verify whether some projects would need to be delayed due to negative cost impacts. The real challenge would be to balance the amount of projects to be done, the water rate impacts and what the DOW could afford to do.

Ms. McCrory stated that they would need to plan the projects and if any are not do-able then changes should be made. Ms. McCrory also added that she does not foresee any type of slow growth as her previous trip to China has shown that they are doing massive construction there using a lot of concrete and steel, which the United States are in some ways supporting their construction needs like steel.

Ms. McCrory would like to see that we have as close to the reality of the building price index as possible as she does not foresee that construction would be slowing down any time soon. Mr. Jochim replied that they have not done that yet but will do so. He added that even in Hawaii a lot of construction is planned on every island.

Next Steps:

1. Mr. Jochim suggested that the Council should be briefed on the DOW's Sustainability Plan and he could assist.

Mr. Jochim stated that their funding for their consultant services would end December, 2006; therefore, they have included Amendment No. 4 in the Board's packet that included a cost proposal for the first 4 months of 2007. The scope of work would include starting the programmatic Environmental Impact Statement (EIS) that would take about 9 months to one year to get done. There are also some affordable housing things to be done. Also, if the DOW decides to do design-build projects that it would need to be understood that there will be some things that would not be under the DOW's direct control. Also, the DOW's water system standards would probably need to be beefed up to ensure quality work, which would be worked on very soon before going forward.

On query by Acting Manager Ushigome, Mr. Jochim stated that the existing Water System Standards would stand alone, with a supplement that RW Beck would draft.

On query by Mr. Kyono, Mr. Jochim explained that the programmatic EIS process would be to include all of the DOW's projects into one package, unless it was a specific sensitive area that would be done separately. Also on query by Mr. Kyono, Mr. Jochim stated that they did talk to the Office of Environmental Quality Control (OEQC). Mr. Kyono stated that the more difficult projects should be separated to save time. Ms. McCrory added that OEQC is only an advisory entity; therefore, the Department of Land and Natural Resources (DLNR) should also be contacted. Mr. Kyono also added that although OEQC is advisory, that office, by law, as per Chapter 343, are responsible for the publications. Mr. Kyono advised Mr. Jochim to contact the Director of OEQC for guidance as in Mr. Kyono's past experiences, are that OEQC would not want a whole lot of projects to be lumped together because of their concern of individual impacts.

Mr. Jochim stated that they would contact the State agency to work out the best route on how to handle the bulk projects and he understood that some projects may have to be done individually due to its complexity.

Mr. Jochim suggested that maybe a smaller Board Committee could be formed to work with RW Beck, the DOW staff, and legal counsel to work on finalizing the scope of work for the proposed projects.

On query by Mr. Fujimoto on Figure 4-2 of the Draft Report for Water Plan 2020, Sustainability Program-Implementation Plan (December, 2006), Mr. Jochim stated that the Engineering Manager would be a DOW person and the Project Controls Manager, Procurement/Contracts Manager would be RW Beck personnel. The Community Outreach Manager would be a sub-consultant and the Construction Manager could either be RW Beck personnel, DOW personnel or hire a local contractor.

Ms. McCrory asked Mr. Jochim to revisit the numbers by using the Builders Index for Hawai'i before making any decisions going forward.

On query by Mr. Fujimoto, Mr. Jochim stated that RW Beck will be developing the Request for Qualifications (RFQs).

Mr. Jochim offered to answer any questions that the Board may have through the DOW staff in the interim and he would be present again at the January 16, 2007 Board Meeting.

Mr. Fujimoto requested to have an overall cost from RW Beck to do this program. Mr. Jochim stated that was why he had suggested having the Board form a Committee that could work with RW Beck to work on concepts of liability, etc. Ms. McCrory wanted to see the cost differences between a 5-year program, 10-year program and a 15-year program.

Mr. Fujimoto added that the union would need to be consulted and their issues would need to be resolved initially.

On query by Ms. McCrory, Mr. Jochim stated that Mr. Art Griffith of RW Beck would be the one working on the costs and he would be able to submit it to the Board shortly. Ms. McCrory wanted to see realistic costs, which would help with our presentation to the Council.

Acting Manager Ushigome stated that RW Beck should be also tasked with working with the Department of Personnel Services (DPS) to mesh this proposed additional aspect of the Sustainability Program to our present Table of Organization. Mr. Fujimoto stated that the staff buy-in would be the next step. He also stated that he could foresee that the DOW's Engineering Division could work with the DOW Manager to oversee RW Beck's work.

Mr. Jochim added that the Engineering Manager would be a DOW person that would physically work with the RW Beck team probably off-site from the DOW office.

Acting Manager Ushigome added her concern, as the DOW's Procurement Officer, that RW Beck's amendments have exceeded the amount of the original contract and its open-ended nature. She felt that it is problematic and wanted the Board to be informed that normally the cost of amendments should not exceed 20% of the original contract amount.

Mr. Kyono informed the Board & RW Beck as a heads up that Council has a current design-build case that they are wrestling with. He also added that a design-build process can be demanding and time consuming as the design-build contractor would need to take into consideration the plan review process that can be timely among the various government agencies. Mr. Jochim stated that they would meet with those agencies to see what can be done to expedite the process. Mr. Jochim suggested that he knows where companies will hire a person to handle only the plan review process.

Mr. Kyono added that the liability issue of hiring private contractors would need to be reviewed by legal counsel.

Affordable Housing Projects:

Mr. Jochim reported that he and Mark Salmon met with the DOW staff yesterday and things are moving forward. A comprehensive schedule has been drafted with the help of consultants.

Core Planning Team (CPT):

The final meeting has been scheduled for tomorrow.

Mr. Kyono asked Mr. Jochim if it would be discussed with the CPT about whether the Engineering Manager position should be an EM-3, EM-5 or EM-7. Mr. Jochim stated that it would be brought up with the CPT and he mentioned that he felt that the Engineering Manager position should be an EM-5 position based on definition. Mr. Kyono added that he felt that he would want the CPT to review this position's duties to see what EM position they feel is warranted.

Mr. Fujimoto referenced Figure 4-2 of the Sustainability Plan to clarify that with the Design and Construction Division in the Table of Organization alongside the Engineering Division, it would be similar to the old Table of Organization, along with including the Lab to be under the Design & Construction Division.

Received for the record.

Mr. Jochim and Mr. Salmon both left the meeting at about 1:35 p.m.

TOPICS FOR NEXT WATER BOARD MEETING

1. Board's Finance and Rules Committee Meetings
2. For the Board's Information on the Quarterly Report regarding Kaua'i County Water Department Manager's Top 4 Goals for 2007
3. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects
4. Request Board Approval of Funding of the 2nd EM-5 Position
5. Board Discussions on Ways to Support Affordable Housing

TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Board's Finance and Rules Committee Meetings
2. Request to Testify by William C. Rita on their Water Requirement for Subdivision No. 2006-42, Lot 88A, Kalāheo Homestead, 1st Series, Kalāheo, Kaua'i, Hawai'i

NEXT WATER BOARD MEETINGS

1. Tuesday, January 16, 2007, 10:00 a.m.
2. Tuesday, February 20, 2007, 10:00 a.m.
3. Tuesday, March 20, 2007, 10:00 a.m.

WATER BOARD'S UPCOMING EVENTS

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

N. EXECUTIVE SESSION:

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

1. **Review of Executive Session Minutes for November 21, 2006:** Mr. Fujimoto moved to receive the November 21, 2006 Executive Session minutes and placed on file, seconded by Mr. Kyono; motion was carried.
2. **There was no Executive Session Meeting.**

ES-1: Pursuant to Haw. Rev. Stat. §§92-4, 92-5(a)(4), the purpose of this executive session is to permit the Board of Water Supply to deliberate upon and consult with the Board's legal counsel on questions and issues relating to an agenda item.

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

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

ADJOURNMENT

There being no further business, the meeting was duly adjourned at 1:37 p.m.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

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