

**REGULAR MEETING
BOARD OF WATER SUPPLY
Tuesday, July 18, 2006**

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Tuesday, July 18, 2006. Chairperson Josephine Sokei called the meeting to order at 10:30 a.m. On roll call, the following answered present:

BOARD: Ms. Josephine Sokei, Chairperson
Mr. Ian Costa (present at 10:45 a.m.)
Mr. Donald Fujimoto
Mr. Steven Kyono
Ms. Lynn McCrory (left at 12:45 p.m.)
Ms. Bernie Sakoda
Mr. Myles Shibata

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

GUESTS: Mayor Bryan Baptiste (10:30 a.m. to 11:05 a.m.)
Mr. Bernard Carvalho, Community Housing Agency Director (left at about 11:05 a.m.)
Mr. Ron Kouchi, Kaua'i Lagoons Representative (left at about 11:05 a.m.)
Mr. Michael Belles, Belles, Graham & Proudfoot (Kaua'i Lagoons) (left at about 11:05 a.m.)
Ms. Tracy Nagata, DR Horton/Schuler Homes (left at about 11:05 a.m.)
Mr. Ernest Y. W. Lau, O'ahu Dept. of Accounting & General Services (left about 11:30 a.m.)
Mr. Stanley Doi, Kaua'i Dept. of Accounting & General Services (11:05 am to 11:30 a.m.)
Mr. Chris Singleton, Waipouli Beach Resorts (left about 11:30 a.m.)
Mr. Chris Chang, Waipouli Beach Resorts (left about 11:30 a.m.)
Mr. Dave Jochim, RW Beck
Mr. Tom Cutting, RW Beck
Mr. Galen Nakamura, Deputy County Attorney

AGENDA

Ms. McCrory requested to re-order the Agenda to have Items No. F3, and G1, Update Report on Mayor Bryan Baptiste's Testimony on the County's Proposed Affordable Housing Projects and Request Board Approval to Remove the Department of Water's Condition for a 12-Inch Waterline Extension for Use Permit Application U-2005-18 (Zoning Permit Application Z-IV-2005-23), Kīlauea Elementary/Pre-School, DAGS Job No. 16-16-4438, Kīlauea, Kaua'i, respectively, to be discussed after Correspondence to accommodate our guests.

Ms. McCrory moved to approve the Agenda, as amended, seconded by Ms. Sakoda; motion was carried.

MINUTES

Regular Meeting – June 6, 2006

Ms. McCrory moved to accept the Regular Meeting Minutes of June 6, 2006 and placed on file, seconded by Ms. Sakoda; motion was carried.

Special Meeting – June 27, 2006

Mr. Shibata moved to accept the Special Meeting Minutes of June 27, 2006, as amended and placed on file, seconded by Mr. Fujimoto; motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Notice of State of Hawai'i's Appropriation Warrant No. 240 to the County of Kaua'i, Department of Water, for \$550,000 for Design and Construction of our Proposed Kīlauea Water System Project and Planning, Design and Construction of our Proposed Wailua/Kapa'a Water System Project

Received for the record.

Re: Letter from Mayor Bryan Baptiste to the Kaua'i County Council to Urgently Request that the Positions of the Department of Water's Manager and Chief Engineer and the Police Department's Chief of Police be Removed from the Salary Ordinance to Set Competitive Salaries to Assist with Filling these Vacant Positions

Mr. Tagupa stated that a resolution would need to be introduced to do this action. Mr. Fujimoto added that he felt that this action sounds like it would put a cap on these positions salaries and would restrict the Board's authority. Further research needed to be done to clarify this matter.

Received for the record.

OLD BUSINESS

Re: Update Report on Mayor Bryan Baptiste's Testimony on the County's Proposed Affordable Housing Projects

Mayor Bryan Baptiste, Mr. Bernard Carvalho, Mr. Mike Belles, Mr. Ron Kouchi, and Ms. Tracy Nagata were present at this meeting for this matter.

Recommendation:

As requested at the June 27th Special Board Meeting, the Department was tasked with follow up items regarding the Courtyard @ Waipouli project (Kauai Lagoon Affordable Rental Units). Based on Department's current tracking and allocation methodology, the available source and storage facilities that serve this area appear to be at capacity.

Although the Department anticipates an additional source will become available prior to the actual completion and occupancy of the units, the storage component will not be completed and available for service until mid 2008.

Based on the Board's question regarding whether the County Attorney's office could legally support and defend transferring water allocations from one development to another, the Administration did not provide an answer. If there was a basis for the Board to establish policy whereby preference or priority is given to specific qualifying affordable housing projects then, that may be a process whereby the Department can utilize and apply a consistent engineering basis to justify the water infrastructure improvements and requirements for new developments.

Funding: N/A

Background:

At the June 27, 2006 Special Board meeting, the Board requested staff check with DLNR for a status of their new well (currently under development). According to the DLNR's contractor Koga Engineering the estimated completion date is December 2006.

The design of a new 1.0 million gallon tank is almost complete. The construction is anticipated to be completed around mid 2008.

The following information was distributed to the Board:

- Summary of the source and storage facilities servicing the Wailua/Kapaa Town 215' Service Zone;
- Kauai Lagoons Affordable Housing Agreement;
- Department of Water's comments regarding the availability of source and storage capacity for the proposed Zoning Permit Application Z-IV-2006-3, Project Development Use Permit Application P.D. U-2006-3 and Variance Permit Application V-2006-1, KD Waipouli, LLC, and;
- June 19, 2006 Affordable Housing Task Force Meeting Notes.

In addition, the Board asked the Office of Community Assistance (OCA) Director for a list of projects and the time schedule of these projects this was submitted and is attached for your review.

Discussion:

Acting Manager Ushigome stated that at the June 27, 2006 Special Board Meeting, the Department was tasked to follow up the Kauai Lagoons at Waipouli Affordable Housing Project. The report included that the water service area is at capacity. She added that the new water source in the area would be hopefully online by the end of 2006, which would be prior to the completion of the affordable housing project; however, the new storage tank would not be online until the summer of 2008.

Acting Manager Ushigome added that there was no definitive answer yet from the County Attorney's Office on whether they would legally support the Department on transfer of water allocation from one development to another. She suggested that the Board would need to follow some type of process or make a policy to handle these type of preferential cases like affordable housing projects.

Ms. McCrory asked if it would be okay if there were double the source amount but not enough storage. Acting Manager Ushigome stated that it would be okay initially as you would not be able to feel the effects, but it would catch up in the end.

Ms. McCrory stated that if the pending developments in the area do not build and require water, would there be enough water. Acting Manager Ushigome added that she wished she could predict the future but looking at the pending developments with storage, she did not think that you would not feel it at mid-development but it would catch up with you. Acting Manager Ushigome stated how would we afford a development to forego their source component when once they get their development, they are not going to provide for source any time in the future.

Ms. McCrory felt that knowing there is more than enough water for this project and that the pending developments would not be starting yet, she was comfortable to make a motion to move to allow that project to go forward and only based on the fact that there is more than adequate source to cover the storage.

On query by Mr. Shibata, Ms. McCrory stated that although the Mayor's Top 4 Affordable Housing projects are important, she wanted to focus on the Kaua'i Lagoons Waipouli Affordable Project. She suggested that the Board have a separate Special Meeting to discuss and focus only the Affordable Housing projects as she has several questions on the written material that was submitted by the Mayor and Mr. Carvalho. Therefore, her motion would be to approve only the Kauai Lagoons for now and then focus on the rest of the affordable housing projects at the Special Meeting.

Mr. Shibata felt that the Board should focus on the Mayor's Top 4 Affordable Housing projects as per his request so it can be worked on quickly as the rest of the Affordable Housing Projects will take a while to go through. Ms. McCrory stated that this could all be reviewed at the Special Board Meeting.

Ms. Sakoda seconded the motion. She discussed that there should be adequate source for Grove Farm's Puhi projects. Acting Manager Ushigome stated that the Department is waiting for Grove Farm's hydraulic study for the Puhi Booster Pump Station to ensure that an adequate water supply would be available from the Water Purification Facility in Hanamā'ulu to feed their Puhi projects. Mr. Carvalho added that they have followed up with all of the backup data that was requested; however, the Department of Water has asked for further information on the hydraulic study.

On query by the Board, Ms. Tracy Nagata of DR Horton/Schuler Homes testified that their company has been working with the Department of Water, Grove Farm and the Office of Community Assistance for a while now trying to resolve their water issue; however, Grove Farm is responsible to build the booster pump and not DR Horton.

On query by Ms. McCrory, Ms. Nagata stated that Grove Farm and their consultant are responsible to get the hydraulic analysis to the Department of Water. It was Ms. Nagata's understanding that last week they were suppose to have met but did not get an update yet. Ms. McCrory urged Ms. Nagata to check with Grove Farm on the status of the hydraulic analysis and to submit that analysis to the Department as the Water Board plans to meet on affordable housing on Tuesday, August 1, 2006. Ms. McCrory welcomed Ms. Nagata to also attend the August 1, 2006 Special Meeting.

Ms. McCrory that a Board report be made to give an update on DHHL's projects.

Ms. McCrory stated that the Tuesday, August 1, 2006 Special Board Meeting will be scheduled for 11:00 a.m. to 3:00 p.m. to discuss the rest of the affordable housing projects.

Mr. Shibata asked Mr. Carvalho for a priority list of affordable housing projects with the water issues for each project.

Mr. Carvalho discussed that they have re-visited their list of affordable housing projects and have re-prioritized them by start and completion date instead of only completion date.

Mr. Carvalho stated further discussed that this all started when in 2004 the Governor gathered all the State and County governments representatives, developers, consultants, etc. to address the issue of affordable housing. There were 2 things that resulted from that meeting: 1) Eight parcels of State lands that were given to the County via an executive order; and 2) an affordable housing task force that would address getting affordable housing. Then per the Mayor's directive, 10 affordable housing projects were identified that could be done in the short-term or the next 2-3 years. All of the 10 projects identified had some type of water issues. He added that the report for the State's 8 parcels consists of units per

project, timeline, cost, etc.; however, they are still working on the details of the 10 affordable housing projects.

Mayor Baptiste further explained that there are 2 phases of affordable housing projects. The first phase includes the 10 projects that were already in progress and being worked on and the second phase are the State's 8 parcels. The second phase is a County initiative and the first phase is the County trying to assist private developers to overcome hurdles.

It was concurred that the Board would work with the Mayor in any way possible to review and facilitate the process to have the DOW's applicable Water Plan 2020 projects to support the affordable housing projects.

Mr. Costa was present at the meeting at about 10:47 a.m.

Ms. McCrory requested that at the Special Board Meeting for Mr. Carvalho to merge the State's 8 parcels information with the rest of the 10 affordable housing projects. Ms. McCrory also requested that the Department compile a report for the State parcels to include the existing source available, maximum day demand, pending developments that will be happening with the adjusted water availability, and the water availability once the well and tank are done.

Ms. McCrory moved that the Board has considered that there is more than double the quantity of source available and that the pending development at this point does not appear as though it would be coming on before the storage tank will be built, which is scheduled to be finished by the latter half of 2008; therefore, with more than double source, the Board will approve the project to go forward to get their water requirements waived based on a special purpose that will serve the people's best interest in allowing affordable housing to be developed, seconded by Ms. Sakoda; motion was carried.

Mr. Belles thanked the Board.

Ms. McCrory requested that the County assist the Department to do a draft Board policy on affordable housing.

Mr. Kouchi added a suggestion that in creating a policy for affordable housing it should include that the projects that are "ready to go" would have priority. He used an example that happened with the Department of Transportation, Highways Division. The Board thanked Mr. Kouchi.

The Board and Mayor Baptiste asked Deputy County Attorney Tagupa to research the legality of using water that was already allocated for approved subdivisions, projects, etc. that have been on hold and never built. Ms. McCrory added that the water will be used for a special purpose of acquiring affordable housing. On query by Mr. Tagupa, Ms. McCrory stated that she was not sure if the water credits were transferred to affordable housing whether it would still be available at a later date when the project was ready to go.

Mr. Kyono discussed that the challenge would be to clarify at what point is the water committed, when the project gets approved or at building permit issuance.

Mayor Baptiste added that there is a proposal that is going through Council now that has a 5-year limitation for zoning permits, on a 'use it or lose it' basis, which would take care of future developments but the problem is that there are a lot of past approved projects that have been on hold for awhile.

Ms. McCrory directed Mr. Tagupa to submit a legal opinion by the Special Board Meeting on Tuesday, August 1, 2006.

Mayor Baptiste, Mr. Carvalho, Mr. Belles, Mr. Kouchi, and Ms. Nagata all left the meeting at about 11:05 a.m.

Re: Request Board Approval to Remove the Department of Water's Condition for a 12-inch Waterline Extension for Use Permit Application U-2005-18, (Zoning Permit Application Z-IV-2005-23), Kilauea Elementary/Pre-School, DAGS Job No. 16-16-4438. Kilauea Kauai

Mr. Ernest Y. W. Lau and Mr. Stanley Doi of the Department of Accounting and General Services (DAGS), Public Works Division, were present at the meeting for this matter.

Recommendations:

The urgency of the project is due to the fact that the materials are sitting on island and the concern is the materials will deteriorate being unfit for use in the construction of the proposed pre-school classroom. The State Department of Accounting and General Services (DAGS) is requesting building permit approval in order to proceed with the construction. As such, they are requesting the 12-inch waterline extension be deleted from their Zoning and Use Permit Applications.

The project consists of a single story wooden classroom building to accommodate 20 pre-school students and 2 teachers. The pre-school will be run by the Department of Human Services and will provide service to low income families. The dimension of the proposed classroom is 28' wide x 58' long x 12' high. The State apparently has no funds to incorporate any changes or provide the water system improvements to the project site.

In order to satisfy their water system upgrade requirements, the Department requested a hydraulic analysis of water system be provided to confirm adequate fire protection is available from the existing fire hydrants serving the school. A hydraulic analysis has not been completed; however, DAGS conducted and submitted hydrant flow test results. Based on these flow tests, the on-site hydrants did not meet the 2,000 gallons per minute (gpm), max day design criteria.

Another option, as incorporated in the 2004 Water System Amendments, is to provide fire protection mitigation measures, approved by the Fire Chief. DAGS met with Fire Chief Westerman; however, based on his review of the project, the Chief did not provide any comments whether the on-site fire flow would be adequate, instead the Fire Chief deferred the decision back to the Water Department.

The Department recommended working in conjunction with DAGS to upgrade the water system servicing the Kilauea Elementary School. Based on recent inquiries by the Department of Education (DOE), a new cafeteria is also being planned for the school campus. With further expansion of the school being developed, it is imperative that the fire protection requirements be addressed. Therefore, as identified under Agenda Item E.1, the Department received a \$250K funding appropriation to design and construct approximately 1,000 lineal feet of 12-inch ductile iron waterline to provide the necessary transmission upgrades for Kilauea School. We propose "outsourcing" and utilizing DAGS' design and construction resources to complete the installation of the necessary waterline improvements for the school site as a condition for granting the building permit approval for the pre-school.

Funding: N/A (at this time)

Background:

The Kilauea Elementary School site is comprised of 2 separate adjoining parcels. The front lot along Kolo Road, identified as TMK: 5-2-9:6, is owned by the County of Kauai. The rear lot, TMK: 5-2-9:48, was created as a condition of Ordinance No. PM-75-81 pertaining to the residential development makai of the school in the vicinity of Kamalii Street. In 1994, Parcel 48 (rear lot) was quitclaimed from the County of Kauai to the State of Hawaii, pursuant to a court order issued relating to the an access provision over this parcel to (and the expansion of) the adjacent cemetery.

In order to facilitate the projects development schedule, the Planning Department determined that although the County of Kauai and the State of Hawaii owned Parcel 6 (front lot) and Parcel 48 (rear lot), respectively, the historic and current use of both lots is unmistakably a unified single public school facility. As such, the Planning Department considers these 2 lots as 1 parcel, and the entire parcel is considered the "project area" for County permitting purposes. (it was so noted in the Planning Department's letter dated January 20, 2006)

This determination allowed the Department to possibly reconsider amending the water system improvements (mainline extension), provided DAGS could satisfy the fire protection requirements. The Department requested DAGS provide a hydraulic analysis of the water system to verify adequate fire flows are available at the proposed site.

During the months of March and May 2006, fire hydrant flow tests were conducted at Kilauea Elementary School and the flow test results were submitted to the Department. Based on the Water System Standards, the fire flow requirement for a school is a minimum 2,000 gpm for 2 hours (under max day demand conditions).

The following is a summary of the fire hydrant flow test results as submitted by DAGS (for the Board's information, a plot plan was available to show the approximate locations and flow rates* at the various hydrants):

Hydrant (X-17, located east of Kilauea School along Kolo Road)	2,655 gpm
On-site Hydrant (located in-front Classroom Building A)	1,728 gpm
On-site Hydrant (located in-front Classroom Building E)	1,774 gpm
On-site Hydrant (located in-front Classroom Building F)	1,600 gpm

*Note: Flow test results do not indicate max day demand conditions.

Typically, the Department would not necessarily consider the on-site fire hydrants flow test results. In this case, the on-site hydrants were reviewed since the pre-school is actually being serviced from the back; access to the pre-school building is off Puu Lani Subdivision, Phase IV.

Discussion:

Mr. Lau testified that this is part of a statewide program to build within this phase, four pre-schools and public schools. This pre-school will be operated by the Department of Human Services. For liability purposes they needed to go through the approved building permit process. The proposed pre-school will be about 2,000 square feet that will house 20 students. The walls will be fire resistant drywall.

Mr. Lau added that they are asking for a waiver of the water requirement of the installation of 1,100 feet of 12-inch waterline for fire protection for the pre-school. This pre-school is located on the Kilauea School campus and will be serviced through the campus water system.

Acting Manager Ushigome stated that this project is unusual as the project sits on 2 properties that are owned by the State and County. Initially, the pre-school was planned for the rear lot and according to the engineering calculations for fire protection, a hydrant would need to be located next to the property line. In viewing the 2 parcels, the initial water requirement for the pre-school was about 2,000 feet of waterline. However, the Planning Department determined that since the Kilauea School sits on both lots they viewed the project as being on one project area; therefore, the water requirement was reduced to 1,100 feet. There is still a fire protection requirement that they meet the minimum standards design criteria. Acting Manager Ushigome added that the Department's hydraulic analysis confirmed that fire protection is available to meet the 2,000 gallon per minute (GPM) 2 hour duration max day demand type of a criteria. DAGS provided the fire flow test results.

Mr. Lau explained that the budget is very tight on this project. The State already had to build another cafeteria as the existing cafeteria sits on 2 different parcels with one of the parcels on private property.

Mr. Lau further explained that they were pleased when the fire hydrant flow test results revealed that Hydrant X-17, located east of Kilauea School along Kolo Road) had a flow of 2,655 gpm, which was above the standard of 2,000 gpm.

Acting Manager Ushigome stated that if the Board concurred the monies that was received from the Legislature could be transferred to the State DAGS Office for them to design and construct the needed waterline. Mr. Lau added that since State funds are involved, a delegation letter would need to be sent from the DOW to the State to transfer the legislative monies. He added that this is a common practice among other government agencies to transfer monies to the State DAGS Office so they can do the work.

Mr. Lau added that the legislative monies that the DOW received is part of the supplemental budget, which needs to be encumbered within 2 years or it will lapse. In order to encumber the funds, the bid opening date has to be prior to the 2-year lapse date. Mr. Lau stated that although the waterline would not be done till after the 2-year period, he requested that the Board approve their zoning and use permit as well as their building permit.

Mr. Lau thanked Mr. Costa for helping them to work through the planning process since their school sits on 2 parcels.

On query by Ms. McCrory, Acting Manager Ushigome stated that her recommendation is to outsource and have the State DAGS Office complete their waterline requirement.

On query by Mr. Costa, Mr. Lau stated that the building of the school would be finished prior to the completion of the waterline; therefore, they would want to occupy the school as soon as it is done.

On query by Chair Sokei, Acting Manager Ushigome stated that because the school is on 2 parcels, technically, the school does not meet the 2,000-gpm standard. She referred to a sketch that showed the nearest hydrant is 100 feet away.

On query by Mr. Fujimoto, Mr. Lau stated that initially there was a discrepancy on the flow rate as they later found some valves that were closed on the fire lines on the school property as well as one half closed valve at the DOW's fire meter. Mr. Lau felt that if a new test would be done, it would be over the minimum 2,000 gpm.

On query by Mr. Costa, Mr. Lau stated that actually the concern of the DOW is the external fire hydrant that meets the minimum 2,000 gpm and the internal fire hydrants are the concern

of the Fire Department. Acting Manager Ushigome stated that the concern is that there are 2 parcels, a front and back lot, that functionally the access to the property is from the back lot. Mr. Lau corrected that they do not want access from the back lot, as there is a lot of congestion with traffic during school. There is only a pedestrian access. He added that the fire lane would be at another area.

On query by Mr. Kyono, Mr. Lau concurred that they concur with doing the design and construction of the waterline as their agency is a design and construction office that provide services to other State agencies and the County if necessary.

Mr. Shibata moved to approve the Manager's recommendation to outsource and utilizing the State DAGS Office construction resources to complete the necessary waterline improvements for the school site and grant building permit, seconded by Mr. Kyono; motion was carried.

On query by Mr. Costa, Mr. Lau stated that his next hurdle would be to have the Fire Department approve his building permit, but he has to get his zoning and use permit approved first before he can start the building permit process. Mr. Kyono urged Mr. Lau to have the delegation letter done soon; therefore, Mr. Lau will call his office to send the DOW a sample delegation letter that we could use to delegate our State funds to the State DAGS Office. Mr. Lau added that in this process, they would work with the DOW on the consultant selection process, technical review of the plans, and partner with the DOW on the inspection. DAGS would handle the bidding and contracting process.

Mr. Costa added that DAGS should in good faith finish the waterline improvements as soon as possible. Mr. Lau concurred that they would expedite the process.

Ms. Sakoda thanked Mr. Lau for the engineer report. Mr. Lau thanked the Board for their kokua.

AGENDA

Ms. McCrory suggested that the Agenda be re-ordered again for Item Nos. G4 to G10 under New Business to be taken up at this point to accommodate our guests.

Ms. McCrory moved to amend the agenda again, seconded by Mr. Costa; motion was carried.

Re: Kauai Habitat for Humanity for the Eleele Luna Subdivision, Phase I, S-2004-29, TMK: (4) 2-1-01:052 Eleele, Kauai, Hawaii

Grant of Easement:

Ms. McCrory moved to approve the Grant of Easement from Kaua'i Habitat for Humanity with the indemnification provision, seconded by Ms. Sakoda; motion was carried.

Conveyance of Water Facility:

Ms. McCrory moved to approve the Conveyance of Water Facility from Kaua'i Habitat for Humanity, seconded by Ms. Sakoda; motion was carried.

Re: Conveyance of Water Facility from JBS Family Enterprises, LLLP and Pulpit Rock Investment, LLC for the Quad Water Meter Installation Plan for “Malie Wai” Condominium Being Lot 2 Kilauea Agricultural Subdivision (File Plan 1646), at East Waiakalua, Hanalei, Kaua‘i, Hawaii Project; TMK: (4) 5-1-05:025; East Waiakalua, Hanalei, Kauai, Hawaii

Ms. McCrory moved to approve the Conveyance of Water Facility from JBS Family Enterprises, LLLP and Pulpit Rock Investment, LLC, seconded by Ms. Sakoda; motion was carried.

Re: Conveyance of Water Facility from Waipouli Beach Resorts, LLC for the Waipouli Beach Resorts and Spa, Zoning Permit Application Z-IV-2003-8, TMK: (4) 4-3-08:001 Waipouli, Kawaihau, Kauai, Hawaii

Ms. McCrory moved to approve the Conveyance of Water Facility from Waipouli Beach Resorts LLC, seconded by Ms. Sakoda; motion was carried.

Re: Kukui‘ula Residential Subdivision, Phase IIA, Water Facilities Agreement from Kukui‘ula Development Company (Hawaii), LLC, for Lot 2 of the Kukuiula Large Lot Subdivision, III, TMK: (4) 2-6-15:001 (por.), Koloa, Kaua‘i, Hawai‘i

Recommendation:

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

Funding: Not Applicable

Background:

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

KDC is aware that the Department of Water (DOW) typically requires that its water facilities be placed within the County Right-of-Way (R.O.W.) and not within private property. For those projects with private access roads, the DOW typically requires a single master meter, located in County property, to service the facilities within the project. Due to the location of the project’s proposed storage reservoirs, transmission lines and the subdivision layout, it is not practical for the subdivision’s water service requirements to be handled by a single master meter.

The DOW has agreed to allow the installation of the its water facilities within the private subdivision roads, under the condition that KDC and the Board execute an agreement that encompasses the unrestricted ingress and egress of the private subdivision roads, the required road restoration procedures within the private subdivision roads and the assumption of liability for damages that may be caused by KDC’s landscaping and other facilities.

Ms. McCrory moved to approve the Water Facilities Agreement from Kukuiula Development Company (Hawaii), LLC, seconded by Ms. Sakoda; motion was carried.

Re: Kukui'ula Residential Subdivision, Phase I, Water Facilities Agreement from Kukui'ula Development Company (Hawaii), LLC, for Lot 12 of the Kukuiula Large Lot Subdivision, III, TMK: (4) 2-6-15:001 (por.), Koloa, Kaua'i, Hawai'i

Recommendation:

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

Funding: Not Applicable

Background:

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

KDC is aware that the Department of Water (DOW) typically requires that its water facilities be placed within the County Right-of-Way (R.O.W.) and not within private property. For those projects with private access roads, the DOW typically requires a single master meter, located in County property, to service the facilities within the project. Due to the location of the project's proposed storage reservoirs, transmission lines and the subdivision layout, it is not practical for the subdivision's water service requirements to be handled by a single master meter.

The DOW has agreed to allow the installation of the its water facilities within the private subdivision roads, under the condition that KDC and the Board execute an agreement that encompasses the unrestricted ingress and egress of the private subdivision roads, the required road restoration procedures within the private subdivision roads and the assumption of liability for damages that may be caused by KDC's landscaping and other facilities.

Ms. McCrory moved to approve the Water Facilities Agreement from Kukuiula Development Company (Hawaii), LLC, seconded by Ms. Sakoda; motion was carried.

Re: Right of Entry Agreement from Kukui'ula Development Company (Hawaii), LLC, for Kukuiula Residential Subdivision, Phase III, S-2005-25, TMK: (4) 2-6-15:001, Koloa, Kaua'i, Hawai'i

Ms. McCrory moved to approve the Right-of-Entry Agreement from Kukuiula Development Company (Hawaii), LLC, seconded by Ms. Sakoda; motion was carried.

Re: Right of Entry Agreement from Chester Wayne Hunt, Attorney-in-Fact for Robert Keown, etal for the Kiahuna Makai Subdivision, Subdivision Application S-2004-16, TMK: (4) 2-8-15:077 Poipu, Kauai, Hawaii

Ms. McCrory moved to approve the Right-of-Entry Agreement from Robert Keown, etal, seconded by Ms. Sakoda; motion was carried.

Mr. Singleton, Mr. Chang, Mr. Lau and Mr. Doi left the meeting at about 11:30 a.m.

Recess: 11:30 a.m.

Summer Interns

Acting Manager Ushigome introduced summer interns Robyn Nakata (Accounting Division), Cailee Koga (Administration Division), who were present at the meeting. Absent was Ross Acoba (Operations Division).

The meeting reconvened at 11:32 a.m.

OLD BUSINESS

Re: Discussion and Action Steps concerning: 1) Selection Process for new Manager and Chief Engineer of the Kaua'i County Water Department and 2) Increase Water Manager's Salary

Based on the discussion at the June Board meeting, Board members suggested redrafting the Manager's recruitment ad to include a compensation range of \$75,000 to \$130,000. The recruitment ad was revised and circulated for review. Upon review by the County Attorney's Office, the attorneys had concerns that the ad may be misleading if a salary range was specified since the Manager's salary is, by ordinance, \$75,000.

Pending further research and the direction from the Board, the Department has not re-advertised the Water Manager's position in any of the major newspapers of general circulation within the State. Although as recommended, the Department posted a copy of the recruitment ad at the AWWA National Conference in San Antonio. The recruitment notice was posted on the "Career Opportunities" bulletin board. (The ad did not specify a salary range and included the 1-year residency requirement notice.)

Recently, a suggestion was made to revise the recruitment ad to identify and state the benefits of associated with an appointed government position (vacation, holidays, retirement healthcare coverage, contributory retirement benefits at age 55 with 5-years of service, use of County vehicle, etc.). The Department is revising the ad to identify these government service benefits and plans to re-advertise the Manager's position through the various news information media.

Re: Actions Steps to Increase Water Manager's Salary

The following is an update on the various avenues the Board is exploring to increase the Water Manager's salary:

- Amending Section 3-1.2 of the Salary Ordinance

As noted under Item E.2 under Correspondence, the Mayor submitted a letter requesting the County Council exempt the positions of the Water Manager and Chief of Police from the

Salary Ordinance. In his letter, the Mayor proposed setting the Manager's salary comparable to the highest paid civil servant in the respective departments.

- Salary Commission

There has been no action to report on the status of a Salary Commission. Mayor Baptiste continues to look for individuals to fill three (3) Mayoral seats on the 7-member Salary Commission; Council has filled one (1) of their three seats. The seventh member of Salary Commission is appointed by the other six members of the Commission.

- Charter Commission

For the Board's information was the Summary & Status of Possible Charter Amendment, draft for the upcoming July 17, 2006 Charter Commission meeting.

The Board sponsored amendment, Item A.11. Policy Items (Commission Action/Discussion) is still be considered by the Charter Review Commission as a possible amendment. *Not sure what "(Includes 41-46) Actions:" refers to?*

Received for the record.

Ms. McCrory reported on her meeting with County Attorney Lani Nakazawa that the Board could not do a signing bonus or bonus; could hire a headhunter or entity but not to an individual to find the manager; could hire an entity to manage the DOW; could hire someone from the County to be the Acting Manager and they would keep their present salary if it is higher then the Manager's salary; traditional positions to do the work; and amend the Hawaii Revised Statutes (HRS) to clearly have the Board assign the Manager's and Deputy Manager's salaries.

Ms. McCrory added that at this point the Manager's ad should be advertised again in the same places with a deadline of August 31, 2006. Hopefully, other options will come up. She added that since the Public Relations Specialist position has been filled, there is one less position that the Manager needs to cover.

Re: Quarterly Report on Manager's Top 4 Goals for Year 2006

Acting Manager Ushigome reported on the following:

Recommendation: Not Applicable

Project Funding: Not Applicable

Background:

Manager's Top 4 Goals for the Year 2006:

1. Fill key departmental vacancies and improve office work area (Admin)
2. Improve internal communications-Strategic Business Plan (Admin)
3. Install AMR system (Fiscal-Special Projects-Operations)
4. Develop the Water Use and Development Plan (Water Resources & Planning)

Departmental Vacancies

Current vacancies include but not limited to:

Manager and Chief Engineer
Chief of Engineering
Public Relations Specialist (*filled July 10, 2006*)
Waterworks Legal Advisor

Engineer/Planner (*new position*)
SCADA/Electronic Technician (*new position*)

At the April Board meeting, the Board requested an anticipated time frame for filling the various vacancies within the Department. Attached is a sequence of tasks and estimated time to complete the process. (Please note the time frame for filling a position is often dependent on the availability of qualified, trained job applicants.)

Generally, estimate 4-6 weeks for the position description to be reviewed
If a new class needs to be created, it may take about 4 weeks to create the new class
If a class exists, it should be less than 4 weeks

Recruitment will occur once a class is identified
If there is an eligible (job applicant) list, it should take less than 4 weeks
If there is no eligible list, it could take approximately 4 weeks to get the certification of the eligible list. Most jobs announcements are posted for 10 days.

- Review job applicants and do research on qualifications 4 weeks
- Schedule interviews 3 weeks
 - Selecting interview committee
 - Preparing interview questions
 - Contacting qualified candidate to schedule interviews
- Finalize selection 4 weeks
- Complete pre-employment medical and drug test 3 weeks
- Report to work 3 weeks

Although the time estimates reflect the length of time it typically takes to fill a “standard” civil-service position, based on these estimated process times, we anticipate the following time frame for filling each of the vacant positions:

Manager and Chief Engineer	no applicant
Chief of Engineering	mid-November 2006
Waterworks Legal Advisor	October 2006
Engineer/Planner	March 2007
SCADA/Electronic Tech	March 2007

With the proposed additional staff, we need to create and provide the necessary work spaces to accommodate expanding our workforce, providing a safe and efficient work area. The Department prepared the 2006 annual professional services solicitation announcement, the deadline to receive the statement of qualifications (SOQ) is July 14, 2006. Upon receiving the consultants’ SOQs, the Department will proceed with procuring a consultant to design improvements for the office and baseyard.

Internal Communications: Internal communications remains an area where the Department can make improvements. As identified in the strategic planning discussions, we need to improve and facilitate communication between staff and provide feedback regularly.

Also, with the implementation of the strategic and business plan, we will be able to document daily processes and identify areas where additional resources can be applied effectively.

AMR System: The AMR contract is still under review by the County Attorney’s office. The two (2) remaining issues were establishing an installation time schedule and incorporating the Contractor’s proposal as an exhibit in the contract.

The Department was notified that a bid protest was being filed; however, to date we have not received a signed "official" notice.

Water Use and Development Plan

Upcoming meeting scheduled on Monday, July 17, 2006 with Dan Chang from DOH-Safe Drinking Water Branch (SDWB) to discuss integrating source water protection into the Water Use and Development Plan (WUDP). SDWB has indicated well head protection set aside funds are available and they are willing to discuss utilizing this funding source for the development of the Kauai WUDP.

In compliance with the State Water Code, the Kauai Department of Water is tasked with the responsibility to prepare the County's Water Use and Development Plan (WUDP). The WUDP serves as a continuing (land use based) long-range guide for the water resource development for the County.

The Kauai WUDP will set forth "the allocation of water to land use" and needs to be adopted by ordinance and submitted to Commission on Water Resource Management for approval and adoption. We will need to identify stakeholder and provide public involvement in the development of the plan recommendations.

Received for the record.

Re: Job No. HE-11-A, Hanapepe Adolescent Residential Treatment Center, 12-inch Off-site Waterline along Lele and Lokokai Roads

RECOMMENDATION: It was recommended that the Board reallocate \$45,720.00 (corrected to \$49,320.00) from Account 106b CIP Reserve for the balance required for the construction for this project.

FUNDING:

Goodfellow Brothers, Inc. (Proposed contract with Public Works)	
Job No. HE-11-A, 12-inch Waterline along Lele and	
Lokokai Roads, Hanapepe. \$1,198,470.00	
Contingency approx. 5% <u>\$ 55,130.00</u>	
Total Required: <\$1,253,600.00>	

Total Funds Available:	<u>\$1,204,280.00</u>
Balance Required Account No. 106b, CIP Reserve:	<\$ 49,320.00>

BACKGROUND:

This project includes the construction of approximately 4,300 feet of 12-inch ductile iron pipeline along Lele and Lokokai Roads, along with fire hydrants, air relief valves and other related appurtenances for the Hanapepe Adolescent Residential Treatment Center. The project is being administered by the County Department of Public Works (DPW). The bids were opened on June 27, 2006 with only Goodfellow Brothers, Inc. submitting a bid. The engineer's estimate was \$1,100,000; however, upon review of the proposal, the bid submitted is reasonable.

Ms. McCrory moved to approve reallocate \$49,320.00, seconded by Mr. Kyono; motion was carried.

NEW BUSINESS

Re: Review Process and Procedures for Employee Time Sheets and Overtime within the Kauai County Water Department

Acting Manager Ushigome reported that the Department received recommendations from RW Beck, Strategic and Business Plan consultants, regarding employee comments gathered from "all hands" and Core Planning Team meetings. The issue of immediate concern is that the Department needs to review its process and formalize standardized timesheet procedures and address a consistent procedure for issuing or authorizing overtime work.

Other options discussed, included conducting a third-party audit to verify time charges, training our supervisors to effectively supervise and manage their staff, establishing procedures and policies that clearly support, and dedicating a night crew that would be able to repair breaks, etc. in areas that have day businesses or Department of Transportation's restrictions that are not allowed to repair during rush hour.

Ms. McCrory stated that training of the supervisors and managers could be done by the Hawaii Employers Council. She added that they were all surprised at budget time on the high amount of overtime; therefore, she supported a 3rd party audit that would be able to give us some recommendations.

On query by Ms. McCrory, Mr. Jochim stated that there are firms that would do 3rd party audits.

Mr. Fujimoto stated that he thought that overtime was one of the issues that would be worked on via the Strategic Planning process and being accountable. He added that there are a lot of emergency repairs that overtime is inevitable as it is time sensitive. Also, for plan review by the Department, should the staff be selective on who gets their plans if overtime is an issue. He asked whether this should be a Board issue or something to be resolved via the Strategic Planning process.

Mr. Jochim stated that via the Strategic Planning process it has been noted that overtime is not the only issue but inconsistent time reporting practices. He also stated that it has been said many times via the process that there is credence from a due diligence standpoint to have someone check if in fact there are things that need to be corrected. Mr. Jochim added that later on via the Strategic Planning process, the Core Planning Team will be making recommendations on training and mentoring and will develop tools and processes to help employees in supervisory and managerial positions to do their job better. Some of the tools would help with better work scheduling, software or techniques, knowing typically how long does it take to do standard types of things like repair meters.

Mr. Shibata stated that it should be noted that the DOW is about 20% understaffed because of vacancies and retirements. Mr. Jochim added that it would be taken under consideration by the auditor.

Ms. McCrory suggested that RW Beck work with Acting Manager Ushigome to do a 3rd party audit be done by November, 2006 that would result with recommendations on policies and procedures for overtime.

Ms. Sakoda requested that the overtime policies and procedures should be revisited now. Acting Manager Ushigome stated that it has been at the supervisor's discretion on whether overtime is warranted, and she felt that having training for supervisors and managers would be invaluable to increase their knowledge and better define their roles and responsibilities.

Ms. McCrory moved that we hire the Hawaii Employer's Council by August, 2006 or September, 2006 to move forward with supervisor's training for all managers and supervisors, and to authorize RW Beck and the Department to identify a 3rd party auditor and to report back to the Board for approval on the dollar amount.

Mr. Fujimoto stated that on the other hand it should be recognized that there are employees on the professional level that do not claim overtime so we would need to account for that too and compensate them.

Mr. Shibata seconded the motion. Motion was carried.

Re: Request Board Approval to Remove the Department of Water's Condition for a 12-inch Waterline Extension for Use Permit Application U-2005-18, (Zoning Permit Application Z-IV-2005-23), Kilauea Elementary/Pre-School, DAGS Job No. 16-16-4438. Kilauea Kauai

Mr. Ernest Y. W. Lau was present again to give the Board an update of his project. Mr. Lau stated that he wanted to correct his earlier statement as their building permit is in the routing process. Fire Department has signed off on their permit and the outstanding signatures are from the DOW and the Building Division.

Mr. Lau thanked the Board and added that they will be working as quickly as possible on the waterline and the consolidation of lots.

Re: Legislative Summary Report – Year 2006

A legislative summary report was submitted by Charlene Oshiro, our Legislative Liaison. Ms. Oshiro's valuable legislative insight has kept the Department of Water abreast of numerous bills that could have had an effect on the Department.

Ms. Sakoda moved to receive the Legislative Summary Report and placed file, seconded by Mr. Costa; motion was carried.

REPORTS

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

Received this report for the record.

Re: Manager's Update for June, 2006 to July, 2006

CONTRACTS AWARDED BY THE MANAGER: None
PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None

Kilauea Water System: Recently, (within the past few weeks) the Operations Division has experienced low water pressure concerns from residents situated within the upper elevations of the West Waiakalua Subdivision. With the reduction of irrigation water from Morita and Kaloko Reservoirs, we suspect the agricultural operations are using potable domestic water for irrigation purposes. In reviewing the Kilauea source production records for the past 2-1/2 months (between May 1st to July 10th) the average daily source production increased from about 617,000 gallons per day (gpd) to 1,213,000 gpd. By comparison, the amount of water pumped from the Kilauea wells nearly doubled in 2 months.

On July 12, 2006 (earlier today), the Department received an email letter from the West Waiakalua Water Company stating that for the past several months, approximately fourteen residences which are situated at the higher elevations in the West Waiakalua Subdivision are affected by a significant daily drop in water pressure. See attached copy of letter dated July 11, 2006.

Due to the anticipated higher than normal use especially during the summer months, the Department plans to request residents in the affected areas voluntarily restrict water usage and implement conservation measures. In addition to issuing press releases notifying the Kilauea residents to restrict water usage to domestic use only, we will explore interim options to mitigate the immediate water supply problems experienced by the residents of the Puu Pane Subdivision.

Hawaii Employers Council: The Department received information and a membership application packet on the Hawaii Employers Council (HEC). HEC is a non-profit membership organization providing human resource management assistance and information in labor relations, government regulations, and management training to its members. I believe the Department will benefit from the services, programs and training that the Hawaii Employer Council can provide and would like to seek the Board's support and consideration in allowing the Department to apply for membership. The membership dues are comprised of a one-time \$500 affiliation due plus annual dues based on a rate of 0.00175 of the annual payroll of the Department, the estimate annual dues are about \$7,000.

Grove Farm WPF Update: In early July, the Department notified the Department of Health, Safe Drinking Water Branch of its intentions to open the mainline valve at the Wailua River. Opening the mainline valve would allow the surface water to potentially flow beyond the Wailua bridge and it would also provide a two-way feed to the (214 zone) coastal region from Hanamaulu to Wailua. In conjunction with opening the mainline valve at the river, we reduced the control valve pressure at the Hanamaulu booster pump station to match the 214 zone pressure.

One of the reasons we proposed to implement these changes, was in part due to the fact that based on field observations, the mainline valve did not appear to be restricting the flows at the bridge, as initially anticipated. If this was the case, then (from an operational standpoint) opening the valve and lowering the Hanamaulu CVS pressure to match the 214 zone made sense. With the implementation of these changes, the Department planned to monitor storage tank levels and pump run times to determine what effects, if any, these changes had on the operational efficiency of our system.

Unfortunately, within a week, we experienced a mainline break in Wailua and had to temporarily revert back to closing the valve at the bridge in order to repair the waterline. To date, we have not re-adjusted the Hanamaulu CVS back down to match the 214 zone and have not re-opened the mainline valve at the Wailua Bridge crossing.

AWWA San Antonio Conference: The conference was enjoyed by all conferees. The Kaua'i DOW submitted a water sample for the National AWWA Best of the Best Water Taste Contest; however, the Illinois' Champaign District won this 2nd annual water contest for 2 years in a row.

Birmingham's Water Works men's pipetapping team won the men's national contest for the 3rd year in a row with a time of 1 minute, 13.15 seconds. Happy Valley, Oregon's Sunrise Water Authority women's pipetapping team won the women's national contest with a time of 2 minutes 1.13 seconds. See attached announcements.

In addition, the Department and Board members received a commemorative plaque for purchasing Badger Meter's millionth Orion AMR transponder unit.

Hawai'i Water Works Association (HWWA) Conference: We have finalized negotiations and will be having our HWWA 2006 Conference at the Hilton Kauai Beach Hotel and Resort (former Radisson) from October 11-13, 2006. The Hilton Kaua'i Beach Hotel and Resort offered mid-range price accommodations with nice, casual ambiance.

As some of the preparation for the conference has already started, it was decided to not hire a conference planner. We will be asking for more volunteers to assist the DOW to finalize the conference so not to over task any one or more employees. It is much appreciated that the Board was so thoughtful to have given the Department an option to hire a conference planner; however, it is felt that these type of events help to increase camaraderie and boost morale among the DOW employees.

We are still looking for possible speakers for the conference for all 3 days and we will be looking into the speakers that the Board has already suggested.

Again, since the Department of Health, Safe Drinking Water Branch has some educational funds under their well head protection program that they are willing to expend towards the conference, we will be giving them suggestions for possible topics and ideas the Department is interested in learning about.

Also, we will be asking Board members to serve as conference moderators to assist with the introductions of speakers. Thank you in advance for volunteering and appreciate your participation in this upcoming event.

Mr. Kyono moved to receive this report for the record, seconded by Mr. Fujimoto; motion was carried.

Re: Projects Briefing

A written quarterly report of the status of the DOW's projects, along with an Executive Summary, was submitted for the Board's information.

Received for the record.

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

This matter was already taken care of in Committee Meetings.

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

This matter was already taken care of in Committee Meetings.

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

This matter was already taken care of in Committee Meetings.

Recess: 12 noon to 12:07 p.m.

**Re: Strategic and Business Plan and Needs Assessment for the Kaua'i County
Water Department**

Mr. Dave Jochim and Mr. Tom Cutting of RW Beck were present at the Tuesday, July 18, 2006 Board Meeting and conducted a brief Strategic Business Planning mini Workshop at the Board as part of this meeting. One of the main topics was for the Board to comprise and come to a consensus on their core values.

Acting Manager Ushigome added that per RW Beck's recommendation, the Board Meetings will now show a distinction between Board and staff; whereby, only the Board members, DOW's Legal Counsel and the Board's recording secretary will sit on the Board's head table. The Manager will sit at the table where testifiers sit with staff sitting behind. This will facilitate the understanding of duties. Also, whenever staff has a Board request, they will sit with the Manager and present the report since they have the most knowledge of the details of the report.

Mr. Jochim thanked Acting Manager Ushigome for a segue to talk about accountability within the DOW, which starts with the definition of the roles and responsibilities. The Core Planning Team (CPT) of the Strategic Planning process will later be working on defining roles and responsibilities of key positions and functions of the DOW's staff, Board and Manager. The initial step towards this goal was to change the seating at Board Meetings; whereby, the Board would communicate to the Manager, who in turn would communicate with the staff.

Mr. Jochim stated that they want to establish a set of governance policies for the DOW. These policies will better define, for example, the role of the Chair and how the Board conducts themselves. It identifies policies on the interaction of the Board and the Manager. It also defines the goals of the Board as an organization. The last policy shows the Manager's limitations and defines what the Manager cannot do.

Mr. Cutting suggested that the Board reference valleywater.org, which is Santa Clara Valley Water District, who uses this model. This process works parallel to the CPT that wants to define the roles and responsibility of each position of the DOW. This is crucial to authority, accountability, etc. and needs to start with the Board.

He gave an overview of the process for the Board to draft governance policies. It would be a 2-meeting process with the first meeting on August 15, 2006 with RW Beck giving an overview of the process and working with the Board on gathering policy suggestions and RW Beck would craft some draft policies and submit them at the September 19, 2006 Board Meeting for the Board's review. The Board would then have a chance to make adjustments to the policies, if needed, then RW Beck would submit the final policies at the October 17, 2006 Board Meeting.

Mr. Jochim stated that the Board policies would help to streamline and make the Board meetings more efficient and time consuming. He added that these policies would dictate on the process that would have the appeal process to the Board; whereby, the customer would meet with the DOW staff and the staff would relay the message to the Board.

Mr. Cutting discussed that there are 2 types of boards, a board that deals with policies only and an operational board that deals with the day-to-day operations. The Board concurred that it was their understanding and they want to be a policy Board only.

Staff was excused at about 12:30 p.m.

It was decided to have these Board workshops after the next 3 months' Board Meetings as it was not budgeted if the workshops were held at different times. The Board members were to set aside time to at least 3:00 p.m. for each of these Board Meetings.

Mr. Jochim distributed a copy of the core values that was done by the Hawaii Department of Water Supply. Core values are used as a barometer to measure all of our activities, decisions, etc. at the DOW. The Board would need to also have a list of core values that would be viewed by the Core Planning Team.

The Board reviewed the sample core values. Knowing that different people have different perspectives, details to the core values are needed to ensure a clear understanding of each of the core values.

On query by Mr. Shibata, Mr. Jochim stated that there is a way to monitor if there is a change to each of the core values by doing surveys and plotting the information.

Mr. Cutting added that in the Strategic Plan each of the core values would need to have an explanation. Ms. McCrory also added that the core values should be streamlined so that it would be easy to remember.

It was also noted that RW Beck would then meet with the DOW's core team on Wednesday, July 19, 2006 for an all-day session.

Ms. McCrory left the meeting at about 12:45 p.m.

Re: TOPICS FOR NEXT WATER BOARD MEETING

1. Board's Finance, Public Affairs, and Rules Committee Meetings
2. Board Approval of Resolution No. 1 (06/07), Budget for Fiscal Year 2006-07 (August, 2006)
3. Board's Suggestions Concerning Kaua'i County Water Department's Request to the 2006 Hawai'i Legislature for Funding for Departmental Capital Improvement Projects (hereafter "CIP") (August, 2006)
4. Hawaii Employers Council

Re: TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Board's Finance, Public Affairs, and Rules Committee Meetings
2. Kauai County Water Department Briefing on Departmental Projects (October, 2006)
3. Kaua'i County Water Department's Final list of CIP Projects for which funding is requested from the 2006 Hawai'i Legislature (October, 2006)
4. Approval of Board's Resolution No. 2, Legislative Budget for Fiscal 2007-08 (October, 2006)
5. Quarterly Report regarding Kaua'i County Water Department Manager's Top 4 Goals for 2006
6. Tentative Water Board Meeting Dates for the Year 2007 (November, 2006)

Re: NEXT WATER BOARD MEETINGS

1. Tuesday, August 15, 2006, 10:00 a.m.
2. Tuesday, September 19, 2006, 10:00 a.m.
3. Tuesday, October 17, 2006, 10:00 a.m.

Re: WATER BOARD'S UPCOMING EVENTS

1. Hawai'i Water Works Association Conference (October 11-13, 2006)

Mr. Kyono and Acting Manager Ushigome were excused from the Executive Session meeting at 12:50 p.m.

Re: EXECUTIVE SESSION

Chair Sokei read the following:

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 (None)**
2. **Executive Session**

ES-1: Pursuant to Haw. Rev. Stat. §§92-4, 92-5(a)(2), 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 the hiring, evaluation, dismissal or discipline of an officer or employee where consideration of matters affecting privacy will be involved, with regards to fill the vacant Civil Engineer VII, EM-7 (Chief of Engineering Division) position within the Kaua'i County Water Department.

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. Actions may be taken or decisions may be made in executive session pursuant to Haw. Rev. Stat. §92-5(b).

There was no public testimony.

Mr. Shibata moved to go into Executive Session, seconded by Mr. Costa; motion was carried.

The meeting reconvened at about 1:18 p.m.

ADJOURNMENT

There being no further business, Mr. Shibata moved to adjourn the meeting at 1:18 p.m., seconded by Mr. Costa; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

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