

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, March 18, 2010

The Board of Water Supply, County of Kaua'i, met in regular meeting at its office in Lihu'e on Thursday, March 18, 2010. Chairperson Randall Nishimura called the meeting to order at 12:23 p.m. On roll call, the following answered present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Ian Costa
Mr. Dee Crowell
Mr. Donald Fujimoto
Mr. Leland Kahawai
Mr. Roy Oyama

Absent & Excused: Mr. Raymond McCormick

STAFF: Mr. David Craddick
Mr. Paul Ganaden
Mr. Gregg Fujikawa
Mr. Keith Fujimoto
Mr. Bruce Inouye
Ms. Faith Shiramizu
DOW Deputy County Attorney Andrea Suzuki
Board's Deputy County Attorney Amy Esaki

Absent & Excused: Mr. William Eddy

AGENDA:

Chair Nishimura requested that the Agenda be re-ordered to have the Board Reports be taken up first due to the late hour, since Mr. Costa and Mr. D. Fujimoto had to leave early for another meeting, and they needed to give their Rules Committee Meeting Report.

Mr. Costa moved to approve the Agenda, as amended, seconded by Mr. Kahawai; by a unanimous vote, motion was carried.

Due to a possible conflict of interest Chair Nishimura recused himself from the oversight of the Board's Finance Committee Report. Vice Chair Crowell presided over the Board's Committee Reports portion of the meeting.

BOARD COMMITTEE REPORTS:

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

Finance Chair Oyama reported that at the March 18, 2010 Finance Committee Meeting, the Committee approved the Claims Payables for a total of \$2,050,505.39

He also reported that the Board will be having a separate Finance Committee Meeting the week of April 19, 2010 to discuss the proposed budget for Fiscal Year 2010-11.

Mr. Costa moved to receive the Finance Committee Report and place on file, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

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

Rules Chair Costa reported that at the March 18, 2010 Rules Committee Meeting:

- a. Committee Discussion and Possible Action on Various Proposed Rule Revisions
 1. The Department is moving forward on correcting the errors in the proposed rule revisions and scheduled a public hearing for April 15, 2010. Report received for the record.
- b. Discussion on Financing of DOW's Required Infrastructure
 1. Report received for the record.
- c. Request Board Action on Amended Language on Board Delegation of Signing Authority for Vouchers (*Manager's Report No. 10-63*)
 1. Report received for the record.

Mr. Nishimura moved to approve the Rules Committee Report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

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

Chair Nishimura reported that the Committee of the Whole met and there was one change to the Manager's goal was to communicate to the County Administration on the revised priorities for Water Plan 2020. The goals for the Manager were approved, as amended.

Mr. Costa moved to approve the Committee of the Whole Report, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Chair Nishimura presided over the rest of the Regular Meeting.

MINUTES:

Regular Meeting Minutes – February 18, 2010:

Mr. Costa moved to receive the Regular Meeting Minutes of February 18, 2010, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

Regular Meeting Minutes – January 28, 2010:

Manager Craddick explained that he would want to have the January 28, 2010 minutes corrected as the motion that was made to allow Grove Farm to develop 2 MG per day did not include the language that specifically states that: 1) needed to add “up to” 2 MG per day that would be developed; and 2) that up to the 2 MG per day that would be developed would be within the footprint of the existing plant.

He felt that it was necessary to explicitly say that to ensure that if the DOW does go out and develop beyond the footprint of the plant, that the additional water would be reserved only for the DOW.

Mr. D. Fujimoto concurred that his motion was made with the intent of it being up to 2 MG per day and would be developed within the footprint of the plant.

Ms. Suzuki discussed that if Grove Farm’s letter included a request to develop the 2MG within the footprint of the plant then no amendment to the motion is needed.

Staff was tasked to research this matter further and to report back at the next Board Meeting.

Mr. Crowell moved to defer this matter to the next Board Meeting, seconded by Mr. Costa; by a unanimous vote, motion was carried.

CORRESPONDENCE/ANNOUNCEMENTS:

Re: Letter from Boards and Commissions on the Appointment Request to County Council of Dee Crowell to be on the Kaua’i Board of Water Supply

Mr. Crowell clarified that this would be his first full term. Chair Nishimura requested staff to inform Boards and Commission of this correction.

Mr. Costa moved to receive this Correspondence and placed on file, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Letter from Daniel and Karen Yamaguchi on their High Water Bill

Chair Nishimura requested that the upcoming Board Report to include other cases of comparable large or larger leaks or adjustments and the total that it cost the Department. He recommended that Waterworks Controller Ganaden to work with Deputy Manager Eddy on this research.

Mr. Costa moved to receive this Correspondence and placed on file, seconded by Mr. Crowell; by a unanimous vote; motion was carried.

Re: Letter from Manager David Craddick to Mayor Bernard Carvalho, Jr. on the Department of Water's Interest in Acquiring the County's Triangle Property Adjacent to the Department of Water that is surrounded by Kaumuali'i Highway, Hala Road and Kukui Grove East

Mr. Crowell moved to receive the above Correspondence and placed on file, seconded by Mr. Oyama.

On query by Mr. Crowell, Manager Craddick stated that this 'triangle' parcel was given to the County by the State.

By a unanimous vote; motion was carried.

OLD BUSINESS:

Re: Informational Report on the Status of the Bond Float

Manager Craddick reported that the County Bond proceeds should be available the last week in March. The remaining funds after cost of issuance will be invested in US Treasury Certificates based on our pay down estimation given to the County Finance Director. The bonds true interest cost (TIC) is 3.42%.

Manager Craddick will be signing the Certificate with references to the Counties Tax Certificate.

One requirement is that DOW establishes a separate fund called the "Waterworks Build America Project Fund". All proceeds from the bond issuance interest and payouts will be made from this fund.

Other items in the Certificate are self explanatory regarding pay down of the proceeds and investments. We cannot get better returns on the bonds than we are paying and the proceeds are required to be spent at least 10% of such proceeds will be so spent within one year and at least 30% will be so spent within two years.

Mr. Costa moved to approve and receive this informational report and place on file, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

Re: Board Discussion on Financing of DOW's Required Infrastructure for Customers

Manager Craddick reported that our Deputy County Attorney Andrea Suzuki researched the possibility of financing the installation of backflow preventers that will be a requirement for farmers that have qualified for our agriculture water rates. Her research has found that per the Constitution, it is illegal to use public monies to finance privately owned facilities.

If the Board wants to discuss this matter further, it should be done in Executive Session.

Mr. Costa moved to receive the staff report, seconded by Mr. D. Fujimoto; by a unanimous vote, motion was carried.

Re: Request Board Concurrence and Approval of the 2010 Goals for Water Manager David Craddick

As part of the Job Performance Evaluation process for Manager David R. Craddick, this matter is on this Committee Meeting Agenda to continue discussion and hopefully finalize the Board's goals for the Manager for 2010. Once the goals are finalized, it will be communicated to the Manager and Chief Engineer.

As directed at the February 18, 2010 meeting, Chair Nishimura met with Manager Craddick and they were both in general agreement on the goals, timetables and measures. Specific areas of disagreement or concerns included the following:

- A. Mr. Craddick felt that the financial analysis and 5 year plan identified as Item 1C in the chart should be performed in-house as opposed to being contracted out. Chair Nishimura preferred to have this item outsourced to free the fiscal side and if we use these numbers, the public can see that the reliance is based on a non-biased source.
- B. Manager Craddick would like the standards identified in your chart as Item 3A to be updated every 12 months instead of every 6 months.
- C. Manager Craddick would like our Inter-Agency Co-ordination Goal deadline, Item 5B to be deferred to April of 2011 instead of 2010. Chair Nishimura has no major objection to this as long as there is no water urgency for any of the pending Affordable Housing Projects.

It was recommended that the Committee review the short list of goals, make any necessary revisions and send to the full Board for approval. It was further recommended that any major disagreements be withheld from Board approval, with the understanding that they are still a part of the overall goal package, to be resolved.

Mr. Costa moved to approve the Manager's goals, as amended, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

Re: Request Board Approval on Block Change Numbers Revision

Manager Craddick requested approval to change the Block Change numbers to those indicated by purple markings on the proposed rule revisions.

The proposed rules revisions showed **monthly** service charge added to **monthly** minimum consumption charge.

He inadvertently miscalculated the previous numbers in the public hearing document. The **monthly** Service Charge was added to the **bi-monthly** minimum consumption charge. This was not the intent of the block changes and, if implemented, would result in a revenue increase of \$2.5 million instead of the \$1.2 million we calculated and informed the Board that would come from the block changes. Additionally, the

minimum consumption blocks should be the same in Part 1 and Part 2 of the rule change.

The proposal, as written, results in an increase in revenue gained and was not the intent to have revenues double the amount proposed at the public hearing. We believe there is no need to go out for an additional public hearing to correct the numbers to reflect the revenue gained as noted at the public hearing.

It was discussed that a public hearing would still be needed.

Mr. Costa moved to approve the proposed corrected rule revisions and to go to public hearing, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Re: Job No. 05-05, PLH-30, Nawiliwili, Niumalu and Kupolo Pipeline Replacements with Belt Collins Hawaii, Nawiliwili, Kauai, Second Contract Amendment (Manager's Report No. 67)

RECOMMENDATION: It was recommended that the Board approve the second contract amendment for Contract No. 453 with Belt Collins Hawaii, Ltd. in the amount of a credit of \$7,908.00, for:

- A. Deleting the existing waterlines along the portions of Hulemalu Road (500' of 6" waterline), Hulemalu Road to Canoe Club (2,000' of 4" waterline) and portions of Paina Loop and Waapa Road (690 feet of 12-inch waterline). (\$9,408.00 credit back to DOW)
- B. Provide structural calculations for the concrete blocks required for various connection work along Nawiliwili Road and Rice Street. (\$1,500.00)

FUNDING:

Contract No. 453, Belt Collins Hawaii, Ltd.,	
Job No. 05-05, PLH-30, Nawiliwili, Niumalu	
and Kupolo Pipeline Replacement	\$255,000.00
Amendment #1.....	<u>\$ 63,580.00</u>
Sub-Total	\$318,580.00
Amendment #2 (Credit).....	< <u>\$ 7,908.00</u> >
Total Project Budget.....	\$310,672.00

BACKGROUND:

The projects include the design for:

Phase I

- 1,500 Linear Feet of 6-Inch Ductile Iron Pipe along Niumalu Road
- 1,000 Linear Feet of 12-Inch Ductile Iron Pipe along Nawiliwili Road
- 2,500 Linear Feet of 6-Inch Ductile Iron Pipe along Kahumoku Road
- 800 Linear Feet of 12-Inch Ductile Iron Pipe along Paena Loop
- 2,000 Linear Feet of 6-Inch Ductile Iron Pipe along Mokoiki Street
- 500 Linear Feet of 6-Inch Ductile Iron Pipe along Luiana Street
- 500 Linear Feet of 6-Inch Ductile Iron Pipe along Makau Street

- 800 Linear Feet of 6-Inch Ductile Iron Pipe along Kapene Street
- 400 Linear Feet of 6-Inch Ductile Iron Pipe and pressure reducing valve station along Uapena Street.

AMENDMENT #1: Additional work.

- Redesign approximately 500 LF of 12-inch ductile iron pipe along Rice Street (near Wilcox Road).
- 300 LF of 8-inch ductile iron pipe along Rice Street (near Harbor Mall).
- Connect single service connection for Chaney Brooks off Rice Street (near Anchor Cove Mall).

AMENDMENT #2:

- Delete the existing waterlines along the portions of Hulemalu Road (500' of 6" waterline).
- Delete Hulemalu Road to Canoe Club (2,000' of 4" waterline).
- Delete portions of Paina Loop and Waapa Road (690 feet of 12-inch waterline).
- Provide structural calculations and design concrete reaction blocks for the various connections along Nawiliwili Road and Rice Street.

The Department has requested the project consultant, Belt Collins Hawaii, for the deletion of work that either was constructed previously or not required at this time. Additionally, the consultant under estimated the amount of work required along the various connections along Nawiliwili Road and Rice Street and have requested for additional compensation of that design work.

Belt Collins has submitted a proposal of \$9,408.00 to delete the remaining work for the requested deletions and \$1,500.00 for the additional structural calculations and concrete block design or a net reduction of \$7,908.00, which we feel is reasonable.

Mr. Costa moved to approve the second contract amendment for Contract No. 453 with Belt Collins Hawaii, Ltd. in the amount of a credit of \$7,908.00, seconded by Mr. D. Fujimoto; by unanimous vote; motion was carried.

Re: Job No. 02-06, WKK-15, (east) Kilauea 1.0 Million Gallon Storage Tank and Connecting Pipeline, Kilauea, Kauai, First Contract Amendment with Kodani and Associates, Inc. (Manager's Report No. 68)

RECOMMENDATION: It was recommended that the Board approve the first contract amendment for Contract No. 440 with Kodani and Associates, Inc. in the amount of \$78,099.80, for:

- Topographic survey of the required project area, approximately one and a half (1½) acres.
- Soil testing and evaluation of the project site.
- Prepare a feasibility report for the proposed project at the site.
- Prepare and process an environmental assessment (EA) for the proposed 1.0 MG tank (and well).
- Provide (legal) expert testimony if required. (20 hours at \$200.00 per hour.)

It was further requested that the Board allocate \$76,399.80 from Account 101, CIP to fund the contract amendment.

FUNDING:

Total Fund Budgeted \$14,400.00

Contract No. 440, Kodani and Associates, Inc.,
Job No. 02-06, WKK-15, (east) Kilauea 1.0
Million Gallon Tank and

Connecting Pipeline \$12,700.00

Balance Remaining \$ 1,700.00

Amendment #1. <\$ 78,099.80>

Balance Required Account No. 101, CIP <\$ 76,399.80>

Total Project Budget \$90,799.80

BACKGROUND:

The project consultant, Kodani and Associates, Inc. currently was selected to prepare the site selection study for the (east) Kilauea 1.0 Million Gallon Tank.

After review of the study, the Department determined that the optimum site is adjacent to the Department's existing 0.1 million gallon Puu Pane Tank off (south) Wailapa Road. The site is ideal as it can be connected to the Department's water system with minimal cost. All other alternatives considered requiring at least a mile of off-site improvements including access roads, waterline and electrical development costs.

The additional work required by the consultant will be to provide the technical information required for the project's feasibility study to construct the tank at the site. To make that determination a land survey, soils testing and evaluation are required. If the feasibility report concludes that the site is acceptable, an environmental assessment will need to be prepared. Kodani and Associates, Inc. have submitted a proposal of \$78,099.80 for the necessary work, which includes an estimated 50 hours of expert testimony at \$200.00 per hour or \$10,000.00. The expert testimony portion of the additional work will be requested if required by the condemnation proceedings. Staff reviewed their proposal and found it acceptable.

Mr. K. Fujimoto pointed out that there was a correction in Item E. above of 50 hours and not 20 hours: "Provide (legal) expert testimony if required. (~~20~~ 50 hours at \$200.00 per hour.)

Mr. Costa moved to approve the first contract amendment for Contract No. 440 with Kodani and Associates, Inc. in the amount of \$78,099.80, seconded by Mr. D. Fujimoto; by a unanimous vote; motion was carried.

NEW BUSINESS

Re: Conveyance of Water Facility from Baird Family Limited Partnership, TMK: (4) 4-4-013:002, Kawaihau Road, Kapaa, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby Baird Family Limited Partnership transfers unto the Board of Water Supply, County of Kauai, all of its right, title and interest to a single service connection for 5/8" water meter, in place complete, in accordance with the as-built construction drawings for a 2nd WATER METER INSTALLATION PLAN FOR PARCEL 2, TMK: (4) 4-4-013:002, Kawaihau Road, Kapaa, Kauai, Hawaii, prepared by Portech Engineering, LLC.

A Grant of Easement is not required.

Mr. Costa moved to approve this Conveyance of Water Facility from the Baird Family Limited Partnership, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Conveyance of Water Facility from Anthony S. Bardin, Derek J. Tatton and Delwyn G. Tatton for the Water Meter Installation Plan for Unit A, 5071 Opelu Street Condominium; TMK: (4) 5-5-010:039, Hanalei District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Anthony S. Bardin, Derek J. Tatton and Delwyn G. Tatton, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, in place complete, for the Water Meter Installation Plan for Unit A, 5071 Opelu Street Condominium; TMK: (4) 5-5-010:039, Hanalei District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Costa moved to approve this Conveyance of Water Facility from Anthony S. Bardin, Derek J. Tatton and Delwyn G. Tatton, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Conveyance of Water Facility from Donald H. Wilson, as Trustee under the Revocable Trust of Donald H. Wilson under unrecorded Trust Agreement dated July 2, 2004 for the Water Meter Plan for Lot 8C; TMK: (4) 4-2-022:035, Wailua, Kawaihau District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Donald H. Wilson, as Trustee under the Revocable Trust of Donald H. Wilson under unrecorded Trust Agreement dated July 2, 2004, transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 5/8" water meter, in place complete, for the Water Meter Plan for Lot 8C; TMK: (4) 4-2-022:035, Wailua, Kawaihau District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Costa moved to approve this Conveyance of Water Facility from Donald H. Wilson, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Conveyance of Water Facility from Department of Hawaiian Homeland Lessee's, Kanu I Ka Pono Inc., for the Kanu I Ka Pono Charter School; TMK: (4) 4-8-03:019, Anahola District, Kauai, Hawaii

It was recommended that the Conveyance of Water Facility document be approved; whereby, Department of Hawaiian Homeland Lessee's, Kanu I Ka Pono Inc., transfer unto the Board of Water Supply, County of Kauai, all of its right, title and interest to: one (1) each, 1-inch copper single service lateral for 3/4" water meter; one (1) each, 6 – inch fire hydrant assembly with one (1) 4-1/2" and one (1) 2-1/2" Outlet; one (1) each, 6-inch gate valve with valve box and cover; and eighty (80) linear feet of 6-inch ductile iron pipe for fire hydrant lateral, in place complete, for the Kanu I Ka Pono Charter School; TMK: (4) 4-8-03:019, Anahola District, Kauai, Hawaii.

Grant of Easement not required.

Mr. Costa moved to approve this Conveyance of Water Facility from DHHL's Lessee, Kanu I Ka Pono Inc., seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Re: Proposed Draft Budget for Fiscal Year 2010-11 (Manager's Report No. 10-64)

Manager Craddick reported that the proposed Budget for Fiscal Year 2010-11 was given to the Board at this Board Meeting and gave the following schedule of events:

1. A separate Finance Committee Meeting will convene on a date of the Board's choice when the Board can meet to discuss the details of the proposed budget. The budget meeting will be held at the DOW's Micro Lab 2nd Floor Board Room.
2. The final budget needs to be approved at the June 17, 2010 Board Meeting.
3. A resolution to reconcile the actual balances within the budget (a budget reconciliation resolution) needs to be approved at the Board's August 19, 2010 Board Meeting.

Mr. Costa moved to defer this item to the upcoming Finance Committee Meeting, seconded by Mr. Kahawai; by unanimous vote; motion was carried.

Re: Board Discussion and Possible Action on the Possible County Furlough Plan and its Interaction with the Labor Unions of UPW and HGEA

As per Board Member Donald Fujimoto's request at the February 18, 2010 Board Meeting, this matter was on the Thursday, March 18, 2010 Board Meeting Agenda.

Mr. Fujimoto's issues on Furlough were:

- Who will determine whether the DOW must participate in the furlough?
- Does the Board have any authority to exempt the furlough?
- Do we have DOW staff actively involved with the furlough discussions, with the Unions or Mayor's administration, if appropriate.
- When will we know whether the DOW will be involved with furloughs?
- Does the DOW have discretion on how to implement the furloughs?
- The furlough if implemented may have a negative impact on our budget as we try to ramp up staffing to complete the ambitious \$60 million bond float.

Mr. Costa moved to receive and place on file and asked that a letter be sent to the County Administration for a response from the Department of Personnel Services, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Mr. D. Fujimoto discussed that all the County agencies have been meeting with DPS to discuss the various proposed plans and issues when the County needs to also do furloughs. To note that decisions made would need to be approved by both the HGEA and UPW labor unions.

Mr. D. Fujimoto stated that his main concern was since the DOW's budget for next fiscal year is coming up, he would not want to have furloughs if it would result in an increase in our budget for more overtime.

Manager Craddick also discussed that he met with DPS recently and informed them that our lab personnel cannot go on furlough as they need to always be on staff to do water testing. However, for the other DOW personnel, a schedule could be made and the staff would be called back to work if needed. He added that if the employee is called back within the normal 40-hour work week, there is no overtime. But if the employee is called back and works more than the 40-hour week or if the employee is called back on a holiday, even if they have not worked the full 40-hour week, they still will be afforded overtime pay.

On query by Mr. Kahawai, Manager Craddick stated that there were no official furlough plans yet for next fiscal year, except for the State Judiciary Department.

Mr. D. Fujimoto added that the 4 mayors have agreed and the unions have ratified an agreement that it would be up to the mayors to decide on their furlough plan which would include up to two (2) furlough days a month or 24 days in a year. He felt that it would be up to DPS to decide whether the DOW would be included in this plan or not.

On query by Mr. Costa, Mr. D. Fujimoto replied that the furlough plan was included in the Mayor's message; therefore, DPS would need to clarify whether the Mayor's message includes the DOW.

Manager Craddick discussed that the DOW's furlough days would most likely be the same as the County to be consistent. He further explained that our office may be

closed but the Billing Section would need to continue to operate to collect and deposit our water bill monies in the bank.

Mr. D. Fujimoto stated that we need to support the Mayor's furlough plan as much as possible and that we should start to creatively minimize costs now to not have such an impact later. He did realize that the DOW's core duties are essential.

Mr. Costa moved to receive this report and continue discussion with DPS and applicable agencies, seconded by Mr. Costa; by a unanimous vote, motion was carried.

Mr. D. Fujimoto and Mr. Costa both were excused and left the meeting at about 1:05 p.m.

STAFF REPORTS

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

On query by Mr. Kahawai, Waterworks Controller Ganaden stated that the bond fund monies would have a separate account that would be posted as Cash on Hand under his Bond Fund report.

Mr. Kahawai moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures report and placed it on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

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

Public Relations Specialist Faith Shiramizu gave the following report:

Re: Public Relations Update

State Revolving Fund: Request was submitted to add Job No. HE-03a, Hanapepe (Town) Well #1 Repair and Renovations to the SRF Priority List.

On query by Chair Nishimura, Ms. Shiramizu stated that this project is not under the bond project list.

Office of Community Services: The KEO staff gave out the limited number of low flow showerheads we were able to supply. They are requesting additional showerheads for their clients. Ms. Shiramizu will look into the cost of purchasing new low flow showerheads to supply them as well as restock for other customer requests.

HWWA Annual Conference: Assisting HWWA Conference Chair Sandi Nadatani with various areas of planning for our upcoming 2010 HWWA Conference on Kauai. Also met briefly with Hawai'i Department of Water Supply's Director Milton Pavao,

Deputy Director Quirino Antonio and Public Information and Education Specialist Kanani Aton Keliikoa, while in Hilo for a Project WET Workshop. Milton and Kanani offered to assist in any way they can as we move forward with our plans.

Project WET: We conducted a successful Project WET Educator Workshop in Hilo on March 5, 2010. There were 13 participants that attended the workshop. The majority were from elementary and middle schools, 1 high school, a Cub Scout Leader, 2 Watershed Advisory Group members and Kanani, from DWS, County of Hawaii.

Ms. Shiramizu was also working with Mia Ako from the Kauai Economic Development Board, on a similar workshop for teachers here on Kauai. This workshop is tentatively scheduled for April 28, 2010 at Kauai Community College.

Contractors Association of Kauai (CAK): The DOW will once again be supporting the CAK at their 18th Annual Home Show at the Kauai War Memorial Convention Hall on March 19th and 20th. With help from WR&P and Design and Construction staff, Ms. Shiramizu is working on updating our "Building Permit and New Water Meter Service Procedures and Requirements". The DOW will be sharing this information, promoting water conservation through WaterSense and Fix a Leak Week promotion.

Employee of the Year: Nominations have been requested from all employees and a committee will be formed to make the final selection. The name and nomination forms are due to the County Employee of the Year Committee on March 19th. The 4 Employee of the Quarters from our WATER Bucks Program will automatically be considered for the Department Employee of the Year. (1st Quarter – Keith Konishi, 2nd Quarter – Peter Sapinosa, 3rd Quarter – Sandi Nadatani and 4th Quarter – Lance Nakata)

Mr. Crowell moved to receive the Public Relations Update and placed it on file, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Re: Manager's Update for February, 2010 to March, 2010

CONTRACTS AWARDED BY THE MANAGER:

Re: Job No. PLH-39, Department of Water Office Expansion and Renovations, County of Kauai

Funding:

101b. CRP, Job No. PLH-39, Lihue Baseyard Complex and Expansion.....	\$600,000.00
Architects Hawaii, Limited	<\$279,719.00>
Balance Remaining	\$320,281.00

PUMP INSTALLATION PERMITS SIGNED BY MANAGER: None.

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

PERSONNEL MATTERS UPDATE:

1. Commission Support Clerk position: We are using a position from the Mayor's Office and is currently being finalized.
2. Accountant IV – Accounting Section Head job filled.
3. Accountant II – Accounting Section vacancy. Position description is being updated and plans on posting internally within the department will be forthcoming.
4. Account Clerk – Operations Division vacancy. Position description is being updated and plans to fill position will be forthcoming.
5. Computer Systems Support Technician I – Interviews were held on March 11, 2010. Review and rating of interview is underway.
6. Civil Engineer V vacancies in Engineering and Special Projects. Interview panel is being created and interview questions will be finalized shortly.
7. Waterworks Inspector II (Engineering Division) – Person selected. Awaiting start date to be scheduled for selectee.
8. Project Assistant (Special Projects Division) – Awaiting eligibles list from the DPS.
9. Still awaiting on the Operations reorganization.

Affordable Housing Update:

The last Affordable Housing Task Force (AHTF) meeting was held on Monday, February 8, 2010 at Pi'ikoi Conference Room A, with the status of projects below.

Updates on AHTF Projects:

1. Habitat - Eleele I Luna Subdivision Phase 2 (107 lots, 1 park): Site construction for the sewer main is underway. Ed Tschupp stated that the sewer line contractor will be directed to re-backfill the sewer line trench for use of improper backfill material by DOT.
2. Kauai Lagoons – Kapule Project: Water improvements have been conveyed to the Water Board for two DOW fire hydrant installations and other site work along Kapule Highway and Haoa Street. Sales are now being directed for “at-large” owner-occupant buyers.
3. Kukui'ula Employee Housing- “Gap” Housing subdivision and zoning permit. Kukuiula Development Co. will request that the County Council amend the housing agreement that is required by the Zoning Amendment ordinance this week.
4. Koheha Loa (Hanamaulu Triangle) - Water system improvements as set forth by the WMP include offsite source, storage and transmission facilities. DR Horton will contact GF to coordinate the water improvements.
5. Paanau Village, Phase 2: Kaua'i Housing Development Corp (KHDC) was awarded the RFQ to develop 50 units. KHDC submitted the application to the State for low income financing. If successful the project will be able to move on.

6. 'Ele'ele – 75 acre parcel acquisition: Housing Agency executed the purchase agreement with McBryde Sugar Co. to purchase the 75 acre parcel. The Housing Agency has hired a consultant, to prepare a master development plan that includes a feasibility study and concept plan for the project.

State Land Parcels (County Affordable Housing): No report at meeting.

Next meeting will be held on Monday, April 12, 2010 at the Pi'ikoi Conference Room A at 10 am-11am.

Legislative Update: The bills for the delegation of Board authority regarding payment voucher signing has been approved in the Senate and House. Bills have crossed over and senate is discussing Amendment. The funding request for Kilauea has not moved.

Manager Craddick also submitted testimony on the following legislative bills:

HB 2434, HD2, Relating to Permit, License, and approval Application Processing

Submitted comments on HB2434 to the Legislature:

“While the Department of Water, County of Kaua’i is amenable to the purpose of the proposed legislation, it has some serious concerns. Section 1 of the proposed legislation permits owners of property to hire third-party reviewers to review and certify their proposed plans. The third-party reviewers are placed in a position of having the limited authority to give County approval, yet are hired by the very property owners that are requesting their approval; there is nothing in the proposed legislation that prevents the clear creation of a conflict of interest for the third-party reviewers. The Department would be more amenable to the legislation if it gave the hiring powers to the Department so as to ensure that there is no conflict of interest. Furthermore, the Department has concerns about whether the hiring of third-party reviewers would violate its obligations to employees who are members of HGEA. Finally, as a technical note, while Section 1 references building, structural, electrical, plumbing, and mechanical codes, it fails to mention that in the case of plans relating to water infrastructure, certification would have to be in compliance with “the most current water standards available”.

As to Section 4 of the proposed legislation, the Department does not see a need to place an arbitrary time limit on approval as our staff already strives to review applications in a timely manner. All plans are different in scope and complexity and it should not be incumbent upon the reviewer to do a cursory review with a complex plan because of an arbitrary time limit.”.....

HB 2689, HD1, Relating to Agricultural Water Systems

Submitted comments on HB2689, HD1 to the Legislature:

“I would like to request that the language of the bill be changed to allow the exemption of conveyance of agricultural water systems to the Board of Agriculture also be allowed for the County Boards of Water Supply. On Kaua’i there are places

where the County would like to locate agricultural parks and for lack of water have not been developed.

The Kaua'i County Charter does not limit the Water Board attention to potable water systems and where the State is not interested in operating a specific system the Board may be willing to do it. The surface water systems are a valuable resource to the County for the future development of Agriculture and anything that can be done to reduce the cost of transferring these assets should be done."

On query, Manager Craddick stated that this does not preclude the Board from not approving and accepting certain systems that they felt was not feasible. Also, that some of these agricultural systems if at higher elevations may save money from not having to pump water and could possibly be used as potable water systems.

February 27, 2010 Tsunami Follow-up: Good practice session.

Relocation of DOW's Baseyard Entrance: The work going along the road going to Kaumuali'i Highway is for an alternate driveway to access our Baseyard.

Status of Fire Hydrant Meeting: Department of Public Works Engineering has asked for our Water Standards to be waived for fire hydrants in low speed areas. We are accommodating this request.

On query by Chair Nishimura, Manager Craddick discussed that there are fire hydrant standards that require a 'D-ring' protection around our hydrants. However, there was some discussion with the Public Works Department whether to forego the D-ring or not as the D-ring impeded the water flow in the swale alongside the roadway and diverted the water into the roadway. It was finally decided to forego the D-ring if the area had a speed limit of 20 miles or less.

Update on Kaua'i Watershed Alliance Activities: Would like to contribute toward Kaua'i Watershed Alliance activities this year before starting work on horizontal well.

DSO Training: 6 students in classes including one from outside the water department.

Mr. Oyama moved to receive the Manager's Update and place on file, seconded by Mr. Kahawai; by a unanimous vote; motion was carried.

The staff was excused from the rest of the Board Meeting. Recess: 1:30-1:35 p.m.

EXECUTIVE SESSION:

Pursuant to H.R.S. §92-7(a), the Commission 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 H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

EXECUTIVE SESSION AGENDA:

Review of Executive Session Minutes: December 17, 2009

Mr. Crowell moved to go into Executive Session at about 1:37 p.m. to review and receive the minutes of the December 17, 2009 Executive Session that was formally noticed under Executive Session, seconded by Mr. Kahawai.

There was no Board discussion and no public testimony. By a unanimous vote, motion was carried.

The Regular Meeting reconvened at 1:40 p.m.

- J1. ES-2010-1: Pursuant to Haw. Rev. Stat. Sections 92-4 and 92-5(a)(4) and Kauai County Charter Section 3.07(E), the purpose of this executive session is to consult with the Board's legal counsel and Department staff to discuss Financing of DOW's Required Infrastructure. This legal consultation involves questions and issues regarding the powers, duties, privileges, immunities and/or liabilities of the Board and the County as they relate to this agenda item.

Mr. Crowell moved to receive Executive Session No. J1, seconded by Mr. Oyama; by a unanimous vote, motion was carried.

Re: TOPICS FOR NEXT WATER BOARD MEETING:

1. Kaua'i County Housing Agency Update Presentation on their Affordable Housing Projects
2. Public Hearing for Corrections to the Proposed Rule Amendments

Quarterly Reports:

- a. For the Board's Information on the Kauai County Water Department Briefing on Departmental Projects (*April, 2010*)
- b. Strategic Plan Update: Issue Champions & Affordable Housing Reports (*April, 2010*)

Re: TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Request Board Approval of Final Budget for Fiscal Year 2010-11 (*June, 2010*)
2. Request Board Approval of Resolution No. 1, (*10/11*), Budget for Fiscal Year 2010-11 (*August, 2010*)

Re: UPCOMING EVENTS

1. AWWA, HI Section Annual Conference in Honolulu – *May 19-21, 2010*
2. AWWA National Conference in Chicago – *June 20-24, 2010*
3. Hawai'i Water Works Association (HWWA) Annual Conference on Kaua'i - *October 13-15, 2010*

Re: NEXT WATER BOARD MEETINGS

1. Finance Committee Meeting to discuss draft budget (date and time TBA)
2. Thursday, April 15, 2010, 10:00 a.m.
3. Thursday, May 13, 2010, 10:00 a.m. (date changed)
4. Thursday, June 17, 2010, 10:00 a.m.
5. Thursday, July 15, 2010, 10:00 a.m.
6. Thursday, August 19, 2010, 10:00 a.m.

ADJOURNMENT

There being no further business, Mr. Kahawai moved to adjourn the Board Meeting at about 1:42 p.m., seconded by Mr. Oyama; by a unanimous vote; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

David R. Craddick, P.E.
Manager and Chief Engineer

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