

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday September 22, 2011

The Board of Water for the Department of Water, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, September 22, 2011. Chairperson Roy Oyama called the meeting to order at 11:54 a.m. On roll call, the following answered present:

BOARD: Mr. Roy Oyama, Chairperson
Mr. Randall Nishimura
Mr. Clyde Nakaya
Mr. Daryl Kaneshiro

ABSENT/EXCUSED: Mr. Michael Dahilig
Mr. Larry Dill
Mr. Raymond McCormick

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. David Craddick
Mr. William Eddy
Mr. Val Reyna
Ms. Marites Yano
Mr. Dustin Moises
Ms. Faith Shiramizu
Mr. Keith Aoki
Mr. Edward Doi
Mr. Aaron Zambo
Deputy County Attorney Andrea Suzuki

AGENDA:

Mr. Kaneshiro moved to accept the agenda as circulated, seconded by Mr. Nakaya; with no objections; motion was carried.

MINUTES:

Review and approval of:

Special Board Meeting Minutes – August 15, 2011

Regular Meeting Minutes – August 18, 2011

Executive Session Minutes - August 18, 2011

Mr. Nishimura moved to accept the Special Board Meeting Minutes of August 15, 2011, seconded by Mr. Nakaya, by unanimous vote motion was carried.

Mr. Nishimura moved to accept the Regular Meeting Minutes of August 18, 2011, seconded by Mr. Nakaya.

DISCUSSION:

Deputy County Attorney Andrea Suzuki requested to amend the Regular Meeting Minutes dated August 18, 2011 and requested the following amendments:

Page 10 of 17, under Manager's Report 12-13, there were three motions that were stated.

Paragraph 2 stated, "Mr. Nishimura moved to approve this portion only and that the amount available is limited to \$1 Million from BAB, seconded by Mr. McCormick; by a unanimous vote, motion was carried."

Paragraph 5 stated, "Mr. Nishimura and Mr. McCormick moved to amend their first motion to approve this portion only and that the amount available is limited to \$1 Million from BAB and instead moved to approve \$2 Million request from the Water Utility Fund and to be refunded through the SRF loan program for the PLH 03 EIS for Kahili Horizontal Well Project, seconded by Mr. McCormick; by a unanimous vote, motion was carried."

And Paragraph 6 stated, "Mr. Dahilig amended this motion to add, if in the event of Nupa or 343 documents' are challenged by the public, it is requested for the Boards approval of all applications in permitting. It would be the Board's evaluation if the EIS document gets challenged by the public, seconded by Mr. Kaneshiro; by a unanimous vote, motion was carried."

Deputy County Attorney Andrea Suzuki stated that paragraph 2 and 5 should have been moved and seconded, but not carried.

Page 11 of 17, under Manager's Report 12-15 second paragraph stating, "Mr. Kaneshiro moved to approve *Manager's Report No. 12 – 15 - Review and Request Approval* for the Agreement for Individual Voluntary Services, Mr. James L. Cassel, Jr., Waimea Shaft Site, TMK 1-5-003: 030 Waimea, Kauai." Deputy County Attorney Andrea Suzuki stated that this motion was carried by a unanimous vote.

Page 14 of 17, under the Annual Evaluation of the Manager, the first motion stated, "Mr. Nishimura moved to have the evaluation forms be provided to all the Division and Section Heads and also be sent to the County Attorney, the Administrative Assistant, Finance, Personnel, Managing Director, and Housing, seconded by Mr. Dahilig; by a unanimous vote, motion was carried," should omit "by a unanimous vote, motion was carried."

Lastly, Page 16 of 17 Paragraph three of Summary of Warrant Vouchers Paid, Deputy Andrea Suzuki requested for the statement, "There is a Bird Training for the Board Members to attend with Deputy County Attorney Andrea Suzuki after the Regular Meeting is adjourned" to be removed.

With no objections, Mr. Nishimura moved to approve the circulated minutes as amended by Deputy County Attorney Andrea Suzuki, seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

Mr. Nishimura moved to accept the Executive Session Minutes of August 18, 2011, seconded by Mr. Nakaya. By unanimous vote, motion carried.

CORRESPONDENCE

Re: Correspondence from KMH LLP concerning Auditing Standards

Manager Craddick explained to the board that this correspondence is in reference to Item No. 7 under New Business for this Water Board Regular Meeting.

Mr. Nakaya moved to receive the correspondence from KMH LLP concerning auditing standards, seconded by Mr. Kaneshiro; by a unanimous vote, motion was carried.

BOARD COMMITTEE REPORTS

Report of the Finance Committee of the Kauai County Board of Water Supply

Re: Manager's Report No. 11-49 – R.W. Beck Report on Financial Planning Analysis and Water Rate Study

With the absence of Chair Dill, Manager Craddick reported the Finance Committee discussions with the Board.

It was the Finance committee's recommendation to move forward with the rate scenario 10B as proposed by our consultant, R.W. Beck and send the rate proposal to the small business review group.

The rates were determined by allocating Cost of Service using industry standard methods among the general user category with the exception of the agricultural category, which the committee recommends be subsidized at about half the general rates consistent with current practice. This subsidy will remain at about \$300,000 per year for the current year and the total dollar amount increasing as the agricultural rates increase going forward. We further recommend that the basis for this subsidy be in a Board policy statement form to memorialize what is being done for future use.

The Finance Committee has deliberated over many months on the proposed water rates. While this was going on the Manager, with the assistance of our public relations consultant and Public Relations staff, has held numerous rate proposal meetings with the public as well as informing Council members and the Administration. Other members of the Board have attended some of those meetings.

We have reviewed ten different rate proposals that keep the Board's finances in sufficient standing to qualify for AA or better bond rating should continued borrowing be needed to finance projects going forward. It does not appear that operating costs spiraling upwards are driving the rates. We have also considered rate coverage that would allow interfund borrowing

should the FRC not initially raise sufficient funds to pay the debt service expected from expansion related projects. The primary reason for the rate increase is to allow a move toward cash financing recurring replacement projects instead of using borrowed funds which carries related interest expense. There was also discussion of the current state of the economy and from comparisons with other utilities it can be shown that had the Department been raising the rates on a continuous basis ten years ago the Department may not be facing the increases being proposed today. Comparing the Department with other utilities there appears to be a national trend of water rates increasing at a cumulative percentage more than two times the cumulative percentage increase of the consumer price index since 1998. The department percentage increase in water rates, in 2010, just equaled the cumulative percentage consumer price index since 1998.

The committee was not unanimous in its recommendation.

The fundamental opinion difference appears to be whether the basis on which the rates are determined should be based on the latest financial information. The financial information does change month to month as the latest financials becomes available. Those financials do not appear to be changing in a negative direction. Using the latest financials there appears to be sufficient cash on hand to delay half the rates for one year. However your committee is satisfied that there are a number of additional projects which could be funded if additional funds were available. We are also of the understanding that the Board can delay at any time any of the proposed increases without jeopardizing the whole rate proposal if staff should be unable to get the projects bid and going according to the proposed project cost schedule upon which the rates are based.

Mr. Nishimura moved to accept the Report of the Finance Committee, seconded by Mr. Nakaya; by a unanimous vote, motion was carried.

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

Re: Annual Evaluation of the Manager and Chief Engineer

Chair Kaneshiro reported that the Committee of the Whole met in the morning and the discussion were regarding the form that was being used to evaluate the Manager. This item has been deferred until October 27, 2011. Out of the 24 evaluations that were sent out, there were 9 completed forms returned. A deadline was set for October 15, 2011. A spreadsheet with the information will be provided for the Board on the October 27, 2011 Regular Board Meeting.

Re: FY 2012 Goals

Chair Kaneshiro reported that the Committee of the Whole met in the morning and there were goals with deadlines set and will be distributed at the October 27, 2011 Regular Board Meeting. The recommendation by the Committee of the Whole was to move this item to the full board for the next Regular Board Meeting.

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

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

Re: *Manager's Report No. 11-24 – Committee Discussion and Possible Action on Part III Rule Amendments – Establishing Standards for Subdivision Water Systems*

Chair Kaneshiro reported that the Rules Committee met prior to the Regular Board Meeting and deferred item No. 11-24 to the November 23, 2011 Regular Board Meeting.

Chair Kaneshiro reported that this item *Manager's Report No. 11-28 - Request Board Approval of Facilities Reserve Charge Changes* was deferred to the October 27, 2011 Regular Board Meeting.

Mr. Nakaya moved to accept the report of the Rules Committee; seconded by Mr. Kaneshiro, by a unanimous vote; by a unanimous vote, motion was carried

OLD BUSINESS

Re: *Manager's Report No. 11-24 – Committee Discussion and Possible Action on Part III Rule Amendments – Establishing Standards for Subdivision Water Systems*

Mr. Nishimura moved to defer *Manager's Report No. 11-24 – Committee Discussion and Possible Action on Part III Rule Amendments – Establishing Standards for Subdivision Water Systems* to the November 23, 2011 Regular Board Meeting, seconded by Mr. Nakaya; by a unanimous vote, motion was carried.

Re: *Manager's Report No. 11-28 – Request Board Approval of Facilities Reserve Charge Changes*

- i. Rule changes to implement FRC in Part Four
- ii. Rule changes to implement Process Changes

Mr. Nishimura moved to defer *Manager's Report No. 11-28 – Request Board Approval of Facilities Reserve Charge Changes* items i and ii to the October 27, 2011 Regular Board Meeting, seconded by Mr. Kaneshiro; by a unanimous vote; motion was carried.

Re: *Manager's Report No. 11-49 – R.W. Beck Report on Financial Planning Analysis and Water Rate Study*

DISCUSSION:

Manager Craddick explained that the rate increase did not correlate with the elimination of the leak rebates. SAIC/R. W. Beck stated that it would be \$6,000 to do a change order to redo the rates implementing the elimination of the leak rebates. There is still \$41,000 left in the budget to get this change order done.

Due to the importance of this item and three members not present for this meeting, Mr. Nishimura moved that this Manager's Report 11-49 be deferred to the October 27, 2011 Regular Board Meeting.

Manager Craddick emphasized that the relevance of this Water Rate Study is important to finalize because their Project Manager, Anne Hajnosz, is leaving R.W. Beck in a few weeks. Manager Craddick requested that the Board give the Water Department a sense of direction to go forward in gathering the results from Beck as advised with the Finance Committee reportings.

Mr. Nishimura moved to withdraw his first motion to defer and moved to defer formal action on this item and to authorize the DOW to proceed with a change order with R.W. Beck not to exceed \$6,000 to rework the Rate Study correlating Option 10B, incorporating the elimination of the leak rebates and the current approved budget, seconded by Mr. Nakaya.

Due to the impacts of our current budget incorporating with the leak rebate and only have it based on Option 10B, there is a 44% rate increase over the next 5 years whereas Option 9B was a 34% rate increase. Mr. Nakaya requested that although the Finance Committee requested just a change order for Option 10B, the Board should request R.W. Beck to provide the DOW and the Board the Option 9B and 10B in correlation to the current approved budget and the elimination of leak rebates. This will give the Board and the Department the opportunity to provide the public with comparisons.

Mr. Nishimura moved to withdraw his previous motion and Mr. Nakaya moved to withdraw his seconded motion.

Mr. Nishimura moved to defer *Manager's Report No. 11-49* – R.W. Beck Report on Financial Planning Analysis and Water Rate Study and authorize the DOW to carry out a change order with R.W. Beck/SAIC provided it is within the current approved budget for the Water Rate Study incorporating Option 9B and Option 10B in correlation with the elimination of the leak rebates, seconded by Mr. Nakaya; by a unanimous vote, motion was carried.

Re: *Manager's Report No 12-1 – Response to Attorney Lorna Nishimitsu - Belles Graham Proudfoot Wilson & Chun, LLP correspondence in reference to Subdivision No. S-2009-12 the Koloa Early School and Honpa Hongwanji Mission of Hawaii. (THIS ITEM HAS BEEN RESOLVED)*

Manager Craddick stated that this item has been resolved. Deputy Eddy and Mr. Doi went out to do a second hydrant test and were able to get 2,000 gallons per minute standard on the two hydrants and the pressure went down to 52 or 53 pounds. The line that was thought to be cut off was not.

Mr. Nishimura moved to receive *Manager's Report No 12-1* – Response to Attorney Lorna Nishimitsu - Belles Graham Proudfoot Wilson & Chun, LLP correspondence in reference to Subdivision No. S-2009-12 the Koloa Early School and Honpa Hongwanji Mission of Hawaii, seconded by Mr. Kaneshiro; by a unanimous vote, motion was carried.

Re: *Manager's Report No. 12 – 17 – Second Change order for Job 05- 02, Drill and Test Hanalei Well #2 & Job 05 – 02, Drill and Test Wainiha Well #4. (THE MANAGER IS REQUESTING WITHDRAWAL OF THIS ITEM)*

There was no discussion on this item as this item was withdrawn.

Re: Board Discussion on the FY 2012 Goals for the Manager

Based on the Committee Meeting that was previously held, Manager Craddick stated that there will be a list on the report for the next month's meeting.

Mr. Kaneshiro moved to defer the Board Discussion on the FY 2012 Goals for the Manager to The Regular Meeting dated October 27th, 2011, seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

Re: Annual Evaluation of the Manager and Chief Engineer

Mr. Kaneshiro moved to defer the Annual Evaluation of the Manager and Chief Engineer to the Regular Meeting on October 27, 2011; seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

NEW BUSINESS

Re: Suggestions for Capital Improvement Projects (CIP) for 2012 Legislative Session

Manager Craddick explained that Capital Improvement Projects are submitted to the Legislature every year and the list is open for suggestions from the Board if there are any projects that they want on the list. These projects were on last year's list with a few changes and should be submitted by December.

Mr. Nishimura moved to defer Suggestions for Capital Improvement Projects (CIP) for 2012 Legislative Session to the November 23, 2011 Regular Meeting and requested for the DOW and Manager to consult with the Administration so that the DOW's priorities are in sync, seconded by Mr. Nakaya; by a unanimous vote, motion was carried.

Re: Manager's Report No. 12 – 23 - Request Board Approval for contract amendment with R.W. Beck/SAIC for additional funds for FRC Study

Mr. Nishimura moved to receive the revised report for *Manager's Report No. 12 – 23 - Request Board Approval for contract amendment with R.W. Beck/SAIC for additional funds for FRC Study*, seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

DISCUSSION:

Manager Craddick wanted to remind the Board that this is the third amendment and this additional \$9,000 is needed for the 2005 Bond debt service payment and other project anticipated with interest costs.

Mr. Nishimura moved to approve *Manager's Report No. 12 – 23 - Request Board Approval for contract amendment with R.W. Beck/SAIC for additional funds for FRC Study*, seconded by Mr.

Kaneshiro; by a unanimous vote, motion was carried.

Re: Manager's Report No. 12 – 24 - Emergency Reserve Fund Policy

DISCUSSION:

Manager Craddick explained that during the budget process for FY 12, the Board stated setting aside funds for Emergencies. There was a restriction put on the expenditure of funds from the emergency fund until such time as a policy position was taken by the Board. The policy covers all the current labor has to be spent before going into this fund and defines an emergency as the need to protect public health and safety and DOW assets from otherwise unbudgeted events.

Mr. Nishimura moved to refer *Manager's Report No. 12 – 24 - Emergency Reserve Fund Policy* to the Committee of the Whole, seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

Re: Manager's Report No. 12 – 25 - Request Board Approval of Wailua Houselots Main Replacement – Job No. 02-15, Wailua, Kauai, Hawaii, Contract No. 403 Time Extension Request for R.M. Towill

Mr. Nishimura moved to approve *Manager's Report No. 12 – 25 - Request Board Approval of Wailua Houselots Main Replacement – Job No. 02-15, Wailua, Kauai, Hawaii, Contract No. 403 Time Extension Request for R.M. Towill*, seconded by Mr. Kaneshiro; by a unanimous vote; motion was carried.

Re: Manager's Report No. 12 – 26 - Job No. 10-02 – Department of Transportation/Kiewit-Kaumualii Highway Widening, Vicinity of Anonui Road to Vicinity of Lihue Mill Bridge, F.A.P. No. NH-050-1(31)

DISCUSSION:

Manager Craddick requested to approve \$20,000 funding from the BAB for approximately 19 feet of concrete jacketed water line under a storm drain at the Puhi Road/Kaumualii Highway intersection area. In addition, Board approval is requested for an additional \$50,000 for contingency.

Mr. Nakaya moved to approve *Manager's Report No. 12 – 26 - Job No. 10-02 – Department of Transportation/Kiewit-Kaumualii Highway Widening, Vicinity of Anonui Road to Vicinity of Lihue Mill Bridge, F.A.P. No. NH-050-1(31)*, seconded by Mr. Nishimura.

Mr. Nishimura stated that the DOW has spent over \$5 Million to upgrade the water lines, half a million for intersections. This is a long term project, but these numbers keep adding up.

Mrs. Yano stated that the \$4.77M and the \$70,000 would come out of the \$150,313 from the BAB funds. Deputy County Attorney Andrea Suzuki stated that Board Approval is not required for this change order because the amount requested is already included in the approved budget.

Mr. Nakaya moved to withdraw his current motion and Mr. Nishimura moved to withdraw

his second.

Mr. Nishimura moved to receive *Manager's Report No. 12 – 26* - Job No. 10-02 – Department of Transportation/Kiewit-Kaumualii Highway Widening, Vicinity of Anonui Road to Vicinity of Lihue Mill Bridge, F.A.P. No. NH-050-1(31), seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

Re: *Manager's Report No. 12-27 – Request Board Approval of Change Order #5 with Goodfellow Brothers for Job No. 04-06, KW-05, Kekaha Well "B" Renovations, Kekaha Water System; Kekaha, Kauai*

Mr. Nishimura recused himself from voting on this item.

Chair Oyama deferred *Manager's Report No. 12-27 – Request Board Approval of Change Order #5 with Goodfellow Brothers for Job No. 04-06, KW-05, Kekaha Well "B" Renovations, Kekaha Water System; Kekaha, Kauai* to the October 27, 2011 Regular Board Meeting due to lack of quorum for this agenda item.

Re: *Manager's Report No. 12-28 – Request Acknowledgement and Signature of the Board Chair related to KMH LLP Audit Letter*

DISCUSSION:

It was recommended that the Board acknowledge the correspondence from KMH LLP concerning Audit Standards, with the Board Chair being authorized to sign acknowledgement and receipt of the document.

Mr. Nishimura moved to approve *Manager's Report No. 12-28 – Request Acknowledgement and Signature of the Board Chair related to KMH LLP Audit Letter*, seconded by Mr. Kaneshiro; by unanimous vote; motion was carried.

STAFF REPORTS

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

Mr. Nishimura questioned Mrs. Yano on why Item No. 5 Office Supplies is already 30% of the current budget. Mr. Nishimura requested for Mrs. Yano to report on this item at the October 27, 2011 Regular Meeting.

Mr. Nishimura moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures, seconded by Mr. Nakaya; by a unanimous vote; motion was carried.

Re: *Report by the Public Relations Specialist on Public Relations Activities*

Mr. Nishimura moved to receive the Report by the Public Relations Specialist on Public Relations Activities, Chief of Operation's Summary Report on Monthly Operational

Maintenance, and the Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department, subject to review at the next Regular Meeting scheduled for October 27, 2011, seconded by Mr. Kaneshiro; by a unanimous vote; motion was carried.

Mr. Nishimura leaves at 1:15 p.m.

Re: Chief of Operation's Summary Report on Monthly Operational Maintenance

Mr. Reyna reported that the conversion of Puhī Well #3 and Garlinghouse from Chlorine to Hypochlorite is complete and the Hanamaulu Well #3 is cut into two phases to replenish the well. The Operations crew performed numerous overnight works with contractor of Lihue Water Plan 2020 project for tying-in the new mainline with the existing mains.

Re: Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department

Manager Craddick reported that the DOW has followed up on Mr. Nishimura's concern over funding priority for the *Manager's Report 12-13* Kahili Mountain High Level Well funding Project with the State DOH. The State DOH Safe Drinking Water Branch head, Joanna Seto, said that the grant funds would be spent down first, then the loan funds would be spent down in the case when not all the funds are used or a decision is made before completion of the EIS to cancel the balance of the EIS for the Kahili Mountain High Level Exploratory Well. A follow up to DOH will be made in writing.

CONTRACTS AWARDED BY THE MANAGER:

RE: Provide Professional Services on an "As-Needed" basis for General Surveying Services

Contract was awarded to Esaki Surveying and Mapping, Inc. for Job No. 11-05, As-Needed Surveying Services in the amount not to exceed (NTE) \$30,000.00.

FUNDING:

Job No. 11-05, As-Needed Surveying Services (NTE).....	\$30,000.00
Contingency (N/A)	\$ 0.00
Total Requested from Account 101,	
Capital Improvements –W/U Fund.....	\$30,000.00

RE: Provide Professional Services on an "As-Needed" basis for Construction Management Services

Contract was awarded to SSFM International, Inc. for Job No. 11-01, As-Needed Construction Management Services in the amount not to exceed (NTE) \$50,000.00.

FUNDING:

Job No. 11-01, As-Needed Construction Management Services (NTE).....	\$50,000.00
Contingency (N/A)	\$ 0.00

Total Requested from Account 101,
 Capital Improvements –W/U Fund.....\$50,000.00

Re: Job No. 02-17, Water Plan 2020 Project H-01, H-02, H-03, Maka Ridge Facilities Rehabilitation Plan and Princeville System Interconnection Plan, Hanalei Water System, Hanalei, Kaua‘i, Hawai‘i

Contract was awarded to MEI Corporation in the amount of \$2,357,017.00.
 Job No. 02-17, Water Plan 2020 Project H-01, H-02, H-03, Maka Ridge Facilities Rehabilitation Plan and Princeville System Interconnection Plan

FUNDING:

Account No. 201-01 Bond -BAB		\$23,611,131.24
Contractor, MEI Corporation	\$ 2,357,017.00	
Contingency, approximately 5%	\$ 142,983.00	
Total		< \$2,500,000.00 >
BALANCE REMAINING		
Account No. 201-01 Bond – BAB		\$21,111,131.24

Re: Job No. 11-03, WP 2020 Project No. MO-03, Land and Well Acquisition, Molaa and Waimea, Kauai

Contract was awarded to Oceanit Laboratories, Inc. for Water Plan 2020 Job No. M-02, Moloa’a Tank (Well site acquisition), Kauai, Hawaii in the amount of \$105,000.00.

FUNDING:

Water Plan 2020 Job No. M-02, Moloa’a Tank, Kauai, Hawaii	\$ 105,000.00
Contingency (~10%)	\$ 10,500.00
Total Requested from Account 201-01 Bond (BAB)	\$ 115,500.00

Re: Water Plan 2020 Job No. LO-10, Omao-Lawai Pipeline, Kauai, Hawaii

Contract was awarded to Honua Engineering, Inc. for Water Plan 2020 Job No. LO-10, Omao-Lawai Pipeline, Kauai, Hawaii in the amount of \$86,750.00

FUNDING:

Water Plan 2020 Job No. LO-10, Omao-Lawai Pipeline, Kauai, Hawaii	\$ 86,750.00
Contingency (~10%)	\$ 8,675.00
Total Requested from Account 201-01 Bond (BAB)	\$ 95,425.00

Re: Job No. 11-11, Water Plan 2020 Job No. K-17, WK-02, PLH-42, Construct Kalaheo, Kokolau, Akulikuli Surface Water Treatment Facilities, Kauai, Hawaii

Contract was awarded to AECOM Technical Service, Inc. for Job No. 11-11, Water Plan 2020 Job No. K-17, WK-02, PLH-42, Construct Kalaheo, Kokolau, Akulikuli Surface Water Treatment Facilities, Kauai, Hawaii in the amount of \$117,701.19.

FUNDING:

Water Plan 2020 Job No. K-17, WK-02, PLH-42, Construct Kalaheo, Kokolau, Akulikuli Surface Water Treatment Facilities, Kauai, Hawaii

Funds Available from Account 101b - CRP, Construct Kalaheo Surface Water Treatment Facility		\$300,000.00
AECOM Technical Service, Inc.	\$117,701.19	
Contingency	\$11,770.00	
Total Funding Required:		<u>\$129,471.19</u>
Available Balance from Account 101b - CRP, Construct Kalaheo Surface Water Treatment Facility		<u>\$170,528.81</u>

PERSONNEL MATTERS UPDATE:

Accountant III interviews are done, the Inspector interview is scheduled for today and the Commission Support Clerk reallocation is still pending per DPS.

The Fiscal reorganization chart has still not been submitted to the Personnel Department.

SUMMARY OF WARRANT VOUCHERS PAID – August 31, 2011

Warrant vouchers were paid in the amount of \$ **2,264,698.49**.

FEMA UPDATE:

Background:

The Department applied for FEMA disaster relief funding after the December 2008 Flood was declared a disaster. Below is a list of the funding granted and amount received by the Department.

PW No.	Title	Federal Eligible Amount	Federal Share (75% of Federal Eligible Amount) & Amount Paid to Department of Water	Ineligible & Amount to Repay FEMA
13	Roads & Culverts – West Contract	\$29,470.00	\$22,102.50	\$20,452.50
15	Road Erosion – Menehune Road	\$25,191.75	\$18,893.81	--
23	Hanapepe River Crossing & Kekaha	\$2,140.35	\$1,605.26	--
24	Waimea Valley Exposed Pipeline	\$1,605.90	\$1,204.43	--
28	Kalaheo Nursery Deep Well	\$2,410.57	\$1,807.93	--

	Cross Country 6" CI Water Main			
	TOTAL	\$60,818.57	\$45,613.93	\$20,452.50

Total funding in the amount of \$45,613.93 was made by State Civil Defense and received by the Department. A total of \$25,161.43 was expended and documented per FEMA requirements. The balance of \$20,452.50 is now due to reimburse the State Civil Defense.

STAFF REPORTS - FY 12:

Conveyance of Water Facility:

- | | | | |
|--|---------------------------|---------|-------------|
| 1. E. Andrew Matyas Living Trust / Anna-Marie Franklin | TMK: 2-3-07:011, 012, 026 | Kalaheo | \$77,671.00 |
| 2. James Family Properties, LLC | TMK: 2-7-05:051 | Omao | \$ 5,800.00 |
| 3. Patrick Ibbs Subdivision (S-2010-6) | TMK: 4-4-04:003, 028, 053 | Wailua | \$14,500.00 |
| 4. Jesse Layaoen/Abalos | TMK: 5-1-04:003 | Kilauea | \$10,890.56 |
| 5. Jose L. and Cristeta G. Layaoen Living Trust | TMK: 5-1-06:006 | Kilauea | \$12,614.50 |
| 6. Caroldean H.A Marston Revocable Living Trust | TMK: 5-1-05:013 | Kilauea | \$22,000.00 |

AFFORDABLE HOUSING UPDATE:

Update will be provided after the next Task Force Meeting is held.

EXECUTIVE SESSION

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

- Pursuant to Haw. Rev. Stat §§92-4 and 92-5(a)(2), the purpose of this executive session is to consider the Job Performance Evaluation of the Department of Water's Manager and Chief Engineer. This deliberation involves matters affecting the privacy of the Manager and Chief Engineer. If the individual concerned requests an open meeting, an open meeting shall be held.*

There was no executive session held at this meeting.

TOPICS FOR NEXT WATER BOARD MEETING

- Annual Extension (11-18-11 to 11-17-12) of Volunteer Agreement with Mike Fernandes for Grounds Maintenance of our Nonou 0.2 MG Tank site located in Wailua Houselots

2. Quarterly Report on Manager's Goals
3. Quarterly Updates

TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Draft Annual Audit (*November 2011*)
2. Final Annual Audit (*November 2011*)
3. Board Meeting Dates for 2012 (*November 2011*)
4. Election of Officers (*December 2011*)

UPCOMING EVENTS

1. Make a Splash program September 29, 2011
2. HWWA Conference, Kona, Hawaii, October 12-14, 2011

NEXT WATER BOARD MEETING

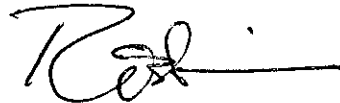
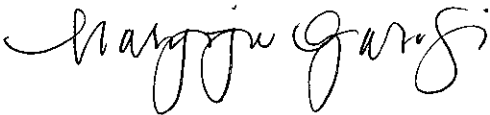
1. Thursday, October 27, 2011, 10:00 a.m.
2. **Wednesday**, November 23, 2011, 10:00 a.m.
3. Thursday, December 22, 2011, 10:00 a.m.

ADJOURNMENT

There being no further business, Chair Oyama adjourned the meeting at 1:30 p.m.

Respectfully Submitted,

Approved,



Mary-jane Garasi
Acting Commission Support Clerk

Randall Nishimura
Secretary – Board of Water Supply