

County of Maui Water
Supply

BOARD OF WATER SUPPLY
COUNTY OF MAUI
CAPITAL PROGRAMS COMMITTEE MEETING

Held at the HGEA Conference Room, David K. Trask, Jr.,
Office Building, 2145 Kaohu Street, Room 207, Wailuku,
Maui, Hawaii, commencing at 9:00 a.m. on May 29, 2001.

REPORTED BY: LYNANN NICELY, RPR/RMR/CSR #354
IWADO COURT REPORTERS, INC.

A P P E A R A N C E S

COMMITTEE MEMBERS:

Howard Nakamura, Chairman
Peter Rice

BOARD MEMBERS:

Jonathan Starr
Kent Hiranaga

STAFF PRESENT:

George Tengan, Deputy Director
Andy Pascua
Larry Winters
Walt Hager
Miles Fujinaka
Charlene Suzuki
Holly Perdido
Ellen Kraftsow

CHAIRMAN NAKAMURA: I would like to call the
meeting of the Capital Programs Committee of the Board
of Water Supply to order. It's Monday, June 4, 2001.
We're meeting in the HGEA conference room of the David
K. Trask, Jr., Office Building in Wailuku.

In attendance are committee member Peter Rice,
and myself, Chairman Howard Nakamura. Also in

attendance are board members Jonathan Starr, Kent Hiranaga, Deputy Director George Tengan.

Fran, will you introduce the rest of the staff?

MS. NAGO: We have Andy Pascua, Larry Winters, Walt Hager, Miles Fujinaka, Charlene Suzuki, and Holly Perdido.

CHAIRMAN NAKAMURA: Thank you. We have no minutes to approve. I see no members of the public here. So we'll move into V, Review of the Proposed FY 2001-02 CIP budget.

What I wanted to do today was to review the material that was passed out at our Friday meeting which gave a summary of the status of projects from FY '98-99 and earlier, which I had asked the department to provide. There are also a couple of issues that have been sent to us, new projects or -- that were not included in the submittal that was made to the board that the department would like consideration for inclusion. And thirdly, we would open the floor for discussion on some of the issues that we talked about on Friday. And lastly, I had wanted to have some discussion following up on the matter that was raised last Friday which was to better understand how the department is organized to implement capital projects. So those are the things I wanted to do today and hopefully be out of here by 11:30, which I think is realistic.

Okay. Any comments from members? Okay. Perhaps we can move into, as I said, initially the report on some of these old projects. Does everyone have the list that was passed out previously? There is a sheet that starts out by saying FY 2001-02 Status of Projects, FY '98-99 and earlier. Do you have that, Kent?

Okay. Who's going to handle this? Herb or George?

MR. TENGAN: We had a meeting on Friday and we discussed a lot of these projects and I believe Herb has a report.

CHAIRMAN NAKAMURA: Okay. Herb, do you want to proceed? I assume we're going to be working off this list unless you have something else you want us

to work off of.

MR. KOGASAKA: That list is a brief summary of those past projects, identified by the project numbers. And that is primarily to bring the board up to date and we can try to answer whatever direction you want to go with it.

CHAIRMAN NAKAMURA: Okay. Proceed.

MR. KOGASAKA: Starting with the '92 projects, which was -- just to summarize it, is that how you want to do this?

CHAIRMAN NAKAMURA: Please.

MR. KOGASAKA: The East Maui Source projects, identify the East Maui project was held up on the EIS, been challenged in court, and we are in the process of completing that supplemental EIS.

Also included is the monitor well.

Outstanding on that, we need to close out the Schedule C of the East Maui development project which is the installation of the pumps. Outstanding is the pipeline contract with Coluccio Construction that runs the pipe from the wells to the Paia/Baldwin Park area. And also to pursue electrical power for the wells.

CHAIRMAN NAKAMURA: Could we -- Herb, this -- there is three projects listed on the -- I'm looking at the table under 92-05. And it shows a total encumbrance of somewhere in the range of \$200,000 and no balance available. So are you saying that all of this money is encumbered and projects are ongoing to be completed? Can you clarify the status?

MR. KOGASAKA: The exploratory well, the \$16,500 includes a portion of the Norman Saito engineering contract which we can terminate and I think we can get back about \$9,000 or so of that.

CHAIRMAN NAKAMURA: And so that money is going to be used for the ongoing project to develop a

monitor well?

MR. KOGASAKA: Well, it's encumbered under the contract. By terminating that, that will get back into the -- I take that back. That's an ongoing -- the \$16,500 is an ongoing project. That's the Mink & Yuen amendment to the EIS contract.

Let me recap from the top. The \$16,500 is an amendment to Mink & Yuen's contract for -- to look into -- looking at an area mauka of the area identified in the EIS. That \$141,000 amount is the encumbrance for the Mink & Yuen EIS. And the \$30,000 amount includes \$9,600 for Norman Saito, which is inactive over there at this point. And the remaining \$20,000 is Fletcher Pacific's contract -- now Dick Pacific. That's in the process of being closed out. We may not have -- we try to close out that contract.

CHAIRMAN NAKAMURA: Okay. So these are all ongoing and you're going to finish them up and there will be a small balance left over, is that what you're saying?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Of approximately \$9,000.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Okay. Mr. Starr, you had a question?

MR. STARR: Yeah. A couple of questions. What's the Norman Saito contract? What was that for?

MR. KOGASAKA: That's the initial contract for the original EIS. That included the drilling of the Hamakua Poko wells. The outstanding portion was some services during construction and some testing which --

MR. STARR: In other words, Saito is overseeing the H-Poko wells, is that --

MR. KOGASAKA: Yes.

MR. STARR: The pipeline contract, are we installing pipeline from the Hamakua Poko wells to Baldwin or is that a design --

MR. KOGASAKA: It's a construction contract that's being held up by the challenge on the EIS.

MR. STARR: So what's -- the status of it is that it's not -- there is money that's remaining encumbered that's been encumbered for eight years or something?

MS. SUZUKI: Monies encumbered under the state. That money doesn't show on our books.

CHAIRMAN NAKAMURA: Oh, it's a state appropriation.

MS. SUZUKI: Six million.

MR. STARR: So in other words, there's \$6 million of state money that's sitting there to build the pipeline when we can free up the EIS?

MR. KOGASAKA: Yes.

MR. STARR: Will that money last if it's not used in a certain amount of time, or is it safe?

MS. SUZUKI: The state has come to us or we have to do it every year in April to justify keeping that encumbrance alive. So we've been doing it and they have been accepting our --

CHAIRMAN NAKAMURA: Okay. Any other questions? Okay. 92-13, Peahi 100,000 gallon tank.

MR. KOGASAKA: That's an ongoing project in participation with Peahi Hui, private developers, and we've just approved the construction plan. It's ongoing.

CHAIRMAN NAKAMURA: Okay. So this is -- although it's seven, eight years old, you intend to go

out to bid shortly?

MR. KOGASAKA: The consultant is moving forward with it. They have got the plans approved and I'm not too sure what their financial situation is, but we do have some funds encumbered on our portion for participation of the improvements. I believe -- I may be wrong, but I believe they are ready to move forward.

CHAIRMAN NAKAMURA: So what has been holding it up for eight years, nine years?

MR. KOGASAKA: I can't say with much certainty.

CHAIRMAN NAKAMURA: So actually the project is being done by the developer and we're going to participate, so we're waiting for him?

MR. KOGASAKA: Yes.

MR. RICE: Mr. Chairman, is this the project where we took over the private water system?

CHAIRMAN NAKAMURA: I don't believe so.

MR. RICE: No, this is different.

CHAIRMAN NAKAMURA: Any questions?

MR. STARR: I have a question about processing. Does it really make sense for us to keep items open like this for such long periods of time?

CHAIRMAN NAKAMURA: You're asking me?

MR. STARR: Yeah. I mean, I'm wondering myself. I don't know.

CHAIRMAN NAKAMURA: Okay. Your question is noted. Any response from the deputy director or -- fiscal? In terms of the process? In terms of just keeping the projects on the books, so whether it's more appropriate to lapse after X number of years and

then reappropriate it when necessary. Does it matter?

MR. TENGAN: I believe this is part of an agreement that was developed with the developer some years ago. And like Herb was saying, we've been waiting all this time for the developer to start moving on the project. If we lapse the funds, then when the developer is ready to go, then we would have to come back to the board and the developer wouldn't have assurance that we would have the funds to participate in the project. And if we didn't have the funds, then the developer would have to go through some redesign and just prolong the project that much more.

CHAIRMAN NAKAMURA: Well, I think, George, in this particular instance there may be a little difference in that there is an agreement which commits us to participate. But I think Mr. Starr's question is a more general one in terms of whether or not it is appropriate to just keep these on the books for eight, nine years, or whether we should lapse and reappropriate it when we're actually ready to implement.

MR. RICE: Or, Mr. Chairman, these contracts should have a time certain. Developer signs a contract with us, then he should be moving along. The developer is eight years down the road and he hasn't done anything.

MR. KOGASAKA: He has had difficulty getting the land for the tank sites. And the particulars, I'm not sure, but he's been -- continues to make an effort, in his defense, to try to keep this project alive, keep it going, and contain his costs.

MR. RICE: I'm sure he has. But what I'm talking about also in general terms from the department's standpoint is we've allocated resources and they should -- there should be a time under which somebody produces or else they have got to come back. I think that is reasonable. Can't -- this can't stand open forever. He doesn't even have the land for the

tank? Or he has the land now? Do you know?

MR. KOGASAKA: No, I guess I don't. I think he does. I'm not sure. But we can -- I'm not very up on it. I'm sorry.

CHAIRMAN NAKAMURA: Okay. Maybe you can get a little more information on this. But I think the point is well taken that Mr. Starr raises and I share the thought that if there is an indication that the project is not moving ahead and it's just kind of in limbo, that we should just lapse the funds and reappropriate it when we're ready to actually move ahead.

Okay. 92-21, Keokea Lateral Construction.

MR. KOGASAKA: That project is --

CHAIRMAN NAKAMURA: Herb, can you identify each of these as to, you know, cross reference them to the other table that we have so we can find it? Like 92-21 is what kind of a project? Is that under --

MR. KOGASAKA: Pipe.

CHAIRMAN NAKAMURA: -- pipeline replacement? Okay. Pipeline replacement. So we're talking -- there is a balance available of \$447,000 and an encumbrance of roughly \$6,000, right? So the budget is roughly \$460,000, \$12,000, \$13,000 is encumbered and \$447,000 is available.

MR. KOGASAKA: The project is moving forward. We're essentially ready to go to bid I think at this point. We need to get State Highways approval on construction plans and I think we can advertise. And we were hoping to get this advertised this fiscal year. We may start the process. We've anticipated possible delays, so we included that in the 2002 budget.

CHAIRMAN NAKAMURA: How are we able to keep this \$447,000 on the books without a contract? Don't

we need a contract to encumber funds and prevent them from lapsing?

MS. SUZUKI: The \$453,000, is that what you're talking about, the budget?

CHAIRMAN NAKAMURA: Yeah. Well, it says here "balance available, \$447,000." How are we keeping that encumbered?

MS. SUZUKI: That is this year's budget.

CHAIRMAN NAKAMURA: Oh, that's this year's budget.

MS. SUZUKI: Yes.

CHAIRMAN NAKAMURA: Why is it under a '92 project then, 92-21? This is just the project reference?

MS. SUZUKI: Yes.

CHAIRMAN NAKAMURA: But it's --

MS. SUZUKI: We're trying to keep the project costs all together under one master project over the years. So it might have been budgeted in several years. But this year's current budget is this amount remaining.

CHAIRMAN NAKAMURA: So you're proposing to reappropriate this in the '02 budget?

MR. KOGASAKA: Yeah.

CHAIRMAN NAKAMURA: Any questions?
Okay. 93-01, Honokohau Water. This is a project we talked about on Friday.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: So this also is you're going to lapse and reappropriate, Charlene, is that right?

MR. KOGASAKA: Yes.

MS. SUZUKI: Yes.

CHAIRMAN NAKAMURA: Any questions?

Okay. 94-17, Alae Tank. Encumbrance, \$91,000, roughly.

MR. KOGASAKA: That's for the design of the tank. To replace the existing tank, we need to move it to a higher elevation and we were negotiating a site for the new tank with a tunnel over Kaonoulu Ranch. We made a proposal for a design based on a certain area along Waipoli Road and then after some discussion Kaonoulu Ranch preferred to have us move to a different location which was a little harder to access but that will be in the close proximity of the existing tank. And I guess from previous discussions or agreements, I think that's the position that they wanted the tank in that area with respect to their total land. And we've had to make some adjustments as far as providing extra effort for surveying and additional expenses we were concerned about making sure that that site is the appropriate one and it's still an ongoing thing. I think we're ready to initiate some survey work and to proceed with the project.

CHAIRMAN NAKAMURA: So if there is an encumbrance, so that means you have a contract, you have a design contract out?

MR. KOGASAKA: That's correct.

CHAIRMAN NAKAMURA: You have a design contract out, but it hasn't been actually initiated yet.

MR. KOGASAKA: They have done the preliminary study and efforts to locate the tank site at the appropriate elevations. And this is the preliminary portion of the work. Once that is determined, then the next step will be to do a topographic survey, go into construction plans.

CHAIRMAN NAKAMURA: Questions? Mr. Starr.

MR. STARR: You sound dubious about whether that site is any good or not. Will it work there and will it cost us a lot more money than the other place where you were going to try to put it?

MR. KOGASAKA: It's an issue of clearing the land to do the initial survey work. But once -- I think there is sufficient area for a suitable tank site, yes.

MR. STARR: And the level and there is access to it and all that?

MR. KOGASAKA: We can -- the present access is through the pasture lands and I think we can continue to do that.

MR. STARR: I just want to be sure that ultimately it will be -- you'll get a workable tank out of it.

MR. KOGASAKA: Beg your pardon?

MR. STARR: I just wanted to be sure that ultimately you'll be very happy with the finished product because you sounded very dubious before. You sounded like you were questioning whether the site would work. And I wanted to be sure that the site is okay.

MR. KOGASAKA: As far as the site, yes, I think that will be okay. As far as the area, just that we had to spend a lot of time trying to make the verification because of the overgrowth and the wind damage to the trees that are there, you can't hardly walk to it. The issue of clearing that out and I think it's --

MR. STARR: So it's just the vegetation that was causing difficulties. Thank you.

CHAIRMAN NAKAMURA: Okay. Any other questions?

Okay, Herb. 95-09, Kaunakakai Well No. 2. I see this on page 4 under Reliability. \$82,753 encumbered.

MR. KOGASAKA: This is the back-up well for that well for Kualapuu. Knowing that the yield in the area is questionable, the contract was to explore -- select a well site that would explore alternative sites and then ultimately to drill an exploratory well to see what kind of yield we could get. In the meantime, Waiola -- I believe it's Waiole, is that right, Ellen? Is drilling the well in one of the sites that we were contemplating and we're holding off on this project merely to see what develops from their efforts so we can proceed with that knowledge.

CHAIRMAN NAKAMURA: Does this have anything to do with that agreement that the board agreed to cancel at the last meeting?

MR. KOGASAKA: No, I don't think so.

CHAIRMAN NAKAMURA: It's a different issue.

MR. KOGASAKA: No, I think -- as I understand it, that quote unquote agreement was for that Kualapuu village area. I think this is separate from it.

CHAIRMAN NAKAMURA: So how are these funds encumbered?

MS. SUZUKI: We have a contract with R.M. Powell.

CHAIRMAN NAKAMURA: We have a contract with R.M. Powell to --

MR. KOGASAKA: Design.

CHAIRMAN NAKAMURA: Design. But this project is in abeyance indefinitely.

MR. KOGASAKA: Yes. Until we are able to get

information from that other project, the private project.

CHAIRMAN NAKAMURA: So would there be any problem if we were to lapse this money and cancel the contract? How long have we been waiting? When was the contract entered into?

MS. SUZUKI: August of '96.

MR. RICE: Is there some liability in the contract if we cancel? Does anybody know? Mr. Chairman?

MS. KRAFTSOW: I can't answer the direct question about liability, but in terms of concerns about cancelling the contract, I think the State Water Commission has been concerned that we find alternative sources to 080103, which is our Kualapuu well. So I think it's been left on the books in part to show intention that we will go forward as soon as we have the information. There is some pressure from the commission to get this [inaudible].

A VOICE: Is this a fixed fee contract?

MR. KOGASAKA: Yes, not to exceed that amount.

A VOICE: I wonder if there is intent to continue the work [inaudible] advantage to keep it on the books if we were to rebid the project. Possibly the cost could be higher. I guess it's a determination whether activity will actually proceed or not.

CHAIRMAN NAKAMURA: That's a good point. Jonathan?

MR. STARR: Why did we wait so long? Ellen, can you tell us why we didn't go ahead with this?

MR. KOGASAKA: The other activity with the other wells, we were simultaneously looking at the site. They put in an application. I think -- I'm not sure what the status of the other well is, but I think

they're in some kind of litigation right now.

MS. KRAFTSOW: Contested case.

MR. STARR: We've got it set aside, but there was a contested case because they were having to drill closer to the Hawaiian Homes well and then I believe there was a contested case and Hawaiian Homes approved that if they drilled at their original site, it would affect the Hawaiian Homes existing well. So then they moved over to the site where we were going to drill.

So it's doubtful we're going to be able to drill there. We're going to have to go look for somewhere else now. We should have gone when we had the opportunity. I don't know if -- frankly, it probably makes sense to lapse it because it's going to be a whole new project when it comes up again.

CHAIRMAN NAKAMURA: Okay. I think we'll need to take a closer look at this in the finalization of the project.

Any other questions on this project?

Okay. Keanae Well No. 2, 97-00. This is also under Reliability. I see 200, roughly \$250,000.

MR. KOGASAKA: Project is -- the well is drilled and the plans -- the construction bid documents are ready to be advertised in the very near future, in the next month or so.

CHAIRMAN NAKAMURA: Do we have this in our book? '02 budget, Charlie. This sounds familiar. So this is in the '02 budget for construction. So this one is moving ahead.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: They will be utilizing all of the funds, pretty much.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Any questions on this one?

Kanaha Valley Land agreement. This is also an issue we talked about last Friday with Mr. Michael. So this is -- we're going to reappropriate this money and try to get it resolved this year.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Okay. I wonder just again a general question. Charlene, you mentioned that you keep it on the books under the old project, you know, reference. Would it be better if there is a reappropriation to reflect that there is, you know, a current project rather than a project that's five, six, seven, eight years old? I don't know, I guess it's an accounting issue. It just kind of -- you just kind of look at it and it maybe is a little misleading.

MS. SUZUKI: There is new code created, our account code created each year with each budget. So you can tell what year it came from. But in capturing the total project costs over the, you know, so many years, you would want it under one same number because --

CHAIRMAN NAKAMURA: Okay. Any questions on this one? Kanaha Valley Land agreement?

Okay. 97-16, Kamole Reservoir Design. That's -- where do we have that one, Herb, Storage? 97-16 is on page 2, Storage, roughly \$253,000 encumbered.

MR. KOGASAKA: This is a contract for raw water reservoir, the Kamole treatment plant. And it was contracted and they had started some preliminary site investigations. And in working with the landowner, Maui Pine, it wasn't -- it was difficult to reach any kind of agreement. And then at that point also the effort was made to develop a storage at the Piiholo reservoir. So this project is on hold until -- this is one that suggested that we may want to close out.

CHAIRMAN NAKAMURA: Okay. George?

MR. TENGAN: A little more background

information. Several years ago, I worked with a committee of upcountry groups, community associations, and there were some private interests like Realtors and others involved, the ranches, involved in this committee. And through all the discussions as far as what the priorities were upcountry are for them, the upcountry people, we had like four or five meetings, I believe. And at every meeting, the topic of additional storage came up. So this was identified as a key or the priority item for the upcountry committee. And that's why we're pursuing the upcountry or the Piiholo storage rather than the Kamole storage.

At the present time there is about \$2 million sitting in state appropriations towards the project. We've sent a letter to the governor for release of the funds, but we haven't had any response yet. We're currently proceeding with the Piiholo storage project. We're going to be meeting with the consultant today to negotiate the preliminary portion of the work that has to be done.

CHAIRMAN NAKAMURA: Okay. And the Piiholo project is in the proposed 2002 budget, right? Okay. So again, possibly we may want to look at this later. Any questions? Jonathan?

MR. STARR: Yeah. How big a unit are you talking about at Piiholo?

MR. TENGAN: I think we're looking at between 200 and 300 million gallons. So at Piiholo we presently have 50 million gallons of storage. So that would multiply the storage from four to six times. And our treatment capacity at Piiholo is 8 million gallons per day.

A VOICE: Nine. Expandable to twelve.

MR. TENGAN: And we're processing like about maybe on the average of 4 million gallons per day, so with an additional 200 million gallons that would give us like 50 days additional storage which would take us

well through a drought.

MR. STARR: I think we certainly need it at Piiholo. I hate to take it off the books at Kamole because I feel we also need it down there, you know. If taking it off at Kamole and asking us concentrate at Piiholo will help us do that one faster, I could agree to that. But I do think that -- I mean, don't we need one down at Kamole also to make the plant down there a lot more effective?

MR. HAGER: The situation at Kamole is we can only operate based on what's in the forebay right now. And when the forebay drops down to a given point, then we use the head to supply the plant. And the idea was to give us enough storage down there to carry us through the drought periods. I believe that was a 500 million reservoir that they were talking about.

CHAIRMAN NAKAMURA: Okay. Any other questions?

MR. TENGAN: Well, additional comment. The committee felt that Piiholo would be a more suitable site in that if we needed water on the Lower Kula system and we didn't have the storage up at Piiholo, then we would be -- if we had that storage at Kamole, whatever water we processed at Kamole they would have to pump it up rather than just gravity feed as we would with additional storage at Piiholo.

CHAIRMAN NAKAMURA: Okay. Thank you, George. 99-04, Piiholo Reservoir Design we just discussed. 99-5, Kalae Tank Replacement. Herb? So that's under --

MR. KOGASAKA: The design contract is awarded to Unemori Engineering.

CHAIRMAN NAKAMURA: So this is ongoing.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: And the design is actually underway for -- this negotiation for tank site, is that concurrent or that needs to be updated?

MR. KOGASAKA: The tank site negotiation has to be -- should be further along before we get to the design.

CHAIRMAN NAKAMURA: So this -- the design itself is being held in abeyance pending resolution of the land issues?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: So what is the status of the land issue?

MR. KOGASAKA: We have a site selected, but as far as the actual negotiations for the land, we're not too sure how the organization of that -- the Meyers estate is in -- I think the person that we were talking to initially is not there. I may be wrong on this, or may be in a different capacity. We need to follow up on that.

CHAIRMAN NAKAMURA: How big is this tank?

MR. KOGASAKA: At least 100,000 gallons. As to the size, I'm not certain at this point.

CHAIRMAN NAKAMURA: Okay. Any questions? Comments? Okay. Ulumalu Waterline Improvements, 99-06. Is this the one that we're upgrading that existing substandard system?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Using federal funds.

MR. KOGASAKA: That's right.

CHAIRMAN NAKAMURA: Any other -- any further comments on this? This project is moving along?

MR. KOGASAKA: It's moving along, yeah.

CHAIRMAN NAKAMURA: Well, what is the

timetable in terms of actual improvements, the actual improvements?

MR. TENGAN: Timetable?

MR. KOGASAKA: We would like to go to bid. It's been pushed back I think to July now, but I'm not certain at this point.

CHAIRMAN NAKAMURA: So we're going to put it out.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Any questions, comments? Okay. Ainakula/Haleakala Highway Waterline Project. 99-10. I guess this must be Pipeline Replacement?

MR. KOGASAKA: The construction is ready to go to bid, intending to do -- I think we also need State Highways' approval on this prior to proceeding. There is also a land issue which part of the road is private road and we wanted to include that as part of the bid process at this time, but it will be included as a [inaudible] alternative if things doesn't -- if it's not satisfactory to the department. And we put in the Haleakala portion.

CHAIRMAN NAKAMURA: Okay. This is also included in the '02 budget, right, reappropriated in the '02 budget.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Okay. Questions? Comments? Okay. 99-14, Wailuku Heights Waterline Replacement.

MR. KOGASAKA: This is a contract -- we have a contract with the Otomo Engineering. They have done some preliminary work. The alternative -- the route feeding into the storage tank traverses through the area above the subdivision in kind of forested land and we're trying to determine if we should be putting the pipeline in Alu Road. Also, on this project we

are working in conjunction with the developer in the area would be putting in certain improvements and plan to move ahead once we've got these issues resolved. It's an ongoing project that we would like to move ahead on.

CHAIRMAN NAKAMURA: What is this project going to do, Herb?

MR. KOGASAKA: It's going to replace the water system in the old Wailuku Heights area.

CHAIRMAN NAKAMURA: The distribution system?

MR. KOGASAKA: Yes. Transmission to the storage and the distribution project, yes.

CHAIRMAN NAKAMURA: So on the '02 budget, we have a Wailuku Heights Water System Improvements Phase II construction, \$750,000. Is that the same project?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: So this 99-14 is just the design funds.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: And the '02 money is for construction.

MR. KOGASAKA: That's correct.

CHAIRMAN NAKAMURA: Okay. Any questions or comments?

Okay. 99-17, Hamoa Well 2 and Wakiu Backup Well. This is under what, Reliability? Yeah, Reliability. \$85,000, roughly.

MR. KOGASAKA: We have a consulting contract at Takumi Engineering for the development of backup well for Hamoa Well 2 and Wakiu Well C in this case.

In the preliminary indications -- the active weir in the Wakiu area is not very good and so the consultants were investigating other sites in that

area as far as the airport to the east and then on to the Hana Ranch end of that -- at the same time I guess there were some kind of some negotiations with Hana Ranch as to what -- as to incorporation of their system or -- which would also serve as a backup if that was possible.

The other alternative we're looking at is the Hamoa well 2 site is, according to the hydrogeologist, acceptable. Do a back-up well over there and then I think if we had a suitable pipeline we can tie the two wells together to look at operational consequences -- how to operate it if we do go that way. And that's one of the reasons why the project has been delayed at this point. But we plan to go ahead with this.

CHAIRMAN NAKAMURA: So it's pending the department making some decisions or is it ongoing with the consultant to evaluate these alternatives?

MR. KOGASAKA: More immediately the department should be making some decisions as to the direction to accomplish this back-up source.

CHAIRMAN NAKAMURA: And then the consultant will proceed.

MR. KOGASAKA: We would need to negotiate with the consultant as to what the final outcome will be. It may not be a substantial change in terms of cost. Hopefully anticipating it does not encumber additional cost.

CHAIRMAN NAKAMURA: Actually, although you say this is 99-17, which is -- well, okay, Hamoa well, there is also 99-18, which is Wakiu back-up well C. Those projects are linked?

MR. KOGASAKA: They were combined under --

CHAIRMAN NAKAMURA: So the encumbrance is like \$160,000, then, the total encumbrance for those two projects.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: And that's on hold pending the department making these decisions. Both of them. It's one contract from two funding sources.

MR. KOGASAKA: That's true.

CHAIRMAN NAKAMURA: Questions or comments? Jonathan?

MR. STARR: How is that going to be resolved? How is that going to be resolved? Is there any negotiations taking place with the ranch owners or --

MR. KOGASAKA: I'm not up on the negotiations with the ranch.

MR. STARR: I think we do want the redundancy in the system. I would like to see it resolved and put into progress.

MR. KOGASAKA: Essentially if what we're anticipating right now we have one Wakiu well and two Hamoa wells interconnected to give a combined back-up source.

MR. STARR: Is that Wakiu well, is that our well or is that the ranch well?

MR. KOGASAKA: That is our well.

CHAIRMAN NAKAMURA: Okay. Any other questions, comments?

Okay. I guess that pretty much takes us through the list. Can we then move to -- there is a couple of communications that are addressed to the committee, the first dated May 30th. And I don't know if Mr. Starr and Mr. Hiranaga have copies. This is a letter regarding the Lahaina Water Treatment Facility modifications, talking about \$20,000 for a design contract amendment and \$1,000,000 for construction of a cover in addition to a sludge lagoon. Someone explain this project.

MR. KOGASAKA: The project involves -- we've contracted the consultant to plant modifications to control the algae growth and -- which caused the water to be discharged -- for the presedimentation basin and we wanted to get a more permanent solution in terms of controlling the algae and the disposal of that wastewater.

MR. HAGER: I'm Walt Hager, I'm the division supervisor.

The situation we're faced with is the fact that the .5 million gallon reservoir, presedimentation reservoir that we have is subject to the constant sunlight during the day and we're getting an algae buildup that we didn't anticipate. This is creating a problem with disposing of the algae on the cleaning of the presedimentation basins as far as following the machine, reducing our production rates. And that's what covers for us to reduce the amount of algae growth that we realize in that presedimentation basin. Because we're getting -- basically the algae spores are coming down from the intakes as the flows vary. As the flows drop off, the algae grows in the stream, flows come up, washes off, comes down. So we get the spores inside the pre-sed basins. The cover is to help alleviate that problem.

The sludge lagoon is needed because by design on cleaning the presedimentation basins, which we need to do on an ongoing basis, by design we were dumping it into the stream, returning it to the stream. This is in violation of the clean water people's requirements. So we needed some way to dispose of the sludge that's accumulated inside the presedimentation basins from not only the algae growth but also the solvents that come down and settle out in the pre-sed basin itself.

So the sledge lagoon is -- for that reason is to transfer the waste waters from the pre-sed basin over to the sludge lagoon where it can be dried. But that's the basis of these two items.

Both of them are operational problems we're having that were not realized in the initial design of the facility.

CHAIRMAN NAKAMURA: So you have a design

contract on this and you need additional -- you need supplemental funds to complete the design?

MR. KOGASAKA: Yes. Based on the alternative, that we preferred we would need the electrical and electrical support.

CHAIRMAN NAKAMURA: So where is this on the prior year's budget? This is under what? The design. Lahaina presedimentation modification?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: And Lahaina water treatment plant? Both.

MR. KOGASAKA: No.

CHAIRMAN NAKAMURA: This is Lahaina, not Mahinahina.

MR. KOGASAKA: Lahaina pre-sed modification. That's the design contract.

CHAIRMAN NAKAMURA: And the design contract is for how much?

MR. KOGASAKA: \$150,000.

CHAIRMAN NAKAMURA: Of which roughly \$35,000 has been spent to date?

MR. KOGASAKA: Well, currently it's about \$53,000 has been expended.

CHAIRMAN NAKAMURA: Okay. So I mean you need \$20,000 to complete the design. And you anticipate being able to put this out for construction this year?

MR. KOGASAKA: Yes.

A VOICE: [Inaudible] preparation of the budget.

CHAIRMAN NAKAMURA: Question, Mr. Rice?

MR. RICE: This is kind of a pretty large design oversight, don't you think, a million dollar mistake? That's number one comment for question. Number two is it's not a problem in the other treatment facilities?

MR. WINTERS: The original treatment plant design anticipated the intake water going to the pre-sed basin without any chemical addition. After construction, the department modified the process to add coagulant in the -- ahead of the pre-sed basin. The original design was to clean the basin without any chemicals, that was felt it was all right to wash that back to the stream. What come in from the stream go back out to the stream.

The deficient part of the design would have been in not anticipating as high a color concentration in the raw water as we have. So that's the reason the department had to add coagulant. But that modified what was in the pre-sed basin to wash out and thereby we could not any longer take that back to the stream without MPDS violation.

MR. RICE: But the situation doesn't occur in the other treatment plants?

MR. HAGER: No. The reason why it doesn't at the other treatment plants is because the -- like at the Olinda facility, we have that eight and a half million gallon presedimentation basin we're working with and the cloud cover up there is such that we don't get the algae buildup as rapidly. And we don't get the flushing effect like I spoke to earlier in the Waikamoi Haiku 1 area.

CHAIRMAN NAKAMURA: Jonathan?

MR. STARR: I walked through this whole thing one day and I just want to be supportive. We really need to do this.

CHAIRMAN NAKAMURA: Are there any other plans

where we're roofing the presedimentation basin or covering it to keep this algae problem from occurring?

MR. WINTERS: Mahinahina already has a cover, it's a floating cover.

MR. HAGER: We're having some difficulty with our Piiholo property on our coagulation and filtration units with some development and we have put in for those covers, but I think they didn't make the cut this year.

CHAIRMAN NAKAMURA: Okay. I guess one question I have is if the department is requesting a change in the amount of one million and change, do you have any recommendation as to where this million dollars is coming from?

MR. KOGASAKA: Suggested from the capital reserve fund.

CHAIRMAN NAKAMURA: From the capital reserve fund. So what is the balance -- in the proposed budget, what is in the capital reserve fund?

MS. SUZUKI: The remaining balance after the current, \$2,770,000.

CHAIRMAN NAKAMURA: That's before the million?

MS. SUZUKI: Yes.

CHAIRMAN NAKAMURA: After the million?

MS. SUZUKI: Before.

CHAIRMAN NAKAMURA: Okay. You're going to have to show me that some place, I can't find that in all of this paper I have here. But anyway, the proposal is to take it from capital reserve. And that would leave what?

MS. SUZUKI: \$1,777,000.

CHAIRMAN NAKAMURA: Okay. Any other questions, comments? Let's see. Why don't we take a break.

(Brief recess.)

CHAIRMAN NAKAMURA: The meeting is back in session. There was one other communication that I found at my desk here and it has to do with the Paukukalo Waterline Replacement project. And I don't know if everybody has a copy of this. Do you have a copy of this, Jonathan? Okay. Who is explaining this? Mr. Rice is back, anxious to hear about Paukukalo Waterline.

MR. KOGASAKA: This is an update of what -- summarizing what we did on the Paukukalo project.

MR. RICE: Didn't we already appropriate the money? Or did we not, we just said go ahead and do the mitigation and we were going to get the number later? Or -- we already approved this. You're just telling us what the final number is.

MR. KOGASAKA: Yes, that's essentially it.

MR. RICE: Mr. Chairman, I -- there is nothing new here. Because we knew we had to stop the project, we knew we had to do the mitigation for the burials, we just didn't know what it was going to cost and we were trying to ballpark it by saying let's establish some kind of not-to-exceed number for each burial when we were bidding it. That was our intention.

But this -- I guess the only -- the only unsettling part about the original request was that we failed to identify how many real meters were needed. That was the problem that -- probably the bigger problem with the design.

MR. KOGASAKA: The amount that was appropriated for the burial was not to exceed \$220,000 -- \$200,000. We've expended \$111,000 directly with the --

MR. RICE: So actually you came in underneath that original estimate.

MR. KOGASAKA: Yes.

MR. RICE: We've mitigated all the burials now?

MR. KOGASAKA: No. We've eliminated the section on Lilihua Street shown on your map, and Kanae, which is an approved cross-section. And what we would like to do is encumber \$50,000 of the remaining funds within the fiscal year and do the trenching and pipeline installation in-house with that \$100,000 we have budgeted for next year.

MR. RICE: Do you think -- well, I understand. Are we changing the plan for that remaining section so we don't get into more burials or are we just planning to do it in-house? If we do it in-house, we still have to have the monitor standing by, right?

MR. KOGASAKA: That's what we need to contact an archeological firm to do that. The intent is to try to expose the areas where some anomalies were noted in the trench alignment and see what they are. If that is manageable, then we'll open up the trench and backfill with the archeological monitor there. And if that proves successful, then we can come in and lay the pipe in that -- re-dig the trench and lay the pipe there and finish up the project.

If the archeological burials are too excessive or it's going to be a problem with the burial council and historic preservation, one alternative is to direct the line to the existing pipeline and possibly following the existing pipeline and putting in a temporary line and then burying the pipeline along that existing line is which is -- it may -- we may encounter some burials over there as well. But after we do the exploratory, we'll know what we have on the present alignment. And again, this would be all time with our forces so that we don't have a contractor's schedule to contend with.

CHAIRMAN NAKAMURA: Okay. So basically in the '02 budget, you're requesting \$100,000 for Paukukalo water system improvements or replacement. This is a progress report. You're not asking for any additional funding. Is that right?

MR. KOGASAKA: We're not asking for any additional funding as such. We are relying on the funding that was left over there.

CHAIRMAN NAKAMURA: And the '02 appropriation.

MR. KOGASAKA: That's right.

CHAIRMAN NAKAMURA: Okay. Any questions?

MR. RICE: No, let's get it done.

CHAIRMAN NAKAMURA: Mr. Rice is nodding his head. He seems to be very happy and content. Very good. Any other questions on this project?

While we're talking about projects that have been delayed, George, what's the status of that Molokai project, that Iliahi/Nauwe project?

MR. TENGAN: I believe we're still waiting for the bonding company to execute the contract.

MR. KOGASAKA: The notice to proceed has been issued to the contractor to proceed with the work. That was Friday.

CHAIRMAN NAKAMURA: As of Friday. Okay. And we're okay funding-wise, right? Clearly we had money in order to authorize it to proceed.

MR. KOGASAKA: I believe so.

CHAIRMAN NAKAMURA: Okay. That's good. So what is the construction time you're anticipating?

A VOICE: A couple months.

CHAIRMAN NAKAMURA: Shouldn't be more.

MR. KOGASAKA: Shouldn't be. Unless they're trying to coordinate with the paving companies on Molokai because they shut down and start up with their projects. So it may be a coordination thing. We'll have to find out more about that, I think.

CHAIRMAN NAKAMURA: Okay. Either Mr. Starr or Mr. Hiranaga was at our last meeting when we went through the proposed '02 projects. Quickly, do either of you have any questions you want to raise regarding any of these proposed projects for clarification, information?

MR. STARR: I have something on one of the two 91 items. And I apologize for not being able to be here Friday. I want to understand about 01-15 and 01-16, what they are and what the money that's been expended on 01-15 is.

CHAIRMAN NAKAMURA: Which are these, Jonathan?

MR. STARR: This is Pulehu Well and Upcountry Source Improvements. I believe upcountry source improvements are for a new well upcountry that we haven't delineated the location yet. Pulehu well and transmission project, I really have no clue what that is and we've spent \$42,000 on it. So I'm trying to get an understanding of that.

CHAIRMAN NAKAMURA: Okay. Herb? Or George?

MR. KOGASAKA: The upcountry source improvement project is being advertised right now for consultant service.

MR. STARR: There's a consultant to plan a new well. How about the 14, though, 15. 01-15. It's a million five.

MR. KOGASAKA: That's the existing well off

Omaopio Road. That's the existing well that's about a quarter mile or so off --

MR. STARR: That's the condemned well in the sugar cane plantation.

MR. KOGASAKA: That's right.

MR. STARR: And what have we done for it and what were we -- what's the plan?

MR. KOGASAKA: The plan was to --

MR. PASCUA: Let me try and clarify this Pulehu well. When we first went into this project, we tried -- we went out and purchased the Kanoa Well 2 pump, hoping to use that pump in this Pulehu well. And that amounted to like \$19,500 for a used pump. Then when we got it out and had it refurbished, we had some more expenses and we encumbered \$1,000 more. And when we had that casing exposed, we found that the pump wouldn't fit in there. We're sorry about that. And right now we have an outstanding contract with supposedly an [inaudible] that was supposed to have put that pump into that well which is \$7,500 which we haven't spent yet. So that's part of the expenses that adds to that \$41,000 that you're looking at. And plus other smaller expenses.

I had a printout on that. I'm sorry that I didn't bring it today. But that's more or less where the expenses went on the \$41,000 that you're questioning.

MR. STARR: Mr. Chair, I have a lot of concern over this thing and I don't know what the mechanism would be, but I would really like it to come before the board before any more money gets spent on it.

CHAIRMAN NAKAMURA: Well, the -- this money, this \$1.5 million was an appropriation in the '01 fiscal year. It is not being carried over -- it's not proposed to carry over in the '02 fiscal year; is that correct? So at this point the department is not proposing to do any -- is not proposing to move ahead

on this project, would be my -- would be my conclusion from the proposed budget. But I'm not sure if that's true or not. Is that accurate?

MR. TENGAN: This is 99-04?

MR. RICE: No, no. 01-15, drought.

CHAIRMAN NAKAMURA: 01-15 is a \$1.5 million appropriation of which half a million -- budget, which about \$50,000 has been expended and there is no reference to it in the '02 budget. So I'm concluding that he intends to drop the project.

MR. STARR: If that's the case, I have no problem.

CHAIRMAN NAKAMURA: But that may not be accurate.

MR. TENGAN: I'm not sure what the director's intentions are on this one. I'll check back with him and get back to the board.

CHAIRMAN NAKAMURA: But Charlene, the money is -- under our present procedure, that money is going to disappear, right, if it's not reappropriated in the '02 budget?

MS. SUZUKI: Yes.

CHAIRMAN NAKAMURA: And so in the context of the '02 budget at this point, it's not recommended for inclusion.

MR. STARR: I thought it was still in there, I'm sorry. I'm satisfied.

CHAIRMAN NAKAMURA: Any other questions?

I wonder if we could spend a little bit of time, Herb, at the last meeting we talked about again the process for implementing CIP projects and how the department is organized to do that. I know there is different, you know, engineering is involved, clearly fiscal is involved, planning is involved. Perhaps,

George, we might want to start with George. You want to give us an overview as to how the department is organized to implement these projects? Because there has been some concern expressed as to whether or not the staffing is adequate or the process needs to be looked at to be able to move the projects forward.

MR. TENGAN: Well, basically the planning is done through Ellen's division. Ellen's division will work in coordination with engineering and also with fiscal, funding is significant. As far as the budget process is concerned, all the division heads get together and come up with a list of projects that are needed and from there comes to the board for approval. Following board approval, then the staff will move on the projects. That would be the general overview of how we would work within the department.

As to the details of the actual steps that are taken, maybe I can refer back to the division heads and how they coordinate their efforts with each other.

CHAIRMAN NAKAMURA: Well, for instance, let's take a project like a pump replacement project or a treatment plant replacement project. The responsibility for moving ahead with each of those projects is with, for instance, Andy, you know, as soon as the budget is approved, now it's in Andy's court to implement pump replacement projects.

MR. TENGAN: In the case of pump replacements, Andy will spearhead this project. He would develop the specifications for the pumps. He would work I believe with Ken Bissen, our purchaser, to advertise the work to be done. Then when we -- after the bids are received, then he would review the bids and award the work to the contractor.

In the case of treatment plants, it would be initiated by the division head, working in coordination with engineering as to what kinds of modifications would be needed. As an example, the covers, they will work in coordination in getting the ads out in the paper for bids. And when the bids come in, I don't know if the treatment plant reviews --

engineering reviews the bids and from there the awarding of the contract is implemented.

So it kind of depends on what kinds of projects we're talking about. Some division heads, especially in Andy's case where pumps are concerned, he would be spearheading the project.

CHAIRMAN NAKAMURA: So what projects -- or what category of projects does engineering have the lead on?

MR. TENGAN: New projects, I believe. Pipeline replacements. As an example, listed under Drought, the Lower Kula reservoir would be under engineering.

MR. KOGASAKA: Design and construction projects. The process involves advertising for a consultant, contracting, and coordination throughout the design to the point we get the construction, and then put it out for construction bidding.

After the contract is awarded, then the divisions pick up and have their inspectors and their project engineers complete the construction.

CHAIRMAN NAKAMURA: So if you need a consultant, all of those go through engineering, all CIP projects go through -- if you need a consultant.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Because the county has a consultant selection process? Is that correct?

MR. KOGASAKA: Yes, the department has one, yes. The department has one.

CHAIRMAN NAKAMURA: The department has a consultant selection process.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: So all of the consultant

selection goes through engineering.

MR. KOGASAKA: Yes. Oh, there may be some that planning does on a special case for some of Herb's projects. Those are not related directly to the construction of pipelines or tanks.

CHAIRMAN NAKAMURA: So I guess the biggest question I have or maybe not the biggest question -- at this point a question that I have is the budget is passed, the CIP budget is passed. Okay. Now, who is responsible for the overall management of that CIP budget to see that the project's been implemented?

MR. TENGAN: As Herb was saying earlier, where it concerns design and construction, engineering would be responsible. In the case of professional services, like if it's in Ellen's area, then she would be responsible.

CHAIRMAN NAKAMURA: So ultimately the only point of coordination in terms of overseeing all of the projects is in the director and the deputy director. Or the director.

MR. TENGAN: Director.

CHAIRMAN NAKAMURA: The deputy director is not responsible for CIP in any way?

MR. TENGAN: I participate in the consultant selection process.

CHAIRMAN NAKAMURA: Peter, go ahead.

MR. RICE: Mr. Chairman, I would think it would be a good exercise to take the CIP projects that are planned and for the staff to come back and say -- and it's not contingent on budget approval, but just how are you going to get these projects done this year. Take each project and the steps that are required and establish a time line, kind of basic project management. Maybe you do that already and it's easy, but I think it would answer the board's

question as to are we capable of doing the projects that we've got listed here in the next fiscal year.

And if we're not, then do we need to bring on more staff to do them and we can address it from that perspective. Or if we are, then at least we know who's responsible and what time frame to have what done. Then if something comes up, you've got this list of projects here from, you know, the dark ages, then we ought to list what we need to do to get the project completed or get it out of there.

So if a decision needs to be made by the board, then let's put it on the list, let's get it done, or say no and put it to bed. If there is land acquisition that has to be done, let's put it down so we know we've got five land acquisition problems, let's give it to somebody and get it done.

So let's just organize it a little bit more, I would say, Mr. Chairman. The board will I think get more comfort out of that.

CHAIRMAN NAKAMURA: I think that's a good point. Mr. Starr?

MR. STARR: I just want to come at the same thing but from a different direction. I think we -- I certainly feel that we're going to need to ratchet things up, especially in terms of pipeline replacement and system replacement if we're going to be able to feel, you know, that we're turning over a good system to the next board several years from now. And that it seems that our bottleneck is not really being able to do the projects, that's one bottleneck. The other bottleneck is we as a board need to find ways to be able to fund it.

But my own feeling is that our replacement is not at the level that it needs to be to be able to maintain this size of a system so that that means each year the system is getting worse and not getting better. And you know, I would like to have more of an understanding -- right now who decides which pipelines are to be replaced, you know, and what the basis is? I personally believe that we should create some kind of mechanism for that, whether it's, you know, a

committee inside the department or something that actually looks at the plan and prioritizes what the order and what needs to be done each year on a longer term basis, not just where the squeaky wheel gets the grease or what's easy to do or whatever. So can I get a better understanding --

CHAIRMAN NAKAMURA: Ellen?

MS. KRAFTSOW: I guess there is an existing long-term list of projects that need -- and pipelines that need replacement that were initially just prioritized based on how substandard they were, how old they were, and to some lesser extent amount of people that could be served or problems with breakage or that they were ready for design that the department had moved far enough along or that they had come up in district supervisors' meetings or something like that.

Now with this Brown & Caldwell model, we're trying to tie those two together. The inventory, the numbers that they use to identify system elements don't match the numbers in the [inaudible] model entirely, so it's going to take about a year to just work out those glitches. But once that's done, we can be even more systematic.

But even when something would be due by schedule for replacement, if another line is breaking or having more problems because of where it's located or how acid the soils are, it's never going to be exact with that.

But what we do is we have an ongoing list and we all meet, all the division heads, and particularly engineering and planning, several times and with each district to go over what are the most important projects in that district. And we have a series of several meetings. So that it's kind of a consensus. We know what the possible needs are and then we narrow it down based on consensus.

CHAIRMAN NAKAMURA: Do you have a pretty good database in terms of the existing system? You know, do you know where all of our lines are, what size they are, how old they are, what condition they are?

MS. KRAFTSOW: "Pretty good" is a funny word. We've been trying to build that database for maybe the last five years. And we have -- all of the pipes are entered in a GIS system, but in terms of age of pipe, some of the as-builts just don't exist anymore. In terms of pipe material, there were conflicts between maps. So I would say it's maybe 80 percent or 85 percent, but it's not perfect.

And then there is, again, the problem with -- Brown & Caldwell used data from Stoner that we had developed for the hydraulic model to build this asset replacement model. But somehow there is also some way that they had to make up some numbers. And I'm trying to work those glitches out. When we had originally scoped it, the idea was that those elements would tie into a CIP and a GIS and the assets could all work together. I mean, you can see the value in that if you can tie your data together. But we don't have that worked out yet and that's -- those kinds of things take years to build. It's not --

So we have something, it's ongoing, it's getting better every year, but it's not perfect.

MR. STARR: At some point I would like to see the list, the future hit list. I understand it's not a perfect clean document, but it's a working document.

MS. KRAFTSOW: Yeah. The last time we actually did a printout of the entire list with all the maps and everything was '96, I think, it was 600 pages. Now it would be about 1,100 pages. So we don't print it very often. But I can print just a list without the maps very easily.

MR. STARR: Just the titles would be fine.

MS. KRAFTSOW: Yeah.

CHAIRMAN NAKAMURA: Herb, walk me through a process. For instance, you talked about the, for example, the Kalae tank, you talked about a tank that needed to be designed, there were land issues. When

that item pops up as a CPI project, what do you do? You assign it to one engineer to take the project through from beginning to end? And on what basis is that assignment?

MR. KOGASAKA: It's assigned to the design -- the CIP design and then go through procurement, up to a construction bid. That takes care of the preliminary design layouts. These are all worked by the consultants and that's evaluated. Identify the land issues. And then that engineer has to negotiate a land acquisition over there.

The consultant primarily designs the systems and gets all the approvals, identifies all the permits that's needed and prepares the permits for -- if we're the applicant, then they essentially prepare the application for our signature and then help process the permits. Subdivisions which will also be the consultants -- within the consultants' scope of work. Only part that's out of is it the negotiations and then there is also the -- we do a check of the construction plans which is a major part of that, yes. We review the bid documents and then put it out to bid. We do the advertising and printing.

CHAIRMAN NAKAMURA: But when you say we, you're talking about --

MR. KOGASAKA: The department.

CHAIRMAN NAKAMURA: The department being -- I mean the department is -- I guess that's my point is is there one person that's taking it through from beginning to end, or is it -- can you define who's -- at any point what the responsibility is?

MR. KOGASAKA: Yeah, that will be the engineer that's assigned to that project.

CHAIRMAN NAKAMURA: So he's responsible.

MR. KOGASAKA: Yeah.

CHAIRMAN NAKAMURA: From beginning to end.
Including land acquisition.

MR. KOGASAKA: Yeah.

CHAIRMAN NAKAMURA: Permits. Whatever.

MR. KOGASAKA: Yes, through the consultants.

CHAIRMAN NAKAMURA: So how is that assignment made? Do you have a CIP section or is it by geographical area or --

MR. KOGASAKA: We have a section that deals with the CIP. And in this past fiscal year, some of the districts have taken on some design projects as well.

CHAIRMAN NAKAMURA: So you say you have a CIP section.

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: How many engineers in your CIP section?

MR. KOGASAKA: Right now, one.

CHAIRMAN NAKAMURA: And all of the CIP projects are somehow coordinated by this one person?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: So although it may end up with a different engineer based on geography or subject matter or whatever, at least there is one person who has a handle on all of the projects? Or should have a handle on all of the projects?

MR. KOGASAKA: Yes.

CHAIRMAN NAKAMURA: Is that a reasonable workload?

MR. KOGASAKA: I think so.

CHAIRMAN NAKAMURA: For one person?

MR. KOGASAKA: Yes, I think -- I think that it's manageable.

MR. KOGASAKA: Actually we have -- we should have two engineers there, but right now it's just one.

CHAIRMAN NAKAMURA: Well, I guess, again, the concern is that the board will appropriate funds for CIP each year and, you know, our interest is in seeing that these projects move ahead, as I'm sure your interest is. And if there is a need for us to review the process and to provide further assistance, you know, we want to be helpful and we don't want to wait until the end of the year and say how come you guys only did 20 percent of the projects or whatever it is, or 50 percent of the projects, and then have somebody come back and say oh, well, we were under staffed, or something like that.

So, you know, I guess that's the question, how can we move these projects along? I think there is a sense -- there is a sense, and it may be unfair, but there is a sense that projects are not moving along as quickly as either the board or the department would be happy with. And if that in fact is the case, what can we do, mutually do? And I guess our sense is that, you know, in order for us to help you, you got to tell us if you have a problem. For instance, land, do we know how much the magnitude of the problem of, you know, places where we don't own land underneath storage tanks or treatment plants or where we don't have easements for pipelines, and is this something that we need to move ahead with. And if so, are we equipped to do it? I don't think so.

MR. KOGASAKA: I agree, at this point we do need a lot of help on identifying and procuring -- getting the easements along the pipeline and evaluating exactly what we have and don't have. That's an area that's been neglected at this point.

As far as needing help for CPI projects, we're short one person right now and if we can get that position filled might be -- it will improve. The

question was another person would be needed also --

CHAIRMAN NAKAMURA: Or do we need a land agent or whatever you call it, but somebody who's responsible for procuring land. I don't know.

MR. KOGASAKA: I think that would be a good suggestion to have another person that's not necessarily an engineer, but someone say who's more versed in the real estate business might be more helpful because that would be more in their line of expertise. Whereas we're using engineers right now.

CHAIRMAN NAKAMURA: Any other comments or thoughts or questions or --

MR. STARR: I like your train of thought. I think you're on the right track.

MR. RICE: I think if you just organize everything so that we know what it is that's outstanding, then we can -- we'll know how many land issues are there out there. Forget -- we know there is easements that we don't have and there is property that we need to buy. But to get projects going, you've got probably five or six land issues right now that need to be resolved.

CHAIRMAN NAKAMURA: Sounded like it when we were talking about [inaudible].

MR. STARR: Seems like that's a constant thing that holds projects up is the right to use the land that we need or then the archeological kind of comes into it as well. Maybe a good land person could circumvent a lot of that.

A VOICE: Question, Mr. Chair. Tank sites, do you normally try to acquire easements or is it subdivided parcels?

MR. KOGASAKA: Preference would be subdivided parcels.

A VOICE: But perpetual easements --

MR. KOGASAKA: We try to get lots if we can, unless there are other extenuating reasons why we should settle for an easement or in case of Hawaiian Homes their own license.

A VOICE: So the easements would sufficient.

MR. KOGASAKA: Yes, we have some tank sites on perpetual easements.

A VOICE: Because if you've put into a situation where there are only large tracts of land, does the department itself go through the subdivision process or does it expect the current owner to do the subdivision?

MR. KOGASAKA: The department generally takes on that task.

A VOICE: They're not required to conform to the minimum lot sizes per the zoning for that particular area?

MR. KOGASAKA: As an applicant, the department has provisions in the ordinance that would permit them to vary the lot size less than, for example, ag, minimum two acres, we can go less than that in ag areas.

A VOICE: Do you obtain a variance from the Board of Variances and Appeals or is it an administrative process for the nonconforming lot size?

MR. KOGASAKA: I believe it's administrative, but -- yeah, I think it is permitted in the ordinance, but I'm not positive on that. We need to take a good look at it to verify it.

A VOICE: Thank you.

CHAIRMAN NAKAMURA: Okay. Any other questions, comments? Maybe, Herb, we need to get together and try to think about this a little bit,

make some recommendations to the board.

MR. KOGASAKA: Okay. That sounds good.

CHAIRMAN NAKAMURA: Okay. Anything else?
Meeting is adjourned.

(WHEREUPON, the meeting was adjourned at 10:50 a.m.)

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