

County of Maui Water
Supply

BOARD OF WATER SUPPLY
COUNTY OF MAUI
CAPITAL PROGRAMS COMMITTEE MEETING

Taken at the County Building, 200 South High Street,
7th Floor, Wailuku, Maui, Hawaii, commencing at 3:05
p.m. on May 30, 2001.

Reported By: Rachelle Primeaux, CSR #370

ATTENDANCE:

Members Present:

Howard Nakamura, Chair
Peter Rice
Orlando Tagorda

Staff Present:

David Craddick, Director
Fran Nago, Secretary
Holly Perdido
Charlene Suzuki
Herb Kogasaka

Others Present:

Harry Eagar

IWADO COURT REPORTERS, INC.

CHAIR NAKAMURA: I would like to call the
meeting of the Capital Programs Committee to order.
It's Wednesday May 30th, 2001. It is approximately
four minutes past three. We're meeting in the County
Building in Wailuku on the 7th floor of the Council
Committee room. The agenda, we have no minutes to
approve. In attendance are Committee Member Peter
Rice and myself, Howard Nakamura, the Chair. Also in

attendance is Orlando Tagorda, who is a member of the Board, David Craddick, Herb Kogasaka, Holly, Charlene, and Mr. Eagar is here. Testimony from the public. Mr. Eagar, do you have anything to offer us?

MR. EAGAR: Nothing to offer today, no.

CHAIR NAKAMURA: Okay. If that's the case, we'll move on to Item 5, Review of the Proposed FY 2001-'02 CIP Budget. What I would like to do, David, is perhaps work off this particular attachment that lists all the individual projects and go through the projects relatively quickly and see if anyone has any questions.

MR. CRADDICK: Okay.

CHAIR NAKAMURA: Why don't you proceed. I'm assuming that these are in the same order as the listing of projects, the summary listing of projects.

MR. CRADDICK: I think it is.

CHAIR NAKAMURA: I may be proven wrong as we go along.

MR. CRADDICK: We've tried to do that, let's put it that way. Let me get my CIP out here so I can follow along on both sides. Anyways, the first one is water quality project. It was under the compliance order. We're currently hauling water. It costs us about 50 to 60,000 a year hauling that water, and the quicker we can get it switched over to where it's just a pump supplying it, it's going to cut our operating costs there.

MR. RICE: This isn't new?

MR. CRADDICK: What's that?

MR. RICE: This is an old thing?

MR. CRADDICK: Yeah, old. We've been trying to work problems out on the land with Maui Land & Pine and kind of got held up because of the DBCP issue, but it's moving now.

CHAIR NAKAMURA: So you are in the process of getting the easements?

MR. CRADDICK: Yes. I think it's going to be one agreement for the whole operation, getting the water and everything. It's not just going to be easements.

CHAIR NAKAMURA: So this money is for both design and construction?

MR. CRADDICK: We're just putting the line in ourself. The design has been done pretty much.

MR. KOGASAKA: We laid out the system in-house.

CHAIR NAKAMURA: Okay. So you are pretty confident that this is going to get done this year?

MR. KOGASAKA: Yes, this fiscal -- this coming fiscal year, yeah.

CHAIR NAKAMURA: This coming fiscal year?

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: This money is also in this year's budget, the same amount, \$100,000?

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: So we're basically going to be lapsing the funding and reappropriating it for next year?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: Any other questions, Peter?

MR. RICE: Huh-uh.

CHAIR NAKAMURA: Mr. Tagorda.

MR. TAGORDA: If I may, Mr. Chairman.

CHAIR NAKAMURA: Yeah.

MR. TAGORDA: Like you said, this is an old project, and when this project was initiated, was there money encumbered period on this project, do you remember?

MR. CRADDICK: I know we bought some pipe. We have all the pipe for this, so I know money has been spent on this previous to now.

MR. KOGASAKA: We also hired a consultant to do the CDUA and the EA for this alignment.

CHAIR NAKAMURA: Okay.

MR. RICE: \$868?

MR. KOGASAKA: It was -- there was also -- this goes further back I guess, yeah, to where we're looking at alternate means of getting water to that site.

MR. CRADDICK: Good question there, Peter.

MR. TAGORDA: So if this project will be constructed, do you know the number of customers present and future that will probably utilize this?

MR. CRADDICK: Presently 11 meters. Well, I take that back. Maybe 12 right now because we added one, and serving about 25 people legally and another 10 illegally I guess. So we expect a few of those illegal ones to get meters and be on the system properly.

MR. TAGORDA: So if I ask you to prioritize this project and give you a number from one to ten, how do you rank this project?

MR. CRADDICK: The way I see it, we're spending \$60,000 a year and it only costs \$100,000 to do it. We should have done it a couple of years ago.

MR. TAGORDA: That's where I'm coming in. It's an old project. Why it wasn't done before, instead it was discontinued?

MR. CRADDICK: It wasn't discontinued. It's just Maui Land & Pine wouldn't talk with us while the DBCP case was going on, and we've been trying to work out the electrical things this year. Sequence of operation. They built a new tank.

MR. TAGORDA: So with this new initiation of this project now, you think we won't have any problem with acquiring all the easement from Maui Land & Pineapple?

MR. CRADDICK: I don't think that's ever been a problem, Orlando.

MR. TAGORDA: Thank you, Mr. Chair.

CHAIR NAKAMURA: Okay. Any other questions? Okay. Let's move on to source development.

MR. CRADDICK: This one here is just \$50,000 for design, and we would either do it at our own tank site or at Wailuku shaft site to turn it into a permanent

facility. There's still some negotiation that has to go on with Stanford Carr on the land and that's been held up because of the tank agreement that's not I guess being dealt with, the storage credits for them for the Wailuku Parkside project. So they're not really talking to us on this until that's resolved. In the meantime, they've allowed us to use the facility now for the last what two years I guess or year and a half anyways no charge.

CHAIR NAKAMURA: Mr. Rice.

MR. RICE: That's what I was going to ask. This thing, we're talking about designing a new well right next to Wailuku shaft?

MR. CRADDICK: Either that if we can't get that site. If we can get that site, what we would do is either drill, refurbish the tunnel and get it to where people can go in and out of there safely or drill into the top and abandon the tunnel.

MR. RICE: That's different from the Sanford Carr's well that we're using.

MR. CRADDICK: It is.

MR. RICE: It is?

MR. CRADDICK: It is Stanford Carr's well. And right now my understanding is when people ask him where he's going to get the water from, he says he's going to get it from his own facility.

MR. RICE: So he owns the well. He lets us use it for free, but we're designing a new well?

MR. CRADDICK: No, no, we would design something either to do a well nearby or use that existing well, but you would have to drill into the top. The well is 400 feet below the ground, and we're trying to get it

up to the surface.

MR. KOGASAKA: I guess the difficulty is it's on an incline shaft, and access to that is how shall we say a liability.

MR. CRADDICK: Yeah, it's an unlined tunnel. I mean if there was a cave-in or something, I would expect whoever was down there when that occurred wouldn't be coming back out.

MR. KOGASAKA: So the intent is if we can drill the well to hit the existing well, it's an incline shaft, the pump site underground just above sea level, and we want to eliminate getting down into that area and mounting the well on top of the ground about the 500-foot or so level and drilling the shaft and refurbishing that so that we can either pump from the existing well or abandon that site and drill another site to the base at the Iao tank site, somewhere in that vicinity.

MR. RICE: Why would he let us do that to his well?

MR. CRADDICK: I don't know. I suspect he wants his storage credits and stuff like that.

MR. RICE: Okay, okay.

MR. KOGASAKA: I think it's also a liability for him, too, actually to try to --

MR. CRADDICK: Yeah, I think the tunnel itself is kind of a liability because it ruins a lot of property that you can't build over. And taking that, we would have to fill the tunnel up with something.

MR. RICE: And it's all the expense of doing this, so that's the exchange?

MR. CRADDICK: That's part of it in my mind

anyways. What's going on in his mind, I don't know.

CHAIR NAKAMURA: You had a question?

MR. TAGORDA: Yes, Mr. Chairman. What would be the most cost effective or cost efficient in doing this, are you doing a well close to it or just trying to refurbish, like you said, or reuse this old well but you want the well to be upright?

MR. CRADDICK: Orlando, it's a tunnel that was like this and there's a big room down here and you have the pump is here connected to a big pipeline that comes up here. The well is down here. The ground is up here. Now, what we're proposing is, one, refurbish this. This is probably going to cost somewhere in the order of a few million dollars to refurbish this. Two, drill into this. Take this pump out of here and put another pump in from the ground surface up here. That's one option. Two options. The third option is forget this all together and drill our own well.

MR. TAGORDA: So which option are you recommending to the Board?

MR. CRADDICK: I think it's somewhere between here and here. This we know what the production is from here. We don't know what it's going to be from here, and the bird in the hand is always worth whatever, you know, more than something else even though the two of them may -- you know, this one here may even cost a little bit more, but we know beforehand what we're getting. There's some risk on drilling a crooked hole, but that's the contractor's risk, not our risk.

CHAIR NAKAMURA: Is there any significant difference in elevation, ground elevation on two and three?

MR. CRADDICK: Maybe 20 feet I think.

CHAIR NAKAMURA: Three is to do it up at our existing tank site?

MR. CRADDICK: Well, the problem with that is looking at it from the aerial view, here is Iao Stream. Here is our tank site. Here is Wailuku shaft, and here is Mokuhou. And we want this as far away as possible from our Mokuhou site, so that's another reason why this is preferable to drilling here. It's about I think 500 feet this way closer to this.

CHAIR NAKAMURA: So the money is to basically evaluate these alternatives?

MR. CRADDICK: No, and design -- go through the environmental process and design specs for constructing one of them, but there would have to be some evaluation of these in the EA that's done.

CHAIR NAKAMURA: And \$50,000 is going to do the preliminary engineering, the EA and the design? It is, yeah?

MR. KOGASAKA: Uh-huh.

CHAIR NAKAMURA: Okay. Boy, Herb is making a lot of commitments here today, yeah. Any other questions? Okay. Move on to the next one. And this also was in the budget this year, right?

MR. CRADDICK: Yeah, yes.

CHAIR NAKAMURA: That same amount, \$150,000?

MR. CRADDICK: I think we thought we would be able to move ahead with it. I think it was more than that this year.

CHAIR NAKAMURA: Okay. Well, anyway, it was in

this year's budget as I recall.

MR. RICE: So if we were to do that, I mean is it reasonable when you talk about drilling the new well entirely, Option 3, that we're talking 3 million bucks?

MR. CRADDICK: No, no, to drill that well would probably be guessing six, 700,000 probably, and to drill into here might be around 500, but to fill this up is going to be a quarter-million or so.

MR. RICE: Yeah, you don't want anybody to ever go down there.

MR. CRADDICK: Well, not only that, you need to seal it so you don't get contamination. I mean Brewer Homes thought they could seal where it's 50 feet from the ground surface and seal down that far and leave the rest of it open. You're going to have to remove all the -- there's all kinds of scrap iron down here that's going to have to be taken out.

MR. RICE: So how do you get down if you don't want to go down there?

MR. CRADDICK: Well, you just bid it out and you go down. If you're squeamish about it, you don't go down. I mean this pipe right now, Peter, right now on top of this pipe that comes up, there's also an air pipe and there's a door on the end. So theoretically, if that air pipe didn't get crushed, you could crawl up that air pipe. It's about a 20-inch pipe I guess.

MR. RICE: I was just curious.

MR. CRADDICK: Well, there is that escape plan there, but if you have -- if you had a collapse of the tunnel --

MR. TAGORDA: Do you recall the capacity of that

Wailuku shaft before and the quality of the water what we're getting from the Wailuku shaft before?

MR. CRADDICK: What do you mean before?

MR. TAGORDA: I thought it was--

MR. RICE: You mean now?

MR. TAGORDA: It was in operation for how many years now?

MR. CRADDICK: It's been going steady every single day since the 2nd of January.

MR. TAGORDA: How much was it filling?

MR. CRADDICK: Five million a day.

MR. TAGORDA: And it's really good?

MR. CRADDICK: About 40 parts per million.

CHAIR NAKAMURA: So you wouldn't drill all the way down, you would drill and try to hit where the pump is now?

MR. CRADDICK: Right, right.

CHAIR NAKAMURA: Okay.

MR. CRADDICK: So you would have to do a little bit bigger diameter hole, so this would, you know, might end up being more per foot because you're going to have to, whatever you think it's going to be off say six inches. You're going to have a hole that much bigger around, so you have to do a bigger hole there.

CHAIR NAKAMURA: Okay. Any other questions on this? Okay, moving along. Next, Waikapu well design.

MR. CRADDICK: That one there, that's to get a pump in it. And this kind of ties in with what I was telling you about what that main line extension projects. You know, there has to be some way to get the water out into the system, and we were going to have to do that, too. It would be a million-dollar pipeline. And it looks like the private person there trying to subdivide down where the Brewer offices are right now, somebody is going to buy that and subdivide it into industrial parcels. And so they'll put that line in, but we'll have to pay the 50 percent reimbursement on it.

And we've been kind of delaying on this and because we knew that may be also coming. And we're trying to get Stanford Carr to put in the electrical controls for this well so all we would have to do is put the pump in and the pump base and piping and stuff to hook it up to the system.

CHAIR NAKAMURA: So this is an existing well, right?

MR. CRADDICK: Yes.

CHAIR NAKAMURA: And so all you're asking for this year is design money for the pump and controls?

MR. CRADDICK: Yeah.

MR. KOGASAKA: And development, the next item.

CHAIR NAKAMURA: I'm sorry?

MR. KOGASAKA: The next item.

MR. RICE: This project is coupled.

CHAIR NAKAMURA: Okay.

MR. CRADDICK: That's the actual buying of the pump.

CHAIR NAKAMURA: Why do you have these as two separate projects?

MS. KRAFTSOW: That's because typically design -- there might be design, exploratory and development in connection with the system. Sometimes we do them in one year, but sometimes we don't. Or there are different contracts and maybe we think we can but we only get to one, so that's just how they're set up in the database, but we could make them one in the final.

CHAIR NAKAMURA: Okay. Actually, moving down to the next project. If the construction cost is 500,000, why are we -- this is for the pump and the controls, right, or is that including the pipeline?

MR. CRADDICK: No, just the pump. Basically the pump and the short piece of piping to connect it to the tank and maybe some controls, you know, control valves at the pump there.

CHAIR NAKAMURA: So if the construction cost is \$500,000 --

MR. CRADDICK: Where is the 500,000?

MR. KOGASAKA: The whole site development for the electrical controls and everything.

MR. TAGORDA: The next page.

CHAIR NAKAMURA: Why is the funding 200?

MR. CRADDICK: Oh, I -- that probably included all the electrical stuff.

MR. KOGASAKA: That's right, yeah. And the development of the -- a fully developed pump station at our cost, in other words, the controls, the housing, the control cabinets and everything else.

CHAIR NAKAMURA: And you're saying that part of

that is now going to be borne by a private developer?

MR. CRADDICK: Trying to, yeah, kind of work with them. They have to do a booster station there. And rather than trying to do two buildings, we put all of it into one. They seemed to be agreeable to that, but again, it's being held up by that storage agreement.

CHAIR NAKAMURA: So actually, there should be an amount indicated there on the private then, private source of funding?

MR. CRADDICK: Yeah, probably.

CHAIR NAKAMURA: Right?

MR. CRADDICK: Yeah. But wouldn't, you know, I mean if you put it in there, it's going to show up in our bottom line in our budget.

CHAIR NAKAMURA: Well, you've either got to do that or you've got to show 200,000 as the construction cost.

MR. RICE: Or net it.

MR. CRADDICK: 500,000.

MR. RICE: The 200 is net of the 500, is that what you're saying?

MR. CRADDICK: Yeah.

MR. RICE: So the amount that you were hoping to get Stanford to pay for electrical stuff is equal to 300,000?

MR. CRADDICK: Yeah.

MR. RICE: So then it's netted, so the 200 is net.

MR. TAGORDA: Mr. Chairman. Yeah, it's a little bit confusing, David, these two figures that we have here, yeah. Page 3 you're asking for 20,000 to design the same project.

MR. CRADDICK: Yeah.

MR. TAGORDA: Yeah. And then you have construction costs of 500,000.

MR. CRADDICK: Yeah.

MR. TAGORDA: And \$50,000 contingency.

MR. CRADDICK: Where does it say \$50,000 contingency?

MR. TAGORDA: Number 3.

MR. CRADDICK: That's just -- forget that. Cross it out.

MR. TAGORDA: Cross it out?

MR. CRADDICK: Yeah.

MR. TAGORDA: Good. And then the next page, which is, I don't know what number is this, next to number 3, which is the next page, it says Map 3 project 96-08. You are asking for 200,000?

MR. CRADDICK: Yeah.

MR. TAGORDA: And there's design.

MR. CRADDICK: Scribble that out, too, that 80,000, get rid of that.

MR. TAGORDA: Get rid of that 80,000, David?

MR. CRADDICK: Yeah.

MR. TAGORDA: Okay.

CHAIR NAKAMURA: So is that supposed to be just zero?

MR. CRADDICK: At this point, it would be zero because you paid for it in the page before.

CHAIR NAKAMURA: Okay.

MR. TAGORDA: Now, my question to you is --

MR. RICE: Over here the numbers are still the same.

MR. CRADDICK: This is the one you have to go by, not this sheet here. This sheet here is mainly for the map.

CHAIR NAKAMURA: Well, that may be true, but I think it is --

MR. CRADDICK: It gives you other things to --

CHAIR NAKAMURA: Well, I mean, you know, this information needs to be consistent.

MR. TAGORDA: Yeah, that's the reason why I came in today because I'm really confused about this CIP program that we have. And my next question to you in relation to what I'm talking about is just the 500,000 construction cost that you're asking --.

MR. CRADDICK: No, we're not asking for that. We're asking for 200.

MR. TAGORDA: Right, right, yeah, in case this goes through, yeah, the complete process. If the developer installs booster pumps, controls and pump

line, it could be more you said, if your department decides not to do its portion of source pump and telemetry, it could be more than 500,000?

MR. CRADDICK: No.

MR. TAGORDA: That's what -- I just look at your remarks. Based on anticipated cost savings, if the developer installs booster pump, controls and pipeline, Department will supply a portion in source pump telemetry. It would be more.

MR. CRADDICK: If they don't do it, it would be more than the 200,000.

MR. TAGORDA: The total construction cost of this well is how much, David?

MR. CRADDICK: 200,000 to us.

MR. TAGORDA: So this is just phase one, the 200,000?

MR. CRADDICK: You could call it that if you want, but that's the only phase there will be if the private developer picks up their share.

MR. RICE: So I think the answer to your question, Orlando, is the whole project costs 500,000, 300 being borne by Stanford, 200 coming from the Department.

MS. KRAFTSOW: Did I understand that you want to show the 300 under private now?

CHAIR NAKAMURA: You know, either you've got to show 300 under private, or you've got to reduce the construction cost to 200,000. I mean, again, this may be just a worksheet, but it's somewhat confusing. If we're just going to -- if we're just working off the summaries and we're saying the summaries are going to reflect 200,000, then either this worksheet has got to show construction as 200,000 or it's got to show

300,000 coming from the private if the total cost is 500,000.

It doesn't really matter to me, but it's got to be consistent. You know, these things have got to make some sense if somebody picks it up and looks at it. So I'm not sure what -- how you're going to reflect it on this worksheet.

MS. KRAFTSOW: Do you want that also on this, 300?

MR. TAGORDA: These two tie in, right?

CHAIR NAKAMURA: You do have a column for private.

MS. KRAFTSOW: Yeah.

CHAIR NAKAMURA: I think, you know, to me it's a more accurate reflection to show that the cost is 500,000 and that a source of funding is 200 from us and 300 from private, but there may be some reasons why you don't want to do that. I'm not sure.

MR. CRADDICK: Well, it's kind of -- you know, you don't know anything about the -- their portion is going to be a lot more than 300,000. They're doing a whole booster station and everything, and we're not trying to pick up all the stuff private developers will do and turn over to us in the year. We're not at all trying to do that in the budget process.

CHAIR NAKAMURA: Well, then this worksheet should show the construction cost is 200,000.

MR. CRADDICK: Yeah.

MS. KRAFTSOW: So change it to 200 instead?

MR. CRADDICK: That's what I would say, yeah.

MS. KRAFTSOW: This is in the remarks based on anticipated cost savings.

MR. RICE: To the extent we complete these projects each year, then we have to add them to the Brown & Caldwell model, and we would add it at the replacement value, right?

MR. CRADDICK: Right.

MR. RICE: Not 200,000?

MR. CRADDICK: Not 200,000.

MR. RICE: If they put in let's say half a million dollars worth of equipment and turn it over to us, then we would be reserving for the entire amount.

MR. CRADDICK: Right, that's right. If you look in our financial statement, you know, what we put in and what's contributed by the private developers every year, there's probably an amount of what -- I mean it varies from year to year, but it's in the millions every year that doesn't show up on our budget at all. It shows up on the financial statement, but it doesn't show up on the budget at all.

MR. RICE: It wouldn't because there's no money. We don't pay anything.

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: So the \$200,000 is going to fund the pump at the well head and the telemetry at the well head?

MR. CRADDICK: Yes.

CHAIR NAKAMURA: Or thereabouts?

MR. CRADDICK: Yes.

CHAIR NAKAMURA: And the developer, and somewhere along the line, you need the pipeline and a booster pump.

MR. CRADDICK: No, not to make this work. The booster pump is more for their own project. What we need is the power coming in to run the pump and we need the controls to run the pump. And all of that power, controls and stuff has to be worked on for the booster pump, so we're thinking just, you know, they include it all in our project and it's simpler rather than having two consultants getting involved in electrical stuff.

CHAIR NAKAMURA: Okay. I think it would be helpful if we had a better description of the projects to move ahead. North Waihee Source.

MR. CRADDICK: This is just continuing on North Waihee in the northern direction of drilling more wells.

CHAIR NAKAMURA: Okay. We had conceptually approved that some money is going to be spent this year on -- no, no money is going to be spent this year.

MR. KOGASAKA: No.

CHAIR NAKAMURA: So we're basically again going to lapse that money and reappropriate it?

MR. KOGASAKA: Yes.

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: And so this is 100,000, design construction cost, construction cost being the drilling of the well, this 600,000?

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: With a \$50,000 --

MR. CRADDICK: Actually, I don't think it's going to be that much. It may be around 500 and not more than 100,000 I don't think in design, so the construction cost is high there.

CHAIR NAKAMURA: So construction costs should be 500,000 then, and contingency should be, looking at the worksheet again -- construction cost should be 500,000, and the contingency is zero?

MR. CRADDICK: I don't know. I would still probably leave that contingency. We're not asking for any funding for the contingency for the project right now. It is what it is. I mean that's -- we're putting that in there.

MR. RICE: We're not budgeting that.

MR. CRADDICK: Yeah, we're not budgeting for that.

MR. RICE: But if construction costs are really 500,000, and our contingency is 100 --

MR. CRADDICK: How do you mean?

MR. RICE: Well, you've got 600 in the budget right under construction cost.

MR. CRADDICK: No.

CHAIR NAKAMURA: 100 is the design.

MR. RICE: 100 is the design, all right. Didn't we already talk about this at a prior meeting?

MR. CRADDICK: I don't know. I don't think so. You know, the short story is you should not be looking to this map for any financial information.

MR. RICE: I'm not looking at the map at all.

CHAIR NAKAMURA: Well, then why do we have this volume of paper if we're not supposed to be looking at it?

MR. CRADDICK: You said you wanted a map of where everything was. These numbers here pump out with the database. They were numbers that were estimated many years ago. It may be updated. It may not be updated, and I don't think any effort has been made to make sure, at least not, let's put it this way, not enough effort has been made to make sure those numbers are current information. This is given mainly for the map to show you the location and the budget numbers that we're dealing with on the budget.

MS. KRAFTSOW: I'm sorry, they should be mostly consistent. There will be some mistakes. There are some mistakes obviously, but in some cases, it's just a matter of how we fund. Like we're showing the total cost, but we're only showing the element that we're asking for.

CHAIR NAKAMURA: Well, David, as far as I'm concerned, these work sheets need to be consistent with these summaries because if anyone comes and looks at this information -- you know, we're confused. I don't -- I think we owe it to the public to be a little clearer. So if we're appropriating \$600,000, and it's 100,000 for design and 500,000 for construction and no contingencies, or if you want a contingency, then the construction cost either has got to change or the amount we're appropriating has got to change. I mean this thing has got to make some sense. There's got to be some logic to these numbers. So what is it that you want to do?

MR. CRADDICK: There is some logic to them, but --

CHAIR NAKAMURA: Okay. David, just forget about your logic. I want these two to tie together, so tell me how we're going to tie them together.

MR. CRADDICK: You don't pay any attention to those numbers and blank them all out. You'll look at this for the map, and look at this for the budget.

CHAIR NAKAMURA: No, we're not going to do that. Why do we have this then? Why do we have design permit, construction contingency, how much we're appropriating, source of funding? If we're not going to do that, why don't you throw this away and just have a map?

MS. KRAFTSOW: I'm sorry, they should tie together. And there will be a few mistakes because there was a little bit of hurry at the end, and I apologize. I think most of them will be consistent. And I also thought Maluhia Well was already designed and that was a done cost and that we were actually budgeting for construction of 600. That was what I thought when I did this, so if that's an error, I can change that, too.

MR. TAGORDA: You're talking -- excuse me, Mr. Chairman. You said that the Maluhia well is already designed?

MR. CRADDICK: No.

MS. KRAFTSOW: I may be wrong, but that was my impression at the time, the design was more or less done.

MR. TAGORDA: And we started to talk about Maluhia.

MS. KRAFTSOW: There's an old design. I don't know how much use there is.

MR. RICE: Mr. Chairman.

CHAIR NAKAMURA: Yes, Mr. Rice.

MR. RICE: If we're going to have the database

at all, then -- and if the statement I heard is true that some of this stuff is old numbers and hasn't been updated, then I think we have to go back and update it.

MR. CRADDICK: But the problem is that this is for \$400 million worth of projects spanning over 20 years, and it is not simple to do. It's not simple to do. If the Board wants to do it, the budget time is not the time to do it, to do a 20-year database.

MR. RICE: Well, then maybe the projects that we're going to talk about in the next five years or some reasonable time period ought to be updated. I can understand that a \$500 million CIP budget that spans 20 years might have numbers that are estimates, but --

MR. CRADDICK: Yeah, and that's what these numbers are for the most part. Now, we try to get them, you know, more current when we come up with the year, but this is the budget. This is what we're asking for the budget.

MR. RICE: Then all Howard is saying is take the time when you've established this is the budget to go back in the database and make it tie.

MS. KRAFTSOW: I will do that, okay.

MR. RICE: All right.

CHAIR NAKAMURA: All right.

MR. RICE: Because otherwise we look like we don't know what we're doing.

CHAIR NAKAMURA: So Ellen, what would you propose to do recognizing that the \$100,000 for design needs to be appropriated in '01-'02?

MS. KRAFTSOW: Then I'll make it construction 500.

CHAIR NAKAMURA: And no contingency.

MS. KRAFTSOW: Yeah, I'll put the contingency out there so the Board has seen there may be a future contingency.

CHAIR NAKAMURA: I don't have any problem with having the \$50,000 contingency if you feel it's necessary and have the construction cost be 500,000 and contingency is 10 percent. Then we're looking at 650,000. We would have to find the money somewhere, but just tell us what it is you want to do.

MS. KRAFTSOW: I would defer to Herb on that actually. I mean I usually put contingency between 5 and 10 just as a matter of course.

MR. KOGASAKA: On this page here?

CHAIR NAKAMURA: Yeah.

MR. KOGASAKA: You should leave it out I guess.

CHAIR NAKAMURA: You should leave it out?

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: So we're going to appropriate \$600,000; 100,000 for design and 500,000 for construction.

MR. TAGORDA: Yeah.

CHAIR NAKAMURA: Is that okay?

MS. KRAFTSOW: So do you still want to show zero contingency then?

CHAIR NAKAMURA: I guess so. That's what

Mr. Herb Kogasaka is suggesting, and I don't have any problem with that.

MR. RICE: I agree, it should be, Mr. Chairman, whatever they're thinking, there's -- the worst thing to do, Herb, is to say you don't need a contingency and then need it and later come back. So it relates to how far we've gotten into estimating these numbers or how comfortable you feel.

If you're ballparking it -- actually, Mr. Chairman, I think there's another element to this that needs to -- that may help us fine tune the numbers, David. I think we need to know, once the CIP project list is done, we need to prioritize and outline which of these projects we think we're reasonably going to do this year given the staffing and the ability to, you know, these guys, everybody, you have experience and Herb has experience on designing and bidding jobs, and so we know we're not going to do all these projects this year.

So let's say which ones we're going to. I think Orlando brought up a good point, and you recognized it, in your expenses for that pipeline in Kapalua are 60,000 a year. And it costs us 100 to fix it one time. That's pretty high priority, and then we manage the staff to do that project, so next year we sit here, yes, that was done. It was a priority. It was done.

You know, and I think based on a establishing a priority and outlining what we reasonably can do, then the staff can get really good numbers. And then some of the other ones may be estimates because, yeah, later in the year we think we may get to them and so we know we're not necessarily doing them for sure and an estimate is probably fine, Mr. Chairman.

CHAIR NAKAMURA: Well said.

MR. TAGORDA: Mr. Chairman.

CHAIR NAKAMURA: Yes.

MR. TAGORDA: In connection to what Mr. Rice has said, and I agree, and I would like to know from the staff how will they prioritize this well, especially the wells that we have now. I think we are facing about four well developments in this CIP, and I would like you folks to prioritize which well will go along, will be constructed this year, because you have the Maluhia. You have that upcountry. You've got the Kupaa. You've got what else, David? That Wailuku. And four wells in one year. Let's prioritize those wells. Which are more important? Which is really important?

MR. RICE: Or if we do them all, fine.

MR. TAGORDA: We can do it all.

MR. CRADDICK: Where do you see these four wells? I only see one there.

MR. TAGORDA: We just discussed Wailuku shaft. You've got Kupaa.

MR. CRADDICK: That's not doing the well.

MR. TAGORDA: We've got that upcountry well. We've got this Maluhia.

MR. CRADDICK: It's not on here.

MR. TAGORDA: You've got the Kupaa wells, Kanoa wells construction, Maluhia, Waikapu well development.

MR. CRADDICK: Okay. I guess you're jumping all around. I'm looking at this Iao one.

MR. TAGORDA: Yeah, the thing, I'm talking about the drought, too. You've got one well up there, too.

CHAIR NAKAMURA: I think the larger question,

David, is that having made these appropriations, how are we going to help the Department to implement these projects? You know, is it -- you know, is it a staffing issue in order to implement it? What needs to be done to move these projects ahead in some kind of a reasonable fashion? And I think that's all we're asking. So maybe that's an issue for --

MR. CRADDICK: Hiring a separate attorney for doing the land issues would help out considerably if you can do that.

CHAIR NAKAMURA: I think that the Board is willing to look at whatever alternatives need to be done to move these ahead. You know, one thought I had was does it make sense to hire a project manager for ten, twelve projects and give it to a consultant and say, okay, you're responsible for managing these projects through -- if they're design projects, to have somebody manage the design projects. I don't know. I'm just throwing that out, because clearly you seem to have a staffing problem, yeah, Herb, to get all these projects into a point where they can be implemented, it seems like anyway.

MR. KOGASAKA: Once you get the project going, I guess it's trying to get those design projects out. It has to be reviewed by our staff that's familiar with the system.

CHAIR NAKAMURA: Well, then I think that can be cranked into the process, but that's why I asked at the other meeting what is, you know, how do we go about implementing these projects, yeah, in engineering. And I think you said you had only one person working on CIP and you have some people that are -- I guess you organized to be by district, so by region. And you may have somebody that's responsible for the region or district working on those projects, but it seems like I guess there's a concern that there's an awful lot of projects that we appropriate funds for that, you know, just keep coming back the

next year, yeah.

MR. RICE: Mr. Chairman.

CHAIR NAKAMURA: Yes.

MR. RICE: Dave, who does design? Do we do that in-house, or do we farm it out?

MR. CRADDICK: No, most of it is farmed out.

MR. RICE: It's farmed out?

MR. CRADDICK: Yeah, but, Peter, one thing, I may be guessing wrong, and Herb, you tell me if I'm way off base, but I would estimate 20 percent of our staff time is spent working on staff reports for rule waivers.

MR. RICE: For what?

MR. CRADDICK: Rule waivers. And that is a complete waste of our guys' time to be doing that kind of stuff. And if we wanted to hire somebody separate to handle those rule waivers, that would free up a tremendous amount of time. And I don't think we would miss our budget by 20 percent every year.

MR. RICE: Mr. Chairman, might I suggest to the Director that we identify areas that are problems and we don't make comments about how wasteful they are. Twenty percent of their time is spent doing rule waivers, okay. You don't need to editorialize on that, okay, and it's just an issue we ought to address.

CHAIR NAKAMURA: That's what we're saying. We want to be in a position to assist in whatever needs to be done, you know, I agree we don't need the editorializing. We need some potential solutions.

MR. CRADDICK: There's that and the condemnation of land issues. On the Honolulu Board of Water Supply, I don't think one agenda goes by when there's not a condemnation of land for some project that they're doing and sometimes two and three on one agenda. And we've had probably three in ten years. And those were all lost. The maps were all lost by the time the Corp Counsel finally got around to doing them, and the maps had to be redone because they involve land court issues.

CHAIR NAKAMURA: So what are you trying to say? Because I don't believe as far as -- as long as I've been on the Board, we've never had a potential condemnation brought to us, except possibly the Kaanapali system, which is a totally different issue.

MR. CRADDICK: Yeah, yeah, a different issue.

CHAIR NAKAMURA: I don't think -- if you're saying the projects are not moving ahead because the Board is unwilling to condemn property, I don't know that that's true because we've never had it proposed to us.

MR. CRADDICK: No, no, here is what it is. The process with Honolulu and previously with the Board is you pass a resolution, and boom, it's turned over to Corp Counsel and they run with it and it gets done or they hire a separate attorney for it. Here now they're saying we can't even approve the resolution until we've got surveys done, title report done. What else, Herb?

MR. KOGASAKA: Appraisal.

MR. CRADDICK: Appraisal, all this kind of stuff done prior to coming to the Board. Well, hey, supposing the Board says they don't want to condemn it. Now we've wasted all of this money doing something the Board may, in fact, not want to do. I think the process is being a little bit kahupahi

there. Maybe that's the way counsel does it. I don't know. But to me, I think the Board should have the first say whether they want to condemn it. And once they say condemn it, the rest of the stuff, doing the appraisals and things like that should be left up to staff to get it done and get that done. But where it falls short is Corp Counsel, that stuff gets turned out to them and nothing happens.

MR. RICE: Okay. But condemnation as opposed to what, easements?

MR. CRADDICK: You might -- the condemnation may only be for an easement. You've got lots of roads around there.

MR. RICE: I'm just saying I just want to understand your suggestion that there needs to be a condemnation procedure added to our procedures in place of what, and how does it expedite?

MR. CRADDICK: We have many places where the pipelines are in and there's no easement for it or anything. The pipeline is just there, and we have to come up and replace the line. The one that's been holding up in Wailuku Heights here, the guy has got a trailer over the pipeline. Things like that come up. And, you know, to have somebody responsive to that in Corp Counsel's area, you know, whether they're too overworked or what it is, I don't know. But that, you know, needs to be -- have a lot more concentrated attention to it in a timely manner.

CHAIR NAKAMURA: Herb.

MR. KOGASAKA: I'm just thinking on one of the past projects that we did was in Lahaina. We put a pipeline within this whole subdivision. And the roads were narrow, and we had to get easements, I think to the order of 10 to 15 easements, and the numbers kind of escape me at this point.

But what we've done on those is to negotiate

with each of the lot owners, and I tried to get a compromise. But I got them to grant us the easement for the fire hydrants, and that takes a certain amount of time similar to that Sand Hill project. We did about five easements, and, you know, we want to be assured that we get that before we proceed with the project. As far as getting the design to the point of construction, that could move a lot smoother, but, you know, that portion on the easement, it's a back and forth thing at the convenience of the lot owner for one. We write to them and call them up and try to follow up. It generally throws your schedule off.

CHAIR NAKAMURA: I'm assuming Honolulu City and County probably has a right-of-way agent or whatever they call it, and you don't.

MR. CRADDICK: Right, that's true.

CHAIR NAKAMURA: Right.

MR. CRADDICK: That's true.

CHAIR NAKAMURA: So the engineers are the ones who are chasing down these easements?

MR. KOGASAKA: Yes, yes.

CHAIR NAKAMURA: Okay. Anyway, I guess, again, what we're saying is that I'm sure the Board wants to be helpful in establishing a procedure where the projects can be expedited or at least the projects can move along in some kind of a timely fashion and that you folks are not bogged down with whatever it is that's going to bog you down. But we can't be helpful unless there's a, you know, reasonable and rational program proposed to help you. And I think the Board is willing to listen. I'm not saying the Board is going to approve ten new positions for design and rights-of-way. But, you know, whatever it is, if staff needs a program consultant, attorneys, you know, whatever, at least we're willing to look at it.

MR. KOGASAKA: I guess we have like say ten design projects going on in one fiscal year, for example. One of the problems is trying to get the easements and especially those replacement projects in areas where the streets are narrow or not too well defined where a land agent might be -- the other thing is where we have wells and other projects involving environmental assessments and trying to track that through the permitting process, which somewhat disrupts the design process.

CHAIR NAKAMURA: Okay. Well, anyway, I think we may have beat this into the ground for a while, but again, I think the Board would be responsive to looking at the procedures and how we could somehow improve the process. Okay. Can we move on to North Waihee Source Development, Kanoa wells.

MR. CRADDICK: That one there is just an added-in page. I don't think it should even be in there.

CHAIR NAKAMURA: I'm sorry?

MR. CRADDICK: It's a mistake, an added page.

MS. KRAFTSOW: No, it's in the there.

MR. KOGASAKA: That's the development of -- we have the project that's development of Kanoa wells 1 and 2. We wanted to make a change order for addition of a drainage curb ditch to divert a drainage problem that we have, and we want to correct that under this contract. The \$50,000 is we feel somewhat of a conservative estimate, but we would like to go ahead and include that as a project, I mean as a change order to that existing project now.

CHAIR NAKAMURA: Which is basically the Kanoa well transmission line and pumps and all of that, that's pretty much been completed, right?

MS. KRAFTSOW: Yeah.

MR. CRADDICK: It's under construction.

MR. KOGASAKA: That's right, yeah.

CHAIR NAKAMURA: And so this is to do this drainage ditch --

MR. KOGASAKA: Right, yes.

CHAIR NAKAMURA: -- that wasn't provided for initially?

MR. KOGASAKA: That's right.

MS. KRAFTSOW: Can I just -- one thing I do is the description of the project pretty much stays the same through design, exploration, construction and any change orders. And then if there's a specific item like this change order, I put it down in the remarks.

CHAIR NAKAMURA: Uh-huh.

MS. KRAFTSOW: Yeah.

CHAIR NAKAMURA: Okay. So basically this is going to complete the project?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: This particular, this Kanoa well transmission development, everything about Kanoa wells is then going to be finished with this project?

MR. KOGASAKA: Yes, we'll have the two Kanoa wells on line contributing to the system.

CHAIR NAKAMURA: Okay. Any questions, Peter, Orlando?

MR. TAGORDA: No thank you.

MR. RICE: That's basically a heavy equipment operator digging a ditch?

MR. KOGASAKA: Yes, and grassing, that kind of stuff.

CHAIR NAKAMURA: Are you volunteering your services, Mr. Rice?

MR. RICE: I've been known to dig ditches.

CHAIR NAKAMURA: Okay, next. Kupaa wells, number 1 development. This is for a million -- 1.5 million.

MR. CRADDICK: This is for the controls, pump. Is pipeline in this, Herb, or is the pipeline separate?

MR. KOGASAKA: No, the pipeline is separate. That includes a control tank for the pump. The project includes a half-million-gallon tank as well as the pump.

MR. CRADDICK: Controls.

CHAIR NAKAMURA: So Kupaa well 1 has been drilled, tested, and this is now to put in the necessary infrastructure, all the necessary infrastructure to bring it into the system except for the transmission line which is the next project?

MR. KOGASAKA: That's right, yes.

CHAIR NAKAMURA: And that's going to be one and a half million dollars to do all of that?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: And this, the design is completed?

MR. KOGASAKA: It's under contract and it's not quite completed yet, but it's in the design.

CHAIR NAKAMURA: The design funds have been encumbered from a prior year, or this year?

MR. KOGASAKA: Yes, a prior year.

CHAIR NAKAMURA: I see Holly shaking her head. For a prior year, okay, but not this year.

MS. PERDIDO: Uh-huh.

CHAIR NAKAMURA: Any questions on this? One question, Herb. The discussion about the 8 million gallons sustainable yield from this North Waihee aquifer and 4 million from the first portion of it, this Kupaa well field is --

MR. KOGASAKA: Inclusive of the initial 4 million.

CHAIR NAKAMURA: It's within the area that you're going to generate the initial 4 million?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: So this is basically to kind of spread the pumpage out in that North Waihee area, if you will, and we're not going to do Kupaa 2?

MR. KOGASAKA: Correct.

MR. CRADDICK: No, there may be some time when we would do that.

CHAIR NAKAMURA: But we're proposing now to move into Maluhia?

MR. CRADDICK: Right.

CHAIR NAKAMURA: Okay. Any questions on this, Peter?

MR. RICE: No.

CHAIR NAKAMURA: Orlando?

MR. TAGORDA: No thank you.

MR. CRADDICK: One thing you might note that it wipes out the Central Maui Source Fund. That's the last of the money we spent on the Central Maui Source Fund. So theoretically, after next year, that fund won't be there anymore.

MR. RICE: Was that somebody's question? Was that your question before, Orlando?

MR. TAGORDA: No.

MR. RICE: Oh.

CHAIR NAKAMURA: Okay. Next, North Waihee transmission.

MR. KOGASAKA: This is the pipeline from Kupaa well 1 to the transmission line that goes to the North Waihee booster pump station.

CHAIR NAKAMURA: And this design is either completed or --

MR. KOGASAKA: It's in the process of being designed right now.

CHAIR NAKAMURA: And so you're comfortable that you're going to be able to put this project out to bid in '01, fiscal year '01-'02.

MR. KOGASAKA: Yes.

MR. CRADDICK: Could we back up for a minute to the Maluhia well for a minute. Because there may be someone who wants to participate in that well that may be coming in sometime next year, too. Just to let you know that.

CHAIR NAKAMURA: Okay. So noted. We may have --

MR. CRADDICK: A partner.

CHAIR NAKAMURA: -- a partner.

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: Okay. Next is -- I'm sorry. Okay. Transmission North Waihee Source Development transmission from Maluhia well site to system. This is to design the transmission line for this well that has not yet been drilled, developed. Is this not perhaps somewhat premature?

MR. KOGASAKA: Maybe. I may be depending on --

CHAIR NAKAMURA: Because we don't even know where the well is.

MR. CRADDICK: Oh, it wouldn't matter for this one where it would be.

CHAIR NAKAMURA: How are you going to design a transmission line if you don't know where it's going to start from?

MR. KOGASAKA: We'll do the other one first. We'll do the first Maluhia well site and get that started first before we consider doing something.

MR. RICE: So this is a low priority.

MR. CRADDICK: Watch out, Peter, on saying that's a low priority. You cannot use that well at all without a pipeline, without a pipeline ready to go. If we need that well, we can get it on line, so keep that in mind. You may need this well sooner rather than later. And the reason why we know where it's going is because the pipeline is going out into the road and will follow the road regardless of where the well goes, irregardless of where the well goes.

MR. RICE: So what you're saying is you're going to design the pipeline up to a point, and once you know where the well is, you're only changing the design from the road to the well site?

MR. CRADDICK: Yes, coming from the road, right.

MR. KOGASAKA: We need a fairly good determination of where the well site is going to be.

CHAIR NAKAMURA: But the Maluhia well, we have funding to drill the exploratory well. We do not have funding proposing for infrastructure, pump storage, nothing?

MR. KOGASAKA: We don't anticipate -- I don't think we're going to provide a storage tank over there.

MR. CRADDICK: I don't think so, no, with a half-million-gallon one at the other site.

CHAIR NAKAMURA: So anyway, no control tank, nothing?

MR. KOGASAKA: We were thinking of pumping into the control tank that's under the Kupaa wells.

CHAIR NAKAMURA: But anyway, none of that stuff is proposed for funding?

MR. KOGASAKA: Not at this time.

CHAIR NAKAMURA: So it's questionable. Okay.
Moving on.

MR. CRADDICK: Howard, when you say it's questionable, we had no money for a pump and stuff in the Kanoa number 1 well, which has been running now for almost -- well, since March of 2000, and yet we have water coming in from that project. And it couldn't have happened without a pipeline design already there.

CHAIR NAKAMURA: Okay. Your comments are noted, Mr. Craddick.

MR. CRADDICK: Okay.

CHAIR NAKAMURA: East Maui Source Development, SEIS Haiku monitor well. Herb.

MR. KOGASAKA: That's the present project that's being bid right now, and if we can encumber the fund, we would not be going into there. If we don't encumber -- if we are not able to encumber the fund under the current fiscal year, then this would be available.

CHAIR NAKAMURA: So this is out to bid right now?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: For the drilling of this well?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: And when are you going to open bids on that?

MR. KOGASAKA: June 15th.

CHAIR NAKAMURA: June 15th. And how much money do we have in this year's budget?

MR. KOGASAKA: I believe 650,000.

CHAIR NAKAMURA: 650,000?

MR. KOGASAKA: Yeah, 650.

CHAIR NAKAMURA: So either that will lapse and go into this year, or it will be encumbered in the present fiscal year. Is that reasonable to be able to award and encumber in 15 days?

MR. CRADDICK: We did North Waihee in three hours way back.

MR. KOGASAKA: We're going to try.

CHAIR NAKAMURA: Okay.

MR. KOGASAKA: That's all I can promise.

CHAIR NAKAMURA: Let's keep a list of Herb's promises.

MR. RICE: Well, it doesn't really matter because --

CHAIR NAKAMURA: Yeah, it doesn't really matter.

MR. RICE: He doesn't have to be pressured to do that in 15 days.

CHAIR NAKAMURA: Yeah, I think regardless, one way or the other, it will be funded.

MR. KOGASAKA: In that period of time, we would like to have that funded.

MR. RICE: If it's not in the next 15 days, it's still going to be funded as part of this budget.

MR. KOGASAKA: We tried to get it within the

fiscal year.

CHAIR NAKAMURA: When you put these projects out to bid for well drilling, do you bid it out under so much per foot or is it a lump sum bid, or how does that work?

MR. KOGASAKA: It's a per-foot bid.

CHAIR NAKAMURA: It's a per-foot bid?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: Not to exceed. I mean you've got to have a -- I would think you would have to have a limit, right, especially in this case, you have only so much money appropriated.

MR. KOGASAKA: It's based on the estimate, the quantities that is in the bid proposal.

CHAIR NAKAMURA: Okay. So this monitor well you expect to go down to what elevation or what depth?

MR. KOGASAKA: I don't recall specifically.

MR. CRADDICK: It would be about 200 feet below sea level, 150, 200 feet below sea level?

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

MR. CRADDICK: No, wait a minute, about 50 feet below sea level.

MR. KOGASAKA: Fifty feet below.

MR. CRADDICK: I take that back. One-fourth of that, yeah.

CHAIR NAKAMURA: Peter, any questions?

MR. RICE: No.

CHAIR NAKAMURA: Orlando?

MR. TAGORDA: No, Mr. Chairman.

CHAIR NAKAMURA: Lower Kula Piiholo Reservoir Design. Volunteers?

MR. CRADDICK: Well, what we're doing is we're funding another half-million dollars of it for design. We have the EIS portion that we would expect would be out to bid.

MR. KOGASAKA: We've requested a proposal for a cost proposal to be looked at. We haven't received it at this time.

MR. CRADDICK: And this is just funding another portion of it if the State never releases the money. So the requested appropriation is for \$1,500 of -- I'm sorry, 1.5 million of which 1 million is State funds?

MR. CRADDICK: Yes.

CHAIR NAKAMURA: Is that right? And that would -- that would take care of the total, what is this, preliminary design and environmental study?

MR. CRADDICK: No, the environmental study is already going out. That's what Herb was talking about. This would be funding the balance of the design.

CHAIR NAKAMURA: The actual design?

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: Okay. I guess we have the same issue. The project cost, our actual, our

appropriation is --

MR. CRADDICK: Half a million.

CHAIR NAKAMURA: Half a million?

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: Not 1.5.

MR. CRADDICK: That's correct.

MS. KRAFTSOW: This one, I described that original 2 million in the remarks, 500 that already exists, the 500 more we're requesting and the million from the State. The breakdown of those costs is described in the remarks.

CHAIR NAKAMURA: There may be a question to the financial people. You know, I'm just looking at consistency now. Are we, in this case, State funding, are we going to reflect in the budget, whereas private we're saying we're not going to reflect? You know, it doesn't really matter that much to me.

MS. SUZUKI: I guess with State funding we have more of a commitment than, you know, a private, so that's in the budget.

MR. RICE: It has to be reflected in revenue now.

MS. SUZUKI: No, revenue -- this is a CIP. This is not the operating.

MR. RICE: But if we're budgeting a million and a half, but we're intending to get a million from the State, we have to provide for that million from the State somewhere.

MR. CRADDICK: No, no, no. What happens is we never see that money. What happens is if we do a job,

there's paperwork that exchanges between the State and us where we know we're going to get the money from them. They will certify the funds availability via us, so we're able to certify the contract. But they pay the contractor directly. We never get the money. It never comes into our account.

MR. RICE: Then we don't need to budget for it. The same issue we talked about before.

MS. SUZUKI: No, we need to because we take it in as contribution, so we need to have an appropriation.

MR. RICE: So then you do get it.

MS. SUZUKI: We get it as an asset. We don't get cash.

MR. RICE: Then we're getting something from them. Then you are making an entry?

MS. SUZUKI: To the contribution in equity.

MS. PERDIDO: Once the projects close, we make the entry.

MS. KRAFTSOW: I think they would have done that with the 300,000, too, afterwards, but the State has already approved it at some level.

MR. CRADDICK: Yeah, at some level.

MS. KRAFTSOW: So the other one is more iffy.

MR. CRADDICK: Peter, it's taker's choice really. If you guys want to show it, show it. If you don't want to show it, throw it out. It's not a revenue thing for the Board to be concerned about.

It shows some level of the work that we're doing, but if you add it in there, it's going -- even though we may not be doing it ourselves or funding it

ourself.

CHAIR NAKAMURA: Well, the money that we're putting out is \$500,000.

MR. CRADDICK: That's correct.

CHAIR NAKAMURA: It seems like that somehow should be reflected. Okay. We'll let the financial people figure this out. But again, I think what we would like to see is some consistency. Okay.

MR. CRADDICK: Do you guys just want to say you want it in or out, because we can go either way, but when you say consistency here, that's the only State listed fund in there.

CHAIR NAKAMURA: We'll leave it to Chairman Rice to resolve because we've got the private issue. Okay. Upcountry Dual System Construction. Volunteers?

MR. KOGASAKA: This is a contingency amount that came from -- we don't have a specific designation for it.

CHAIR NAKAMURA: We have responsibility to assist in surveying and acquiring easements?

MR. CRADDICK: Yes.

MR. KOGASAKA: Yes, we have an inspection.

CHAIR NAKAMURA: What is the status of this project anyway?

MR. CRADDICK: They're hauling pipe up there and putting it in. A lot of the transmission has been dug and they're laying it out as they're hauling it up.

CHAIR NAKAMURA: So it's under construction managed by the State?

MR. CRADDICK: Right, yeah.

CHAIR NAKAMURA: Using State funds?

MR. CRADDICK: Well, they were originally our funds, but in order to get them released, we had to turn them over to the State.

CHAIR NAKAMURA: How much did we put into it?

MR. CRADDICK: It's 2 and a half million I believe it was, 2 and a half, or what was it, 3 million I think. This particular project here was 2, I think 2-million-something. This particular phase here, this thing, it says Phase 1 on the drawing here.

CHAIR NAKAMURA: Okay. And that's our money?

MR. CRADDICK: No.

CHAIR NAKAMURA: That's State money.

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: So what did you say about us putting in 2 and a half or 3 million?

MR. CRADDICK: That was what we turned over to the State to get this going.

CHAIR NAKAMURA: I'm sorry?

MS. SUZUKI: It's State money, but it was allotted to us.

CHAIR NAKAMURA: So you gave it back to the State?

MS. SUZUKI: No, we gave it to, not DAGS, Department of Land, and yeah, Ag. It was delegated.

CHAIR NAKAMURA: So the State money was appropriated to the County and the County turned it over to the Department of Ag for this project, so it's not really County money?

MR. CRADDICK: No, never was.

CHAIR NAKAMURA: Never was?

MR. CRADDICK: No.

CHAIR NAKAMURA: Okay. Question, Orlando?

MR. TAGORDA: No.

CHAIR NAKAMURA: Okay. Upcountry Source Improvements. This is the project that we've discussed in the past and will identify the most appropriate location to drill a well for domestic use.

MR. KOGASAKA: Yes, this is the construction for the exploratory well.

CHAIR NAKAMURA: Okay. On this we haven't encumbered any of the prior appropriation. There was a prior appropriation, right?

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: So we're not encumbering any of it, we're lapsing it and reappropriating it?

MR. KOGASAKA: Yes. We're requesting proposals on that on the design portion right now.

CHAIR NAKAMURA: Okay. Any questions?

MR. TAGORDA: Mr. Chair.

MR. KOGASAKA: That will go into -- that will probably go into next fiscal year before we can encumber the funds.

MR. TAGORDA: I just want to make sure that this is a project designed for drilling a well only and not increasing treatment plant capacity to improve upcountry source availability. This is kind of a little bit, you know, it goes two ways there. I just want to make sure that this is only for --

MR. CRADDICK: Well, you're right, it's worded so it could go either way. It's the Board's decision.

MR. TAGORDA: So I want to delete that portion that says, "Increasing treatment plant capacity," Mr. Chair.

CHAIR NAKAMURA: Okay. I think that's a point well taken understanding -- the Board's understanding is this is for drilling the well, so Ellen maybe can --

MR. RICE: Good point.

CHAIR NAKAMURA: Okay.

MR. RICE: But this is no site -- excuse me, Mr. Chairman, no site has been picked on this yet?

MR. CRADDICK: I don't know whether it has or not, Peter.

MR. RICE: You don't want to go get into that controversy, do you, David?

MR. CRADDICK: No.

MR. RICE: Good.

CHAIR NAKAMURA: Well, the design services are going to include identification of the potential sites and the recommendation as to the most desirable, right?

MR. KOGASAKA: Yes, we requested to look at at least three alternatives.

CHAIR NAKAMURA: Are you specifying alternatives, or are you leaving it up to the consultant?

MR. KOGASAKA: We're not making any --

CHAIR NAKAMURA: Probably a wise thing.

MR. TAGORDA: Mr. Chair.

CHAIR NAKAMURA: Yes.

MR. TAGORDA: One more last statement I want to make. I want to have this project to have a priority over other projects. Herb.

MR. KOGASAKA: We are advertising now. We are requesting proposals for the project right now.

CHAIR NAKAMURA: So it is moving ahead.

MR. TAGORDA: Okay, that's good. Thank you.

CHAIR NAKAMURA: Waikamoi Flume Repair. This is an ongoing project?

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: We had money in this year's budget. Have we expended money in this year's budget or from this year's budget, or is this just reappropriation lapsing or reappropriated?

MR. CRADDICK: It says here expended to date 31,000, but I believe that is only covering the lumber and I believe the guys are up there working on it now, so I think it's just a matter of picking up those expenses.

MS. SUZUKI: Labor.

CHAIR NAKAMURA: I'm sorry.

MS. SUZUKI: Labor has to be picked up and charged against it. Ours is one month, two months back, the labor charges. They're working on it every week, I mean daily.

MR. RICE: Staff?

MS. SUZUKI: Staff.

CHAIR NAKAMURA: So this is ongoing and you need, you're requesting an additional \$100,000 in this upcoming fiscal year, right?

MR. CRADDICK: Right.

CHAIR NAKAMURA: So does this mean what you're anticipating, when you add the labor cost at the end of this present fiscal year, that it's going to be in that \$100,000 range, or do we have any --

MR. CRADDICK: No, I would expect before the year is over, we would have to buy more lumber, I would expect.

CHAIR NAKAMURA: Anyway, but \$100,000 is what you're asking for next year?

MR. CRADDICK: That's right. It seems like we've never completed the 200, so I cut it down to 100.

CHAIR NAKAMURA: So is this going to be like every year in the future years, this is going to be ongoing, or is this kind of completed for a while?

MR. CRADDICK: No, we've only done two of the trestles, and there's seven total. There's one really big one that I would hope we would get to this next year. I would hope that we will get that one down.

CHAIR NAKAMURA: But then there would still be some more after that?

MR. CRADDICK: Yeah.

CHAIR NAKAMURA: We're going to reflect that there may be additional so there's not an implication that this is it.

MS. KRAFTSOW: Okay.

MR. TAGORDA: Mr. Chairman. David, is this including the \$60,000 that we pay EMI for the maintenance of this Waikamoi Flume?

MR. CRADDICK: There's no \$60,000 we pay them.

MR. TAGORDA: I thought we pay them every year for the maintenance of the flume.

MR. CRADDICK: Just the six cents per thousand that shows up in the maintenance of the lines. It's not part of the CIP.

MR. RICE: Mr. Chairman.

CHAIR NAKAMURA: Yes.

MR. RICE: I just had an interesting thought. This work is being done by staff, right?

MR. CRADDICK: Right.

MR. RICE: Now, when we budget operating funds, that is for 100 percent of the entire staff, right, so to the extent that staff does work budgeted for in the capital side, that is going to be reflective of reduction in actual operating expense. So you've made me think when you made that comment, so the staff -- so you've got a clearing account for staff labor that's being used for capital projects until you get the approval for that capital expenditure allocation. Then it sits in this clearing account, and then you move them over.

MR. CRADDICK: That's true.

MS. PERDIDO: Well, this gets into the budget. It gets into the accounting, how we do the clearing, too, right?

MR. RICE: Yeah, I'm not really caring how you do the clearing account, but my bigger point is that if in this budget we have 100 percent of all the employees and some of the employees in whatever Department do these projects that are financed through the capital side, then we're overstating that expense in the budget.

MR. CRADDICK: Well, maybe what you should be showing is a transfer from the capital side back to the revenue if you wanted to do something like that. I mean we can do something like that.

MR. RICE: That could be a big number.

MS. PERDIDO: Not real big. I could come up with -- we've looked at it before, and it's not that large a number.

MR. RICE: It's not?

MS. SUZUKI: No.

MR. RICE: Every little bit may help, but that is true though?

MS. PERDIDO: That is true.

CHAIR NAKAMURA: Since we've moved on to the next page, let's take a five-minute break. It's not my intention to get into the pipeline replacement projects individually unless somebody has questions. I think we need to at some point address the issue of how much we're going to set aside. Why don't we take a five-minute break.

(Recess taken.)

CHAIR NAKAMURA: Okay. It's my intent to be out of here by 5:30 or 6:00, so I think most of the bigger ones we've kind of gone through. Okay. We're on the storage section, Kokomo Tank Replacement Construction, 1.7 million. Herb, David.

MR. CRADDICK: Well, this is one that we canceled last year because we had design and construction all in one year, and the design we expect would be complete this year. And it will help out in the operation of that Dowling well because right now Haiku doesn't have a whole lot of storage. It's got a 100,000-gallon tank, and this will bring that up more in line with what the daily consumption is out there.

CHAIR NAKAMURA: So this project, we approved design funds in this present CIP?

MR. KOGASAKA: Yes.

MR. CRADDICK: I thought it was the previous year.

CHAIR NAKAMURA: The previous year, and it

wasn't completed.

MR. KOGASAKA: It's still ongoing.

CHAIR NAKAMURA: Still it's ongoing now?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: And you expect it to be finished?

MR. KOGASAKA: Next fiscal year.

CHAIR NAKAMURA: So you can put the project out to bid. So what is this project going to do again?

MR. CRADDICK: Right now Haiku uses a million gallons or maybe six or 700,000 gallons a day, average day, and they've got this hundred-thousand-gallon tank. And we're trying to get it up closer to what the average day consumption is, so we don't have to have that pump running off and on all the time. That's a high risk on that pump.

CHAIR NAKAMURA: Pumping running off and on, the pump at the new Dowling well?

MR. CRADDICK: Right.

MR. KOGASAKA: This tank will be located above that. That will be the storage for the well.

CHAIR NAKAMURA: So right now the -- the Dowling well, does it have the capability of servicing the whole Haiku area, or is water still coming from elsewhere?

MR. KOGASAKA: We still have water coming from Pookela.

MR. CRADDICK: Not much.

MR. KOGASAKA: To the Kokomo area.

MR. CRADDICK: Just if something is wrong, if there's something wrong with the electricity, that will always happen, but other than that.

MR. KOGASAKA: We're still going to catch that Puuomalei corner there.

MR. CRADDICK: Because of the pressure.

MR. KOGASAKA: And we were getting water down to, I'm not too sure if we got it down to the Haiku side, but we have the well in Haiku if it breaks.

MR. CRADDICK: Do you understand what he's saying here, Howard? This portion here, this triangle, is so close to the tank. The other tank is going to be at this same elevation, isn't it, Herb, 1,500 feet?

MR. KOGASAKA: Yes, yes.

MR. CRADDICK: So no matter what, either this tank or the new tank will not be serving this triangle up here. This is high pressure water and the tank is too low to give it that high pressure area. This area will always be serving the Pookela area. It's not a big area, but there's not enough pressure there.

CHAIR NAKAMURA: So in addition to the Dowling well, you have how many other wells in the Haiku area?

MR. CRADDICK: One.

CHAIR NAKAMURA: One, the Haiku well, which is a relatively new well.

MR. CRADDICK: Yeah, since 1999, it's been in service.

CHAIR NAKAMURA: And that has its own storage? That's not going to feed into this tank?

MR. CRADDICK: No, it has a tank there, a quarter-million-gallon tank.

MR. TAGORDA: You think, Herb, this project is going to be started this year after that design phase is completed? After notice to proceed is given, how many months do you think this storage tank is going to be completed?

MR. KOGASAKA: At least nine months to a year, yeah. When we go to construction, when we go to construction, we encumber the funds for the whole project at that point, and then you issue the notice to proceed. For a concrete tank would take -- the process would take about nine months for the curing and construction of the tank, and we would have a lengthy pipeline section as well.

That could or, you know, could add to it, or it's not that well programmed out as far as the construction end of it. We can -- it will be at least nine months, but we may -- we may take a year to complete, yeah.

MR. TAGORDA: Okay.

MR. CRADDICK: We have a year in the contract for completion.

MR. KOGASAKA: Yeah, that will be a comfortable number.

CHAIR NAKAMURA: Okay, Peter?

With the completion of this tank, would you -- would then that basically provide an adequate service to the whole Haiku community other than that triangle?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: So Haiku is still subject to a restriction on issuance of meters at this time?

MR. CRADDICK: That, Howard, is up to you guys right now.

CHAIR NAKAMURA: Well, I'm asking you what is the present -- it is subject to a restriction, right?

MR. CRADDICK: To me the water -- right now the way the system works, you've got Kamole Weir down here. It's at 1,100 foot elevation. It pumps up to Pookela tank. That's 1,800 foot, Herb?

MR. KOGASAKA: Yeah.

MR. CRADDICK: Somewhere around there. Okay. Once it gets up here, then it comes downhill to Kokomo. Is that two O's or one O? Anyways, that's 1,500 foot.

CHAIR NAKAMURA: That's a tank?

MR. CRADDICK: Yeah, the dome tank up there at the top of Haiku. Anyways, over here further, you've got the Kapalua well at I think it's about 1,200 feet, Herb?

MR. KOGASAKA: Yeah.

MR. CRADDICK: Okay. The water right now prior to this went up here, down here and feeding into the whole distribution system in Haiku. The Haiku well is down here at 800 feet taking care of down in that area. With this tank up here at 1,500 feet basically will allow us to remove this tank, and this will be able to serve all of this area except for the --

CHAIR NAKAMURA: The triangle.

MR. CRADDICK: The triangle up here at the top. And if at that point, you remember the discussion we had before about dumping the excess water in the ditch, bringing it over here to treat it so we can pump it up. We can then eliminate this, get a booster station in here, take whatever extra water there is in

here and push it up here.

MR. KOGASAKA: Well, in concept. That won't be the location for the pump.

MR. CRADDICK: Yeah, yeah, yeah. I'm just -- in concept, yeah. And the way I look at this is this water that's coming out of here and here originally came from this system here, Kamole Weir.

CHAIR NAKAMURA: I'm sorry, what was that again?

MR. CRADDICK: The water that fed, whatever this is feeding and whatever this is feeding all came from here. This water can go anywhere in the upcountry system. So it's your decision whether you want to say this is on its own. We're going to let all of this water go to this area or treat everybody the same, and because you can deliver all the water that does leave from here anywhere in the system.

But that is a policy decision on the Board, not an operational one for us. This is still going to have to be backed up by here. That's another reason of why you can't say it's totally isolated on its own. Because if this electricity for whatever reason goes out, we still have to supply it the same old way we supplied it before.

CHAIR NAKAMURA: Okay. Moving on. Repair of Waiale. Volunteers?

MR. CRADDICK: I think somebody said they wanted to do repairs on the Maluhia tank, and I told them this one comes first. This has had big chunks falling off of the tank for the last ten years, and it needs fixing before we lose it.

CHAIR NAKAMURA: Is this the one by the --

MR. CRADDICK: Right, by the jail. Not the steel one, no, it's not that one. It's further down past the jail and past Maui Catholic Charities.

CHAIR NAKAMURA: It's a concrete tank. How are you going to repair it? How do you do that?

MR. KOGASAKA: We're going to hire a consultant. We're going to hire a consultant and get some options on that to begin with.

CHAIR NAKAMURA: But as you say, there's a concrete tank that pieces of concrete are falling off this tank?

MR. CRADDICK: Yeah.

MR. KOGASAKA: Yeah, there's some -- I'm not too sure what it is. It looks like it's part of patch-over kind of stuff that's falling off. I don't know to what extent that protects the steel in the tank itself. Frankly, I haven't had much time to look at that.

CHAIR NAKAMURA: It's kind of interesting. The construction cost is \$167,055.

MS. KRAFTSOW: There is a story behind that number.

MR. TAGORDA: Okay.

MS. KRAFTSOW: It's probably not mine to give. Holly. That's, I think that's the exact number of remaining dollars in that particular fund.

MR. CRADDICK: Oh, right.

MS. KRAFTSOW: That's all we can take out of that fund.

CHAIR NAKAMURA: So the source of funding is what?

MR. CRADDICK: The storage.

MS. KRAFTSOW: All we can do with the remaining money is repair tanks.

MR. TAGORDA: So you probably would need more to repair this tank, Herb? Have you consulted anyone and bring to the area, not yet?

MR. KOGASAKA: No, I have not.

MR. CRADDICK: We know the one, what was it, over there in Lahaina? That was 200,000, wasn't it, Herb?

MR. KOGASAKA: Waihikuli tank.

MR. CRADDICK: Yeah, Waihikuli, that was about 200,000.

CHAIR NAKAMURA: To repair the concrete tank that was about 200, what did you do, how did you repair that?

MR. CRADDICK: As Herb said, that wasn't in use, so that required a complete cleaning out of the inside of the tank and recoating of the inside of the tank. This is outside stuff. The tank will remain in service the whole time, so I guess if I was thinking of anything, I'm suspecting it will be less than the other one. But we are I would say probably conservative in this. It may not be this much.

MR. TAGORDA: What's the length of life for this tank?

MR. CRADDICK: It's only 20 years old. It's got another 80 years to go if we catch it now and not wait. If you leave it, then it's going to be of no use to anybody in another ten years.

CHAIR NAKAMURA: Okay. Any other questions?
Okay. Ulumalu tank.

MR. CRADDICK: This -- let me see, what do we

have in there, 28,000, is that it?

CHAIR NAKAMURA: Is this that the project where we're participating with the FEDs?

MR. CRADDICK: Right, right, that's right.

CHAIR NAKAMURA: So this is our only obligation to the project?

MR. CRADDICK: No. Half a million is our obligation to the project.

MR. RICE: This says private.

CHAIR NAKAMURA: Oh, okay. And that half a million has been appropriated and encumbered?

MR. CRADDICK: No.

CHAIR NAKAMURA: So where is the that money going to come from?

MR. CRADDICK: It's down in the pipeline because what the whole project right now, Herb, is what, about 1.3 million, something like that?

MR. KOGASAKA: I don't recall. Yeah, I think so.

MR. CRADDICK: Anyways, the loan is 300,000, about 500,000 from us. The balance is grant money. We expect that the tank is going to cost us too much money. There's not enough money in the job. We expect it's going to cost about \$3 million, but with Dowling's tank, what we're doing is we're making some improvements on the system further down Kaupakalua Road so that we can take water from the pump. The pump is over here at 1,200 feet. This tank is at 1,500 feet. The tank that we were putting in over here was about 1,300 feet, Herb?

MR. KOGASAKA: Yes, that Ulumalu.

MR. CRADDICK: We think that by making the improvements to pipeline, we can use this storage tank is 300,000, right?

MR. KOGASAKA: 200,000.

MR. CRADDICK: 200?

MR. KOGASAKA: 200,000.

MR. CRADDICK: 200,000, which is enough storage. This comes down to Maldinados, crosses the gulch and then will come back up feeding the Ulumalu area. We're thinking about doing these pipeline improvements. It will still cost a half-million dollars. We will be able to use this storage for what we were going to put over here and eliminate that out of the job at this time.

And if we use it for a well site later on, we still may have to go back and acquire that property and do it later on. But we don't think we're going to have the \$3 million to do it right now. And because this project is in right now, we didn't know whether it was going to be in with the planning when this project first started. Thinking of doing these pipeline improvements will serve us better because we could use those pipeline improvements anyways and if that's our contribution into the project to get this storage, which we have to provide, we get a double use out of it.

CHAIR NAKAMURA: Okay. Any questions?

MR. RICE: Is it private money or what?

MR. CRADDICK: That's what's down on here. I'm not totally positive.

MS. KRAFTSOW: The money is described on the pipeline on Page 41. I don't know if it's going to

make it clear.

MR. CRADDICK: What is this private for?

MS. SUZUKI: Tri-Isle.

MR. CRADDICK: Tri-Isle, so it's not really private. It's County money.

MS. SUZUKI: It's County going to Tri-Isle.

MR. TAGORDA: It's a loan, right?

MR. CRADDICK: No, no, no. Okay. Funding for this thing was \$100,000, to do the design \$100,000 from CBGD and 70,000 from the County to do all this design, the pipeline, the tank, there's actually a booster station in here. And all the pipelines in there, and we haven't paid for any of that design. That's all I guess what's being called private funding there. And by private, it's just not us, even though it is the County that is paying that.

MR. KOGASAKA: Is the construction funding coming from other --

MR. RICE: It's not coming out of one of our accounts.

MR. KOGASAKA: That's right.

MS. SUZUKI: The 20,000?

MR. KOGASAKA: No, the other construction cost.

MS. SUZUKI: It's a County grant to Tri-Isle RC and D, and Tri-Isle is contributing to us, so that's private.

MR. RICE: But it doesn't show up in our financial statement in any one of our funds at this

point, right?

MS. SUZUKI: Yeah, it does.

MR. RICE: The \$28,000?

MS. SUZUKI: It does.

MR. RICE: It does, where?

MS. SUZUKI: It's in the budget.

MR. CRADDICK: He means is it coming out of our revenues somewhere I think.

MR. RICE: Our financial statement, the Board of Water Supply's financial statement shows the \$28,000?

MS. SUZUKI: That's the contribution made.

MR. CRADDICK: When the whole project is done, Peter, it will show up in our assets.

MR. RICE: I understand that.

MR. CRADDICK: But right now it's not coming out of our revenues.

MR. RICE: So this is --

MR. TAGORDA: Mr. Chairman. So this tank, this storage tank, David, this only is going to serve Maui Ranch Estates in the Ulumalu area?

MR. CRADDICK: More in the Ulumalu/Peahi area.

MR. TAGORDA: Something like that.

MR. CRADDICK: The Ulumalu/Peahi area. It's not just Maui Ranch Estates. What happened, we took, I

guess when the Takitani farm lots was done outside of the Maui Ranch Estates, we took \$12,000 from them to provide storage, and we never provided it.

CHAIR NAKAMURA: So, David, you're saying this project, which we're calling Ulumalu storage improvements, construction ultimately is not going to involve the construction of a storage tank, but it's going to involve the construction of new distribution of the transmission system?

MR. CRADDICK: Yes, well, the design shows the tank, and the way we're bidding it out is we have these added items where we can delete them out if we don't have sufficient funds, but the storage will be taken out of this one here.

CHAIR NAKAMURA: So at some point, would it become necessary for us to put in that storage that had been originally contemplated?

MR. CRADDICK: Only if we end up putting in a well or something in here, but I didn't want to get into that with the EIS thing.

CHAIR NAKAMURA: So we're going to change the scope of the project. Is that -- does everybody that's involved in this project understand that?

MR. CRADDICK: The scope is not changing because this storage will replace that storage.

CHAIR NAKAMURA: Well, it's changing in a sense that the storage is not going to be built at Ulumalu, right?

MR. CRADDICK: Yeah, yeah.

CHAIR NAKAMURA: So I mean does everybody understand how we're going to implement this project?

MR. CRADDICK: They will understand when the job is bid because we suspect there's not going to be sufficient funds to do it.

CHAIR NAKAMURA: Okay. Well, I guess I'm just concerned that there's others who are participating in this project besides the County, right?

MR. CRADDICK: Right.

CHAIR NAKAMURA: That everybody is on board in terms of what the game plan is, or does that not matter?

MR. CRADDICK: I think we are going to be doing everything we said we were going to do.

CHAIR NAKAMURA: But in a different way.

MR. CRADDICK: Yeah, right, in a different way. We wouldn't necessarily have to do all these pipeline improvements in there if we were going to go this route. But I figure why when we've got a well already up there, why have another booster station to boost the water up to this tank, you know, if we make improvements and reduce our losses over here. Now, granted down the bottom of Maldonado, we're a bit worried the pressure will be too high down there, but we pressure tested the line and it held, so we're not --

CHAIR NAKAMURA: Well, I'm not questioning what your rationale is, which is I'm sure very good. All I'm saying is that do we not have some obligation, if not legally, at least, you know, morally to go and discuss how this project is going to be implemented with the other sources of funding?

MR. KOGASAKA: They're approving.

MR. CRADDICK: They're approving the plans. They're approving the plans and specs.

CHAIR NAKAMURA: They being?

MR. CRADDICK: The RUS people who are funding this.

MS. KRAFTSOW: So maybe you want to change the name or leave the name the same. I'm just asking if that seems to be what's confusing Howard a little bit is the name storage improvements and even though it effectively provides storage.

CHAIR NAKAMURA: I understand that. I'm just saying if the way we're implementing the project is different from how we originally indicated we're going to do it, at least it seems like we should let somebody know, whoever that somebody is. That's all I'm saying. I'm not questioning your rationale.

You have a very -- you have a very keen sense of ability to cloud the issue, David. You know, all I'm saying is go talk to these guys, whoever we are supposed to work with, and make sure they understand what we're doing. And that's all I'm saying, so that's enough. Let's move on to the next project.

MR. CRADDICK: Howard, before we do that --

CHAIR NAKAMURA: No, we're moving on to the next project. Whatever, you're out of order, David.

MR. CRADDICK: Okay.

CHAIR NAKAMURA: Next project. Whoever.

MR. KOGASAKA: Waihikuli control valve is to help regulate the flows coming -- regulate the flows coming from Napili towards Lahaina so that we don't have -- can control the tank levels in that remotely. We have a SCADA system to be able to shut off the value if Waihikuli tank fills up. It's a control issue.

CHAIR NAKAMURA: Okay. Questions.

MR. RICE: One of the few projects west Maui gets this year.

CHAIR NAKAMURA: Yeah, very good. Are you keeping track?

MR. RICE: Yeah, I have to. How am I going to get elected to Mayor of Lahaina?

CHAIR NAKAMURA: You got \$1 million there. You didn't read your letter, right?

MR. TAGORDA: First of all, this should go under a liability, right, instead of transmission. That's a typo probably. My question is presently how does the Department manage without this control valve? This is a new one.

MR. CRADDICK: Once we blew up the street.

MR. TAGORDA: In the past, how did you guys manage without this?

MR. CRADDICK: We've blown up the street and overflowed the tank, so both of those don't work very well.

MR. RICE: We didn't manage it. Is that what you're saying?

MR. KOGASAKA: I guess the amount of water that was being used transferred over the ability to transfer more water. You know, we need to control that a little better now.

MR. CRADDICK: Before our big worry was getting any water in the tank.

MS. KRAFTSOW: Actually, it was purposefully put in transmission, but I can change that to liability if you want.

MR. TAGORDA: It doesn't matter, but I was just

going to point that out to you so they know where to find it.

CHAIR NAKAMURA: It's actually under storage.

MS. KRAFTSOW: It used to be in transmission.

CHAIR NAKAMURA: Under pipeline replacement, David, or, you know, I don't want to go over all these projects individually because I don't think that's going to be terribly productive, but are there any of these projects that are especially noteworthy that you want to call our attention to?

MR. KOGASAKA: The second one, Ainakula is a project that we were trying to -- we got appropriations this year, but I don't think we'll be able to make it.

CHAIR NAKAMURA: Ainakula is Kula or Lahaina?

MR. KOGASAKA: Kula. We just got appropriations for it, but I don't think we'll be able to award that before the fiscal year, so that's the same amount that's being lapsed and reappropriated, yeah.

CHAIR NAKAMURA: Okay. Any other projects that are significant?

MR. KOGASAKA: Keokea water line improvements on Haleakala Highway. It's the same situation. We have funds appropriated, but we would probably lapse. And it's reappropriated under Item Number 30.

CHAIR NAKAMURA: What about this 895,000 Lower Kula water line, what is that just quickly? Is that the -- I know we talked about some lower Kula projects previously also.

MR. CRADDICK: I believe that's the one, Howard.

CHAIR NAKAMURA: Is that this year, and we're reappropriating?

MR. KOGASAKA: No.

CHAIR NAKAMURA: No?

MR. CRADDICK: This is where that guy Worcester lives. That guy that came before the Board, that's that project.

CHAIR NAKAMURA: So this project is in design?

MR. KOGASAKA: It's in design, yes. It was appropriated last year.

MS. KRAFTSOW: No, it was 2000.

MR. CRADDICK: I guess one project in here, where is it, Herb, the Hana one? The Hana-Hamoia. Wait a minute. Haneoo Road water line. That's 650,000.

CHAIR NAKAMURA: That's Hana?

MR. CRADDICK: Haneoo Road. That's a project there. The previous Board, somebody had come in for a waiver, and the Board said -- did they give the waiver? I forget. Or they said they were going to fix the system up and they gave the waiver and said they were going to fix the system up and we went out with the design. The design was in progress, and it's completed now. That's all I can say on that. You know, in the previous Board's wisdom, we're relying on that this is a useful project.

CHAIR NAKAMURA: So you're saying you're not convinced on that?

MR. CRADDICK: Well, based on the number of people it helps versus the cost there, I suspect there's probably other projects that would be of a higher priority. I know Bob Carroll liked the idea of

this one moving ahead. That's all I can say.

CHAIR NAKAMURA: Where is this?

MR. KOGASAKA: Hana.

CHAIR NAKAMURA: Haneoo water line.

MR. KOGASAKA: It's past Hana Town. It is the beach.

CHAIR NAKAMURA: Hamoa Beach?

MR. KOGASAKA: Hamoa Beach, yeah.

CHAIR NAKAMURA: That's that makai road?

MR. KOGASAKA: Yes, yeah.

CHAIR NAKAMURA: Okay. Anything else you folks want to mention in particular?

MR. CRADDICK: The risk of getting my head cut off there, Ulumalu number 41, the whole project there is over \$2 million. And I don't know, I really think the whole project should be shown here. We haven't done it before, but we probably should show the entire \$2 million and the rest of it in the grant and loan funds there.

MR. RICE: Is this the bond issuance?

MR. CRADDICK: When you say bond, bond attorney? Yeah.

MR. RICE: The lady who came in and we agreed to --

MR. CRADDICK: Right, right, right, right. I think it would be --

MR. RICE: This is the private water system that we agreed to?

MR. CRADDICK: Right, that's right.

CHAIR NAKAMURA: You're going to discuss with Mike how we're going to reflect some of these different sources of funding, right?

MR. RICE: Uh-huh.

CHAIR NAKAMURA: And I think we should be consistent. However we do it, we need to be consistent. Okay. Anything else?

MR. RICE: Now, how much of this is really pipeline replacement, and how much of this is new pipeline installation?

MR. CRADDICK: There's no new pipeline in here that's not being replaced.

MR. KOGASAKA: Actually, the Hana-Hamoa water line is somewhat -- well, that's up above. We're going to bring it down to --

MR. CRADDICK: The road?

MR. KOGASAKA: The road.

MR. CRADDICK: The old 3-inch galvanized or 4-inch galvanized. It's kind of a replacement, just a replacement in a different location. All of these, Peter, are replacement. We may be putting in a larger size line than that's currently there, but they're all replacements or serving the same purpose as the existing system maybe in a different location as Herb said there.

MR. KOGASAKA: We have the PRV on Mahinahina is not really pipeline replacement, but we want to include the valve on the transmission line. It's in the pipeline replacement category number 36.

MR. CRADDICK: Anyways, in the increases of main and the 50 percent reimbursement, does the 50 percent reimbursement come out of this one?

MS. PERDIDO: It's on the front page of the budget.

MR. CRADDICK: On this page?

MS. PERDIDO: No, on the operation budget.

MR. CRADDICK: So that never comes out of CIP?

MS. PERDIDO: No.

MR. CRADDICK: Okay. So this is an operating budget issue then, not a CIP budget issue?

MS. PERDIDO: That one is, yeah.

MR. CRADDICK: Okay. Anyways, in the -- even in the increase in the size of main, 25, this Waikapu project, they need an 8-inch. We're telling them to put in 12, so there will be and we expect that pipeline will be well in excess of a million dollars, the total pipeline.

And there's probably going to be on the order of 200,000 of that probably in increase in the line size by itself, so that number we may have to increase for this one particular year. I just talked with the engineer. They're kind of on the fence there whether the project will get done in our next fiscal year. And maybe -- I wonder if he understood that, if he was talking about this calendar year, and I'm talking about the fiscal year.

Anyways, that project is out there, and I don't really want to budget it right now because it's too nebulous. But I'll just say that for the record that that's out there and it's something that we may have to deal with in the next year if that project moves along quickly.

CHAIR NAKAMURA: It's my intention to recommend the same process to move along some of this pipeline replacement, and I think there will be enough latitude in there to deal with that if that should come up.

MR. KOGASAKA: One question. What about those projects that we had appropriated the previous year, that would be appropriate to leave it as appropriated for the coming fiscal year?

CHAIR NAKAMURA: For this specific project?

MR. KOGASAKA: Yes. We are intending to go to bid. We're trying to go to bid this year, this fiscal year.

CHAIR NAKAMURA: Well, we authorized the project, so it doesn't really matter whether we have it as a line item as far as that lump sum. You don't have to come back again for it.

MR. RICE: What about 37, Mokuhala?

MR. CRADDICK: Boy, I tell you, you didn't miss a trick.

MR. RICE: My favorite one.

MR. CRADDICK: That's to finish what we did this last year. As you recall, the Board didn't want to put anymore money into that project, so we canceled enough of it to do the laterals that were there, and we would end up having to do this. We're expecting to do the rest of this ourself, whatever we can do after we do some archeological work, predo all the archeological work before we lay one piece of pipe or anything.

MR. RICE: My only question is the hundred is going to be enough to do it, and did we pay all the archeological excess of all those costs of mitigation, is that all done?

MR. CRADDICK: Everything that has been done is done within the budgeted money from last year. It's just that we had to eliminate a portion of one street and I guess a portion of two streets.

MR. KOGASAKA: Two streets, yes. We intend to put in the pipeline on Lilihua Street, and we were thinking of trying to minimize the amount of pipeline on Kanai Street, which is the last one by the ocean. That's where the majority of the burials are and take it to a point where we can put a hydrant and put that hose beyond there.

MR. CRADDICK: The other thing, too, is we have the pipe from the original contract, too, don't we? They turned the pipe over to us.

MR. KOGASAKA: Yeah.

MR. CRADDICK: So we already have the pipe.

MR. RICE: Yeah, I was just curious if the hundred was going to be enough. I know we stopped it and I'm also curious if we paid for all the burial mitigation.

MR. KOGASAKA: The report was just completed this week, and it's in with the Historic Preservation now. I'm not too sure what figures are on the archeological mitigation work. It was somewhere in the order of 100 to 140,000. I might be getting my numbers mixed up.

CHAIR NAKAMURA: Okay.

MR. RICE: Yeah.

CHAIR NAKAMURA: Okay. Let's jump over to pump replacement, Item 45.

MR. CRADDICK: That one there is one that we're just doing in-house. It's a short small little pump and actually relatively new, the one that's in there, but a bunch of sand got in it and ruined it, so it has to be taken out again.

CHAIR NAKAMURA: So \$50,000 is the cost of the pump, and you're going to install it in-house?

MR. CRADDICK: Yes.

MR. RICE: With labor being charged.

MR. CRADDICK: What's that?

CHAIR NAKAMURA: Okay. Any questions?

MR. RICE: No.

MR. CRADDICK: This Keanae, again, is the small little booster pump. That's something we'll be doing in-house.

CHAIR NAKAMURA: Okay. Any questions? Keanae, is this -- is this the project at some point you were talking about having to put in a backup well?

MR. CRADDICK: It is, but this is a booster pump.

CHAIR NAKAMURA: But this is not the project.

MR. CRADDICK: The backup well is on the next one under the liability.

CHAIR NAKAMURA: Okay. We didn't get to that. Kula Kai booster pump.

MR. CRADDICK: Same thing. It's just one that we're needing to replace. It's been in there for a long time.

CHAIR NAKAMURA: The Brown & Caldwell study replacement included lines, pumps?

MR. CRADDICK: Everything, tanks.

CHAIR NAKAMURA: So when we look at how much we're setting aside in accordance with Brown & Caldwell, we need to include all of these, it's not just pipeline?

MR. CRADDICK: That's correct.

CHAIR NAKAMURA: Okay. Next one, Maui Meadows.

MR. CRADDICK: That's another small booster pump that we're doing in-house.

CHAIR NAKAMURA: This booster pump takes it up to the Maui Meadows tank, is that it?

MR. CRADDICK: Yes, the lower one. There's two tanks at Maui Meadows. That takes it up to the first one or the lower one.

CHAIR NAKAMURA: Okay. That's over in the kiawes and all.

MR. KOGASAKA: It's in the subdivision.

MR. CRADDICK: No, it's right in the middle of the subdivision.

CHAIR NAKAMURA: It's in the subdivision?

MR. CRADDICK: Yeah. Okay. Next.

MR. CRADDICK: The Napili B pump, we put that in there because that's the pump that's got the most hours on it of all of our deep well pumps right now.

CHAIR NAKAMURA: So this one is Napili B.

MR. RICE: That's the well we're using. What well aren't we using?

MR. CRADDICK: A. We're not using Napili A, and we're not using Honokohua A well right now, so B has been the workhorse for the last ten hours.

CHAIR NAKAMURA: How much water are you pumping?

MR. CRADDICK: A million a day is what it can pump. What we actually take out of there, I don't really know specifically.

MR. RICE: It's still a working well, you just know it's winding down?

MR. CRADDICK: Due, yeah.

CHAIR NAKAMURA: It's going to be in-house also?

MR. CRADDICK: No.

CHAIR NAKAMURA: It's big enough that you would have to get a contractor?

MR. CRADDICK: It's a well pump, yeah, a deep well pump.

CHAIR NAKAMURA: I guess just a minor thing, construction cost 80,000 and the appropriation for 100,000. Why is that?

MS. KRAFTSOW: It's probably a mistake. Probably what the cost used to be and they changed the estimate and I neglected to change it everywhere.

CHAIR NAKAMURA: Construction cost should be \$100,000?

MS. KRAFTSOW: Yeah.

CHAIR NAKAMURA: That Keanae pump replacement I just noticed, it's not 120,000, is it, or is it?

MR. CRADDICK: No.

CHAIR NAKAMURA: Under construction costs.

MR. CRADDICK: The booster pump, no.

MS. KRAFTSOW: So which one?

CHAIR NAKAMURA: It's a typo then. It says construction cost 120,000. Okay. Next. Contingency miscellaneous, okay. This is just contingency is contingency I guess. Anything anybody needs to say about contingency?

MR. RICE: We're not using contingency -- I'll shut up.

CHAIR NAKAMURA: Okay. Dickenson Street, 16-inch valve.

MR. RICE: Yay, get that in right away, please, Herb.

CHAIR NAKAMURA: What is this going to do?

MR. KOGASAKA: It's a control valve also to regulate flows to balance from Napili to the Lahaina source.

CHAIR NAKAMURA: Okay.

MR. RICE: Where is it going to be installed exactly, at the intersection of Dickenson and the highway there?

MR. KOGASAKA: It will be up by -- in the Kelaweia Street area.

MR. RICE: It's up Lahainaluna Road then?

MR. KOGASAKA: Yeah.

MR. RICE: They don't need to make a big deal about this.

MR. KOGASAKA: That's the cane road over there. That's the large line coming into the Lahaina tank, and we need to regulate that to balance the water in the Lahaina system with the Napili feeding it.

CHAIR NAKAMURA: Okay. Well, then, here we go. Keanae well Number 2, well development.

MR. KOGASAKA: That's developing the backup well pumps and I think we had that appropriated this year and we are running out of time again. We're just about ready to go to bid on that one.

CHAIR NAKAMURA: Why is the -- so we had the design money previously appropriated?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: So it's under design?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: It's completed?

MR. KOGASAKA: Just about.

CHAIR NAKAMURA: Then it says over here, "Construction cost, 500,000; contingency, \$50,000," but the appropriation is 200,000?

MR. KOGASAKA: Part of that was to drill the

well, and that's already expended.

CHAIR NAKAMURA: I'm sorry.

MR. KOGASAKA: Part of that was to drill the exploratory well, and that was already expended.

CHAIR NAKAMURA: So the 200,000 is for the pump and the controls?

MR. KOGASAKA: Yes.

MR. RICE: Complete the project.

CHAIR NAKAMURA: So this is it?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: Okay. Next. Facilities.

MR. CRADDICK: Basically, we're finding out that the cleaning of the membranes, we have one tank there that has caustic soda in it, and we need to use an acid wash about every -- I think it's every 30 or so caustic soda washes. And what we're having to do is dump all the caustic soda in order to put the acid in and treat that. And then we have to dump all the acid to put the caustic soda back in, so we're thinking in the long haul it would be cheaper to have a separate tank for the acid back washing.

CHAIR NAKAMURA: So when you say -- so this is just design money then?

MR. CRADDICK: Yes.

CHAIR NAKAMURA: So at a certain point, you're going to have to actually construct another tank?

MR. CRADDICK: Yes, a tank and possibly putting

in a feed pump and some kind of piping.

CHAIR NAKAMURA: What are you estimating the cost of that is going to be?

MR. KOGASAKA: That's shown on Line 58, Kamole, and it's 150.

CHAIR NAKAMURA: Okay. That's the construction is --

MR. KOGASAKA: 100,000.

MS. KRAFTSOW: They're designing all three projects together and the construction.

CHAIR NAKAMURA: And the construction is separate, okay.

MR. CRADDICK: So whether that construction will all go next year is probably highly debatable, but it's in there.

CHAIR NAKAMURA: Okay. I don't understand, but I guess --

MR. TAGORDA: Shall we take it out then this year?

MR. CRADDICK: It's up to you.

MR. TAGORDA: Okay.

MR. KOGASAKA: I think we'll probably be able to encumber the fund.

MR. CRADDICK: Might be able to. I know it will be close, and I just want to say that to them so if they figure they can do something else of higher priority, they can take that into account. I wouldn't suggest dropping it off if you're not going to put something else in.

MR. TAGORDA: It's not a high priority for you though?

MR. CRADDICK: You're wasting money on the acid and you have problems neutralizing the acid and the caustic soda, so there's operational problems that will cut down the operation, cut down the operational costs the quicker it gets done.

CHAIR NAKAMURA: So the design is relatively -- it's relatively simple apparently.

MR. CRADDICK: Yeah, yeah. Memcor we think is going to help out quite a bit in that. I've been talking with them on that.

CHAIR NAKAMURA: This is too complex for my simple mind anyway. Okay. Chlorination retrofit.

MR. CRADDICK: These, all of these we're converting from chlorine gas to hyperchlorite, and these are just three more stations we're converting over.

CHAIR NAKAMURA: Didn't we appropriate this, isn't that in this year's budget, no?

MR. KOGASAKA: A different one.

CHAIR NAKAMURA: Different ones were in this year's budget. It sounds familiar.

MR. CRADDICK: Alaeloa may have been.

CHAIR NAKAMURA: Alaeloa chlorination retrofit, 40,000 it's in '01, this present year. So we made no progress on this year?

MR. CRADDICK: Howard, I don't think I would be able to answer that. I would have to get Andy to find out. I don't know myself.

CHAIR NAKAMURA: I guess my only concern is if it's a safety issue it seems like.

MR. CRADDICK: It's more a -- I don't know if I would call it a real safety issue, but what's happened is there are two regulations passed, one by EPA and one by OSHA for chlorine handling, and basically, we're trying to convert as many of these places as we can away from the chlorine gas. I don't think it's as much a safety issue for us as it is a potential safety issue for the community where these things are located.

MR. RICE: That's a safety issue.

CHAIR NAKAMURA: There you go.

MR. RICE: The community is us.

CHAIR NAKAMURA: The community is us.

MR. RICE: I think that was the correct -- Mr. Chairman, I think if there are safety issues, we ought to get on them.

CHAIR NAKAMURA: Yeah, I would think so.

MS. KRAFTSOW: You know, I can't be held to this absolutely because I could be wrong, but I'm looking for the notes now. I think my recollection was that we had a bunch of these to do and we ended up focusing on a different area and I can't remember what the reason was.

MR. RICE: As long as we know.

CHAIR NAKAMURA: Okay. Maybe we could find out on our Monday meeting. We can get a little bit more information. Because chlorination retrofit for Kahana Valley, that's also the same thing, right?

MR. RICE: Yeah, right, same thing.

CHAIR NAKAMURA: Same thing for Waikapu well site?

MR. CRADDICK: Right. Herb, are we putting that one in with the well when we do the well?

MR. KOGASAKA: Which one?

MR. CRADDICK: I mean they're talking about retrofitting a well that's not there right now, so it's not a retrofit.

MS. NAGO: Waipuka.

MR. KOGASAKA: Waipuka is Lahaina.

MR. CRADDICK: Oh, I thought it said Waikapu. Let me get this dirt off my glasses.

CHAIR NAKAMURA: We are really taking care of the community making it safe for everybody. You can run on that. Okay. Kanaha Valley agreement. Kahana Valley? Kanaha Valley.

MR. KOGASAKA: Kahana.

MR. CRADDICK: That's down in the valley below the Lahaina treatment plant.

CHAIR NAKAMURA: This is what's his name?

MR. CRADDICK: Hans, right, yeah.

CHAIR NAKAMURA: So this is also a carryover from this year, right?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: Are we making any progress on this?

MR. KOGASAKA: Not very much. That's been kind of sliding. We've been pretty slow to get to this one. We have Mr. Michaels calling us from time to time.

CHAIR NAKAMURA: Maybe we should let the Mayor of Lahaina take care of this.

MS. NAGO: He's writing a letter to the Board just for you folks' info. He sent a letter in to the Board.

CHAIR NAKAMURA: What is he saying?

MS. NAGO: I haven't received it yet, but he called me to let me know he mailed it.

CHAIR NAKAMURA: Okay. It's on the list.

MR. CRADDICK: No, that's not what he was calling about. He wants us to push boulders off into the stream and survey his family's land way up in the valley. That's what he wants, and then he wants the school I guess to give or the State to give him a piece of land. And they're all things that, other than the survey, you know, we told him he's got to get the Corps of Engineer permit if he wants us to realign the stream. He doesn't want to do that, and the State, that's not an option for us to give away State land. And the surveying we possibly can do up there.

MR. KOGASAKA: We should get on that one, on the survey of the easement and complete that portion. He also wants some work done on the trail up above. I'm not too sure.

MR. CRADDICK: What he basically wants is he's been -- he's had a thing going where he gets, what is it, \$20 -- \$20 from us each month, \$20 from the State, \$20 from Amfac. I suspect his \$20 from Amfac is not being paid because they don't get much out of the

thing, although I don't know. But that's been going now for about 20 years, and he goes up and clears the intake and stuff when there's, you know, small leaves, sticks and stuff like that. And he's been wanting to get that increased for a number of years I guess getting that up a few bucks.

MR. RICE: Maybe we should condemn the land.

MR. CRADDICK: Well, it still wouldn't get anybody to walk up there and clear the intake even if you condemn the land. We need to do that for the pipeline because he wants us to relocate a pipeline that's already in the ground and it's not worth relocating. It would be cheaper to condemn that.

CHAIR NAKAMURA: Okay. One question, David. On this acid cleaning systems, are you saying that this is going to have significant cost benefits? Can we get some rough estimates? I mean we're spending -- we're proposing to spend four or \$500,000 on these projects, right? Can we get a little bit more justification.

MS. KRAFTSOW: Which projects now?

CHAIR NAKAMURA: All these acid cleaning system projects.

MS. KRAFTSOW: You saw the remarks, the remarks in there?

CHAIR NAKAMURA: There's three construction plus design, so it comes up to a pretty big number.

MR. RICE: 350,000, and if it has significant cost reductions on the operating side, it might make sense to accelerate it.

MS. KRAFTSOW: Sorry. Two things. One is what happened with that chlorination retrofit for Alaeloa, it got pushed back, but the chlorination retrofit for

Napili A got pushed forward then with the GAC plant. They're both Lahaina. I just switched the order. And for the acid cleaning, if you look at the remarks, I don't know if that's not adequate, but it does explain about -- it doesn't have the actual numbers.

CHAIR NAKAMURA: Yes, we want to see some numbers. Okay. Traveling screen Kamole wastewater treatment plant. Basically a replacement, or is this a new --

MR. CRADDICK: A replacement, yeah.

CHAIR NAKAMURA: Okay. Traveling screen replacement. Okay. Any comments on this, David?

MR. CRADDICK: It's a critical piece of equipment that's been in there since I think '85, and doesn't take a lot of the moss that comes on this side of the ditch out. And that all gets caught in the smaller strainers, so what they want to do is get it to where the traveling screen takes that out instead of trying to strain it out with the small strainers inside the treatment plant.

CHAIR NAKAMURA: Question?

MR. TAGORDA: Why did you need to go to the design phase, David, when you just want to replace this?

MR. CRADDICK: They're basically custom built for whatever you have, so you would need some kind of drawing for the manufacturer to build it.

MR. CRADDICK: It may not be 15,000. It may be a smaller amount, but we still need something there. You can't just go order them off the shelf.

CHAIR NAKAMURA: Okay. There's a design appropriation and construction appropriation. Okay. Any other questions?

CHAIR NAKAMURA: Acid cleaning, we wanted to have some more information on that. Land appraisal and acquisition, 200,000. Any comments on this? How do you propose to go about this?

MR. KOGASAKA: Expending 200,000?

CHAIR NAKAMURA: Yeah. I think it's a good idea because I'm sure we have a whole lot of stuff we don't have title to, but you haven't actually started the process of, you know, do we have a list of those, you know, properties that you need to go after, some kind of priorities, or is it just kind of a catchall at this point?

MR. KOGASAKA: It's a catchall pretty much.

CHAIR NAKAMURA: You want to do it, but you don't really have --

MR. KOGASAKA: A program to pursue that at this point that well.

CHAIR NAKAMURA: Okay. Do you have any idea how you're going to proceed on this one, if you get the money, how you're going to do this?

MR. KOGASAKA: We were actually trying to, you know, identify some of the older easements that -- pipelines that may or may not have easements and trying to accumulate some of the data, but we haven't done too much. I'm talking in particular about the Lower Kula line.

CHAIR NAKAMURA: So you need to establish a database, some kind of a clear database?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: So that you're going to look to

do this in-house, or you think you need to get a consultant?

MR. KOGASAKA: I think it might not be a bad idea to go out.

CHAIR NAKAMURA: Get somebody to, okay, that's probably a good idea. I would think the magnitude of the problem might be pretty substantial.

MR. KOGASAKA: Yeah.

CHAIR NAKAMURA: Okay. Olinda acid cleaning, we kind of talked about that. Repair or replace 5,000 gallon tanks on Upper Kimo. Upper Kimo Road, 5,000 gallon tanks.

MR. CRADDICK: All I know is the tank is gone. It's got all kinds of leaks in it and stuff like that. I think it's more -- it's a pressure break tank.

CHAIR NAKAMURA: It's a redwood tank, so you're going to replace it with a steel tank?

MR. KOGASAKA: Yeah, I think we're moving around some steel tanks. Are we buying any new ones?

MR. CRADDICK: We haven't bought any new ones as long as I've been here. We have wood tanks.

MR. KOGASAKA: We've been putting steel tanks into some of those.

CHAIR NAKAMURA: So you're going to list -- this money is going to be used to purchase the tank and we're going to install it in-house, or you put it out to bid?

MR. KOGASAKA: It's pretty much in-house work. That's what I anticipated.

CHAIR NAKAMURA: But you have to buy the tank?

MR. KOGASAKA: Yes.

CHAIR NAKAMURA: Okay. Questions? Okay. Flow meter and manhole. Didn't we do -- isn't this a project from this year? It sounds familiar.

MS. KRAFTSOW: It's a like every year kind of thing.

CHAIR NAKAMURA: I'm sorry?

MS. KRAFTSOW: It's one of those ones that we put in every year.

CHAIR NAKAMURA: So we expended money this year?

MS. KRAFTSOW: I don't think we did this year.

CHAIR NAKAMURA: Have you done anything with that this year?

MS. KRAFTSOW: Huh-uh.

MR. KOGASAKA: I don't think so.

MS. KRAFTSOW: One of the things that we've asked the hydraulic model calibration consultants is to make recommendations to us for areas where continuous monitoring such as we could do with the manhole would be most cost effective. I don't know.

MR. CRADDICK: There's one \$9,500 expended, and one \$2,900 encumbrance out of \$30,000 I guess, so about one-third of it.

CHAIR NAKAMURA: There's two over here, a 30,000 and a 40,000. One says flow meter installation and replacement I guess, and it says flow meter and manhole in key system.

MS. KRAFTSOW: Yeah, the flow meter replacement was originally our tanks had old meters that were wearing out and they weren't capable of a continuous reading and so they started updating. And now it's just a maintenance item, and you can do several meters at tanks in different places in the system that the other one is just to install. And probably the most you need to do that is one or two manholes in key areas were key mains and laterals were split off. So one would be to meter small things like the tank, and the other would be metering the transmission lines.

CHAIR NAKAMURA: So one meter costs \$40,000?

MS. KRAFTSOW: No, the small one you could probably do five or something. 30,000, I think it's six.

MR. CRADDICK: These are transmission line meters. They're big meters.

MS. KRAFTSOW: But the manhole one is like 20,000.

MR. CRADDICK: It's not going to be anything under 12-inch in size, and the one that needs a manhole is like a 16 or 18-inch meter.

CHAIR NAKAMURA: Okay. The 40,000 is for meters and transmission lines, and the 30,000 is a smaller system?

MS. KRAFTSOW: Yeah, just for maintenance and upgrade, yeah.

CHAIR NAKAMURA: Okay. Hydraulic model calibration.

MS. KRAFTSOW: That is actually out to bid, and the bid opening is June 8th. And we've been doing a lot of the instructions that they gave us in preparation for that.

CHAIR NAKAMURA: So this is an ongoing project?

MS. KRAFTSOW: Yes. It will take probably several iterations to get the model going depending how far you want to go with it.

CHAIR NAKAMURA: Any questions on this one?
No. Okay. Efficiency, Mahinahina water treatment.

MR. CRADDICK: Are you looking at me on that one, Herb? I thought that SCADA system was all done at Mahinahina.

MR. KOGASAKA: Talking about the flow meter, that is something that --

MR. CRADDICK: No, no, no, there's two things here. Flow meter, and then it says SCADA system. Mahinahina. And on this year's budget, it says SCADA system Mahinahina 49,000 spent to date, so I thought that was all done.

MS. KRAFTSOW: He says phase 2 SCADA installation Mahinahina, install level control and supervisory functions for Mahinahina SCADA systems. We recently completed the data acquisition and historical trending portions during this fiscal year, so now they want to get to the control and supervisory level. That's what he's saying. I think that's also in the remarks.

CHAIR NAKAMURA: When you say supervisory and level control functions, what are we talking about physically what is involved? Is that a CIP item, or is that more of an operations item?

MR. CRADDICK: It's an operations item. It's for operations, but again, the entire SCADA system is I think right now we've got probably about 300,000 in it.

CHAIR NAKAMURA: So actually, the SCADA system

involves hardware, software. So what does this involve, is it software or is it hardware or is it what?

MR. CRADDICK: You know, Howard, I couldn't tell you honestly on that one because I see the SCADA for Mahinahina. Even though it says a prior year, I know all of the stuff got put in. And I'm not sure really how much more they needed to do what they're talking about there. I suspect this is SCADA for the Lahaina side more than the Mahinahina plant specifically because right now we have a system over there. It was the first SCADA system we put in, and it's a system called Rugged. And it has supervisory or data acquisition capabilities, but no ability to start and stop pumps.

And the SCADA system that we put in in Central Maui and upcountry, you can actually start and stop pumps from the control station. And I suspect what they're doing is they've done the central area. They've done Hana, done Molokai, done upcountry, and now they're wanting to switch that first system in Lahaina over to the system we have now.

CHAIR NAKAMURA: Okay. Maybe on Monday we could ask -- if he's available, we could ask Paul to come and give us a briefing.

MR. CRADDICK: Paul leaves tomorrow, but Andy can come in. If it's something with the SCADA, it's under Andy, not Paul.

CHAIR NAKAMURA: Maybe he can explain to us how it works quickly. Okay. Let's see. So on Monday what I wanted to do was to maybe start going over the projects that at the prior year appropriations, which we got a handout on, that describes the status of some of the old projects, and I think everybody -- or did we get that?

MR. CRADDICK: This one? This is right after your letter. The handout with your letter, it's the very next page.

CHAIR NAKAMURA: Okay. So maybe we can quickly go over those.

MR. CRADDICK: Those correlate with this sheet here.

MR. RICE: I didn't get one. I didn't get this.

CHAIR NAKAMURA: I just got this today. You don't have that?

MR. RICE: No.

CHAIR NAKAMURA: Okay. You got one?

MR. TAGORDA: I got it.

CHAIR NAKAMURA: So maybe we will do that on Monday and if we think of anything else that may come up and we can have Andy come and talk about SCADA a little bit.

MR. KOGASAKA: On that second and third pages, the goals and objectives are correlated by section and number.

CHAIR NAKAMURA: Okay. Anything else, Orlando?

MR. TAGORDA: No, thank you.

CHAIR NAKAMURA: Peter?

MR. RICE: No.

MR. KOGASAKA: Lahaina water treatment plant.

CHAIR NAKAMURA: Yeah, we'll talk about that on Monday.

MR. KOGASAKA: Monday.

CHAIR NAKAMURA: Why, are you dying to talk about it today?

MR. KOGASAKA: It's embarrassing.

CHAIR NAKAMURA: What's that?

MR. RICE: It's embarrassing?

CHAIR NAKAMURA: Think about it between now and Monday then.

MR. CRADDICK: Herb, what's that? Oh, oh, oh, oh, the letter that we passed out. The letter.

MR. RICE: The Lahaina treatment.

CHAIR NAKAMURA: I'll leave it to the Mayor of Lahaina, whether or not he wants to --

MR. RICE: I'm going to shut my mouth.

CHAIR NAKAMURA: He says Monday.

MR. RICE: We're going to do it. Anything from Lahaina. If you guys want the miconia bumped up to 200,000 in the budget, you better make to request if you think it's right, and you better think about what you're going to take out if you want the extra hundred.

MS. KRAFTSOW: You want that like a formal letter to the Board?

MR. RICE: No, but I'm just saying.

MR. CRADDICK: What do you think?

MR. TAGORDA: Who is going to match it now?

MS. KRAFTSOW: They said their need is 1.5 million.

MR. RICE: All I'm saying is it's not like, "Well, I want another hundred," and we have another hundred in the budget. You look at all those projects and you say, "If I want another hundred here, I'm going to give up this and this and whatever," and I'm all ears. That's all.

MR. TAGORDA: Trade-offs.

MR. CRADDICK: For me, Peter, I would have to say because the money is through Tri-Isle RC and D, that's why I keep out of it. And I let the community in. If the community can convince the Board, it goes, but I keep out of it because I'm treasurer for Tri-Isle RC and D.

MR. RICE: Then you're wise to keep out of it. Then there's other staff that have other wish lists in there. I'm just saying what I don't want to have happen is, "So the community wants another hundred." It doesn't work like that. It's a reasonable thing and it's important, and if that's a priority, that's fine, make it 200, but something else goes, maybe not equal to 100.

CHAIR NAKAMURA: Okay. Meeting adjourned.

(The meeting adjourned at 5:50 p.m.)

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