COUNTY OF KAUA'I

BOARD OF WATER SUPPLY

REGULAR MEETING

ORIGINAL

Thursday, April 26, 2012

10:48 a.m. - 12:49 p.m.

Second Floor, Microbiology Lab Building

Kauai County Department of Water

4398 Pua Loke Street

Lihue, Kauai, Hawaii 96766

REPORTED BY:

TERRI R. HANSON, CSR 482

Registered Professional Reporter
APPEARANCES

BOARD MEMBERS:

Larry Dill
Michael Dahilig
Daryl Kaneshiro, Chair
Raymond McCormick

(Exited meeting page 73, 12:32 p.m.)

Randall Nishimura

STAFF:

Andrea Suzuki, Deputy County Attorney
David Craddick
Marites Yano
Dustin Moises
Gregg Fujikawa
Val Reyna
Aaron Zambo
Keith Aoki
Joy Buccat
Debra Calaycay
Ryan Smith

GUESTS:

Marc Guyot, Deputy County Attorney
Janine Rapozo
Daniel Chang, Hawaii Department of Health
Jeremiah Kaluna
REGULAR MEETING

MR. KANESHIRO: Regular meeting of the Board of Water Supply is now called to order. Let the record reflect that it's roughly 10:50 or 10:49. At this time can I have the roll call, please.

MS. SUZUKI: Board Member Nakaya. Board Member Nishimura.

MR. NISHIMURA: Here.

MS. SUZUKI: Board Member McCormick.

MR. MCCORMICK: Here.

MS. SUZUKI: Chair Kaneshiro.

MR. KANESHIRO: Here.

MS. SUZUKI: Board Member Oyama. Board Member Dill.

MR. DILL: Present.

MS. SUZUKI: Board Member Dahilig.

MR. DAHILIG: Present.

MS. SUZUKI: We have quorum.

MR. KANESHIRO: Thank you for that. Do I have a motion to accept the agenda?

MR. NISHIMURA: Mr. Chair, move to accept the agenda as posted.

MR. KANESHIRO: Do I have a second on that?

MR. MCCORMICK: Second.

MR. KANESHIRO: Any objections to the
acceptance of the agenda?

I will note that at this time that as we go down through the agenda, I'm going to take the Manager's Report No. 12-64 up first. So why don't we go ahead and move on with the meeting transcripts and correspondence/announcements and then board committee reports real fast.

At this time do I have a motion on the meeting transcripts?

MR. NISHIMURA: Mr. Chair.

MR. KANESHIRO: Yes.

MR. NISHIMURA: I handed out some corrections that I noted, and I'd like to have this incorporated onto the errata sheet, and move to accept the minutes of the February 23rd, 2012, as amended. And also incorporate the CD of the transcript, and that if there are any discrepancies between the two, that the audio copy take precedence.

MR. KANESHIRO: Thank you for that, Mr. Nishimura. We have a motion on the floor to go ahead and approve that with the corrections noted by Mr. Nishimura. Do I have a second on that motion to do so?

MR. MCCORMICK: Second.

MR. KANESHIRO: Any further discussions on
the matter on the regular board meeting of
February 23rd, 2012?

It not, all in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Regular board meeting, March 22nd, 2012.

MR. NISHIMURA: Mr. Chair, move to defer
action on this item.

MR. KANESHIRO: We have a motion to defer
on this item. I believe we may have some corrections to
be made on this. I'm just saying believe.

MR. DAHILIG: Second the motion.

MR. KANESHIRO: That's not necessarily so.

So at this time we have a motion to defer. We have a
second on the floor.

All in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Correspondence/announcements, we have none

here.

MR. NISHIMURA: Mr. Chair.

MR. KANESHIRO: Go ahead.

MR. NISHIMURA: I need to recuse myself
from agenda item H2.

MR. KANESHIRO: Okay. H2, manager's report
number shall be noted.

I will be also making an announcement that I
will be recusing myself from the executive session to be
held today in regards to Grove Farms non-potable water
system. So please note that for the record.

With that, any other correspondence or
announcements?

MR. MCCORMICK: Mr. Chair.

MR. KANESHIRO: Yes, sir.

MR. MCCORMICK: I need to be excused at
12:30. I have another commitment.

MR. KANESHIRO: Okay. We'll try to move
this meeting right along and hopefully be done by then.

MR. MCCORMICK: Okay.

MR. DAHILIG: Just for the record, Mr.
Chair, I do need to catch a flight at 2:00, so I'll be
leaving the meeting at 1:00.

MR. KANESHIRO: Thank you for that. So
noted.

With that, moving on to board committee
reports. Report of the committee of the whole that was
held this morning was to go ahead and move Manager's
Report 12-54, debt service reserve fund policy, on to
the full board.

So any additions to that?
It was moved and approved to move on to the full board.

Hearing none, we head right into old business, Manager's Report No. 12-64. Do you want to do an introduction on that?

MR. CRADDICK: We have Ms. Rapozo and Marc Guyot from the attorney's office to give a presentation on the human resources --

MR. KANESHIRO: Do you want to speak into a mic so we can hear?

MR. CRADDICK: Restructuring.

MR. KANESHIRO: Thank you.

MR. CRADDICK: The floor is yours.

MR. GUYOT: Am I going to be needing a microphone or are we okay?

MR. CRADDICK: You're okay.

MR. GUYOT: Okay. I'll do my best on that. I'll be loud, and I'll try not to be wordy.

As David indicated, Janine and I are here. We represent the Human Resource Task Force. In addition to ourselves, we have John Isobe, Karen Matsumoto, who were actually retired but volunteered for the program because they had such a belief and concern for the program. As well as Kris Nakamura. Unfortunately, those three couldn't make it, so you have Janine and I for today.
We'll do our best to fill John's shoes moving forward here.

Back in May of 2011 the Cost Control Commission as well as some others recommended that the administration conduct an internal review of the human resource policies within the county, Department of Personnel Services, cost implications and if personnel within various departments who are performing similar type duties could be incorporated into one larger group.

We also looked at expanding the functional responsibilities of DPS to not only deal with purely the civil service type issues of recruitment and grievances and classification of jobs, but to cover the full gamut of HR functions that's expected in the 21st century such as employee training, workers' compensation, safety awareness, injury prevention, employee benefits, workforce planning, and internal disputes within the county and so forth.

This is the current structure that DPS has at this point. It is what they call a flat structure. We get to have a toy here finally, so I'll try not to use it too much. At the top is the Civil Service Commission. Then there is a director, who has a private secretary, and then it goes to a manager for the personnel services manager. Then the rest are all in a
horizontal type structure of varying duties and specialties.

They have tried to go with a generalized program, all the people in a sense being generalists in that they could do many different things. However, because of lack of personnel that were available as well as the specialized training in terms of job classification and so forth, they weren't as successful, I don't think, as they had originally intended to be.

It seems great in theory but without having enough time and people to train everybody in these areas, you can't have somebody who's good at carpentry, plumbing and electrical without a great deal of investment.

So that's the current structure that is in place. In looking at that, you see a decentralized system and duplication of efforts between the departments and DPS. And these are the challenges that DPS currently experiences in it's present form.

There's also lack of consistency in policies and procedures among the various departments and DPS. And to no fault to the departments, training has been a constant problem within DPS and their counterparts and the departments keeping everybody current and on the same page.
Timeliness in filling vacancies, this may be of special concern to other more departments, some departments more than others. And that happens for a variety of reasons. But nonetheless, there is a problem -- systemic problem of being able to fill the vacancies in a timely manner.

Also as mentioned before, there's a lack of full range of HR functions. Benefits, workers' comp, health, safety, investigation, working on disputes within the organization. Those are things that are lacking.

By not having an HR department and just relaying purely on the DPS system that we have for the last few years you have issues of liability and long-term exposure because of variations in policies and decentralized personnel options and operations and more opportunities for missteps when there isn't consistent guidance.

So in looking at what can we do to fix those problems, the challenges that we just mentioned, we needed to review the organizational structure of other jurisdictions as well as private entities to see what's being done. Internally we reviewed the position descriptions and conducted written surveys of all department personnel staff.
After doing that, we then conducted audits of particular department personnel to see what it is they actually do as opposed to what the job description says or what came out of the initial survey.

Then we looked at determining the functions and manpower needs of a restructured Department of Personnel Services human resources. Reviews were conducted with the personnel director, affected department heads. And as most of the employees involved in the proposed restructure, they fell under the HGEA, so we also talked with the union on that.

Eventually a reorganization plan was completed, including departmental positions that were appropriate to be transferred, classifications, and an estimate of associated costs.

The proposed restructuring is a bit more vertical in nature. We still have to have the Civil Service Commission. It guides the Department of Personnel Services. But in addition to the director, there now will be four division heads, if you will, within that; the administrative services division, recruitment/examination division, classification payroll -- classification and pay and labor relations, and then a health and safety division.

Your administrative services department will
help oversee the employee services programs and
benefits, manage/update employee records, coordinate
development of personnel rules, and provide clerical
support to all of the other divisions as well as the
departments because there will be some people left in
the departments.

There has to be kind of a liaison with the
departments. We can't just have it completely
centralized. It doesn't make sense and there needs to
be some give and take. There are certain things that
are required that departments have to do and keep track
of that it's much more expeditious to have that done at
the department level. But it's going to be much less
than it's currently done then -- currently done now.

The recruitment and examination section, this
will assist the departments with the recruitments so
there won't be that time delay in filling the empty
positions as well as selection of qualified candidates.

The other area would then be classification and
labor relations. Just to let you know, we looked at
multiple different formats. We looked at organizing by
unions. We looked at organizing in a variety of
different ways. And we eventually settled on this
system to provide the services that were most needed and
most lacking from the challenge that we saw from the
current system. So putting classification and labor relations together, putting together the classification and pay plans for the county positions and reviewing those positions and making sure that they're consistent from jurisdiction to jurisdiction, following the equal pay for equal work theory, and trying to find what the departments need and how to fill that and get that in a timely manner.

That, of course, ties into a lot of the labor relations which go to classification and wages and so forth. That's typically their biggest area. So those two seem like a natural fit together.

And we're going to be merging the last one, which would be the health and safety division. This is currently a mishmash of some trainer from public works, people in risk management, people in my office, and the ADA coordinator's office. This is going to be all put together under health and safety division, which is kind of a risk management employee relations type area.

So to try to address all of those areas and then have a system where there's employees below these division heads that will be able to carry them out expeditiously across the county for all the departments.

So the new structure looks like this. You have your director, you have your administrative division,
you have your recruitment, you have your labor and
classification, and you have your health and safety and
employee relations division. And that is how they're
going to branch out.

This was branched off separately as opposed to
being part of the whole downward line because this
department does assist with all of the other departments
and it seemed to make sense in the structure to put it
that way.

I apologize for the delay here. Usually Mr.
Isobe does this. He's done that about eight times, so
he's just got this thing on the tip of his tongue.

So that is essentially the new structure that
we've come up with. It now goes to 18 people as opposed
to the 8 or 9 that are in there currently. And by
enlarging these areas and bringing these people under
one roof, it's anticipated that there will be less
burden on the individual departments for a lot of the
administrative functions of personnel and human resource
issues that exist there now.

So the timeline to implement this program has
started quite a ways before, but now we're getting into
the implementation line which, of course, is predicated
upon the council allowing the budget shift so that can
be done. So in this month, which we're getting very
close to the end of, looking at a variety of space
requirements and seeing if there are any additional
budgetary needs that are based upon the space
requirements or some input that we've heard back from
the council.

The next milestone will be in May where we are
looking to finalize a list of vacant positions in DPS.
Recently we've gone out and recruited for that. We have
seen quite a few applications that have come in. Some
internal, some external. We have generally put out the
job recruitment notice. We've recruited within a range.
So we have a variety of people to fit in those various
positions that are there.

Next milestone looks to be in July. And May
will also be the final determination from the council on
the budget. Provided all goes well in July, we'll look
to actually start filling the positions and transition
the current employees from their departments into DPS
human resources.

Between July and October, we're looking to make
the transition from both physical as well as mental, if
you will, the shift over from the different departments.
Some employees in the departments would not be leaving
on July 1st. Some may be coming over in August or
September. It just depends on how the needs are. We
understand that when we make a change of this magnitude, that there are going to be some ongoing things that these people in departments have going with their departments. We're trying to minimize the loss to those departments. Some departments have given up people that have great institutional knowledge, and it would create a void for those departments.

I see Mr. Dill over there smiling.

And those are not done lightly. It was an important analysis to be done as to who could fill the positions that we have to help make the smoothest transition for the county. And unfortunately, to quote from Star Trek, sometimes the needs of the few are outweighed by the needs of the many.

And it was just the departments that had suffered losses of long-term employees, had collateral staff that could, in a sense, lighten the wound, if you will, for the loss of those important employees.

But on the other hand, we realized that because of a long-term employee being taken, that there is going to be some communication needs that have to be done and even after October. I don't doubt that certain departments will call people that left from their department and go, Hey, help what's going on here? I need this. And we're not going to frown upon that.
What's nice is that instead of that one employee going, Oh, gosh, I've got to go try and find somebody. They're now in that department to say, Hey, can you help me with this? Can you help with this? I need this. And it should get done quicker. That's what we're hoping for to happen. Consistency, speed, to make it a more user-friendly organization.

Under the current DPS model, they were very concerned of protecting all of the civil service rules to the point of merely being protectionists and not being helpful and protectionists at the same time. Departments come in and say, We'd like this? Instead of saying, What is it that you need to have filled? Let's try and work together to get this.

It was a constant no with no explanation as to why and what we could do to fix it lots of times. And I think that created a lot of problems within the county of trying to get positions filled, which is why we had many open positions as well as a lack of communication and cooperation. And hopefully under the system that we've worked on, that well no longer be a problem.

MR. CRADDICK: When you say hopefully, what if that hope doesn't pan out?

MR. GUYOT: Well, first off, as blunt as this sounds, it can't get any worse.
MR. CRADDICK: No, it could get a lot worse if the people that are doing the work now are taken away. It could get a lot worse.

MR. GUYOT: They're only moved. They're only moved. They're still there. You can reach them.

MR. CRADDICK: Yeah, but if they've got other job assignments and stuff, they're certainly not reporting to you anymore. I mean, I could see it really going into a big mess.

And the real problem that I have is how do you get rid of the inherent conflict of H.R.S. where the director of civil service is there for that purpose that you just said, you know, they're there to make sure that everybody that's getting the same pay is doing the same -- has the same level of responsibility. And then in the same group, somehow having somebody else advising, Oh, you know, here's what you need to do.

And a lot of these things are more -- I would say, pay related, because you can't get people to fill the positions that you're in. So you're fooling around trying to justify higher pay in order to get the positions filled versus -- and maybe it really is, you know, the responsibility thing. But if you can't fill positions, if people won't apply for them, I mean, I don't see anything going on there to resolve that.
MR. GUYOT: That's going to come more from a cultural change within the organization. And in our discussions amongst the transition team, it has been to look at human resources as a service industry to the county.

MR. CRADDICK: But how do they tie that in with the H.R.S. where it's --

MR. GUYOT: It can be done.

MR. CRADDICK: It's set up in H.R.S. --

MR. GUYOT: You can recruit above pay grade if you're having difficulties. You can make the classification fit the job, and you need to work with that. I'm sorry. Make the classification appropriate to what the job is. That's what you need to do, is you need to match them up so you meet your equal pay requirements.

On the other hand, if you are having difficulty in filling positions, you can -- outside of range. So you can recruit out above grade if you're having difficulties in certain areas. These are options that need to be explored to get you to the needs of the departments.

And that will be much easier done when you have a larger department that is able to address those things on a quicker basis. Right now, you have seven people
down there.

MR. CRADDICK: Yeah, yeah, yeah, you don't have to explain that part of it.

MR. GUYOT: Yeah. So they're not able to address those things.

MR. CRADDICK: Yeah.

MR. GUYOT: And I don't think that the culture has been, we're here to serve the county. The county is our client.

There are essentially three departments that drive the engine of the county internally; purchasing, procurement -- I'm sorry. Purchasing and procurement are the same thing, finance, and human resources.

I think a lot of you have seen over the last year or so, year and a half, that there's been big strides in purchasing. They're much more helpful. Finance is trying. But the human resource transition team wanted human resources to be on that same level to provide services to our clients in a much more friendly manner and to be helpful as to, this is where you need to go. Let us give you some options how to get there. As opposed to, oh, you just want to go this way. No. And not tell you that there's other options. And that's what I think that you'll see -- what we're hoping that you'll see in the near transition.
It's a new program, and there will be some
bumps. In every new program there's a bump. People at
Apple weren't successful at first on their iPhone. They
always had problems. Even the Apple 4 had problems.
They had to come up with the 4S. But you adapt with
those. We have enough people, we have a budget, and I
think they have the right vision to be able to make
those changes to reach the final goal.

MS. RAPOZO: And just to add to what Marc
is saying, ultimately the Civil Service Commission is
the appointing authority and board that is overseeing
this. And so --

MR. CRADDICK: Yeah, but there's -- yeah,
but see, there's the problem. Now you have the
department going, I presume, they're going to go because
they're the ones supposedly helping you. They're going
to go around their manager to go to the civil service
board. How is that going to work?

MR. GUYOT: I'm not sure what --

MR. CRADDICK: The manager says, No, you
can't have this because it's not equal pay. And so
what, somebody else in that same department is going to
go around that manager to the civil service board?

MS. RAPOZO: They have that right to appeal
any classification decision.
MR. CRADDICK: Yeah, I know, but now you're taking the people away from us that do that work, and now they're going to -- they're forming this HR department, where now, you know, the manager says, Oh, can't have this because of something. So that same group is going to go around him to the board and say, Oh -- I mean, it happens in the other departments too. It happens here too, but not in a formal session. It's kind of behind scenes a little bit.

MR. GUYOT: I think there's another side to that coin, is that you with the departments that have had people that are now put into the DPS HR, and in a sense you'll have allies. So you will have a balance in there.

MR. CRADDICK: You understand what I'm saying, huh?

MR. GUYOT: To a certain degree.

MR. CRADDICK: Okay, okay. Here, let me make it more clear --

MR. NISHIMURA: Mr. Chair, Mr. Chair, may I?

MR. KANESHIRO: Yeah, go ahead.

MR. NISHIMURA: Before this debate goes further, one, I'd like to allow them to finish their presentation, and then come back and --
MR. KANESHIRO: Yeah, because we're not here to make any decisions at this point.

MR. NISHIMURA: Right.

MR. KANESHIRO: We're here to --

MR. NISHIMURA: We're trying to find out what all the process is about. You know, the impact -- potential impacts to the department, potential impacts to our budget, those kinds of things.

MR. KANESHIRO: And I agree --

MR. NISHIMURA: So if we can allow them to continue --

MR. KANESHIRO: I agree with my committee member. So we will continue with the presentation. Many of our committee members haven't seen this before. I'm not certain if our manager was privileged to see this presentation or was involved in this presentation at all. But, as I stated, many of the members have not had the opportunity to even be presented this presentation.

So with that, Mr. Guyot, go ahead and continue your presentation.

MR. GUYOT: Thank you. I just have a couple closing remarks here which may hopefully ease some fears that are inherent in a project like this.

In order for this effort to be successful in
any major effort, there needs to be cooperation and
support at all levels of the organization. As we said,
this has come from the mayor, council, Cost Control
Commission, Civil Service Commission, as well as some
departments have indicated this is something they want.

The county is a service organization. We don't
make a product. 80 percent of its operating budget is
personnel and related costs. It's important, we owe it
to our employees, to have a full-service HR department
for them and for the organization.

Therefore, the benefits that we derive from
moving to the full-service HR structure will have an
impact on the county and its overall performance and its
overall success.

And we think, like I mentioned earlier, that we
built in enough room to adjust to some of the bumps that
may come up into the road.

And we know that it's not -- until we actually
go through it, there are things that we don't know that
we don't know yet. And again, I think we made
accommodations for it.

That concludes our presentations. And you can
start with some of those questions that you have.

MR. KANESHIRO: Okay. Committee members.

-- I mean, board members. I'm still in committee.
MR. GUYOT: Old habits are hard to break.

MR. KANESHIRO: Okay. Board members, we're all a committee anyway, board or not.

MR. NISHIMURA: I've got about five questions.

MR. KANESHIRO: Okay.

MR. NISHIMURA: Technical training will stay within the departments, is that correct?

MR. GUYOT: Yes.

MR. NISHIMURA: So what you're looking for in terms of training is more systemwide training that is not dependent on which department you're working for?

MR. GUYOT: Not department specific. Yeah.

MR. NISHIMURA: In terms of your timeline, I noticed that between April and May you're reviewing all your requirements and all that. One of the things when I look at your organizational chart, it's about almost triple. And have all of those positions already been recharacterized or reclassified or whatever?

MR. GUYOT: Yes.

MR. NISHIMURA: Oh, they have been. Okay.

MR. GUYOT: That was one of the jobs that Karen helped us with. That was her specialty in DPS before she retired.

MR. NISHIMURA: And I guess that leads me
to the third question is and concern that the manager had is that, okay, you've got 18 positions we've reclassified, reorganized in I don't know how long. The department has been pushing to try and get their reorganization which involved, I believe, less than a dozen people. And it's been three years.

And those are the kinds of concerns that the department has. And I think they're fair concerns. That being said, you know, that, I think some of the things you presented make a lot of sense because they go above and beyond what one individual can, you know, currently what we have one individual doing in the department.

And lastly, you mentioned some kind of liaison between the department and HR.

MR. GUYOT: Yes.

MR. NISHIMURA: How many departments currently have that if they do not have a personnel officer?

MR. GUYOT: All departments have some personnel functions within them, just inherent. Water has one, public works has two and a half, three. Police and fire have multiple people that do it. Larry's giving me two fingers there. I believe that's two. Public works has three. No, two. I'm sorry. Parks has
essentially two.

MS. RAPOZO: I think the differences of the
departments is the level that the position holds. We
have secretaries doing it. We have accountants doing it
versus the larger departments have like the personnel
officer or things like that. But everyone has someone
to some extent.

MR. GUYOT: For example, in the county
attorney's office, our office administer has some
personnel functions. And because of the small degree of
the functions she has she, of course, will be staying at
the county attorney's office. But there should be a bit
less for her to do.

MR. NISHIMURA: Okay. And I guess the last
question is, what's it going to cost the water
department?

MS. RAPOZO: Right now we have looked at
the particular position number, and we're not looking at
putting anything specifically in the budget. David, you
might need to help me with this as far as charging it to
the re-allocation -- the allocation of services.

MR. NISHIMURA: Is that the fire hydrant
charges?

MR. CRADDICK: Yeah. Well, yeah. This
isn't the time or place to go through that for sure,
'cause something happened here this last year that I didn't know. That went from 900,000 to 1.5 million now that is being charged to the county. So now the county is going to have to justify what they're doing with that 1.5 million. And it's far, far beyond anything that I see of any service that we get from the county.

MR. NISHIMURA: But that's the --

MS. RAPOZO: But that's the method that we use, yes.

MR. NISHIMURA: The mechanism.

MR. KANESHIRO: The methods.

MR. NISHIMURA: Okay.

MS. RAPOZO: Yes.

MR. NISHIMURA: So you're not looking at any additional financial burden from the department at this time?

MS. RAPOZO: No.

MR. NISHIMURA: Okay. That's it. Thank you.

MR. DILL: Mr. Chair.

MR. KANESHIRO: Go ahead, Mr. Dill.

MR. DILL: When these services get centralized in the new department of human resources over there, what kind of things, what services will the department still be expected to take care of on its own
as far as anything HR personnel related is concerned?

MR. GUYOT: Depending on the particular union or unions that are attached to your department. There's a requirement in the CBA that grievances are handled through the departments. You're going to want to do some time/attendance type information, some payroll information that's going to come through. You will have a departmental file on the employees. You're going to need to have information in case of an injury. You need to look at disciplinary things when you are reviewing disciplinary actions. You may be looking at a knowledge, training, and experience base to see your people who could maybe move somewhere. A large majority of the files will be kept at personnel. So there will be a centralized repository for it.

UNIDENTIFIED SPEAKER: Other type of functions?

MR. GUYOT: I mean, for example, a new employee comes in. They, of course, have to get orientated to your department. Shortly thereafter, they'll be sent to DPS HR for their initial onboarding, list of benefits, this is what you're going to need to put on. And then DPS HR will be monitoring what program that they've chosen, which medical, life insurance, those types of things that will be given to them.
They'll also go through -- give a copy of the county policies to them. So everybody will start off essentially with the same types of things.

MR. DILL: Okay. So -- and I'm not familiar with the details of what's currently over here as far as the personnel setup is concerned, but so I assume many of those things are being handled by the department right now.

MR. CRADDICK: Pretty much. Like I say, we don't handle this -- try to slow it down.

MR. DILL: And from a public works perspective, as I've mentioned before, a concern I have at public works and I don't know how it applies at the Department of Water or not, is our existing personnel officer plays a significant role in the addressing of step one grievances with the union, and we would lose that. We would have to be addressing that ourselves, as I understand, the public works gets support from the new HR department. But it's just a concern that I have that we would lose a lot of industrial knowledge. And I'm wondering if that same issue is -- will or will exist in the Department of Water.

MR. GUYOT: I would image that in your particular case for your department that it would be rather silly to not allow that person to be your liaison
to work back with you on that. They have a lot of
knowledge, and I think that could be.

I'm not the department head of DPS, but I would
think that under the new culture that's being promoted
at the time, that that type of cooperation is what would
be needed for everyone to be successful. And it would
be crazy not to. And to use your employees' knowledge
for the other departments, that's where I think we start
to grow.

MS. RAPOZO: And just for clarification,
Larry, no particular person from water is being moved to
personnel. So, yeah, it's a little different in public
works.

MR. DILL: All right.

MR. NISHIMURA: Follow up to Larry's
questions. Why aren't the grievances being folded into
personnel services? If a grievance is supposed to be
handled where it's supposed to be fairly administered,
the last thing you would want is to have the grieving
party -- or the person who's being grieved against
handle that function.

MR. CRADDICK: I think when the discipline
comes out, we will be talking with them to make sure
it's even across everybody.

MR. NISHIMURA: Even the fact finding
portion.

MR. CRADDICK: Well, I don't know. The investigation and stuff like that, that's --

MR. GUYOT: Part of it's required in the CBA that it is done by the department. Now --

MS. RAPOZO: Yeah, because the next level basically goes to the director.

MR. GUYOT: Yeah. So we're kind of hamstrung by what the CBA says how the grievance procedure goes. What the DPS HR will provide to the departments is once a grievance comes in, we can look at it with them and give them recommendations so there's a consistent response from the county.

Right now you'll get a grievance coming into public works where they say, Oh, water does it differently. And the grievance comes into water and they say, Oh, parks does it differently. This way we will conquer that problem by having a consistent model of, callbacks are done like this, PA is done like this, overtime is giving in this way that's consistent with the CBA. Some of the CBAs are not really clear. But at least if the county has a consistent approach to it, it's more understandable for everyone.

MR. CRADDICK: Can I draw my picture here now?
MR. GUYOT: He's ready for his example.

MR. CRADDICK: And I don't need an answer to this. It's just more a rhetorical question. You've got a board, you've got a manager, you've got some offshoot group here that does something, and then you've got the main work going on. And I'm presumption this main work will be -- this will be the one that's really working with the departments down here.

Okay. And let's say they come up with some plan, reorganization plan that somehow the manager doesn't agree with. Says, Oh, no, you can't classify them at this. And then the department wants to fight it. That's us. Now, is this group that prepared all this work now going to go around all of this and fight the civil service board? Or are we going to be -- not have any of this help anymore and they just say, Oop, didn't get approved. You're out on your own, and you've got to go fight it against the civil service board if you want to?

MR. GUYOT: Well --

MR. CRADDICK: And I don't want an answer. I really don't want an answer.

MR. KANESHIRO: It's an example.

MR. CRADDICK: I just see it as an inherent conflict of interest because this position is the way it
is because of H.R.S. And this needs to almost be a separate department so if they do need to fight against this, they can without looking like they're going around their manager.

MR. GUYOT: Okay. Without giving an answer, good point. We'll do the best we can on that. You know where the office is. We can come by and talk about this if you want.

MR. CRADDICK: Well, every time I think -- I've brought the same issue up every time, and I just -- I notice no answer ever comes to it, so...

MR. GUYOT: Well, you just told me not to give you one.

MR. CRADDICK: Well, well, right here in this setting.

MR. NISHIMURA: Oh, boy, you two guys.

MR. GUYOT: Well, like I said, you come by the round building, we can talk about this.

MR. KANESHIRO: And maybe you can have that discussion.

MR. CRADDICK: Okay.

MR. GUYOT: With Janine and I. Our offices are close.

MR. CRADDICK: Okay, okay.

MR. NISHIMURA: Mr. Chair, can we get this
-- your PowerPoint sent to the board?

MS. RAPOZO: Yeah, sure.

MR. CRADDICK: We actually already have it there. Gregg --

MR. KANESHIRO: Gregg, thank you.

MR. CRADDICK: And we'll make it part of the CD.

MR. GUYOT: The tech master or mistress could make a copy -- print that off for them. We have no problem with that.

MR. CRADDICK: You want it on the CD, right?

MR. KANESHIRO: Board members any further questions or any other discussions on this matter? If not, thank you very much for the presentation.

MR. GUYOT: Our pleasure. Always nice to come down and visit you folks.

MR. KANESHIRO: Thank you. Okay. Members --

MR. NISHIMURA: Thank you. Mr. Chair, move to --

MR. KANESHIRO: Receive.

MR. NISHIMURA: -- receive Manager's Report 12-64, county human resources reorganization.
MR. KANESHIRO: Do I have a second on that?

MR. MCCORMICK: Second.

MR. KANESHIRO: Moved and seconded. Any further discussion on this matter? We're receiving Manager's Report No. 12-64.

If not, all those in favor.

Any opposed?

Hearing none, motion carried.

We'll continue on with the old business and at this time take up Manager's Report No. 12-54, debt service reserve fund policy. Mr. Craddick. We're okay. I'm watching the time.

MR. CRADDICK: Okay.

MR. DILL: Unless you want --

MR. CRADDICK: The committee recommended approving it. So I don't know if I need to talk anymore.

MR. KANESHIRO: Okay. We might have more questions.

MR. CRADDICK: You might. If you do, I'll try my best to answer them.

MR. NISHIMURA: Mr. Chair.

MR. KANESHIRO: Yes, sir.

MR. NISHIMURA: Move to defer action on it Manager's Report 12-54, the debt service reserve fund
policy.

MR. DAHILIG: Second the motion.

MR. KANESHIRO: Okay. There's a motion on the floor to defer action on this in the board meeting. Before I call for the vote, any discussion on the matter?

Hearing none, motion for deferral, all those in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Manager's Report No. 12-63, rewards program.

Any addition to this, Mr. Craddick?

MR. CRADDICK: There's actually nothing from the county attorney's office, but subsequent to the last meeting, we did find something in H.R.S. that specifically allows cash -- oh, you have something there, Andrea?

MR. KANESHIRO: Do I have a copy or is something to be passed out to the members?

MS. SUZUKI: I just made a copy of H.R.S.

MR. KANESHIRO: Okay.

MR. CRADDICK: Thank you. And it says in here that, Programs may provide for cash award to recognize suggestion, invention, superior accomplishments, length of service, and other personnel
or group efforts. A cash award shall be in addition to the employee's regular compensation. The acceptance of a cash award shall constitute an agreement that used by the government of any idea, method, or device which the award is made shall not form the basis of a further claim upon the government by the employees or their heirs and assigns.

So it allows for cash awards. The state law already allows for it. So maybe we don't even need an opinion from the attorney if this is what it says. You know, it says what we can do already. So as long as we're in compliance with this, it shouldn't be an issue.

MR. KANESHIRO: Questions by board members?

MR. NISHIMURA: Question for the county attorney. Who's the chief executive?

MS. SUZUKI: For the water department?

Beats me. I think it would be him (pointing).

MR. NISHIMURA: Okay. So does the first paragraph mean that a policy would have to be generated?

Last sentence.

MS. SUZUKI: Yeah, I thought that there was an instance to this. David, do you have a policy set up for what you propose?

MR. CRADDICK: Well, I think that's what we were trying to get the board to approve was what -- the
program. So...

MR. NISHIMURA: So you're going to draft a policy for review?

MR. CRADDICK: We can make it into a policy. But I would just say, you know, just on this particular item, just we recommend moving forward by submitting a policy. And then this item number can drop off and it will have a separate number when it comes back to you for the -- whatever policy is written up.

MR. NISHIMURA: So you want the money before the policy?

MR. CRADDICK: It...

MS. SUZUKI: Is there a policy for your Water Bucks program?

MR. CRADDICK: No, there wasn't. I mean, other than internally. I don't think it included the board that I'm aware of.

MR. DAHILIG: Mr. Chair, I'd like to move that we defer the item until such time as we receive a draft policy from the water manager concerning the implementation of this appropriation pursuant to H.R.S. 78-29, and that such policy shall be reviewed by the county attorney before presentation before the whole board for adoption.

MR. McCORMICK: Second.
MR. KANESHIRO: Okay. We have a motion and
a second on that. With that, I'm asking for deferral of
this rewards program until we have that policy
established and reviewed by the county attorney.

Given that, all those in favor signify by
saying aye.

Any opposed?

Hearing none, program is deferred at this
point.

Manager's Report No. 12-69. Mr. Craddick.

MR. CRADDICK: Okay. Let's see here. On
this item here, the board approved one and two and
didn't approve three. And we have in our budget this
year a similar number to do this three. And so what I
would say is we just drop this -- eliminate this three
out of here. We're not going to do it. We'll just do
what the board previously approved and leave it with
this year's budget.

And they're working to try and get a better
proposal here on what's going on. And it may be that we
can get it funded. Well, if we do the, what do you call
that? The one where somebody comes in, does the program
for you, and then if you go forward with the program,
they get a percentage of the savings, and it doesn't
really cost us anything to do the study. So we're
working right now with the county to try and come up
with a program like that.

MR. DAHLIG: Mr. Chair, I'd like to make a
motion to receive the remainder of the communication.

MR. KANESHIRO: So at this point the motion
on the floor and then that request would be to drop
section three.

MR. CRADDICK: Yes.

MR. KANESHIRO: Of that portion of it, and
you would still continue on with one and two?

MR. CRADDICK: Yes.

MR. KANESHIRO: So that's for
clarification.

MR. DAHLIG: That's my intent, Mr. Chair.

MR. KANESHIRO: For one and two.

MR. NISHIMURA: Point of order.

MR. KANESHIRO: Yes.

MR. NISHIMURA: I know we already approved
one and two.

MR. KANESHIRO: One and two.

MR. NISHIMURA: So is the motion to receive
item three?

MR. KANESHIRO: Would be the motion to
receive item three at this point?

MR. DAHLIG: Yeah.
MR. KANESHIRO: Okay. With that, the
motion is on the floor to receive item three of 12-69,
Manager's Report number. Do I have a second on that?
Do we have a second on that?

MR. MCCORMICK: Second.

MR. KANESHIRO: We have a second also. All
those -- any further discussion?

All those in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Manager's Report No. 12-70, Mr. Craddick,
non-potable water systems.

MR. CRADDICK: Okay. On this item here, I
understand that some fairly amount of information was
given aside from the manager's report, and the board
wanted to have that additional information. And that is
what is attached on the back of that Manager's Report
12-70 there, the additional material that was given at
that meeting.

MR. KANESHIRO: Board members, any
questions for Mr. Craddick? None?

MR. NISHIMURA: I have a couple questions
on the planning and management elements. For item one,
I think if you could expand a concern. You know, you
don't address the undue burden and uncertainty. I think
you should include that further in your discussion.

MR. CRADDICK: You're -- let's see.

MR. NISHIMURA: Mechanism to prevent, water systems need to be in place to prevent undue burden and uncertainty to out customers.

MR. CRADDICK: Which number is that under?

MR. NISHIMURA: Number one under some of the planning and proposed management elements.

MR. CRADDICK: Okay.

MR. NISHIMURA: And don't go into verbal. I want it addressed in writing.

MR. CRADDICK: Well, I -- this drifted off the -- what we're even reporting on on this 12-70. So I think the board was asking about non-potable water systems in general.

MR. NISHIMURA: Yes, this is in general.

MR. KANESHIRO: We have general.

MR. CRADDICK: Yeah, but this is a specific case where we're dealing with where somebody wants to do a private system but they don't want to turn it over to us. This is not an issue for ones that are turned over to us for operation.

MR. NISHIMURA: Well, then it should be specified in that paragraph.

MR. CRADDICK: Okay.
MR. NISHIMURA: Okay.

MR. CRADDICK: Okay.

MR. NISHIMURA: Item three, kind of sort of need -- would like to know the nexus to the potable water system. It's inferred in there, but you don't complete the thought, I think. And same thing for number four.

MR. CRADDICK: On number four, I'm not sure what you're talking about there. There's no unanswered question there.

MR. NISHIMURA: Well, okay, the availability, quantity and quality of the non-potable water, as it relates to what? As it relates to the potable water system or as it just relates to their particular needs?

MR. CRADDICK: Well --

MR. NISHIMURA: Because I think the disconnect I may be having is that when I look at only a non-potable system, I only look at it simply as a non-potable system. I do not interconnect it with the potable water system. And I understand that there is a concern within the department that they need to be tied together.

MR. CRADDICK: And I'm telling you, if it is operated by the water department, the answer to that
is no.

MR. NISHIMURA: Well, you need to make that clear is that in this report if it is water -- done by the water department, then, you know, why is it so; and if it's done somebody else, why is it not so.

MR. CRADDICK: Well, I think that is covered in the report itself, in the one, two, three, fourth paragraph of the actual letter itself. Because when it's not so, it becomes -- it would become a burden on our ratepayers to solve the problems. And they'd been receiving no income from that, so why would they want to solve that problem? If you're operating both systems, you kind of have an obligation to solve the problem if you took it on in the first place.

MR. NISHIMURA: That's the kind of thing I want to see in the report.

MR. CRADDICK: But you don't --

MR. NISHIMURA: I don't see it in there.

That's the thing.

MR. CRADDICK: Okay. Okay.

MR. NISHIMURA: And then number eight, again, you know, I think those things if it's not under our purview, it's no big deal. If it's tied to us, you know, or it impacts on us, then it should be pointed out.
MR. CRADDICK: Try that again.

MR. NISHIMURA: Item eight.

MR. CRADDICK: Yeah, yeah, yeah. But what's the question there?

MR. NISHIMURA: If we're not operating it, why is it a concern to us? It should be explained in there. I kind of have an idea of where you're going with it. But if you take the report and you give it to somebody who has never looked at something like this --

MR. CRADDICK: Yeah.

MR. NISHIMURA: -- like a board member that may replacement, I would like him or her to be able to read through it and understand on the first reading why we're having a possible disconnect between the department and developers that may want to do a private non-potable system.

With that, Mr. Chair, I'd like to receive and refer back to department for refinement.

MR. DAHILIG: Second the motion.

MR. KANESHIRO: Okay. I have a motion on the floor. Any further discussion on that motion?

If not, all in favor signify by saying aye. Any opposed?

Hearing none, motion carried.

Before we go into new business, we'll take a
10-minute recess at this time.

(A break was had.)

MR. KANESHIRO: Regular meeting of the Board of Water Supply is now called back to order. Under new business, what I would like to do is take up Manager's Report No. 12-75, first of all, since we have in here from Honolulu --

UNIDENTIFIED SPEAKER: He's not here.

MR. KANESHIRO: Take that off, and we'll move on with some of the other items, and I believe we have some for deferral also. So at this time, Mr. Craddick, Manager's Report No. 12-75.

MR. CRADDICK: With us today we have Dan Chang with the State Department of Health, and then Joy, who is filling in for Faith's absence. And I'll let them give the report. Well, Joy, filling in in Faith's absence is what I said.

MS. SUZUKI: Yeah, we heard.


MR. KANESHIRO: She'll be doing the presentation.

MR. CRADDICK: You never know how long that absence will be. Anyways, Dan, Joy.

MR. KANESHIRO: Okay. Go ahead with that.
Go ahead, Dan and Joy.

MR. CHANG: I think Faith was the Project WET coordinator for the State of Hawaii, I guess, under the Kauai Department of Water. And so we discussed the possibility of funding further activities under the Project WET to include the areas of educational, ground water, source water protection, and that type of activities. So we are proposing to give the Kauai Department of Water a grant in the range of $200,000 to further develop the statewide Project WET program. And I think part of it includes Kauai Make a Splash, the annual Make a Splash event.

So activities that they included were to try and get a coordinator to work with the Department of Education to get these activities standardized so that it would meet Department of Education requirements and standards, and then also to try and fund the actual education of teachers and do educational events throughout the state under the Project WET type program. So that's about it.

MR. KANESHIRO: Okay.

MR. CRADDICK: Joy, anything?

MS. BUCCAT: So this grant would be a temporary thing for like three years. It would be spread out for three years. And because Kauai has been
the strongest -- or strongest supporter or doer of
Project WET or water education through Project WET
curriculum, I guess the state felt that we would be the
best ones to implement this statewide. And so,
therefore, we would need the fund to bring someone on
board to actually really focus on that part.

MR. CRADDICK: When you say, On board, do
you mean like a contract?

MS. BUCCAT: Contract, yeah. Contract
out.

MR. CRADDICK: Not a civil service
position?

MS. BUCCAT: Not a civil service position.

Contracted out for three years.

MR. NISHIMURA: Quick question. On the
budget line item 36, Project WET is listed at 20,000 and
the public education 10, so that's 30,000. Was that --
did that include that contract position as well?

MS. BUCCAT: In the current budget now?

MR. NISHIMURA: Yeah, what's being proposed
to us currently. The total budget for the PR budget is
86.5, which would include other things --

MS. BUCCAT: It didn't include a
coordinator.

MR. NISHIMURA: It did not?
MS. BUCCAT: It did not.

MR. NISHIMURA: Okay.

MR. CRADDICK: But I believe the grant is in the back, isn't it? Is it in the back?

MR. NISHIMURA: No.

MR. CRADDICK: Tess?

MR. NISHIMURA: I don't see it. I did not see it as --

MS. BUCCAT: It would be separate.

MR. CRADDICK: It may not have been because we didn't -- this obviously wasn't approved, you know, when we first submitted the budget.

MS. YANO: It hasn't been approved yet.

MR. CRADDICK: So I'm looking at Tess, and I don't believe it's in there. So if the board approves this, then we'll amend the budget to add this in.

MR. NISHIMURA: Okay. And this is a three-year period?

MS. BUCCAT: Three years.

MR. NISHIMURA: Okay. Mr. Chair.

MR. KANESHIRO: Yes sir.

MR. NISHIMURA: Move to approve Manager's Report No. 12-75 to receive and expend funds from the state Department of Health, Safe Water Drinking Branch, to development and initiate implementation of a
statewide source water protection education program and
that the monies for that be limited to that purpose.

MR. KANESHIRO: So noted. Do I have a
second on that motion?

MR. MCCORMICK: Second.

MR. KANESHIRO: Any further discussion?

MR. DILL: Yes, Mr. Chair.

MR. KANESHIRO: Mr. Dill.

MR. DILL: So this is a statewide position
based out of Kauai?

MR. CHANG: Yeah.

MR. CRADDICK: It might not be based out of
Kauai.

MR. CHANG: It would be operated through
this contract with the Kauai Department of Water, but
it's up to --

MS. BUCCAT: So we would oversee the
contract, right?

MR. CHANG: Yeah, yeah. So if the ideal
person would be benefit to be in Oahu to work with the
Department of Education, then that's possible. It's not
limited to where the person is going to be.

MR. DILL: Okay. I think it's a great
program. You know, I participate in it every year, so I
fully support it. But if it's a statewide effort, most
of these Project WET events, educational materials and
supplies, curriculum activity guides by default will be
on Oahu. Do you concur with that? Just because that's
where all the children are, the majority of the
children.

MR. CHANG: You know, I think part of it is
because, like Joy said, Kauai has been part of this
Project WET, that it will -- the push will be to get
things accomplished here and then presented as part of,
you know, try to get the other water departments, county
water departments to also participate in activities to
try and get it statewide for the reports.

MR. DILL: Okay.

MR. KANESHIRO: Anything else to add to
this? Any other questions?

MR. DILL: I just find it interesting. And
I'm glad that Kauai has shown the most leadership in
spearheading the program. I just find it interesting
that we would be the entity with the smallest
population, but the funds would be used in an effort at
least on Kauai just by the virtue of our small
population.

MR. CHANG: That's up to you. I'm not
going to tell you what happens with the money. If it's
-- you know, if it's focused on Kauai, and if it's
presented to the other counties, that's fine. But, you know, it's --

MR. KANESHIRO: Mr. Craddick.

MR. CRADDICK: Maybe -- I definitely had the same concern that you did, Larry. You know, why is Kauai, little Kauai, doing this statewide program?

And I think Joy explained it very well, in that we have the most experience in doing it. I don't think the state would even be talking to us if we didn't have the experience that we had. And I just think -- I'm guessing that they think that if it's going to be successful, it's going to be with us being able to export our efforts. And if we have this extra money, we'll be able to export our effort more.

But trying to work with the state and their curriculum, I mean, there's probably no question that it would be helpful having a person in Honolulu be the one to do it. And I don't really see -- I think if we can get this into the curriculum, it's either going to be funded by the individual water departments or by the state through the Department of Education. I mean, if we can get it into the curriculum in three years, we will, I think, have done a great service to the state.

MR. DILL: I agree. No doubt. I just -- I guess I find it interesting, I guess, that we're chosen
because we've done an excellent job at it, I guess.

MR. CRADDICK: Yeah.

MS. BUCCAT: Well, we're the only ones, I think, statewide right now that is doing anything like a Make a Splash. It's not on Maui or Oahu in this capacity that we see here on Kauai. And we're like in our ninth year, so it's like a well-running machine.

Well, this will be our ninth year.

MR. DILL: Okay. Yeah, and Faith did an excellent job.

MS. BUCCAT: Yes, she did. And even before -- I think it started before even Faith. So it's just proof that it's a good program to continue.

MR. DILL: And again, I fully support the program. So that $200,000 would go towards these contracted services?

MS. BUCCAT: Part of --

MR. CHANG: Contracted services, material and supplies, training --

MS. BUCCAT: Travel.

MR. CHANG: Travel.

MS. BUCCAT: Workshops.

MR. CHANG: Conducting workshops. Actually funding for the Make a Splash events or --

MR. DILL: Okay. So but then the project
manager at the Department of Water side here on Kauai
would have to manage that contract, so that's additional
burden on that person then?

MS. BUCCAT: Yeah.

MR. DILL: So in addition to doing the Make
a Splash festival on Kauai, this position supports that?

MS. BUCCAT: Correct. Yeah, that's the
thought behind it, that this person who we're
contracting out will handle most of what is needed to be
done.

MR. DILL: Okay.

MS. BUCCAT: From what we've done every
year.

MR. DILL: Okay. All right.

MR. KANESHIRO: Okay. Any further
questions or discussions?

If not, the motion is already on the floor.
All those in favor signify by saying aye.

Any opposed?
Hearing none, motion carried.
At this time Manager's Report No. 12-71, I
believe we wanted to have a motion to defer on that.

MR. DAHILIG: So moved, Mr. Chair.

MR. KANESHIRO: Do we have a second on that
motion? Board Policy No. 22 concerning change order
threshold update. Do I have a second on that to defer?

MR. NISHIMURA: Second.

MR. KANESHIRO: Okay. Any discussion on it? Okay. Before I called for the motion --

MR. DILL: Excuse me, Mr. Chair.

MR. KANESHIRO: If I call for the motion, wouldn't it be better to put this into committee or just leave it on the board's agenda?

MR. NISHIMURA: You can leave it on the board agenda, I think.

MR. KANESHIRO: Huh?

MR. NISHIMURA: I think --

MR. DAHILIG: I think it's fine right here.

MR. NISHIMURA: Yeah.

MR. KANESHIRO: Okay.

MR. NISHIMURA: I think it's the threshold amount that -- you know, as far as the policy itself it's --

MR. KANESHIRO: That's too much of a policy discussion, so I guess it's an issue. Okay. With that, the motion is to defer.

All in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Manager's Report No. 12-73 and also Manager's
Report 12-74.

MR. NISHIMURA: Point of order, Mr. Chair.

MR. KANESHIRO: And 12-72. I was going to come to that.

MR. NISHIMURA: Right now we have this board policy 22 that was previously approved, correct?

MR. CRADDICK: Yes. That's what we're following now.

MR. NISHIMURA: Okay. For now. So it does not preclude the department from doing change orders on 10 percent of whatever it was and the lesser amount of 25,000. So that allows the small change orders to continue?

MR. CRADDICK: No, no, no. Even small change orders cannot go through right now. That's the change that's being made to allow the small change orders to go through.

MR. NISHIMURA: Let's see. The way the policy currently reads, 10 percent of the total contract or --

MR. CRADDICK: No, no. It's five percent. Item E, 2E is five percent.

MR. NISHIMURA: I see 10 percent over here.

MR. CRADDICK: You're reading the policy, signed policy, June 12th, 2002?
MR. NISHIMURA: I have the proposed one. Where is the old one?

MR. CRADDICK: You're looking at it right here. You're looking at it right there. 2E is what's there now. And these things come to you when we run out of that five percent.

MR. NISHIMURA: I thought at the last meeting, and that's why I didn't want to approve the minutes for the last meeting was I thought that that had been approved already as far as moving it to a bigger threshold, but we did not -- you know, 25,000.

MR. MOISES: No. I think at the last meeting Mike brought up that because the -- once you run out of the five percent, proposing something to increase the threshold, which is zero right now basically, so that we wouldn't have to come to like -- if you look at Report 12-72, we're coming to you guys for like three grand, you know, to have some kind of policy that would allow us to eliminate that type of report.

So there's nothing right now in this policy that would be that mechanism. What are the funds that it comes from -- to the fund that it comes from, what the percentage is? And that $25,000 would actually take care of that.

MR. DAHILIG: We'll discuss it more.
MR. NISHIMURA: Okay.

MR. KANESHIRO: Okay.

MR. NISHIMURA: But it was for the 5 and 25 or 5 -- or 10 and 25.

MR. MOISES: 10 and 25. But I looked at most of our current construction projects, some design ones and even some in the past. And if you take the -- it's really an additional 5 percent to the 5. But, you know, if you look at that 10 percent, the 25 grand would basically govern almost every contract. But you need to differentiate -- say, a typical well project, you might have a $100,000 pump replacement, but you could only use 10 percent of that. You know, that's 10 grand. It's really to, I guess, limit abuse of the policy.

MR. CRADDICK: Yeah. Rather than making whichever is higher, it's whichever is lower to prevent -- because Dustin kind of did a spreadsheet of all of our change orders and we saw how we could handle a majority of them.

MR. NISHIMURA: Okay. I misunderstood. Because when I look at the existing board policy and the proposed board policies, the redaction is way different. I thought it was going from the -- to just adding the 'or,' but we're actually increasing it to 10 percent from the 5 percent?
MR. MOISES: No.

MR. CRADDICK: No, no. I'm not sure how that 'or' got underlined separate, but the underline has nothing to do with how it's changed from the existing. I'm not sure why that 'or' is underlined.

MR. NISHIMURA: Well, that is where it gets confusing.

MR. MOISES: I think the 'or' got underlined because when I revised your report, I wanted to emphasize it's not 'and,' it's 'or.' So that the 25,000 could govern as the lowest. So I think someone just dropped it in.

MR. NISHIMURA: Okay. So actually that new section 2E --

MR. CRADDICK: Is replacing the old section E.

MR. NISHIMURA: No, it's added on. It's a whole new section.

MR. MOISES: Yeah, it's new.

MR. NISHIMURA: Because the old 2E is 2B now.

MR. CRADDICK: Yeah, yeah. Okay.

MR. KANESHIRO: Okay. We have -- we had a motion to defer this item.

MR. NISHIMURA: Yeah.
MR. KANESHIRO: So I just allowed this for some clarification. Actually on the rules of order, any deferral may not have any more further discussions.

There were some clarifications that were needed.

MR. NISHIMURA: Thank you, Mr. Chair.

MR. KANESHIRO: A little out of my staff as a chairman. But again, this revision, board policy No. 22, would be -- or has been deferred, so you heard some of the --

MR. MOISES: Maybe you should do it on a separate policy and not within 22.

MR. KANESHIRO: Well, we got this on deferral. So we'll take up this at the next general board meeting. And then at that time we'll see what the administration will present to us. Okay.

With that, I wanted to move on to Manager's Report No. 12-72. I believe when we move on that item, I know --

MR. NISHIMURA: I've got to recuse.

MR. KANESHIRO: -- Mr. Nishimura will be recusing himself on both on that item.

MR. DAHILIG: Move for approval.

MR. MCCORMICK: Second.

MR. KANESHIRO: And also, I wanted to move on Manager's Report No. 12-73 and Manager's Report No.
12-74.

MR. DAHILIG: Mr. Chair, move for approval of all three items with the understanding that Mr. Nishimura is recused on item No. 72.

MR. KANESHIRO: Okay. Do I have a second on that?

MR. DILL: Second.

MS. SUZUKI: Just to make it clear, do that one separate. Then you can do your other --

MR. KANESHIRO: Okay. I'm sorry. Because he's recusing himself.

MR. DAHILIG: I will withdraw both my motions.

MR. KANESHIRO: Okay. As noted, I will recognize the motion to approve report No. 12-72 first. Do I have a second on that?

MR. DILL: Second.

MR. KANESHIRO: Okay. All those in favor signify by saying aye.

Any opposed saying no.

Hearing none.

We'll take on Manager's Report No. 12-73 and Manager's Report No. 12-74 resolutions.

MR. DAHILIG: Move for approval of both items, Mr. Chair.
MR. KANESHIRO: Do I have a second on that?

MR. DILL: Second.

MR. KANESHIRO: Any discussion on that?

Val does.

MR. REYNA: Managers Report No. 12-74, on our retirees last name should be Hiraoka and not Hironaka.

MR. KANESHIRO: So noted. We'll make those corrections.

With that, the motion on the floor is to approve those resolutions with correction made to resolution No. 12-74. All those in favor.

Any opposed?

Hearing none, motion carried.

We're going to get on and move on with some other items. I believe some members will be --

MR. DAHILIG: Mr. Chair, if I could just suggest maybe on the record putting a motion to defer executive session on J, just for the record before we start losing members.

MR. KANESHIRO: Okay. The motion is to defer that. Because as noted previously, we have some board members leaving at another time 12:30 today. So with that, any second to the executive session motion being deferred?
MR. McCORMICK: Second.

MR. KANESHIRO: Any discussion?

All those in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Staff reports. Getting right into staff reports. I believe there was one of them you wanted to move up now for some discussions with the board members while they're here or do you think we may be able to go over some of these now.

The manager had a staff report that he wanted to make to the board before the board members are excused for today's meeting. Some of the board members are excused. So would you like to take that up now first?

MR. CRADDICK: Okay. Just in the manager's update.

MR. KANESHIRO: Okay. Why don't we do that.

MR. CRADDICK: There's one contract there listed, the MCC chlorination facilities for the Koloa well. And then we had one other contract to the solicitation for furnishing and delivery of two SUV four-wheel-drive. And that's two of those, and then two SUV two-wheel-drive vehicles with Servco Pacific. And
they were the only bidder. Midpac did submit a bid, but they didn't submit the specification sheets and were considered nonresponsive. And Cutter did not meet the minimum specs for cargo room and were considered nonresponsive. So that's added to the manager's update there.

MR. NISHIMURA: Did you distribute that?

MR. CRADDICK: Here you go.

MR. KANESHIRO: Did you have a copy distributed to the members?

MR. CRADDICK: (Handing paper out.)

MR. KANESHIRO: And part of the reason manager brought this up is because somehow, you know --

MR. CRADDICK: It was presented to me in a timely manner, but it didn't get on the list here.

MR. KANESHIRO: Yeah. And we missed getting it put on the manager's report item. But as noted from previous discussions, we've had discussions regarding any purchase of equipment that has come before the board to, you know, present the information to the board.

MR. CRADDICK: Yes.

MR. DAHILIG: So no action is required on those? It's just --

MR. CRADDICK: No, no, it's just
information.

MR. KANESHIRO: Yeah, we don't require action on it, right.

Okay. Since we're on the manager's monthly update, anything else you wanted to add since we have it on the floor now, Mr. Manager?

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

MR. KANESHIRO: Okay. All right. Do I call for a motion to receive this at this time or do we just do all the --

MS. SUZUKI: You can receive it now.

MR. KANESHIRO: We can receive manager's report notes at this time.

MR. DAHILIG: So moved.

MR. KANESHIRO: Do I have a second on that?

MR. McCORMICK: Second.

MR. KANESHIRO: Any discussion on manager's report?

If not, all those in favor.

Any opposed?

Hearing none, motion carried.

Statement of Kauai County Water Department revenues and expenditures.

MS. YANO: From fiscal division, the budget
status summary as of February 29, 2012, is included in your packet. Also included is a chart comparative report on actual receipts for years 2012 and 2011. There's also a chart on water sales comparing actual billed water sales of '12 collections in comparison with the 2012 rate study projection and another chart on the billed water sales. It's a comparative report between fiscal years 2011 and 2012.

MR. CRADDICK: I guess the big thing here that I would like you to note as it kind of came up in our finance committee there, the rate increase has been in place for two months, and the rates this year -- or the money collected this year is less than last year. So it's something to watch as we move forward in our budget, and the finance committee has taken note of that.

MR. NISHIMURA: Mr. Chair, move to receive the statement of water department revenues and expenditures and instruct the finance department to provide a monthly update on the auditor's report.

MR. KANESHIRO: Okay. Do I have a second on that motion?

MR. MCCORMICK: Second.

MR. KANESHIRO: Any further discussion on the motion to receive the monthly report on the
auditor's report?

If not, all in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Report by public relations specialist on public relations activities.

MS. BUCCAT: The only thing I wanted to add on here at the -- on the back side of the paper, the meeting webinars. I just went to Koloa Elementary School yesterday, but I didn't know the amount of students we'd be talking to, so it says XX. I think it's 50 students. Unless anybody has any questions.

MR. KANESHIRO: So the XX would be about 50 students?

MS. BUCCAT: Yes.

MR. KANESHIRO: Okay. So noted.

MR. KANESHIRO: Go ahead, Mr. Craddock.

MR. CRADDICK: If you guys go another page after that PR report, there's a letter from KIUC. And if you go to the next page, the last month apparently an incident happened where they would have either had to do roving blackouts or the whole island electric grid would have gone down. And I believe KIUC worked with Ryan and Val. And you can see that upper graph is a normal day's use, and you can see what the use is at KIUC without our
pumps running.

UNIDENTIFIED SPEAKER: Wow.

MR. CRADDICK: And they basically -- so that was -- thank you, guys. I wasn't even here when that happened. So good job with everybody that was involved in that.

MR. REYNA: That's mostly Ryan and his crew.

MR. DILL: You say without pumps running. Were they running on generators or were they running on --

MR. SMITH: We just had the systems down temporarily, so we were basing all of our consumption and usage off of the storage building and the tanks for the time being until KIUC could bring their grid back up.

MR. KANESHIRO: Okay. Any additions to the discussions on the public relations packet report?

MR. NISHIMURA: Mr. Chair, move to receive the report as amended.

MR. KANESHIRO: Motion, do I have a second on that?

MR. MCCORMICK: Second.

MR. KANESHIRO: Moved and seconded. All in favor signify by saying aye.
Any opposed?

Hearing none, motion carried.

Chief of operations summary report on monthly operational maintenance.

MR. REYNA: Yes. Our operations division report for the month of March is before you. On personnel matters, we interviewed three in-house applicants for two vacant positions for pipefitter. We've made our evaluations, and recommendations are forwarded to the manager.

You will notice on the source and storage, under the plant operations and maintenance, this is unusually long. This is due to the storms of May 3 through May 10th (sic). We encountered a lot of remote site problems. And thanks to Ryan and his crew, again, we were able to provide water to everyone without interruption.

MR. KANESHIRO: All right.

MR. REYNA: And then also on our base yard, the two new Dodge truck pick-ups arrived and were delivered. One for special projects and the other for our water service supervisor.

If you have further questions, please let me know.

MR. KANESHIRO: Any questions by board
members?

MR. NISHIMURA: No, just a comment for Val and Ryan. Please pass on our thanks for the hard work during March -- you know, this period. I think it kind of highlights that there's a lot that goes on that nobody knows about or sometimes appreciates. Good job, guys.

MR. SMITH: Thank you.

MR. REYNA: Thank you.

MR. KANESHIRO: So noted. With that, do we have a motion to receive the summary report of our chief of operations?

MR. MCCORMICK: Motion to receive.

MR. KANESHIRO: Do I have a second on that?

MR. NISHIMURA: Second.

MR. KANESHIRO: Any further discussion?

If not, all those in favor signify by saying aye.

Any opposed?

Hearing none, motion carried.

Water resources and planning subdivision report.

MR. CRADDICK: I think -- I think that one -- I'm not sure if that's -- I don't see it in here either.
MR. NISHIMURA: No, it's in there because I just looked at it.

MR. CRADDICK: Oh, yeah, yeah, here we go.

MR. KANESHIRO: Right there.

MR. CRADDICK: One, two, three, four, five, six.

MR. NISHIMURA: Mr. Chair.

MR. KANESHIRO: Yes, sir.

MR. NISHIMURA: I do have a question not related to the subdivision report. I just wanted an update on the Waikulua (sic) backflow preventers. Waiakalua. Waiakalua. Has that been completed?

MR. FUJIKAWA: Yeah. Status update, the last backflow prevention device that was required by the water department for this incident was installed by the owner on April 5th, 2012. So it's done.

MR. NISHIMURA: Okay.

MR. FUJIKAWA: You know, in summary there were 33 properties that were issued final notices to install the backflow preventer, after -- you know, after their water meters. And we sent this final notice out in January of 2012.

But shortly thereafter, we went house to house, and we did a campaign to personally contact and explain the situation to each of those separate consumers.
These were the consumers who after our first and second notice did not -- you know, indicated that they were not going to follow the requirements for installing a backflow preventer. So we went out house to house. And basically what happened, that approach proved successful as the consumers, you know, once they found out with the one-on-one confrontation with our staff, they agreed to go and complete the work, and we agreed to give them more time beyond the point where we told them we're going to pull their meters. So that worked out real good. So in the process, no water meter was removed by the water department during this incident.

And basically that was a result of all of the affected consumers there, they did agree to comply with the water department's requirement.

(Raymond McCormick exited meeting.)

MR. NISHIMURA: Okay. Thank you, Greg.

Chair, move to receive the water resources and planning subdivision report.

MR. KANESHIRO: Have a second on that, please?

MR. DILL: Second.

MR. KANESHIRO: Any further discussions?

If not, all those in favor signify by saying aye.
Any opposed?

Hearing none, motion carried.

We're in quarterly, employee of the quarter award. We already did the manager's report.

MR. CRADDICK: Are the guys here?

MR. REYNA: No, but Ryan will receive the award.

MR. CRADDICK: Okay. Anyhow, we were going to do something with the employees of the quarter. Maybe we'll just leave that till next month since they had to go out and do stuff, couldn't be here today. That's probably better.

MR. KANESHIRO: Okay.

MR. CRADDICK: Okay.

MR. KANESHIRO: So we'll have to come back on that next regular meeting.

MR. CRADDICK: Okay.

MR. NISHIMURA: Can we put that at the front of the agenda, Mr. Chair?

MR. KANESHIRO: Okay. So that way we get them up early.

MR. NISHIMURA: Yeah.

MR. SMITH: Yeah, first thing in the morning would be best if we could.

MR. NISHIMURA: Okay. We go work -- we go
meet at 8:00 then. 6:00, right, right.

MR. SMITH: 6:00 works.

MR. NISHIMURA: Thanks.

MR. SMITH: Thanks.

MR. KANESHIRO: Okay. Project status update.


MR. MOISES: So I guess before you you got the whole quarterly update, the executive summary basically highlights everything that's been going on since January. But normally I say here's the report, let me know if you have any questions. But today I wanted to highlight specifically the design portion number one in the executive summary.

So this is with regards to the Kahili well. We issued notice to proceed in January of this year. And over the last few months we still haven't attained any right of entry from Grove Farm so that our consultants and their team can go onto the site and actually do the survey work that is needed.

So to date, I just got an invoice from them for about $48,000. But it's gotten to a point where myself as the project manager, not being able to get access to the property due to other issues that the landowner has
with the department, this is a bad reflection on the 
water department. And it is kind of embarrassing that 
we can't even get permission to go on the land.

So Mears has been in contact with me about 
getting this approval. But in light of the current 
situation that the landowner and our department has 
issues, I think if we cannot attain right of entry by 
ethe end of the month, then I would recommend to 
management that possibly we suspend the contract or even 
cancel the Kahili well project.

But there's implications besides not doing the 
project since Kahili well is tied into SRF funds since 
they gave us the million dollar grant with several of 
our other projects.

So I just wanted to point out that this project 
is really dead in the water until we can get right of 
entry. And I think the board -- I just wanted to make 
you guys aware of the predicament that this project is 
in.

MR. DAHILIG: I have a question for the 
deputy county attorney. Is it possible for the 
department to look at a condemnation of a temporary 
easement over the property to access the well site?

MS. SUZUKI: We can condemn easement. It's 
possible.
MR. NISHIMURA: On a temporary basis?

MR. DAHILIG: Temporary basis.

MR. CRADDICK: It's actually not an easement. It's just a right of entry.

MR. DAHILIG: I know, but in terms of compelling access.

MR. CRADDICK: What I've done is I've written a letter to one of the board members.

MR. DAHILIG: My assessment as I'm listening to what is going on to what we've been familiar with, I think in good faith we've tried to get legal access. And they've chosen not to engage in good faith on this. And so if we already made that attempt, I think, you know, as a sovereign body, it's within our rights to gain access.

And I think that message should be conveyed to Grove Farm that, you know, this -- enough toying around. If you can't agree with this kind of stuff, then we can seek legal recourse to get access to the property.

MR. NISHIMURA: Chair.

MR. DAHILIG: I'm just putting that out there.

MR. NISHIMURA: How much time does that process take?

MS. SUZUKI: I'm going to have to look into
condemnation for a temporary right of entry.

MR. NISHIMURA: Okay. Well, even condemning --

MS. SUZUKI: Condemnation, once we file the complaint, we have access.

MR. NISHIMURA: You have access?

MS. SUZUKI: Yes.

MR. KANESHIRO: Okay.

MR. NISHIMURA: So that time frame is --

MS. SUZUKI: But I have to look at right of entry.

MR. NISHIMURA: Okay. On the timing side, I'm looking at time and money. I understand where Dustin is coming from. How much money is this project?

MR. CRADDICK: 2 million.

MR. NISHIMURA: And that's all BAB money or is half SRF?

MR. CRADDICK: Half BAB and half SRF.

MR. MOISES: No, it's all SRF, but one million grant from SRF.

MR. CRADDICK: Sorry. That's right. That's right.

MR. MOISES: We took off the BAB.

MR. NISHIMURA: It was taken off BAB?

MR. CRADDICK: Yeah, yeah.
MR. NISHIMURA: And, you know, I'm assuming that because it's a green source of water that was part of the motivation to do it, would Department of Health consider -- and the reason I bring it up is I was looking at some of the volumes that were talked about in Kokolau and this horizontal were roughly the same according to the report that I saw. I got to go look for where I saw it.

MR. CRADDICK: Oh, no, no, you're talking about the Mink report?

MR. NISHIMURA: I don't know. No, it wasn't a Mink. It was something that, I believe, was 4 million gallons a day, and both of them kind of cited that, for both Kokolau and the high-level water.

MR. MOISES: Kokolau is about 400,000 gallons per day.

MR. NISHIMURA: 400,000 gallons per day.

MR. MOISES: Yeah, half a million. Yeah, half a million gallons.

MR. NISHIMURA: That was when it was operating?

MR. CRADDICK: Yes.

MR. MOISES: So maybe put 0.4.

MR. NISHIMURA: No, it might have been just a pipe, you know. I just wondering because it was -- at
the time when I looked at it, I said, Why we spending
this much money on high-level water?

MR. MOISES: Yeah.

MR. NISHIMURA: And we could get the same
amount out of Kokolau. Why we spending money on
high-level water?

MR. MOISES: Oh, yeah, I could see if you
saw that. I mean, I've never seen that. I'm not saying
that it's not out there, but I think the numbers that
I've always seen was half a million for Kokolau, and up
to 8 million for Kahili.

MR. NISHIMURA: Okay.

MR. MOISES: Eight is projected, not
necessarily sustainable yield, but minusing those
numbers.

MR. NISHIMURA: Okay. Because that was the
volume stuff that I saw. And I don't know if that was
the one that went to the ledge or not. But that number
jumped out at me because of the relative cost. So that
having been said, that goes away for me.

MR. CRADDICK: Another thing, too, is I
have written to -- well, I've talked with the chairman
of the Grove Farm board and wrote to one of the members
of Visionary, the person that bought the property, and
I've sent a direct letter to them expressing this
concern here. So hopefully we'll get some response.

MR. KANESHIRO: Okay.

MR. MOISES: And then I just wanted to touch on something that is pretty general, but is related to the budget. If you look at previous quarterly reports, you might see -- and even in this one you might see that a lot of the designs are nearing completion, and you might be wondering why you might see in other reports that we're not going to bid them out until maybe not fiscal year '12-'13, but maybe '13-'14, and you might see the budget show it as dollar funded in BAB.

And that's basically because over the last month and a half we've been reprioritizing all of the projects in Water Plan 2020 as far as what has already been procured because we are running out of money. So I just wanted to point that out so that you guys can, I guess, correlate why projects that initially we planned to start at the end of this calendar year might get pushed out to the end of next calendar year.

MR. CRADDICK: Especially ones that we might get legislative funding for next year.

MR. MOISES: But other than that, water is flowing.

MR. DAHILIG: Move to receive, Mr. Chair.
MR. KANESHIRO: Okay. Motion to receive the project status update. Second?

All those in favor.

Motion carried.

We still have affordable housing update, so anything else to add to that? If not. Mr. Craddick?

MR. CRADDICK: No, I think the one here will be submitting the report there for Amfac shaft. The EPA will be coming to visit, I think, June 1st with the local -- this is EPA Region 10 who did our microparticulate analysis and the local DOH, and there may even be some people from Region 9 that come to review that.

And then this item here would be done, and it's kind of misleading 'cause this was just a prelude to getting the project started. If we get that identified as water not under the influence, then we start the job to build this and put a pipeline in to get the water into use.

And so even if this is 100 percent, this is -- then you're going to have another one on here that starts over from zero, which will be the design and construction project.

MR. NISHIMURA: What affordable housing project is out there?
MR. CRADDICK: Really the only one, I think, is Eleele, and that is like five or six years away.

MR. MOISES: It's not even tied in with this.

MR. NISHIMURA: No, I'm asking in the Kekaha/Waimea area, the Kapilimao and Amfac, what affordable housing projects are out there?

MR. MOISES: So when this was initiated, I think by R.W. Beck in 2007, 2008, I think the initial Amfac shaft and Kapilimao project went to supplement projects by Waimea Canyon Park, you know that rectangular parcel --

MR. NISHIMURA: By the tech center.

MR. MOISES: Yeah, between the tech center and the park, got that parcel. At that time I cannot remember, that was one of them.

MR. FUJIKAWA: This thing goes back to the county council. The pipe was there, and basically what happened was Mayor Baptiste came to the water board. I'm not sure when, but he asked for some kokua with the then water board.

These were perceived source and storage requirements for their state parcels affordable housing project with the county. You know, it was going to do
that.

So basically what the water board did was to say that they were going to take on these source and storage projects and not make them requirements, you know, for the specific parcel developments.

MR. NISHIMURA: Okay.

MR. FUJIKAWA: And so they had one site, and it was more in Kekaha, in the Kekaha area. And then the rest of the state parcels were located more in the Kapaa homesteads area.

MR. NISHIMURA: Right, I remember that part. Is there any reservation being put on water in the Kekaha area to accommodate the affordable housing so that it isn't given, quote/unquote, given away for other uses since there was an excess to spend all that money?

MR. FUJIKAWA: I think -- if you talk about Amfac shaft, when that is completed, we have more than have enough water for, you know, the proposed affordable state parcel in Kekaha if the county, you know, hasn't opposed the developments of that.

MR. NISHIMURA: If it comes to fruition.

MR. FUJIKAWA: Because it's been a while. And we'll have enough for that, and we'll have enough for even more planned growth in the Kekaha/Waimea area.

MR. NISHIMURA: Okay.
MR. CRADDICK: The other thing, too, is that we're discussing that anyways in the FRC rule, whether we're going to allow somebody to grab all the available water. And I think the general consensus is that we're not going to do that, so we just need to come up with language and how we'll deal with that.

MR. KANESHIRO: Okay. Motion would be to receive this affordable housing update.

MR. NISHIMURA: So moved, Mr. Chair.

MR. DAHILIG: Second the motion.

MR. KANESHIRO: Moved and seconded. All those in favor.

Hearing no one that opposed, motion carried.

Executive session minutes or transcripts.

MR. DAHILIG: I believe we deferred the whole motion to --

MR. KANESHIRO: Including J.

MR. CRADDICK: Including J, all of J.

MR. KANESHIRO: Okay. As deferral. All right.

With that, I believe we don't have any other motions on the floor to be recognized. So any other topics or topics for future water board meetings and so forth? If you have some, please note it and send it to the chair's attention. We'll add that on the meetings.
Upcoming events, AWWA. Anything else that we wanted to note for the record before we adjourn this meeting?

I would like to adjourn this meeting at this time so we can have lunch. Meeting adjourned. Thank you, guys.

(Concluded at approximately 12:49 p.m.,
April 26, 2012.)

* * * * *
STATE OF HAWAII

COUNTY OF KAUAI

I, TERRI R. HANSON, RPR, CSR 482, do hereby certify:

That on Thursday, April 26, 2012, at 10:48 a.m. that the foregoing REGULAR MEETING, County of Kauai, Board of Water Supply, was held;

That the foregoing proceedings were taken down by me in machine shorthand and were thereafter reduced to typewritten form under my supervision; that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings had in the foregoing matter.

I certify that I am not an attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 14th day of May, 2012, in Kapaa, Hawaii.

TERRI R. HANSON, CSR 482
Registered Professional Reporter
Transcript of the April 26, 2012 Regular Board Meeting, as recorded by Ralph Rosenberg Court Reporters, Inc.

Accepted as transcribed,

[Signature]

Randall Nishimura
Secretary – Board of Water Supply