COUNTY OF KAUAI
BOARD OF WATER SUPPLY
REGULAR MEETING

Thursday, December 22, 2011
10:18 - 11:44 a.m.
1:23 - 1:58 p.m.
2:22 - 2:33 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:

Daryl Kaneshiro
Roy Oyama, Chair
Raymond McCormick
Randall Nishimura
Clyde Nakaya

STAFF:

David Craddick
Marc Guyot, Deputy County Attorney
Andrea Suzuki, Deputy County Attorney
William Eddy
Marites Yano
Dustin Moises
Gregg Fujikawa
Val Reyna
Aaron Zambo
Faith Shiramizu
REGULAR MEETING

CHAIRMAN OYAMA: Kauai County Department of Water come to order. This is the regular board meeting, and this is on the Second Floor Micro Lab Building. The address is 4398 Pua Loke Street, Lihue, Kauai, Hawaii 96766. This is Thursday, December 22nd, 2011. And it's now 10:18 a.m.

So the roll call, please.

MS. SUZUKI: Board Member Nakaya.

MR. NAKAYA: Here.

MS. SUZUKI: Board Member Nishimura.

MR. NISHIMURA: Here.

MS. SUZUKI: Board Member McCormick.

MR. McCORMICK: Here.

MS. SUZUKI: Chair Oyama.

CHAIRMAN OYAMA: Here.

MS. SUZUKI: Board Member Kaneshiro.

MR. KANESHIRO: Here.

MS. SUZUKI: We have a quorum.

CHAIRMAN OYAMA: Thank you. We have a quorum.

So now we are on the Item C, acceptance of agenda. Members, any changes?

MR. KANESHIRO: Move to accept the agenda.

CHAIRMAN OYAMA: Okay. Move to accept.
Any second?

MR. McCORMICK: Second.

CHAIRMAN OYAMA: Seconded by Ray.

Any discussion?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Now Item D, meeting minutes, review and approval of regular meeting, October 27, 2011.

MS. SUZUKI: I just have a correction for that one. On page one where it says I requested a roll call. I requested a roll call vote. So if we can add 'vote' to the end of that answer.

And then on the next page, not six members are present, but it was a unanimous vote.


Okay. That is wrong.

Anyone else?

If not, do we move to accept the minutes.

MR. NISHIMURA: So moved, Mr. Chair.

CHAIRMAN OYAMA: Okay. Thank you. Any second?

MR. NAKAYA: Second.

CHAIRMAN OYAMA: Okay. Moved and seconded to accept the minutes.
All in favor say aye.
Opposed no.
Hearing none, motion carried. Thank you.
Now, we're on the meeting transcripts.

MR. NISHIMURA: Mr. Chairman.

CHAIRMAN OYAMA: Yes, sir.

MR. NISHIMURA: Page 37, line 22.

MR. CRADDICK: Which set of minutes? It must be the regular meeting. Must be.

MR. NISHIMURA: Where it should be 'tank' and not 'bank'.

And on page 83, line 17, I believe that they were referring to the Maka Ridge and not Makaha Ridge.

MR. CRADDICK: What page is that, Randy?

MR. NISHIMURA: Page 83, line 17.

CHAIRMAN OYAMA: It says Makaha Ridge, and it should be Maka Ridge.

Any additional?
If not, can we accept it as corrected or amended? Any motion, please.

MR. McCORMICK: Move to accept.

CHAIRMAN OYAMA: Mr. McCormick move to accept the minutes as corrected.

MR. NISHIMURA: Second.

CHAIRMAN OYAMA: Seconded by Mr. Nishimura.
Okay. Any discussion?

In no, all in favor say aye.

Opposed no.

Hearing none, motion carried.

So this is the public hearing minutes that was.

Excuse me.

MR. NISHIMURA: That was the regular meeting.

CHAIRMAN OYAMA: Oh, the regular meeting.

MR. NISHIMURA: Yeah.

CHAIRMAN OYAMA: Okay. So we accept the regular meeting.

Okay. So we need to accept the public hearing minutes, too. So we're back on the public hearing minutes. We accepted the regular meeting.

MR. NISHIMURA: Where is the public hearing minutes -- transcript?

MR. CRADDICK: It's the first one.

MR. NISHIMURA: Is that at the front?

MR. CRADDICK: I'm guessing that because it was in the packet when the board approved the rates, that it didn't get stuck in this packet also.

MR. NISHIMURA: This is a set that is part of the public hearing, is that the one?

MR. CRADDICK: That's the one. Except the
public hearing was on the 8th, so that's not -- that's the one on the rates.

MR. NISHIMURA: Chair, move to defer this item to the next meeting.

CHAIRMAN OYAMA: Okay. Move to defer public hearing item.

Any second?

MR. MCCORMICK: Second.

CHAIRMAN OYAMA: Moved and seconded. Thank you.

Any discussion?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Moving on. Now we're on Correspondence, Item E, none.

So we're going on to Item F, board committee reports.

No. 1, Report of the Committee of the Whole of the Kauai County, Board of Water Supply.

A. Annual evaluation of manager and chief engineer.

Item 1, chart report to the board.

MR. KANESHIRO: Thank you for that, Mr. Chair.
The Committee of the Whole met this morning at about 10:12, and we had the chart report also circulated. And the committee voted to move it to the full board.

CHAIRMAN OYAMA: Okay. Thank you.

MR. NISHIMURA: Move to accept the report of the Committee of the Whole, Mr. Chair.

CHAIRMAN OYAMA: Okay. Thank you. Mr. Nishimura moves to accept the Committee of the Whole report.

Any second.

MR. McCORMICK: Second.

CHAIRMAN OYAMA: Seconded by Ray. Thank you.

Any discussion?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Item 2, Item F2, report of the Rules Committee of the County Board of Water Supply.

A. Manager's Report No. 11-24, committee discussion and possible action on Part III Rule Amendments, establishing standards for subdivision water systems.

MR. KANESHIRO: Since the chair is not
here, may I call for a short recess.

CHAIRMAN OYAMA: Okay. A recess is called.

Thank you.

(A break was had.)

CHAIRMAN OYAMA: Call the meeting back to order. So any person from the committee want to report on the rules committee?

MR. KANESHIRO: Okay. Again, being that the chair of the rules committee is not here, we deferred this to the next board meeting, previous to the next board meeting in January. Is that correct?

MR. CRADDICK: Yeah, that's my understanding, yes.

MR. KANESHIRO: And at which time we'll have some discussions before our regular board meeting and also have a workshop on the facilities reserve charge issue.

MR. CRADDICK: Yes.

MR. KANESHIRO: So we're going to take both items at that next meeting before our board meeting starts.

CHAIRMAN OYAMA: Okay.

MR. NISHIMURA: Move to accept the report of the rules committee, Mr. Chair.

CHAIRMAN OYAMA: Thank you, Mr. Nishimura.
Any second to it?

MR. McCORMICK: Second.

CHAIRMAN OYAMA: Seconded by Mr. McCormick.

Thank you, McCormick.

Okay. Any discussion to it?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried.

Now we're Item F-B, Manager's Report No. 11-28, request board approval of the facilities reserve charge changes.

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

That's part of the rules committee report that we just approved.

CHAIRMAN OYAMA: Yeah, both of those together.

MR. NISHIMURA: Yeah.

CHAIRMAN OYAMA: Yeah. That's the reason I find out that you will survive me. Thank you.

All right. Now we're on item old business, G-1, Manager's Report 11-24, committee discussion and possible action on Rule III rule amendments, establishing standards for subdivision water systems.

MR. KANESHIRO: Mr. Chair, move to defer this matter to the January 2012 meeting.
CHAIRMAN OYAMA: Second?

MR. MCCORMICK: Second.

CHAIRMAN OYAMA: Okay.

Any discussion on the motion?

If not, all in favor say aye to defer.

Opposed no.

Okay. Hearing none, motion carried. Thank you.

Now, Manager's Report No. 11-28, request board approval of facilities reserve charge changes.

1. Rule changes to implement FRC in Part IV.

And 2. Rule changes to implement process changes.

Mr. Craddick.

MR. CRADDICK: Okay. Both of those, one is being handled by the rules committee, the other one is being handled by the finances committee. There's no finance meeting on the actual FRC schedule, and the process changes are deferred to that January meeting.

CHAIRMAN OYAMA: Okay. Thank you.

MR. NISHIMURA: Question for the manager.

When do you expect the FRC --

CHAIRMAN OYAMA: To schedule?

MR. NISHIMURA: Yeah.

MR. CRADDICK: We actually got it, but I still don't understand how they're handling the
interest. And I asked that question, but the guy is on
to the first week in January.

MR. NISHIMURA: Is it reasonable to expect
you would be able to at least be able to discuss it at
in January or do you think that would go back to
February?

MR. CRADDICK: I don't see --

MR. NISHIMURA: Or maybe March?

MR. CRADDICK: No, I hope not. No, I don't think.

MR. NISHIMURA: Or April?

MR. CRADDICK: No, no. I'm expecting to get it in January.

MR. NISHIMURA: So you feel that the finance committee will be able to meet on that in January?

MR. CRADDICK: Should be, yeah. There shouldn't be any reason why not.

MR. NISHIMURA: Mr. Chair, move that we defer Manager's Report 11-28 to the January 2012 meeting.

CHAIRMAN OYAMA: Thank you, Mr. Nishimura, to defer 11-28 Manager's Report.

Any second to it?

MR. KANESHIRO: Second.
CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.

Thank you very much.

All in favor say aye.

Aye.

Opposed no.

Hearing none, motion carried. Thank you.

Now, Item G-3, annual evaluation of the manager and chief engineer.


MR. NISHIMURA: This evaluation portion.

MR. CRADDICK: Yes. What happened at the last meeting, the board gave this chart out or looked at it and have a chance now to respond.

MR. KANESHIRO: Correct. We gave you the opportunity up until now.

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

CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: Is the manager waiving his right to go into executive session on the evaluation?

MR. KANESHIRO: That's why we have Marc here.

MR. CRADDICK: Yes.

MR. GUYOT: Chair and Council Members, I believe this is covered in one of your executive session items. So you may want to move this into that portion.
You can receive the chart, but move the discussion --

MR. CRADDICK: No, no, the chart's already been, I think, received at the last meeting.

MR. GUYOT: So you have your chart already?

MR. CRADDICK: Yes.

MR. GUYOT: Okay. So the actual discussion deliberation is in one of the executive sessions.

MR. CRADDICK: Well, is it up to me?

MR. GUYOT: It is up to you, yeah. That's correct.

MR. CRADDICK: That's okay. We don't need the executive session.

MR. GUYOT: Again for the record, Deputy County Attorney Marc Guyot. Manager and Chief Engineer David Craddick has requested that his evaluation be done in open session, and as such executive session Item No. 1 is no longer an executive session item and may be done in open session.

CHAIRMAN OYAMA: Okay.

MR. CRADDICK: Do you want me to? Okay.

The chart that was passed out was, other than the fact that it's not the one that we've been working on for a year for my evaluation, is an issue that I have.

But what you do have here is going to be one that says -- I guess it's board members, and there's one
comment that says, Sensitive to the needs and
perspective of other department heads.

And I -- the only one that I -- I don't know
how you would say that; not sensitive to is the money
issues from the hydrant charges. And we've been trying
for since I got here to get an accounting of what the
charges are from the county to the water board when we
do that contract. We haven't been able to get it.

I went to the council budget one year, and they
said they were going to get that to us. And now two
years later we still don't have it. And that is
starting to wear thin on me. I'll have to say that.

So the evaluation is correct, and I'll leave it
at that.

Then the one about -- let's see here.
Something about -- what was it here? The material is
basically provided to the board. And if there's a
feeling that information is being withheld, I can tell
you it's not being done intentionally.

And if I have a clear understanding from board
members what they want other than at the meeting
bringing something up that nobody has discussed, and I
don't think there's anything from the Sunshine Law that
prevents anybody from asking questions to us and trying
to get stuff on there.
I myself -- I would have to say I purposely try not to talk to board members, to keep the discussion on the record. I do discuss things fairly heavily with the board chair. I would have to say probably more than they probably want. But that's all I can say.

I certainly don't consciously sit there and think, oh, what will I keep away from the board, you know, so the decision comes my way? And if there is something that the board wants, you know, I'll do my best to get the information that they need in the packet in a timely manner.

Then the other one, the turnover of people.

MR. NISHIMURA: Where is that one?

MR. CRADDICK: The --

MR. NISHIMURA: What item was that?

MR. CRADDICK: Five, personnel management.

MR. NISHIMURA: Personnel management.

Okay.

MR. CRADDICK: You know, we've definitely gone through our baby boomer, I think, passage. I mean, we still have maybe five left. But two have lost -- you know, the number of people, 350 years in the span of 12 months of knowledge in the water department is certainly not an easy transition, and I myself thought I might be one of the people leaving during that period.
But I find myself going through this transition with the department. It has -- I myself think it has been relatively smooth compared to what it's -- I know a lot of departments have yet to deal with this, and we've done it. And I don't want to say we've come out with flying colors. We've had your growing pains and everything during the year, but I do believe it will get better as we go forward. But that's all I can say there, but it's definitely been a trying year to say the least.

And achieving goals here, I believe we have one again that doesn't feel we're achieving our goals. And the goal sheet that the board set up, I'm not sure which one of those they're talking about, but I don't know of any that weren't achieved. But that's kind of what I was saying there at the beginning, the goal sheet that we worked on for the year doesn't seem to be a part of this evaluation.

But I certainly don't know which one of those goals that was missed on. I think they were -- maybe we didn't post our performance indicators in the lobby there, but we can still do that, and I'll try and get that done.

And I think that's all I have to say.

Are there any questions?
CHAIRMAN OYAMA: Any questions, Board Members?

MR. CRADDICK: But that's my biggest question is, how do we bring those goals that we've worked on for a year into this evaluation form if those really are the goals that we're working towards and evaluating on? I know this is kind of a form that the county came up with, but, you know, I'd like to see some evaluation of those items that we spent so much time working on.

CHAIRMAN OYAMA: You're right. I think we need to enter a good standard form and procedure. And I notice every year it has changed in different ways. So it also puts the board members in different perspectives. So that's not the way to evaluate.

But I think some positive note is the wording that people have put down was what the observation is, and I think that's a fact that at least we should, you know, address that and move on.

MR. NISHIMURA: In terms of the goals, I think he has a valid concern. And I think it's incumbent upon the board to establish a goal. If we're going to follow the county's practice of performing the evaluation in October or roughly get it out in October, somewhere between October and December, those goals
really need to be established by January.

    MR. CRADDICK: Yeah.

    CHAIRMAN OYAMA: Should that be another committee?

    MR. NISHIMURA: The problem with that process is that most of everything else is done on a fiscal basis, which is end of June. And perhaps one of the recommendations we may want to make to the administration is to align all of the evaluations so that, you know, you can basically compare apples and apples.

    CHAIRMAN OYAMA: Yeah.

    MR. NISHIMURA: Especially -- and part of the problem, too, is with new board members coming on intermittently.

    CHAIRMAN OYAMA: Right.

    MR. NISHIMURA: That muddies the water even further.

    CHAIRMAN OYAMA: Yeah.

    MR. NISHIMURA: So one is if we can get the administration to agree that they -- we either do it fiscally or on a calendar basis. And I prefer the fiscal basis because you have a direct relationship to your budget.

    CHAIRMAN OYAMA: Right.
MR. NISHIMURA: The other aspect is because most of the board members come on or off at the end of the calendar year.

CHAIRMAN OYAMA: Right.

MR. NISHIMURA: For the new ones to come in and try and be involved, it's a challenge. But that would be a recommendation I would suggest we make to the administration.

CHAIRMAN OYAMA: Good point. Good point. Anyone else? Do you have some, Mr. Kaneshiro?

MR. KANESHIRO: I would agree with Randy that perhaps we have to weigh it based on the fiscal year.

CHAIRMAN OYAMA: Right.

MR. KANESHIRO: Rather than calendar year, especially setting the goals. I think none of them we set the goals --

MR. NISHIMURA: Well, especially this cycle. Ours are fiscal year basis.

MR. KANESHIRO: Yeah.

MR. NISHIMURA: And so when you're looking at the goals, you're taking the old goals and then the new goals. And then how much of the new goals he accomplished when we only got that established, I think, in September, you know.
MR. KANESHIRO: Correct.

MR. NISHIMURA: I think the overriding thing that I would look at is as far as trending, you know, is it going up, going down? I think those are the primary things that perhaps we should take a look at, not just from the board, but his peers and his direct reports as well.

CHAIRMAN OYAMA: Okay. It has been noted. Any other comment?

If not, what direction do you want to take?

Any board member?

MR. KANESHIRO: Just to comment. If you take a look at the chart itself, it shows the peers and also the board members. David, I think you've done a pretty good job, getting close to excellent, if you look at it, the overall is what I'm saying. And so if you take both sides, the true chart is the scores from both sides. And it is a good indication that perhaps next year we'll be able to get excellent or superior. If you did it this year.

MR. CRADDICK: I got to get that one that's down there around two up a little higher.

CHAIRMAN OYAMA: Good comments from Mr. Kaneshiro.

If not, we can decide what you want to do with
MR. KANESHIRO: Overall, we need to pass on some part of this evaluation to the county side, right, is that correct?

MR. GUYOT: Yes.

MR. KANESHIRO: I know we don't have a timeline at all currently, but some part of the evaluation forms would have to go over to the county for what we did, is that correct?

MR. GUYOT: Yes. Deputy County Attorney Marc Guyot. In accordance with the salary commission rules there needs to be a letter from the appointing authority that the individual has satisfactorily met their --

MR. CRADDICK: This isn't a loud speaker. It's just a --

MR. GUYOT: For her to hear. Okay. Good. I was wondering how sensitive is it? Some of them they can't hear.

There needs to be a transmission from the appointing authority indicating that the individual has met or exceeded their -- actually just following the terms within the salary commission transmittal requirements to the director of personnel services, and that's the requirement that's required.
MR. KANESHIRO: Based on that I would recommend to the board that we pass on the tabulation of both the board, peers and staff rather than the individuals that were done. Just pass the overall evaluation on to the personnel director. So that would be my comment at this time rather than sending all of this over. This, I think, would be sufficient.

MR. GUYOT: Yes, the summary is sufficient for purposes of the salary commission requirements. And, of course, we would recommend that the individual notations and the master forms be held for the personnel files of your manager and chief engineer.

CHAIRMAN OYAMA: Okay. Can we get a motion?

MR. KANESHIRO: So moved.

MR. McCORMICK: Second.

CHAIRMAN OYAMA: So moved, seconded by Mr. McCormick. Any more discussion on that?

MR. NISHIMURA: Mr. Chair.

CHAIRMAN OYAMA: Yes, sir.

MR. NISHIMURA: I'd like to amend the motion and also include in the transmittal that a recommendation be made that the administration consider the evaluation of department heads on a fiscal basis as opposed to a calendar basis.
MR. MCCORMICK: Second.

CHAIRMAN OYAMA: Very good. The motion has been amended to change or insert the -- I say the physical word. Fiscal period. Fiscal point of evaluation.

Was it seconded?

MR. NISHIMURA: Mr. McCormick seconded it.

CHAIRMAN OYAMA: Okay. Moved and seconded. So it's legal yet.

Any discussion to move to amend?

If not, we vote on the motion to move to amend. All in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Now, since it's approved, we vote on the motion as amended.

Any more discussion on that?

If not, all in favor say aye.

Okay. Opposed no.

Hearing none, motion carried.

It's all done here.

MR. NISHIMURA: Couple minute recess, Mr. Chair, to take some notes.

CHAIRMAN OYAMA: Sure. Recess is called.

Ten minutes. Thank you.
(A break was had.)

CHAIRMAN OYAMA: The meeting being called back to order, please. Thank you.

So we're on item No. 4, G-4, suggestions for capital improvement projects, CIP, for 2012 legislative session.

MR. CRADDICK: I passed out a new schedule here, and the priorities have changed on this. And the Hanapepe, Eleele transmission line is added in there. That's all I can say.

And then that comment down at the bottom, that comment is probably going to have to be dropped off of there because we haven't passed our rules yet. This is just something that I was talking with one of the legislators about that that's a possibility if our rules change. So that comment down at the bottom we'll have to drop off there until the rules pass.

CHAIRMAN OYAMA: Okay. That bottom line, Project qualifies for State FRC credits for State projects in other system adequate areas. This will be dropped out from --

MR. CRADDICK: Yes.

CHAIRMAN OYAMA: Because it's not in place.

MR. CRADDICK: Yes.

CHAIRMAN OYAMA: Okay. Thank you.
MR. NISHIMURA: Do you want to expand on that?

MR. CRADDICK: Yeah. Well, right now we don't have a provision, the state is just giving us a grant in aid. There's no provision if the state comes in and wants a water meter for a park or a water meter, say, for ag uses or the university, something like that.

There's a provision in the new rules where if we get grants in aid like that and somebody wants -- the state wants water in an area that's otherwise adequate, they can take the money that was there, and we can give them credits, dollar credits based on the project that we do.

MR. NISHIMURA: On those rules where?

MR. CRADDICK: Those are the ones, the FRC rules that the rules committee is working on.

MR. NISHIMURA: Okay. So right now our rules do not allow for that?

MR. CRADDICK: No. Yeah, they don't.

CHAIRMAN OYAMA: And that's the reason the bottom line is scratched off.

MR. NISHIMURA: Okay.

MR. NAKAYA: Chair.

CHAIRMAN OYAMA: Yes.

MR. NAKAYA: Just to clarify. The numbers
on the chart, like the first one is 1.3. So you're going to be requesting the amount in the year 2012 to 2013, is that correct?

MR. CRADDICK: Yes, that's the next legislative session. So that would be January.

MR. NAKAYA: Okay. Another question.

MR. CRADDICK: But once they do it, you know, it would be signed by the governor, let's say, maybe by July. So you're actually in the 2012-2013 fiscal year before you can get the money released.

MR. NAKAYA: Just for my personal information, what's the rest now compared to the prior request submitted? Some parties changed like No. 2 on this here and move out for No. 6 on the last report. Is there any -- what's the reason for this?

MR. CRADDICK: Well, we've got the water pump running out there at Amfac shaft. And based on my estimate, it's not going to be ground water under the influence. We are waiting for a big storm to happen because I don't think the state is going to say it's okay until the big storm passes and we still keep getting the readings that we're getting.

But right now we're getting -- we've done the microparticulate analysis. EPA's done that. Passed that. We keep getting -- every now and again we'll get
a one coliform count. Our heterotrophic plate count is
down around -- what is it, Bill? It's less than 50
anyways.

MR. EDDY: Yeah, pretty low.

MR. CRADDICK: And you can have 500 on that
before you --

MR. NAKAYA: I guess, are you just changing
it because the project is ready to go and --

MR. CRADDICK: Yeah, because if we're not
--

MR. NAKAYA: That's my question, have the
detail --

MR. CRADDICK: If we don't have to put in a
treatment plant -- if we don't have to put in a
treatment plant and it's just a well and a pump station,
that can go much quicker.

MR. NAKAYA: My question, is it just moving
up because it's already sooner than what it prior
projected or?

MR. EDDY: Well, it's looking real positive
now. We're getting positive indications --

MR. NAKAYA: I just want an indication as
to why it moved up from six to two.

MR. CRADDICK: Mostly it moved up because
of discussions with our state legislators, I would have
to say.

MR. NAKAYA: Okay.

MR. CRADDICK: But also it was in my
discussion to them that that project may be ready to go
sooner rather than later.

MR. NAKAYA: That's fine.

MR. CRADDICK: Because of the work that
we're doing. The amount did change, too. It went from
four million to two million. That may not cover the
whole pipeline, but it will at least cover the pump
stations. We're trying to get to a level of dollars
that they can feel they can move for us.

CHAIRMAN OYAMA: Okay. Any more questions?
If not, ready for action on this? Anyone?

MR. NAKAYA: Chair, I move to accept the
suggestions for CIP projects for the 2012 legislative
session.

CHAIRMAN OYAMA: Thank you very much.
Motion to accept the summary request for the state aid.
Any second to it?

MR. McCORMICK: Second.

CHAIRMAN OYAMA: Seconded by Mr. McCormick.
Thank you.

Any more discussion on the motion?
If not, all in favor say aye.
Opposed no.

Hearing none, motion carried. Thank you.

H, New Business, Item 1, Manager's Report

12-49, Job No. 02-11, Project No. M-02, Construct Moloaa tank, 100,000-gallon storage tank, Moloaa, Kauai.

Mr. Manager.

MR. CRADDICK: Okay. This one is here mainly because it's BAB funded. It is for land. It's not for the tank. The big issue here, I guess, is the fact that the appraisal came in below the amount of money that we're asking you for. But the difference between what we're asking for and the appraisal is probably not worth the effort to condemn the property.

And, Bill, if you want to explain there just what your rationale is. I know it's a very good site.

MR. EDDY: Well, we spent quite a few years trying to find a reliable tank site. And we did locate a real nice site that's level and it's right next to the county road, and the owner is a willing seller. And so it's a real good piece of land for us to build one tank. Our plans are to build one tank now, have enough land for a future tank and possibly one to two wells at the site.

CHAIRMAN OYAMA: That's a good size property then.
MR. EDDY: It's a half acre.

CHAIRMAN OYAMA: That's pretty good.

MR. NAKAYA: On your report it says -- what is the adjacent property zoned?

MR. EDDY: I believe it's all ag zoned in that area.

CHAIRMAN OYAMA: I believe it's ag.

MR. NAKAYA: So we're offering a higher amount than what the appraised value -- am I reading this correctly, because it says --

MR. CRADDICK: That's correct. That's correct.

MR. NAKAYA: We're offering a higher value because the adjacent property will be affected, the value?

MR. CRADDICK: Well, it's not only adjacent, but it's at the correct elevation. And we don't have a whole lot of choices. The person is willing.

Our next alternative is to go to condemnation. And how much time, you know, to go through an adverse condemnation. This is not a whole lot different than the Kilauea situation. It's a CPR, so you have to deal with other people besides the one that you're actually getting the property from.
And if you went out to this Moloaa tank, I mean, that should have been changed years ago. We've got wooden plugs in the tank, and it's not a happy situation out there.

We need to get moving on it, and this person here is willing to move with us. They want 30 percent more than the appraised value but --

MR. NAKAYA: It's 59 percent.

MR. CRADDICK: Huh?

MR. NAKAYA: 59 percent. It's 40,000 more.

MR. NISHIMURA: 40,000 more.

MR. NAKAYA: Yeah, so it's 59 percent of what the appraised value is.

MR. CRADDICK: Okay, okay. I think --

MR. NAKAYA: But you're saying that the cost of the condemnation the way it is 40,000?

MR. CRADDICK: Yeah. Some of that is contingency. And I don't think on a land purchase, I'm not even certain we need the contingency. I think that just got added in here because we normally add it in.

MR. EDDY: We really don't expect to -- we don't foresee using the contingency, but we better put it in there.

MR. NAKAYA: My question is, the additional value they're offering, when you said to go through
condemnation it's going to be a lot more expensive for the department than this 40,000?

MR. EDDY: Actually the true difference is $30,000. The land cost is 100,000, and then we've got 10,000 for attorneys' fees and going through the --

MR. CRADDICK: Subdivision.

MR. EDDY: CPR, it's a CPR. So we've got to redo the CPR.

MR. NAKAYA: So the -- actually the land is 100,000?

MR. EDDY: That's right, yeah.

MR. CRADDICK: But we have to do the subdivision ourselves, so that's included.

MR. NISHIMURA: We are doing the subdivision?

MR. EDDY: We are, yeah.

MR. CRADDICK: Yeah.

MR. NISHIMURA: So where are the legal surveyance on these things if we're to --

MR. CRADDICK: That's the 10,000 that's in there.

MR. NISHIMURA: No. It says, Owner has requested additional funds to compensate for potential loss of value and associated legal surveyance --

MR. CRADDICK: No, no, that's why we're
paying the extra.

MR. EDDY: The premium.

MR. CRADDICK: That's the reason we're paying the extra.

MR. KANESHIRO: So the bottom line is you're giving him an offer of 110,000?

MR. CRADDICK: 100,000, the 10 is for work that we have to do.

MR. KANESHIRO: So the land acquisition is actually 100,000?

MR. CRADDICK: Right.

MR. KANESHIRO: Well, okay. And the 10,000 would be to do the CPR assessments and do all that?

MR. EDDY: Yes.

MR. CRADDICK: Right, on our site. What we have to do on our site.

MR. KANESHIRO: So then if the funding that -- you have it right here is really then only 100,000 rather than 110,000?

MR. CRADDICK: That's it.

MR. KANESHIRO: Well, we're reading it as land acquisition.

MR. CRADDICK: Yeah.

CHAIRMAN OYAMA: Okay.

MR. KANESHIRO: And you've tried
negotiating with him after the appraisal was done?

MR. EDDY: We have. We've been negotiating for about a year. I think we would make up this additional money in the ideal site in savings from construction. It's a really buildable site that has minimal site work required and the pipeline lengths are very short. So it's a really good piece of property for us.

MR. KANESHIRO: So over a year then you've been trying to negotiate to pick up this property?

MR. EDDY: We have.

MR. KANESHIRO: It kind of makes sense to me because the property values really dropped this year. So probably last year you might have had a higher appraisal value when you started negotiating, but we know that a lot of the property value really dropped in appraisal. Do an appraisal now is a couple hundred -- you know, it depends on the size of the land. It's a big percentage drop, up to 30 percent possibly, you know, from the previous years.

MR. NAKAYA: When was this appraisal done?

MR. ZAMBO: June and July.

MR. NAKAYA: Of this year?

MR. ZAMBO: Yes.

MR. NISHIMURA: I have a question. How
does this relate to -- go to 610 on the water utility budget summary status in the financial reports, page eight.

MR. CRADDICK: That's the item.

MR. EDDY: That is our contract with Esaki Survey for the tank design.

MR. CRADDICK: But this is the same project.

MR. NISHIMURA: One is for 50,000 and one is for 100,000.

MR. CRADDICK: This 125,000, huh?

MR. NISHIMURA: No, the volume of the tank.

MR. EDDY: Yeah, our plans right now are to build a 50,000-gallon tank now and have provisions for future 50,000-gallon should the demand increase. There's a lot of potential in that area for development, but right now the demand is real low.

MR. KANESHIRO: So with the half acre you have enough to do two tanks?

MR. EDDY: We do.

MR. KANESHIRO: Another 50,000 if need be?

MR. EDDY: If need be, yeah.

MR. NISHIMURA: And this will give you the area that you would need plus the wells?

MR. EDDY: Yes.
MR. NISHIMURA: And is the plan to subdivide out this property from the CPR?

MR. EDDY: Yeah, yeah, we would carve out a parcel to be owned by the department outright. And I guess governmental subdivisions are allowed to do that with agricultural lots that a private entity wouldn't be allowed to do that type of subdivision.

MR. NISHIMURA: And if the BAB monies weren't available, how would you fund this?

MR. EDDY: Water utility.

MR. CRADDICK: This portion here isn't the expansion right now. We're just trying to replace the tank we have. Will this be able to handle new customers, the 50,000? Right now the tank is what, about 10,000?

MR. EDDY: It's 5,000.

MR. CRADDICK: 5,000.

MR. EDDY: But the problem is, is that we're limited by source there, that well. So we won't be able to take on new customers until we increase our source.

MR. CRADDICK: So I'm not certain that we would be funding this with the water utility fund. It would probably mostly be coming from the FRC if we're going from 5,000 to 50,000. A portion of it could be
funded with the water utility fund, but ...

MR. EDDY: The department undertook a comprehensive study in the Moloaa area. It was maybe ten years ago, and it took about five years to complete. And the comprehensive study identified the existing demand and future potential for demand, and that's where the 100,000-gallon tank size came out of the study.

And then it's just too big a tank to build at this time. So we decided to split it into phases and build out the 50,000 at this time.

CHAIRMAN OYAMA: Okay. Any more questions?
If not, are you ready to act as recommended?

MR. NAKAYA: Mr. Chair, move to approve Manager's Report No. 12-41 (sic) requesting for funding for 121,000.

MR. McCORMICK: 49.

MR. NAKAYA: Oh, 49.

MR. McCORMICK: I'll second that.

CHAIRMAN OYAMA: Seconded. Okay. Thank you.

Any more discussion on that motion?
If not, all in favor say aye.

Opposed no.

Hearing none, motion carried. Thank you.

Now, we are on No. H-2, Manager's Report No.

MR. CRADDICK: Okay. On this item here we have a project there to refurbish the tank, and our existing pipeline is kind of off the road. We're going to be putting it in the road, and it doesn't follow the easement that we have now. So they're giving us a new easement. The old easement, I'm assuming, is going to be cancelled.

MR. MOISES: So what we're doing right now is actually the existing pipeline is within the easement, and when we put in the new line it's going to be outside of that. And part of the design, the plan is to redo the easement after construction is done. But right now this right of entry is for construction, because during the building permit review we got some issues with the public works about what we exempt on for grading since we're outside of our easement. So once we get this right of entry, they can sign off on the building permit. Right now we got a separate right of entry for our consultant to go in and redefine the easement probably this time next year.
MR. McCORMICK: Mr. Chair, move to approve Manager's Report 12-50.

CHAIRMAN OYAMA: Okay. Motion to approve Manager's Report 12-50.

Any second to the motion?

MR. KANESHIRO: Second.

CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro. Any discussion to the motion?

If not, all in favor say aye.

Opposed say no.

Hearing none, motion carried.

We're on No. H-3, Manager's Report No. 12-51, Amendment No. 1 to Contract No. 543 for Job No. 11-03, WP2020 Project No. MO-03, land and well acquisition, Moloaa and Waimea, Kauai.

MR. CRADDICK: Okay. On this one here we have a number of sites that we're currently using. I think all of them are state properties, right? Is that correct?

MR. ZAMBO: There's one private.

MR. CRADDICK: Okay. Most of them, anyways, are state properties, and we have facilities on there but no actual executive order really allowing us to be there, and we're trying to get these things straightened out so that we're not operating on a piece
of property that we don't have legal access to.

CHAIRMAN OYAMA: Any questions, members?

MR. NISHIMURA: Do we have right of entries to these properties and easements?

MR. CRADDICK: I don't believe we even have that. This just -- it goes way back to the days of Department of Water and Land Development at the state before the water commission back in the '70s and '80s, and somehow it just slipped through the cracks that we didn't have the properties turned over to us. So we're trying to correct that now.

MR. NISHIMURA: Does this actually include the cost of acquiring the land as well?

MR. ZAMBO: On the state land it does. The private land remains to be seen. But the request -- we do have assets in all these locations currently, so it's hard to say. But I'm thinking that -- I would assume the fee would include that.

MR. NISHIMURA: And I go and ask the question again, if BAB funding wasn't available, where would you fund this from?

MR. CRADDICK: The only one that is a new source -- probably a new source is a Moloaa, and that's not the tank site. The other ones are all existing facilities. So I think it would be a mix again of FRC
and water utility fund projects in there, or land acquisitions rather.

MR. NISHIMURA: Is the Moloaa one in or around the same area as the other previous one we just took action on?

MR. CRADDICK: I don't believe it is.

MR. EDDY: No, it's on the other side of the highway. You know, it's behind the Meadow Gold Dairy facility up there.

CHAIRMAN OYAMA: So inside?

MR. EDDY: Yeah, inside, right, right at the base of the mountain there on state land. So that one is state land. There may be some -- we might have to buy some easement to get from that property to our water system.

MR. NISHIMURA: Is that included in this budget?

MR. EDDY: No.

MR. CRADDICK: But if we do that, this particular source of water is about 3,000 gallons a day of water. And to get it to Kilauea, which is the ultimate goal, and Anahola, we're looking at probably $11 million project in total.

MR. EDDY: This manager's report is just to add three sites near this Kekaha/Waimea booster, Kekaha
Well 2 and Waimea Well 8. So the Moloaa was already approved under a different funding request.

MR. CRADDICK: No, no. You're talking about the tank or the well? This is the well site.

MR. EDDY: Yes, this is the well site. But the well site was already approved. So now we're adding these three sites.

MR. CRADDICK: Okay, okay, okay. That's the amendment.

MR. EDDY: Yeah. So probably the only one that would have land acquisition costs on this change order is the Kekaha/Waimea booster pump, and it's a booster pump so it's -- I don't think I would say it's expansion related.

MR. CRADDICK: Serving existing customers?

MR. EDDY: Yeah. It won't allow --

MR. NISHIMURA: Is that the one across from the -- close by the sewer plant?

MR. EDDY: Yeah, we do have right of entry for that, construction right of entry.

MR. KANESHIRO: Motion would be to approve the manager's report.

CHAIRMAN OYAMA: Okay. Mr. Kaneshiro motion to approve the manager's report.

Any second?
MR. MCCORMICK: Second.

CHAIRMAN OYAMA: Seconded by Mr. McCormick. Thank you.

Okay. So any discussion?

If not, all in favor say aye.

Opposed no.

Hearing none, motion carried.

Item 4, Manager's Report No. 12-52, procurement and specifications specialist position.

MR. CRADDICK: Okay. On this one here, if you remember in October we had a letter from the attorney -- county attorney, and the board's motion was rather than waiting until the beginning of the year to start working on this position, get something to you. So we got this to you here, and then it's just dollar funded because I don't really expect to see the position in for the usual amount of time. So this is what we'd be going for in that purchasing specialist IV is somebody who's got a fair amount of knowledge in contracts and doing technical specs.

CHAIRMAN OYAMA: Okay. Members, any questions? Take action?

MR. NISHIMURA: The only comment I have is that if this is primarily for contracts, whether they should be under the engineering section.
MR. CRADDICK: I don't know. It's all accounting.

MR. NISHIMURA: Because right now we have Faith who is doing public relation the doing SRF contracts. I would assume that that would roll into this.

MR. CRADDICK: It could. It could do that.

MR. NISHIMURA: And the primary thing is for -- if it's primarily for projects more than anything else.

MR. CRADDICK: It's purchasing in general.

MR. NISHIMURA: Where are your fees published?

MR. CRADDICK: That's where the biggest outlays are, but it's more an accounting function. It's not an engineering function. And for the rest of the county, it's under the finance person.

MR. NISHIMURA: Okay.

CHAIRMAN OYAMA: Okay. Any more questions?

If not, are we ready for action?

MR. CRADDICK: You know, as far as -- you know, it's a good point that he brings up there whether to put it under engineering. I really actually never gave it any thought, and there are some other things going on with that reorganization that that decision may
assist.

Well, no, it wouldn't because it's under engineering. It wouldn't help that situation any. So never mind. I'll keep my words to myself.

CHAIRMAN OYAMA: Yes, Faith? You woke up, huh? Okay. Any action, No. 4?

MR. KANESHIRO: The action would be that we move to approve the Report No. 12-52 as a dollar-funded position.

CHAIRMAN OYAMA: All right. Any second to the motion?

MR. NAKAYA: Second.

CHAIRMAN OYAMA: Seconded by Mr. Nakaya.

Thank you.

All in favor of the motion please say aye. Opposed no. Hearing none, motion carried. Thank you.

Item 5 --

MR. NISHIMURA: Mr. Chair.

CHAIRMAN OYAMA: Yes.

MR. NISHIMURA: I filed a no vote.

CHAIRMAN OYAMA: Oh, you weren't on the vote?

MR. NISHIMURA: Yes.

CHAIRMAN OYAMA: So we got three.
MR. NISHIMURA: Yes, three ayes. Well, four ayes, one no.

CHAIRMAN OYAMA: All right. Thank you.

Now we on No. 5, Manager's Report 12-53, table of organization, fiscal division.

MR. CRADDICK: Maybe -- let's see here. Can we take a break here?


(A break was had.)

CHAIRMAN OYAMA: The meeting has come back order. The last subject -- are we done with this?

MR. CRADDICK: The last one we were. This is now 53.

CHAIRMAN OYAMA: Okay. We're moving our agenda to the executive session. That would be No. 2 pursuant Rev Stat 92-4 and 92-5(a)(4), the purpose of this executive session is to receive and consider a letter from HGEA dated November 17, 2011. The purpose of this executive session is to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities as it relates to the HGEA letter dated November 17, 2011.

Okay. Do we want to go into executive session?
MS. SUZUKI: Two-thirds of those present.

MR. NISHIMURA: Two-thirds of those present.

CHAIRMAN OYAMA: Mr. Ray, where are you? We've got to get him to vote to go into executive session.

MR. CRADDICK: It just says it's two-thirds of those present. Four. Yeah, four.

MR. GUYOT: You need your quorum, and two-thirds are required.

MR. NAKAYA: For executive?

CHAIRMAN OYAMA: We need five, yeah.

MR. NISHIMURA: No. Of those present would be 10 divided 3, which is 3.3, which makes it 4.

CHAIRMAN OYAMA: Are you sure?

MR. GUYOT: If it's unanimous to go into executive.

CHAIRMAN OYAMA: Okay. We have to be unanimous then, right?

MR. CRADDICK: We didn't vote yet.

CHAIRMAN OYAMA: We didn't vote yet, but I'm talking about having enough board members to vote on it now.

MS. SUZUKI: It's two-thirds of the members -- it's two-thirds of the members provided the
affirmative vote constitutes the majority of the members
to which the board is entitled.

CHAIRMAN OYAMA: Okay. Mr. Nishimura is
correct.

MR. NISHIMURA: Can we have a roll call
vote, Mr. Chair?

CHAIRMAN OYAMA: Sure. Roll call vote for
the executive session, please.

MS. SUZUKI: Board Member Kaneshiro.

MR. KANESHIRO: Aye.

MS. SUZUKI: Chair Oyama.

CHAIRMAN OYAMA: Aye.

MS. SUZUKI: Board Member Nishimura.

MR. NISHIMURA: Aye.

MR. CRADDICK: Board Member Nakaya.

MR. NAKAYA: Aye.

CHAIRMAN OYAMA: It's unanimous. Go into
executive session. Thank you very much.

(Executive Session at 11:45 a.m. to 1:01
p.m. in separate transcript. Reconvene
Regular Meeting at 1:23 p.m.)

CHAIRMAN OYAMA: Meeting called back to
order. We're on the Item H-6, dual water lines.

MR. CRADDICK: Wait. Are we doing to
finish this one, 53?
MS. SUZUKI: No. 5.

CHAIRMAN OYAMA: Oh, yeah. No. 5, 12-53.

Yeah.

MR. CRADDICK: On this item here, after the last item, at first I was little inclined to maybe drop this one. But something else that I prefer not to go into right now is occurring within the water department that could make another part of this action just as critical as that purchasing position. And it's listed on here. It says it's a new position, but it's not really a new position. We're reallocating a meter reader field collector representative position to this accountant III position, which would be an understudy to our accountant IV in customer service.

And I would have to say, I think that it's important to do now. So I'm still asking to go forward this with item here if you could see your way clear.

And we'll still, you know, I think, come back about this purchasing IV because we haven't submitted it to personnel yet. We've said we need one. Whether it's here in engineering, we can maybe talk a little bit. That was something I didn't really talk about with staff, and it's something that we could talk about later on.

So this is not really the item for that, even
though it shows it. It's as though you were assuming
you approved the other one, and I just want to go back
and talk a little bit more with staff about that issue.

But this particular one, reallocating this
meter reader supervisor position for this accountant II
position is what we really kind of need to move forward
on today if you can see your way clear to do that
without getting into the details as to the specifics
driving it.

CHAIRMAN OYAMA: Okay. Any questions?

MR. CRADDICK: And maybe the motion could
be, rather than an accountant II, just make it a motion
to approve reallocating the existing position to an
understudy to the current head of the customer service
section so that we have some flexibility in making the
position description. Maybe it doesn't necessarily have
to be an accountant but certainly somebody who knows how
to implement the new system.

CHAIRMAN OYAMA: So under this section,
where would that fall right now?

MR. CRADDICK: The whole customer service
section is under accounting the right now, and it is
under an accountant IV right now. And I guess there's a
lot of history with that accountant IV position, but for
customer service you really need an accountant there. I
don't know. You know, that's some discussion that we need to have going forward. But we definitely need somebody to understudy what goes on there or it would be helpful anyways so that we're not caught when the position is vacated. Because as we're talking there earlier as we were going through my review, this is one position that could leave any time they wanted.

MR. KANESHIRO: So by approving the proposed fiscal table of organization and -- I mean, wouldn't that change? It would change, right?

MR. CRADDICK: Well, you know, you can call it -- right now we call it an accountant II. But if we talk about it as a position that is an understudy to the accountant IV to learn some of those things that are done in that position that are relevant to the new computer system, the accountant IV was with Sandi from our IT section has been -- those have been the two primary people learning that.

A lot of people in the accounting section are going to have to learn to deal with that new system. And whether we call it an accountant II position or not, I guess is a thing. We're calling it accountant II here. But if the motion is made that we can get a -- reallocate this meter reader. If you look at the second page, you can see what we're deleting there. It says,
Meter reader field collection. That's already an existing vacant position. So we're not -- even though the next thing says we're creating a new position, we're actually reallocating this position to that.

And when and if this accountant IV got finished, and this person might get the job, they might not get the job, but at least we have somebody who we had an understudy that could do the job if that person decided to leave right away until we filled the position.

Then once that's all worked out, then that position would go away and this other one would come back. So it's kind of a little bit of, you know, we're calling it a new position, but in fact it's a reallocation of an existing one that's just not filled.

MR. NAKAYA: Is the deletion of this field collector going to affect the collection department?

MR. CRADDICK: Do the meter readers, they report to Mel, too?

MS. YANO: They report to Mel.

MR. CRADDICK: Okay. So, yeah, it's all in the same section.

MR. NAKAYA: Is the deletion of this position, will it affect their job? I mean, their --

MS. YANO: This is vacant right now.
MR. NAKAYA: Pardon me?

MR. CRADDICK: The position is vacant right now.

MS. YANO: This is vacant.

MR. NAKAYA: Okay. I assume you had that position there because at one time, I guess, you need four field collectors.

MR. CRADDICK: No, no. We got the board to approve that position in the last budget in anticipation of going into this new system and billing monthly, and just some events have come up as of recent that make it more important to get an understudy going and --

MR. NAKAYA: So again, my question is, it's not going to affect the field collector by deleting this position?

MS. YANO: It's not because we're not actually deleting one position. We're just changing it into --

MR. NAKAYA: Yeah. Well, I'm just asking you, my thinking with this one field collector is not going to affect the other field collectors or they're going to be working more hours or whatever?

MS. YANO: No, no.

MR. NAKAYA: Okay. That's all.

MR. CRADDICK: Until we go to monthly
reading, which keeps getting pushed back by Honolulu Board of Water Supply. So it's kind of beyond our control there, but right now it's pushed back to July, and we're here.

MR. KANESHIRO: So what's going to happen when you get to that point? Are you going to put another meter reader back inside?

MR. CRADDICK: Well, two things could happen. One, the accountant IV position could be vacant or it could not be -- might not be vacant. If it's not vacant and the person who has learned the job for six months, possibly we could put it back the way it is right now. I mean, they wouldn't need to go for years and years trying to learn that position.

MR. NAKAYA: So then our accountant II person would become a field collector, is that what you're saying?

MR. CRADDICK: No, no, no, no, no. Well, that's the nature. If you take a position that's -- you know, we don't intend to keep that position around long. So if the person did not get that IV job and it was somebody within the water department and they couldn't go back to their other job, that would be a problem. But we would probably try and work it out so that they could go back to their other job if they didn't get the
job. I mean, we wouldn't be promising them that they
would get the job just because they're doing the
understudy work.

CHAIRMAN OYAMA: Okay. Ready to go?

MR. KANESHIRO: So I'm not certain what
motion there is to put on the floor now.

MR. CRADDICK: Well, but what I ask is if
you would make the motion such that if an understudy
position be created or reallocated from the existing
meter reader position, and I think that will allow us
to, first of all, determine does it, first of all, need
to be an accountant position. Because if it doesn't
need to be an accountant position, we might be able to
call it something else. But we could at least -- we
know the board doesn't mind doing this, and then we can
flesh it out a little bit better and get an actual
position description of what the duties of that person
was going to be, and maybe we're only TAing different
people into that position.

It sounds like Tess wants it full time.

MR. KANESHIRO: We need some clarification.

MS. YANO: We could probably ask for
accountant II, but then when we write the job
description, the personnel department could come back to
us and recommend a different --
MR. CRADDICK: Something.

MS. YANO: -- position based on the description that we have submitted to them. So I would probably -- such as going on with what is being asked here is accountant II.

MR. KANESHIRO: So again. I didn't get the last part.

MS. YANO: Keep the accountant II.

MR. KANESHIRO: So keep the accountant II position?

MS. YANO: Yeah. And then personnel could give us a different recommendation with job descriptions.

MR. KANESHIRO: At which time come back to the board --

MS. YANO: And rename the position.

MR. KANESHIRO: -- to just make those changes to the organizational chart?

MR. CRADDICK: Well, what she's saying is, is we go in with an accountant II position. But because the position description or the duties that we have, we're surmising that personnel may say, Oh, no, this isn't an accountant II position, this is something else. And that's why I'm kind of asking you not to make it accountant II position specific where we have some
flexibility if that happens.

But if it helps in the decision, I'm just telling you that's what may happen and you just might end up coming back here again to approve something else that personnel finally approves.

But it may be much simpler just doing accountant II because right now the position is there, the description is all there. It's probably something that we can easily get by personnel, and speed is kind of of the essence here right now, I think, if we don't want to go till June still looking for an understudy. The position may be vacant by then. You never know.

MR. NAKAYA: Can you explain your last -- your last paragraph. The proposal would be delayed. Okay. It has been budgeted for 38,000 for the field collector.

MS. YANO: Yes.

MR. NAKAYA: But accountant II salary range is from 42 to 62 thousand.

MS. YANO: Yes.

MR. NAKAYA: And the change -- the minimum change is 4,000 annually, but there will be no change in the salary budget. There's an increase of $4,100.

MR. CRADDICK: The position's been vacant all this year. So if you pay somebody a little bit
more, you're still not going to use the budget up by the end of the year.

       MR. NAKAYA: Can you repeat?

       MR. CRADDICK: Okay. We budgeted --

       MS. YANO: 37.

       MR. CRADDICK: Let's say 10 -- $40,000.

Half the year has done by. We haven't used any of it yet. So if we have to pay the next person $12,000.

       MR. NAKAYA: You just only -- okay.

       MR. CRADDICK: Yeah, you're only using $12,000. You're not --

       MS. YANO: We're not asking for additional funding for this year.

       MR. CRADDICK: Yeah.

       MR. NAKAYA: Next year.

       MR. CRADDICK: Maybe next year. Maybe.

       MR. NAKAYA: Okay.

       MR. CRADDICK: But I will say it's not intended to keep this position permanently once the accountant IV position -- if and when it is vacated and that position is filled, this one would revert back to the meter reader. It's not a permanent change in the accounting. So if you want to make your motion subject to that proviso, then that's --

       MR. McCORMICK: So you're going to change
it from a meter reader to an accountant II.

MR. CRADDICK: Yeah.

MR. McCORMICK: And then when this accountant IV position --

MR. CRADDICK: Here, here.

MR. McCORMICK: -- here becomes vacant --

MR. CRADDICK: When I say here, it's the one doing the customer service work. Not the one doing the --

CHAIRMAN OYAMA: Yeah, right here.

MR. CRADDICK: Yes. Not the one doing the accounting work on that right-hand side of the chart over here. There's two of them right there.

MR. McCORMICK: And then later on it's going to become a meter reader again?

MR. CRADDICK: Yes, yes. Because for the long haul, that's really what we need. If we go to monthly reads, there will be more work permanently in that area.

MS. YANO: We could probably reassess after when the Loihi project is in place where the additional workload is really needed in the office or on the field collection.

MR. NAKAYA: So the purpose of this is to have someone trained backup for the accountant IV?
MS. YANO: Yes.

MR. CRADDICK: That's right.

MR. NAKAYA: Okay. In the event of the -- so accountant IV position is going to be vacated really not on year or whatever, is that what you're saying?

MS. YANO: Yeah, we don't know when, but we're anticipating that it could happen any time. So we want to make sure that somebody is trained in that area just in case.

MR. NAKAYA: Okay. And you're saying that there's no guaranteeing that this person will step into that position. So if you hire someone else for the accountant IV position, what's going to happen to the person that you guys hired as an accountant II?

MR. CRADDICK: If we got the position in-house, then the trick would be to keep the position they came from open also.

MR. NAKAYA: Again, but give someone else --

MR. CRADDICK: And maybe you don't put somebody permanently in there. Maybe there's three or four people that want to try that job. So you TA different people into that position to learn it. So you have more than one person that can do the job. So when you do a recruitment, you know, you've got a pool of
people to select from, not just one.

MR. NAKAYA: Okay.

CHAIRMAN OYAMA: It's kind of confusing because actually you want to have somebody in place for this position in case you have somebody moving out, right?

MR. CRADDICK: That's correct.

CHAIRMAN OYAMA: So you want someone to be trained to fill that position?

MR. CRADDICK: That's right, yeah, that's right.

CHAIRMAN OYAMA: But you don't have the approval of this yet?

MR. CRADDICK: No.

CHAIRMAN OYAMA: That's why it's confusing.

MR. CRADDICK: What we're doing right now is, Sandi is kind of stepping in and helping out. I mean, quite frankly, she's our primary backup right now if anything goes on with Mel. She's not even in that section, not even an accountant, and yet she's the primary -- she's been going to all the trainings over in Honolulu, probably one of the most qualified right now to do it.

CHAIRMAN OYAMA: That's good to hear.

Break the silence for a while. That's what I'm trying
to do. But the silence didn't come. But that's good.

So okay. Board members, you're hearing the whole gamut. Any more questions, you should ask. I didn't catch on that, too.

MR. KANESHIRO: So again, then we should keep the accountant II position open, right?

MR. CRADDICK: That's what Tess is saying, and that will work. That will work, yeah.

MR. KANESHIRO: Well, you know, with for me, I'm all, as a board member, for any one of our employees to advance into another position. But I'm not certain now what position to keep, because one is saying that the accountant II and --

MR. CRADDICK: All I'm saying is if we go in with an accountant II, I'm speculating on what may happen with personnel services when we go in with the position description. They may come back and say, Oh, this isn't an accountant II job. This is some other job.

And then we've got to come back to the board again. So I'm trying to avoid coming back to the board again by getting a more generic approval right now. But if that's confusing, just go with what's here, and we'll go to personnel with this and see what happens. You never know. They might approve it. But
Sandi obviously is not an accountant II.

MR. KANESHIRO: Well, I would like to word it in a way that it's a possibility for advancement for whoever it is.

MR. CRADDICK: Yes, yes, I understand.

MR. KANESHIRO: Accountant II, whatever position.

MR. CRADDICK: Yeah, and that's fine.

MR. KANESHIRO: Because that's the whole world of the employees. If you work here, you want to be able to advance. You want to be able to, you know, get up there and do that.

MR. CRADDICK: That's kind of where I'm coming from.

MR. KANESHIRO: So how would I appropriately put that wording into this position? And that's what I'm trying to grapple with.

MR. CRADDICK: Just if you allow us to reallocate this meter reader position to there with a similar pay range to understudy the accountant IV position.

MR. KANESHIRO: Okay.

CHAIRMAN OYAMA: Got it.

MR. KANESHIRO: I think I got it.

MR. CRADDICK: With the proviso that it
reverts backwards once the work is done, the need for it no longer exists.

MR. KANESHIRO: Okay.

CHAIRMAN OYAMA: I'm ready for the action. Which way you want to vote? Up to you, Mr. Kaneshiro.

MR. McCORMICK: I'm still trying to figure out how to word it. Can we just recommend it as is here?

MR. CRADDICK: You can, you can. That's the simple way to do it.

MR. McCORMICK: I'm a pretty simple guy. Okay. Mr. Chair, I recommend that we approve Manager's Report 12-53, the table of organization, fiscal division.

CHAIRMAN OYAMA: Okay. Motion to approve the Manager's Report 12-53.

Any second?

MR. McCORMICK: With the provision that it revert back after this position is no longer needed.

CHAIRMAN OYAMA: Okay.

MR. McCORMICK: It's getting muddier.

CHAIRMAN OYAMA: I'm getting puzzled, too.

MR. McCORMICK: Maybe we ought to just let it be.

MR. CRADDICK: The only thing I can say is
I had some previous discussion with the missing board member today, and I know he was supporting it provided that was in there. And so I'm trying to -- without him being here trying to incorporate his concern in it without saying that. But it's now said.

I mean, I have the same concern, too. You know, whether it's a board member's concern or not. I mean, I don't want to be creating new positions that we don't need for the long haul. And so, I mean, this is my recommendation to do it, too. I should have thought about it when I did this and it was thought out.

CHAIRMAN OYAMA: Because my concern is not making a position and then a couple months later, change it again.

MR. CRADDICK: Well, it won't be a couple months, I don't think. But let's hope it's not a couple of months.

MR. McCORMICK: Can we do this? Can we go back to the drawing board and fix this where we can understand it, and I'll withdraw my motion?

CHAIRMAN OYAMA: So we can defer it.

MR. McCORMICK: Defer it, I guess.

CHAIRMAN OYAMA: You want to defer it?

MR. McCORMICK: I'm just saying I'm not fully clear.
Would deferring it have a major impact on the department?

MR. CRADDICK: It could. I could.

MR. KANESHIRO: Can we defer it until the end of this meeting where you can work on it? And then --

MR. CRADDICK: Could, yeah.

MS. YANO: Yeah, I could make it better.

MR. CRADDICK: We could do that, too.

MR. KANESHIRO: And then we can carry on another.

CHAIRMAN OYAMA: Okay. Mr. McCormick move to defer this report.

Any second to it?

MR. KANESHIRO: To the end of the agenda.

I second that.

CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.

Any discussion?

I have a strong feelings, but that's the way it is. That is what is happening or what he wants done, and I don't want to say anything irregular. So that's my position and discussion.

All in favor say aye.

Opposed no.

Motion carried.
Next one, yeah. The next one is the dual line.

MR. CRADDICK: On that item there, where staff is kind of at an impasse on who is responsible if we go with this dual line way out in the future. Do we make the new lot owner, which then our customer, responsible? And this could be very far out. This could be 40 years out. Do we make them responsible or is the developer still responsible? That's the question.

And it's -- I mean, it's very simple to say there's risk there. And beyond that, who do you make responsible for the risk now to get into the more details of it. If you want to go into more detail, then that might be an executive session. But that's very simply the issue that we have at hand, and we can't really get over that log jam.

CHAIRMAN OYAMA: Is there any question?

I had one. Do you have any systems in the state that is in the dual system presently?

MR. CRADDICK: We have two here right now. One was Wailua, which after having approved the things with the dual system, has gone out of service. And consumption is increasing on our system, as it would have to happen if the dual system goes out. And it's creating problems for us because the facilities were
never put in because of the dual system.

And then another one, there's another one out in Poipu which is kind of too young to evaluate. It hasn't been around for very long.

Kukuiula said they were going to do one and didn't, but they put the facilities in. They put in all the facilities there. And there's more detail that we can give, but I don't know how much we want to talk about because this is a specific developer in open session. It's kind of -- but there are some that didn't work out existing now.

CHAIRMAN OYAMA: The Wailua home is the one, the old system?

MR. CRADDICK: Yes, yeah.

CHAIRMAN OYAMA: Okay. That's the Wailua house lots?

MR. CRADDICK: Yes.

CHAIRMAN OYAMA: And the one at Koloa is where?

MR. CRADDICK: Gregg, do you know the name of that subdivision?

MR. FUJIKAWA: It's in the Kiahuna -- one of the Kiahuna subdivisions.

MR. MOISES: Kiahuna Mauka.

MR. FUJIKAWA: It's right next to the old
source -- the waste water plant, Aqua's waste water plant.

MR. MOISES: Kiahuna Makai is the subdivision.

MR. FUJIKAWA: It's a residential subdivision actually.

CHAIRMAN OYAMA: A small one?

MR. FUJIKAWA: Quite big.

MR. MOISES: Hundred lots.

MR. FUJIKAWA: A hundred lots plus.

CHAIRMAN OYAMA: And the water coming from what source for the dual system? County and was the --

MR. FUJIKAWA: Private, mostly private. Private wells.

CHAIRMAN OYAMA: And you think it's successful?

MR. FUJIKAWA: We don't know yet because the subdivision is new, yeah.

MR. CRADDICK: Not many people in it yet using it.

CHAIRMAN OYAMA: Because you think the best thing to do is investigate all of this, because I think A&B is doing one out in Kalaheo.

MR. FUJIKAWA: Yes.

CHAIRMAN OYAMA: Their own private, right?
MR. FUJIKAWA: It's not a dual system.

CHAIRMAN OYAMA: It's not a dual?

MR. FUJIKAWA: No.

MR. CRADDICK: Just private system.

MR. FUJIKAWA: It's a private domestic system.

CHAIRMAN OYAMA: Okay. Within the state, other islands, do they have any?

MR. CRADDICK: I know Honolulu Honouliuli system is -- they use water from the Honouliuli system for irrigating. Exactly how that works, I'm not certain. But I know the Honolulu Board of Water Supply didn't reduce its standards down because of people taking that water.

CHAIRMAN OYAMA: It's good to have information corrected and do some comparisons then that I understand. Because we're looking at how we can save water, right, on our domestic?

MR. CRADDICK: That's the overall goal. But for this specific one that we're trying to work with, the board wanted some kind of report on. That's the hold-up. And if we can't get over this issue, and we can't get any guidance from the board, then we just got to go back to them and tell them, This is the issue. You know, and -- that's it.
I mean, the board said they wanted a report, and that's the report. That's where we are right now. We cannot -- I mean, I suppose I can just take the bull by the horns and pick one or the other. And that's what I was ready to do.

But then the board said they wanted some. So this actually probably delayed that decision now a month to give this report to the board. And if you have any assistance in that, I appreciate it, what you think. But it's -- we'll do something, whether you say anything or not and go back to the developer and say what we think.

And our inclination is, is to protect our customer because they're going to be our customers out in the future, and we don't want to be the one assessing them with some big charge if something doesn't work.

CHAIRMAN OYAMA: Anybody else, questions?

MR. NAKAYA: It's a dual, is it a potable/non-potable thing?

MR. CRADDICK: Right.

MR. NAKAYA: Why is it on the -- what are we going to decide -- or what are we trying to decide here?

MS. SUZUKI: The board requested an update, so it is just being received.
MR. CRADDICK: That's the update. And if you want to get into more meat of it, we did list it as an executive session because this is a negotiation that's ongoing. And I think we can go into executive session on that if you want to.

CHAIRMAN OYAMA: Do you want to go into executive session? It's up to you people.

MR. NAKAYA: To get more details?

MR. CRADDICK: Yeah.

CHAIRMAN OYAMA: If you want to, we can just start reading it out and go. It's here. Do you want to go?

MR. KANESHIRO: Yeah, why don't we do that.

CHAIRMAN OYAMA: Okay, okay.

MR. KANESHIRO: No. 3.

CHAIRMAN OYAMA: No. 3, yeah. Pursuant to Hawaii Revised Statutes 92-4, 92-5(a)(4) the purpose of this executive session is to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities as it relates to dual water systems.

MR. KANESHIRO: Make the motion to move into executive session.

CHAIRMAN OYAMA: Okay.

MR. NAKAYA: Second.
CHAIRMAN OYAMA: Seconded by Mr. Nakaya.

MR. CRADDICK: I think you want me here, and would like Gregg here also.

CHAIRMAN OYAMA: Okay. All in favor say aye.

Opposed no.

Okay.

MS. SUZUKI: Can everyone vote on that, like make a roll call vote.

CHAIRMAN OYAMA: Roll call vote, okay.

MS. SUZUKI: At least say something because we need all members.

CHAIRMAN OYAMA: Yes, we've got four.

MR. KANESHIRO: Go ahead. Roll call vote.

MS. SUZUKI: Board Member Nakaya.

MR. NAKAYA: Aye.

MS. SUZUKI: McCormick.

MR. MCCORMICK: Aye.

MS. SUZUKI: Oyama.

CHAIRMAN OYAMA: Here.

MS. SUZUKI: Kaneshiro.

MR. KANESHIRO: Aye.

(Executive Session at 1:59 to 2:21 p.m. in separate transcript. Reconvene Regular Meeting at 2:22 p.m.)
CHAIRMAN OYAMA: Meeting called back to order. Discuss the statement of Kauai County Water Department's revenues and expenditures.

The chief of operations here. We can start review of No. 3. Okay.

MR. REYNA: Before you is the report for November for the operations division. For our personnel, we send our personnel to attend some pipe locating orientation and Hawaii One Call Center Class. It's to clarify what the process is for the Hawaii One Call Center that we received from our emails daily and usually at midnight.

We've interviewed candidates for the pipefitter helper position. Evaluations are currently underway. Actually I believe a recommendation as to who should be hired have already been filed, but no final decision had been made yet.

For source and storage, the Department of Health conducted sanitary survey for the Kapaa and the Wailua systems in November. We recently received the report just about less than two weeks ago. And the operations division is preparing the response to the report. They've had the Department of Health recommendations on what we should do based on the findings of their inspector.
Some of these are simple meeting matters for you. On the second page we have the chart. And I think the most important part of that chart is the overtime. From October to November our overtime is down thanks largely to the efforts of our supervisors who are monitoring the overtime work of their subordinates.

If you have any further questions.

MR. CRADDICK: So is that all you did all month? Nothing early in the month?

MR. REYNA: What do you mean early in the month?

MR. CRADDICK: There wasn't any work going on out at Waimea or Kekaha?

MR. REYNA: Yeah. We actually worked on the Amfac shaft early in the month, and that was finally connected and running. It's been running for over a month now. And we've been monitoring the depth-to-water level. Our micro lab has been monitoring bacteria levels and water quality, I think, are the most recent. The result was positive. Positive results -- good results, I mean. Not positive for bacteria, but good results.

The well is actually a really good quantity well. For the past 30 days -- or now it's been over 30 days. We've been getting about 300 GPM regularly.
CHAIRMAN OYAMA: How long are the pumps running?

MR. REYNA: 24 hours pumping, yes.

MR. CRADDICK: But one-inch drawdown and, I think the chlorides leveled off at around 98 or something like that.

MR. REYNA: Yes. So very good quantity and good quality also. But these are all based on dry-weather season. And as the manager mentioned earlier, we're just waiting for a storm event to prove that there will be no surface water intrusion.

CHAIRMAN OYAMA: Yeah. It's a good well, that I can tell you.

MR. CRADDICK: Very good.

CHAIRMAN OYAMA: And then the pump sure can pump a lot.

MR. REYNA: Your friends says it was used as an irrigation well before now. We want to use it as a drinking water well.

CHAIRMAN OYAMA: Yeah. It should be good.

MR. REYNA: Do you have questions?

CHAIRMAN OYAMA: Any questions? Anybody any questions?

Okay. We'll go back to Faith is here now.

MS. SHIRAMIZU: Sorry.
CHAIRMAN OYAMA: We like to hear your voice.

MS. SHIRAMIZU: Thank you. Mahalo. So all I'm going to say is my report is there. Do you have any questions?

CHAIRMAN OYAMA: We like to hear your voice.

MS. SHIRAMIZU: Okay. The only piece that I said I would do a verbal report on was the Employee Council Holly Jolly Contest. I wanted to report that we placed, but we didn't. It was fun, though. The Department of Water worked with the Housing and Office of Economic Development, and they just told us thank you for participating.

CHAIRMAN OYAMA: Any questions for Faith?

Okay.

We don't have Marites here yet.

MS. SHIRAMIZU: Marites had to leave for a meeting that she had set up. And she sent Fay up to do the report, but Fay already had had another meeting scheduled for this time. So I don't know if David can.

CHAIRMAN OYAMA: Okay. Do you have any questions for that one?

No. 5, the monthly -- manager's report monthly update.
MR. CRADDICK: Okay. Let's see here. The accountant III, I guess, will be starting work on the 1st of January.

We've gone out for another recruitment for the civil engineer II, one less.

Still no board secretary yet. They're trying to decide that one.

And the voucher is paid, 2.6 million there for November.

And then the conveyance of water systems there, $30,000.

And then as we were talking about the CIP there, I met with our representatives in the state legislature there also this last month. That's it.

CHAIRMAN OYAMA: Okay. Any questions?

Okay. Let's see. We're done.

Okay. Topics for next water board meeting.

Employee of the quarter award, project status update, affordable housing update.

Any more you want to add or any more you want to talk about?

Item L., topics for the future water board meetings. Employee of the year, proposed budget, that's March, and amend BAB project list. That's okay.

Right, David?
MR. CRADDICK: Yes.

CHAIRMAN OYAMA: And then M., upcoming events. We've got the AWWA, ACE 12. That's June 10 to the 14th, Dallas, Texas.

And next next water board meetings; we have Thursday, January 26th, 2012, 10:00 a.m.; then Thursday, February 23rd, 2012, 10:00 a.m.; Thursday, March 22nd, 2012, 10:00 a.m.; and Thursday, April 26th, 2012, 10:00 a.m.

Everybody okay with that? Okay.

And that's it. Ready for adjournment.

MR. CRADDICK: No, no, no, no, 53, back to 53.

MR. KANESHIRO: We've got to come back to the organizational chart.


MR. McCORMICK: I make a motion on Manager's Report 12-53. Motion is to allow the department to move forward with the position redescription or reallocation with the stipulation that this action revert back to the current organization once the accountant IV position is filled.

CHAIRMAN OYAMA: Is that it? Any second?

MR. KANESHIRO: I'll second.
CHAIRMAN OYAMA: Okay. Seconded by Kaneshiro.

Any discussion to the motion?
If not, all in favor say aye.
Opposed no.
Hearing none, motion carried. Thank you.
Now we are ready for adjournment, right?
So we are adjourned. Thank you very much.

(Concluded at approximately 2:33 p.m., December 22, 2011.)

* * * * *
STATE OF HAWAII
COUNTY OF KAUAI

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

That on Thursday, December 22, 2011, at 10:18 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 7th day of January, 2012, in Kapaa, Hawaii.

______________________________
TERRI R. HANSON, CSR 482
Registered Professional Reporter