Committee Members Present:  Daryl Kaneshiro, Chair, Randall Nishimura, Larry Dill, Michael Dahilig (arrived at 9:20 am), Clyde Nakaya, Roy Oyama (arrived at 10:00 am)

Absent and/or Excused:  Raymond McCormick

Staff Present:  Manager David Craddick, Marites Yano, Dustin Moises, Deputy County Attorney Andrea Suzuki, Deputy Manager William Eddy, Rae-lyn Morikawa, Keith Aoki, Jeff Mendez, Joy Buccat, Sandi Nadatani-Mendez

Guests:  Mr. Thomas Hazelton (arrived at 10:00 am)

Chair Kaneshiro called the meeting to order at 9:15 a.m. Quorum was confirmed.

MINUTES:

Committee of the Whole Meeting – May 23, 2011
Committee Meeting – May 26, 2011
Committee of the Whole Meeting – June 2, 2011

Mr. Nishimura expressed to refer back to the The Committee of the Whole Meeting Minutes on May 23, 2011. Acting Secretary Mary-jane Garasi noted change on Page 2, 5th paragraph “BY Well” should be “Piwai Well #1” is Fukunaga and Associates. With the exception to the acceptance of the agenda, Mr. Nishimura moved to accept the minutes as circulated, second by Mr. Dill; by a unanimous vote the motion was carried.

OLD BUSINESS

Manager’s Report 11-64 Proposed Budget 2012
Chair Kaneshiro referred to Tab 6, Administration of the Proposed Budget 2012 for review Manager Craddick.

Manager Craddick stated that page 3, item #15; the Civil Engineer VII position will possibly be filled within the next fiscal year with a minimum of ½ a year vacancy; subject to HR accepting the revised plan submitted last month. A change to this item is requested to be updated per Mr. Nishimura.

Page 24, line item 27 Special Counsel has not been used for over 2 years stated by Manager Craddick. Since our Attorney is under Corp Counsel, we reimburse our Corp Counsel which is budgeted under our salaries. Mr. Nishimura requested to confirm if the Department of Water has
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June 21, 2011

been using this Special Counsel Budget item in the past to take care of the reimbursing. Deputy County Attorney Andrea Suzuki confirmed to the board that $100K is adequate for the next fiscal year.

Page 6, Line 29 Travel-Staff, Mr. Nishimura questioned to Manager Craddick if it would be typical for both Manager and the Deputy Manager attend the AWWA conference. Manager Craddick responded, either one or the other would attend. Mr. Nishimura suggested if both are required to go, it could be taken out of this Line 29.

Page 8, Line 35 Operating Reserve Fund, Mr. Nishimura questioned on why we have an Operating Reserve Fund if we are working towards an Emergency Reserve Fund. Mrs. Yano stated that this fund is a “special fund,” more for the Operating Expenditures and that the Emergency Reserve Fund is part of our Budget’s General Fund ending balance and not on any line item. Deputy Manager William Eddy explained to Mr. Dill that an example for this Operating Reserve would serve purpose for a hurricane SOP which would cover job duties like covering computer supplies, arranging food supplies for staff, and is not used every year.

Manager Craddick recommended since we are combining with the County’s Wastewater Division, Page 7 Line 36, Hawaii Rural Water should be bumped up to $6K. The Hawaii Rural Water Board approved a payment of $1500 plus 25¢ per service not to exceed $10K. The question is now do we join as a County with Wastewater’s 8,000 customers? If so then we would share half of the $1500 and save about $700.

Mr. Dill suggests that The Department of Water should be a little more selective on the events the staff participates and point out that AWWA is a source of technical support rather than AMWA. Manager Craddick and Deputy William Eddy emphasized that the year of training from Rural Water estimate is $150K per year and the return is $800K for training. Rural Water has been instrumental in trainings that help certify our staff and improve test scores.

Mr. Nishimura suggested moving $25,000 from Line 33 to Rural Water to cover the difference. Mrs. Yano explained that our current year to date as of April 30, 2011 expenditures in this line item is $43,827. Mr. Dill recommended to bump the $1500 to $6500 and live within our existing budget and to move to Line 33, Membership Dues.

Mrs. Yano stated that the figures for Page 9, Line 103 will be revised. $200K is estimated, but $75K has been spent. Mr. Mendez explains that Line 103, New Requests are lease agreements paid every year depending on the lease term agreements. Implementation of New Document Imaging System budgeted for $70K is because of the document imaging system vendor is retiring the product and $20K is for the microfilm reader used by Mr. Yamase’s group to convert to image documents to be used. Mrs. Mendez stated that we are clearing our 30 computers this year. Mrs. Yano pointed out that 4 items should be transferred to New Requests, 3- $7K & $5.

Mr. Mendez explained that we were initially changing our phone system to a PVX phone system, and later change to an IP Network phone with our new building. Keith Fujimoto was in charge of the PVX phone system until he retired and now Mrs. Mendez has taken over. With this system, it is up to its max in phone numbers and voice mail capabilities. Mr. Moises explained that we can add a line item $100K with a new IBR system only when the Master Plan is finalized. Mr. Nishimura
questioned if the Phone System should be capitalized and suggested to reduce this line item by $10K.
Mr. Moises questioned the Board to whether if we can add funds to the budget of the Master Plan Project due to this line item. Mr. Nishimura would treat this as an amendment to the contract. Current negotiation is $620K. The scope includes partial Telcom and suggested from Mr. Nishimura to get a proposal in at the front end. Chair Kaneshiro suggested to leave $10K Phone System Improvements in Encumbrance and do a capitalization program for the balance.

Mr. Dahilig stated that the purchase of electronic Ipads for the UH Board Members is very easy to access. The secured online website is booked marked through good reader software and can be opened in pdf format. Mr. Nishimura questioned about the navigation troubles between pages. With the amount of paper transmitted and wasted per meeting, this would rather be a user preference. Mr. Mendez explained that the implementation on the ipad is doable, instead just a matter if the board want to go forward with this. Chair Kaneshiro requested a separate line item budgeted for $10K for this new implementation of Ipads.

Mr. Dill motioned that with the end of the month closing of this budget, we should recess to Thursday June 23, 2011 at 9:05 am at the Department of Water Board Conference Room, second by Mr. Nishimura; by unanimous vote motion, was carried.

mjg