

SPECIAL BOARD MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, June 30, 2011

The Board of Water, County of Kaua'i, met in a special meeting at its office in Līhu'e on Thursday, June 30, 2011. Chairperson Roy Oyama called the meeting to order at 10:02 a.m. On roll call, the following answered present:

BOARD: Mr. Roy Oyama, Chairperson
Mr. Clyde Nakaya
Mr. Randall Nishimura
Mr. Ray McCormick
Mr. Daryl Kaneshiro
Mr. Larry Dill

Mr. Michael Dahilig (*arrived at 10:05 a.m.*)

STAFF: Mr. David Craddick
Mr. William Eddy
Ms. Marites Yano
Mr. Dustin Moises
Mr. Keith Aoki
Mr. Gregg Fujikawa
Ms. Joy Buccat
Ms. Sandi Nadatani-Mendez
Deputy County Attorney Andrea Suzuki

GUESTS: Ms. Paula Morikami, Office of Boards & Commissions

Quorum was achieved with 6 members present at roll call.

AGENDA:

Chair Oyama asked for a motion to amend the agenda by adding a report from the Committee of the Whole as item D.

Mr. Nishimura moved to add the Committee of the Whole Proposed 2012 Budget Report as item D. and identify Old Business as E., New Business as F., and Adjournment as G., seconded by Mr. McCormick.

Roll Call to Amend the Agenda: Mr. Nakaya – aye; Mr. Nishimura – aye; Mr. McCormick – aye; Mr. Oyama – aye; Mr. Kaneshiro – aye; Mr. Dill – aye. By unanimous vote, motion carried.

(*Mr. Dahilig entered the meeting at 10:05 a.m.*)

COMMITTEE OF THE WHOLE REPORT:

Chair Kaneshiro, who was not present at the June 27 meeting, asked Mr. Nishimura to give a report of that meeting.

Mr. Nishimura said the Department submitted a revised list of income and reduction in expenses at the last meeting resulting in the appearance that we could come close to balancing the operating budget. The Committee moved to forward the proposed budget for 2012 to the full Board for action, subject to the incorporation of the changes into the various line items. Those changes have been incorporated and, for the record, we have a complete set of the proposed 2012 budget which is marked with a tab number and description, followed by "Final".

Mr. Nishimura moved that the Board accept the report of the Committee of the Whole, seconded by Mr. Kaneshiro; by a unanimous vote, motion carried.

OLD BUSINESS:

RE: *Manager's Report No. 11-64* – Proposed Budget 2012

Manager Craddick said one thing from the Committee's report was the \$800K added into the capital expenditures. There was \$300K in electrical savings but to get that \$300K in savings, we estimated that we needed to add in about \$800K in capital projects to put the equipment in to save that power. That is in the back in the capital projects and not in the line miscellaneous capital expenditures. Ms. Yano pointed out that it was not under CIP but it was put under miscellaneous capital expenditures. Manager Craddick said most of the miscellaneous was for equipment purchases but this would be more long term – about a 10-year savings.

Mr. Nishimura noted that during Board discussions, there had been a desire to fund the emergency reserve of \$1.2M and moved that be amended with the necessary monies to come out of the CIP program. Ms. Yano said it would come from the ending balance. Mr. Nishimura said that would be a problem. Manager Craddick said it was the ending balance of the CIP. Mr. Nishimura said if it was CIP, the total capital projects of \$10M might come down a little bit. Ms. Yano said the \$6.1M would come down to \$5.9M under the CIP.

Mr. Nishimura pointed out there was a \$10K salary reduction shown for the Board Secretary and asked if that was based on reduced need. Manager Craddick said they needed time to fill the position. Mr. Nishimura asked if they were down-grading or eliminating the position; Manager Craddick said no.

Mr. Nishimura said he noticed the reallocations that relate primarily to the billing change from once every 2 months to monthly billings increases the budget somewhat. Ms. Yano said some of it. Mr. Nishimura said he understood the need to do that but based on the table of organization, why isn't the section head getting reallocated and the Board of Water controller is. If this requires more work of the controller, you would assume that it would also include more work for that particular section. Manager Craddick said the type of work was not changing, just more of it

and did not think that was one of the justifications they could use for changing positions. He thought they would have to deal with that through the goals and if the Board agrees, they would submit something to the Personnel Department for review. For now Manager Craddick said he wanted to get the engineering reallocation approved. Mr. Nishimura said he was talking about the fiscal deviations. Manager Craddick said to go from bi-monthly to monthly billing does make more work but it doesn't make the work any harder or give a higher level of responsibility, which are the criteria used to reallocate the position. Mr. Nishimura suggested that if that is the case, the reallocation should come to the Board for approval on a case by case basis and they could lump sum the reallocations.

Mr. Nishimura's last concern was a relatively small amount but the vehicles for meter routes have never been 4-wheel drive. Purchase of vehicles requires some sensitivity to our rate holders especially when we are looking at a potential 45% increase in rates.

Deputy County Attorney Suzuki explained that the State Law mandates that purchases of new vehicles be electrical. Mr. Moises added that there is a hierarchy and the top is all electric, then plug-in electric, then hybrid, then ETA fuel economy and then the gas guzzlers. Mr. Dill said the mandate is that they consider those things and look for a justification for it; it is not automatic. Deputy County Attorney Suzuki said there was a big list of justifications to consider and should be done first.

Mr. Dahilig moved to approve the FY 2012 budget as amended by the Board, seconded by Mr. Nakaya.

Mr. Nakaya thanked the staff for all their work in bringing the budget closer to a balanced budget.

By a unanimous vote, motion carried.

NEW BUSINESS:

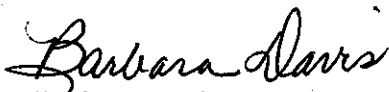
Re: Reauthorize FY 11 Operational and Maintenance Budget

Mr. Dahilig made a motion to table this item, seconded by Mr. Kaneshiro; by a unanimous vote, motion carried.

ADJOURNMENT:

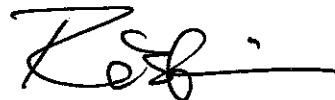
Chair Oyama adjourned the meeting at 10:30 a.m.

Respectfully Submitted,



Barbara Davis
Boards & Commissions Support Clerk

Approved,



Randall Nishimura
Secretary – Board of Water Supply