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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

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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

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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.

1 Any second?

2 MR. McCORMICK: Second.

3 CHAIRMAN OYAMA: Seconded by Ray.

4 Any discussion?

5 If not, all in favor say aye.

6 Opposed no.

7 Hearing none, motion carried. Thank you.

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

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

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

16 CHAIRMAN OYAMA: Yeah. Okay. Very good.  
17 Okay. That is wrong.

18 Anyone else?

19 If not, do we move to accept the minutes.

20 MR. NISHIMURA: So moved, Mr. Chair.

21 CHAIRMAN OYAMA: Okay. Thank you. Any  
22 second?

23 MR. NAKAYA: Second.

24 CHAIRMAN OYAMA: Okay. Moved and seconded  
25 to accept the minutes.

1 All in favor say aye.

2 Opposed no.

3 Hearing none, motion carried. Thank you.

4 Now, we're on the meeting transcripts.

5 MR. NISHIMURA: Mr. Chairman.

6 CHAIRMAN OYAMA: Yes, sir.

7 MR. NISHIMURA: Page 37, line 22.

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

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

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

14 MR. CRADDICK: What page is that, Randy?

15 MR. NISHIMURA: Page 83, line 17.

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

18 Any additional?

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

21 MR. McCORMICK: Move to accept.

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

24 MR. NISHIMURA: Second.

25 CHAIRMAN OYAMA: Seconded by Mr. Nishimura.

1           Okay. Any discussion?

2           In no, all in favor say aye.

3           Opposed no.

4           Hearing none, motion carried.

5           So this is the public hearing minutes that was.

6           Excuse me.

7                         MR. NISHIMURA: That was the regular  
8 meeting.

9                         CHAIRMAN OYAMA: Oh, the regular meeting.

10                        MR. NISHIMURA: Yeah.

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

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

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

18                        MR. CRADDICK: It's the first one.

19                        MR. NISHIMURA: Is that at the front?

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

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

25                        MR. CRADDICK: That's the one. Except the

1 public hearing was on the 8th, so that's not -- that's  
2 the one on the rates.

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

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

7 Any second?

8 MR. McCORMICK: Second.

9 CHAIRMAN OYAMA: Moved and seconded. Thank  
10 you.

11 Any discussion?

12 If not, all in favor say aye.

13 Opposed no.

14 Hearing none, motion carried. Thank you.

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

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

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

21 A. Annual evaluation of manager and chief  
22 engineer.

23 Item 1, chart report to the board.

24 MR. KANESHIRO: Thank you for that, Mr.  
25 Chair.

1           The Committee of the Whole met this morning at  
2 about 10:12, and we had the chart report also  
3 circulated. And the committee voted to move it to the  
4 full board.

5           CHAIRMAN OYAMA: Okay. Thank you.

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

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

11          Any second.

12          MR. McCORMICK: Second.

13          CHAIRMAN OYAMA: Seconded by Ray. Thank  
14 you.

15          Any discussion?

16          If not, all in favor say aye.

17          Opposed no.

18          Hearing none, motion carried. Thank you.

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

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

25          MR. KANESHIRO: Since the chair is not



1 here, may I call for a short recess.

2 CHAIRMAN OYAMA: Okay. A recess is called.  
3 Thank you.

4 (A break was had.)

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

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

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

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

18 MR. CRADDICK: Yes.

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

22 CHAIRMAN OYAMA: Okay.

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

25 CHAIRMAN OYAMA: Thank you, Mr. Nishimura.

1 Any second to it?

2 MR. McCORMICK: Second.

3 CHAIRMAN OYAMA: Seconded by Mr. McCormick.

4 Thank you, McCormick.

5 Okay. Any discussion to it?

6 If not, all in favor say aye.

7 Opposed no.

8 Hearing none, motion carried.

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

12 MR. NISHIMURA: Point of order, Mr. Chair.  
13 That's part of the rules committee report that we just  
14 approved.

15 CHAIRMAN OYAMA: Yeah, both of those  
16 together.

17 MR. NISHIMURA: Yeah.

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

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

24 MR. KANESHIRO: Mr. Chair, move to defer  
25 this matter to the January 2012 meeting.

1 CHAIRMAN OYAMA: Second?

2 MR. McCORMICK: Second.

3 CHAIRMAN OYAMA: Okay.

4 Any discussion on the motion?

5 If not, all in favor say aye to defer.

6 Opposed no.

7 Okay. Hearing none, motion carried. Thank  
8 you.

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

11 1. Rule changes to implement FRC in Part IV.

12 And 2. Rule changes to implement process changes.

13 Mr. Craddick.

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

19 CHAIRMAN OYAMA: Okay. Thank you.

20 MR. NISHIMURA: Question for the manager.

21 When do you expect the FRC --

22 CHAIRMAN OYAMA: To schedule?

23 MR. NISHIMURA: Yeah.

24 MR. CRADDICK: We actually got it, but I  
25 still don't understand how they're handling the

1 interest. And I asked that question, but the guy is on  
2 vacation through the first week in January.

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

7 MR. CRADDICK: I don't see --

8 MR. NISHIMURA: Or maybe March?

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

11 MR. NISHIMURA: Or April?

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

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

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

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

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

24 Any second to it?

25 MR. KANESHIRO: Second.

1 CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.

2 Thank you very much.

3 All in favor say aye.

4 Aye.

5 Opposed no.

6 Hearing none, motion carried. Thank you.

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

9 1. Chart report to board. Go ahead.

10 MR. NISHIMURA: This evaluation portion.

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

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

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

17 CHAIRMAN OYAMA: Yes.

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

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

22 MR. CRADDICK: Yes.

23 MR. GUYOT: Chair and Council Members, I  
24 believe this is covered in one of your executive session  
25 items. So you may want to move this into that portion.

1 You can receive the chart, but move the discussion --

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

4 MR. GUYOT: So you have your chart already?

5 MR. CRADDICK: Yes.

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

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

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

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

13 MR. GUYOT: Again for the record, Deputy  
14 County Attorney Marc Guyot. Manager and Chief Engineer  
15 David Craddick has requested that his evaluation be done  
16 in open session, and as such executive session Item No.  
17 1 is no longer an executive session item and may be done  
18 in open session.

19 CHAIRMAN OYAMA: Okay.

20 MR. CRADDICK: Do you want me to? Okay.  
21 The chart that was passed out was, other than the fact  
22 that it's not the one that we've been working on for a  
23 year for my evaluation, is an issue that I have.

24 But what you do have here is going to be one  
25 that says -- I guess it's board members, and there's one

1 comment that says, Sensitive to the needs and  
2 perspective of other department heads.

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

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

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

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

20 And if I have a clear understanding from board  
21 members what they want other than at the meeting  
22 bringing something up that nobody has discussed, and I  
23 don't think there's anything from the Sunshine Law that  
24 prevents anybody from asking questions to us and trying  
25 to get stuff on there.

1           I myself -- I would have to say I purposely try  
2 not to talk to board members, to keep the discussion on  
3 the record. I do discuss things fairly heavily with the  
4 board chair. I would have to say probably more than  
5 they probably want. But that's all I can say.

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

12           Then the other one, the turnover of people.

13           MR. NISHIMURA: Where is that one?

14           MR. CRADDICK: The --

15           MR. NISHIMURA: What item was that?

16           MR. CRADDICK: Five, personnel management.

17           MR. NISHIMURA: Personnel management.

18           Okay.

19           MR. CRADDICK: You know, we've definitely  
20 gone through our baby boomer, I think, passage. I mean,  
21 we still have maybe five left. But two have lost -- you  
22 know, the number of people, 350 years in the span of  
23 12 months of knowledge in the water department is  
24 certainly not an easy transition, and I myself thought I  
25 might be one of the people leaving during that period.



1           But I find myself going through this transition  
2 with the department. It has -- I myself think it has  
3 been relatively smooth compared to what it's -- I know a  
4 lot of departments have yet to deal with this, and we've  
5 done it. And I don't want to say we've come out with  
6 flying colors. We've had your growing pains and  
7 everything during the year, but I do believe it will get  
8 better as we go forward. But that's all I can say  
9 there, but it's definitely been a trying year to say the  
10 least.

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

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

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

25           Are there any questions?

1                   CHAIRMAN OYAMA: Any questions, Board  
2 Members?

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

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

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

20                  MR. NISHIMURA: In terms of the goals, I  
21 think he has a valid concern. And I think it's  
22 incumbent upon the board to establish a goal. If we're  
23 going to follow the county's practice of performing the  
24 evaluation in October or roughly get it out in October,  
25 somewhere between October and December, those goals

1 really need to be established by January.

2 MR. CRADDICK: Yeah.

3 CHAIRMAN OYAMA: Should that be another  
4 committee?

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

12 CHAIRMAN OYAMA: Yeah.

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

16 CHAIRMAN OYAMA: Right.

17 MR. NISHIMURA: That muddies the water even  
18 further.

19 CHAIRMAN OYAMA: Yeah.

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

25 CHAIRMAN OYAMA: Right.

1 MR. NISHIMURA: The other aspect is because  
2 most of the board members come on or off at the end of  
3 the calendar year.

4 CHAIRMAN OYAMA: Right.

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

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

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

14 CHAIRMAN OYAMA: Right.

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

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

20 MR. KANESHIRO: Yeah.

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

1 MR. KANESHIRO: Correct.

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

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

10 If not, what direction do you want to take?  
11 Any board member?

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

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

23 CHAIRMAN OYAMA: Good comments from Mr.  
24 Kaneshiro.

25 If not, we can decide what you want to do with

1 it.

2 MR. KANESHIRO: Overall, we need to pass on  
3 some part of this evaluation to the county side, right,  
4 is that correct?

5 MR. GUYOT: Yes.

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

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

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

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

20 There needs to be a transmission from the  
21 appointing authority indicating that the individual has  
22 met or exceeded their -- actually just following the  
23 terms within the salary commission transmittal  
24 requirements to the director of personnel services, and  
25 that's the requirement that's required.

1 MR. KANESHIRO: Based on that I would  
2 recommend to the board that we pass on the tabulation of  
3 both the board, peers and staff rather than the  
4 individuals that were done. Just pass the overall  
5 evaluation on to the personnel director. So that would  
6 be my comment at this time rather than sending all of  
7 this over. This, I think, would be sufficient.

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

13 CHAIRMAN OYAMA: Okay. Can we get a  
14 motion?

15 MR. KANESHIRO: So moved.

16 MR. McCORMICK: Second.

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

19 MR. NISHIMURA: Mr. Chair.

20 CHAIRMAN OYAMA: Yes, sir.

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

1 MR. McCORMICK: Second.

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

6 Was it seconded?

7 MR. NISHIMURA: Mr. McCormick seconded it.

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

10 Any discussion to move to amend?

11 If not, we vote on the motion to move to amend.

12 All in favor say aye.

13 Opposed no.

14 Hearing none, motion carried. Thank you.

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

17 Any more discussion on that?

18 If not, all in favor say aye.

19 Okay. Opposed no.

20 Hearing none, motion carried.

21 It's all done here.

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

24 CHAIRMAN OYAMA: Sure. Recess is called.  
25 Ten minutes. Thank you.



1 (A break was had.)

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

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

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

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

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

22 MR. CRADDICK: Yes.

23 CHAIRMAN OYAMA: Because it's not in place.

24 MR. CRADDICK: Yes.

25 CHAIRMAN OYAMA: Okay. Thank you.

1 MR. NISHIMURA: Do you want to expand on  
2 that?

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

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

14 MR. NISHIMURA: On those rules where?

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

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

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

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

22 MR. NISHIMURA: Okay.

23 MR. NAKAYA: Chair.

24 CHAIRMAN OYAMA: Yes.

25 MR. NAKAYA: Just to clarify. The numbers

1 on the chart, like the first one is 1.3. So you're  
2 going to be requesting the amount in the year 2012 to  
3 2013, is that correct?

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

6 MR. NAKAYA: Okay. Another question.

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

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

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

23 But right now we're getting -- we've done the  
24 microparticulate analysis. EPA's done that. Passed  
25 that. We keep getting -- every now and again we'll get

1 a one coliform count. Our heterotropic plate count is  
2 down around -- what is it, Bill? It's less than 50  
3 anyways.

4 MR. EDDY: Yeah, pretty low.

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

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

9 MR. CRADDICK: Yeah, because if we're not  
10 --

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

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

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

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

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

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

1 to say.

2 MR. NAKAYA: Okay.

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

6 MR. NAKAYA: That's fine.

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

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

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

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

21 MR. McCORMICK: Second.

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

24 Any more discussion on the motion?

25 If not, all in favor say aye.

1           Opposed no.

2           Hearing none, motion carried. Thank you.

3           H, New Business, Item 1, Manager's Report  
4 12-49, Job No. 02-11, Project No. M-02, Construct Moloaa  
5 tank, 100,000-gallon storage tank, Moloaa, Kauai.

6           Mr. Manager.

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

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

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

24          CHAIRMAN OYAMA: That's a good size  
25 property then.

1 MR. EDDY: It's a half acre.

2 CHAIRMAN OYAMA: That's pretty good.

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

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

7 CHAIRMAN OYAMA: I believe it's ag.

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

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

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

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

20 Our next alternative is to go to condemnation.  
21 And how much time, you know, to go through an adverse  
22 condemnation. This is not a whole lot different than  
23 the Kilauea situation. It's a CPR, so you have to deal  
24 with other people besides the one that you're actually  
25 getting the property from.

1           And if you went out to this Moloaa tank, I  
2 mean, that should have been changed years ago. We've  
3 got wooden plugs in the tank, and it's not a happy  
4 situation out there.

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

8           MR. NAKAYA: It's 59 percent.

9           MR. CRADDICK: Huh?

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

11          MR. NISHIMURA: 40,000 more.

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

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

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

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

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

24          MR. NAKAYA: My question is, the additional  
25 value they're offering, when you said to go through



1 condemnation it's going to be a lot more expensive for  
2 the department than this 40,000?

3 MR. EDDY: Actually the true difference is  
4 \$30,000. The land cost is 100,000, and then we've got  
5 10,000 for attorneys' fees and going through the --

6 MR. CRADDICK: Subdivision.

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

9 MR. NAKAYA: So the -- actually the land is  
10 100,000?

11 MR. EDDY: That's right, yeah.

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

14 MR. NISHIMURA: We are doing the  
15 subdivision?

16 MR. EDDY: We are, yeah.

17 MR. CRADDICK: Yeah.

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

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

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

25 MR. CRADDICK: No, no, that's why we're

1 paying the extra.

2 MR. EDDY: The premium.

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

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

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

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

11 MR. CRADDICK: Right.

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

14 MR. EDDY: Yes.

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

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

20 MR. CRADDICK: That's it.

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

23 MR. CRADDICK: Yeah.

24 CHAIRMAN OYAMA: Okay.

25 MR. KANESHIRO: And you've tried

1 negotiating with him after the appraisal was done?

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

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

11 MR. EDDY: We have.

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

21 MR. NAKAYA: When was this appraisal done?

22 MR. ZAMBO: June and July.

23 MR. NAKAYA: Of this year?

24 MR. ZAMBO: Yes.

25 MR. NISHIMURA: I have a question. How

1 does this relate to -- go to 610 on the water utility  
2 budget summary status in the financial reports, page  
3 eight.

4 MR. CRADDICK: That's the item.

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

7 MR. CRADDICK: But this is the same  
8 project.

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

11 MR. CRADDICK: This 125,000, huh?

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

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

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

20 MR. EDDY: We do.

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

22 MR. EDDY: If need be, yeah.

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

25 MR. EDDY: Yes.

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

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

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

10                  MR. EDDY: Water utility.

11                  MR. CRADDICK: This portion here isn't the  
12                  expansion right now. We're just trying to replace the  
13                  tank we have.

14                  Will this be able to handle new customers, the  
15                  50,000? Right now the tank is what, about 10,000?

16                  MR. EDDY: It's 5,000.

17                  MR. CRADDICK: 5,000.

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

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

1 funded with the water utility fund, but ...

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

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

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

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

16 MR. McCORMICK: 49.

17 MR. NAKAYA: Oh, 49.

18 MR. McCORMICK: I'll second that.

19 CHAIRMAN OYAMA: Seconded. Okay. Thank  
20 you.

21 Any more discussion on that motion?

22 If not, all in favor say aye.

23 Opposed no.

24 Hearing none, motion carried. Thank you.

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

1 12-50, agreement for Maka Ridge Facilities  
2 Rehabilitation Plan, Agreement for Job No. 02-17, water  
3 plan 2020 Project, No. H-1, H-2, and H-3, Maka Ridge  
4 Facilities Rehabilitation Plan and Princeville System  
5 Interconnection Plan.

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

13 MR. MOISES: So what we're doing right now  
14 is actually the existing pipeline is within the  
15 easement, and when we put in the new line it's going to  
16 be outside of that. And part of the design, the plan is  
17 to redo the easement after construction is done. But  
18 right now this right of entry is for construction,  
19 because during the building permit review we got some  
20 issues with the public works about what we exempt on for  
21 grading since we're outside of our easement. So once we  
22 get this right of entry, they can sign off on the  
23 building permit. Right now we got a separate right of  
24 entry for our consultant to go in and redefine the  
25 easement probably this time next year.

1 MR. McCORMICK: Mr. Chair, move to approve  
2 Manager's Report 12-50.

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

5 Any second to the motion?

6 MR. KANESHIRO: Second.

7 CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.

8 Any discussion to the motion?

9 If not, all in favor say aye.

10 Opposed say no.

11 Hearing none, motion carried.

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

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

20 MR. ZAMBO: There's one private.

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



1 of property that we don't have legal access to.

2 CHAIRMAN OYAMA: Any questions, members?

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

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

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

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

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

22 MR. CRADDICK: The only one that is a new  
23 source -- probably a new source is a Moloaa, and that's  
24 not the tank site. The other ones are all existing  
25 facilities. So I think it would be a mix again of FRC

1 and water utility fund projects in there, or land  
2 acquisitions rather.

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

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

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

10 CHAIRMAN OYAMA: So inside?

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

16 MR. NISHIMURA: Is that included in this  
17 budget?

18 MR. EDDY: No.

19 MR. CRADDICK: But if we do that, this  
20 particular source of water is about 3,000 gallons a day  
21 of water. And to get it to Kilauea, which is the  
22 ultimate goal, and Anahola, we're looking at probably  
23 \$11 million project in total.

24 MR. EDDY: This manager's report is just to  
25 add three sites near this Kekaha/Waimea booster, Kekaha

1 Well 2 and Waimea Well 8. So the Moloaa was already  
2 approved under a different funding request.

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

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

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

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

15 MR. CRADDICK: Serving existing customers?

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

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

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

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

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

25 Any second?

1 MR. McCORMICK: Second.

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

4 Okay. So any discussion?

5 If not, all in favor say aye.

6 Opposed no.

7 Hearing none, motion carried.

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

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

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

23 MR. NISHIMURA: The only comment I have is  
24 that if this is primarily for contracts, whether they  
25 should be under the engineering section.

1 MR. CRADDICK: I don't know. It's all  
2 accounting.

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

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

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

11 MR. CRADDICK: It's purchasing in general.

12 MR. NISHIMURA: Where are your fees  
13 published?

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

18 MR. NISHIMURA: Okay.

19 CHAIRMAN OYAMA: Okay. Any more questions?  
20 If not, are we ready for action?

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

1 assist.

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

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

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

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

12 MR. NAKAYA: Second.

13 CHAIRMAN OYAMA: Seconded by Mr. Nakaya.  
14 Thank you.

15 All in favor of the motion please say aye.

16 Opposed no.

17 Hearing none, motion carried. Thank you.

18 Item 5 --

19 MR. NISHIMURA: Mr. Chair.

20 CHAIRMAN OYAMA: Yes.

21 MR. NISHIMURA: I filed a no vote.

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

24 MR. NISHIMURA: Yes.

25 CHAIRMAN OYAMA: So we got three.

1 MR. NISHIMURA: Yes, three ayes. Well,  
2 four ayes, one no.

3 CHAIRMAN OYAMA: All right. Thank you.

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

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

8 CHAIRMAN OYAMA: Recess. Okay. Ten-minute  
9 recess.

10 (A break was had.)

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

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

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

25 Okay. Do we want to go into executive session?

1 MS. SUZUKI: Two-thirds of those present.

2 MR. NISHIMURA: Two-thirds of those  
3 present.

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

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

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

11 MR. NAKAYA: For executive?

12 CHAIRMAN OYAMA: We need five, yeah.

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

15 CHAIRMAN OYAMA: Are you sure?

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

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

20 MR. CRADDICK: We didn't vote yet.

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

24 MS. SUZUKI: It's two-thirds of the members  
25 -- it's two-thirds of the members provided the



1 affirmative vote constitutes the majority of the members  
2 to which the board is entitled.

3 CHAIRMAN OYAMA: Okay. Mr. Nishimura is  
4 correct.

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

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

9 MS. SUZUKI: Board Member Kaneshiro.

10 MR. KANESHIRO: Aye.

11 MS. SUZUKI: Chair Oyama.

12 CHAIRMAN OYAMA: Aye.

13 MS. SUZUKI: Board Member Nishimura.

14 MR. NISHIMURA: Aye.

15 MR. CRADDICK: Board Member Nakaya.

16 MR. NAKAYA: Aye.

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

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

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

24 MR. CRADDICK: Wait. Are we doing to  
25 finish this one, 53?

1 MS. SUZUKI: No. 5.

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

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

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

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

25 So this is not really the item for that, even

1     though it shows it.  It's as though you were assuming  
2     you approved the other one, and I just want to go back  
3     and talk a little bit more with staff about that issue.

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

10            CHAIRMAN OYAMA:  Okay.  Any questions?

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

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

21            MR. CRADDICK:  The whole customer service  
22     section is under accounting the right now, and it is  
23     under an accountant IV right now.  And I guess there's a  
24     lot of history with that accountant IV position, but for  
25     customer service you really need an accountant there.  I

1 don't know. You know, that's some discussion that we  
2 need to have going forward. But we definitely need  
3 somebody to understudy what goes on there or it would be  
4 helpful anyways so that we're not caught when the  
5 position is vacated. Because as we're talking there  
6 earlier as we were going through my review, this is one  
7 position that could leave any time they wanted.

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

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

19 A lot of people in the accounting section are  
20 going to have to learn to deal with that new system.  
21 And whether we call it an accountant II position or not,  
22 I guess is a thing. We're calling it accountant II  
23 here. But if the motion is made that we can get a --  
24 reallocate this meter reader. If you look at the second  
25 page, you can see what we're deleting there. It says,

1 Meter reader field collection. That's already an  
2 existing vacant position. So we're not -- even though  
3 the next thing says we're creating a new position, we're  
4 actually reallocating this position to that.

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

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

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

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

20 MS. YANO: They report to Mel.

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

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

25 MS. YANO: This is vacant right now.

1 MR. NAKAYA: Pardon me?

2 MR. CRADDICK: The position is vacant right  
3 now.

4 MS. YANO: This is vacant.

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

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

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

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

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

23 MS. YANO: No, no.

24 MR. NAKAYA: Okay. That's all.

25 MR. CRADDICK: Until we go to monthly

1 reading, which keeps getting pushed back by Honolulu  
2 Board of Water Supply. So it's kind of beyond our  
3 control there, but right now it's pushed back to July,  
4 and we're here.

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

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

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

18 MR. CRADDICK: No, no, no, no, no. Well,  
19 that's the nature. If you take a position that's -- you  
20 know, we don't intend to keep that position around long.  
21 So if the person did not get that IV job and it was  
22 somebody within the water department and they couldn't  
23 go back to their other job, that would be a problem.  
24 But we would probably try and work it out so that they  
25 could go back to their other job if they didn't get the

1 job. I mean, we wouldn't be promising them that they  
2 would get the job just because they're doing the  
3 understudy work.

4 CHAIRMAN OYAMA: Okay. Ready to go?

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

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

20 It sounds like Tess wants it full time.

21 MR. KANESHIRO: We need some clarification.

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



1 MR. CRADDICK: Something.

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

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

8 MS. YANO: Keep the accountant II.

9 MR. KANESHIRO: So keep the accountant II  
10 position?

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

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

16 MS. YANO: And rename the position.

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

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

1 flexibility if that happens.

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

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

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

17 MS. YANO: Yes.

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

20 MS. YANO: Yes.

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

24 MR. CRADDICK: The position's been vacant  
25 all this year. So if you pay somebody a little bit

1 more, you're still not going to use the budget up by the  
2 end of the year.

3 MR. NAKAYA: Can you repeat?

4 MR. CRADDICK: Okay. We budgeted --

5 MS. YANO: 37.

6 MR. CRADDICK: Let's say 10 -- \$40,000.  
7 Half the year has done by. We haven't used any of it  
8 yet. So if we have to pay the next person \$12,000.

9 MR. NAKAYA: You just only -- okay.

10 MR. CRADDICK: Yeah, you're only using  
11 \$12,000. You're not --

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

14 MR. CRADDICK: Yeah.

15 MR. NAKAYA: Next year.

16 MR. CRADDICK: Maybe next year. Maybe.

17 MR. NAKAYA: Okay.

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

25 MR. McCORMICK: So you're going to change

1 it from a meter reader to an accountant II.

2 MR. CRADDICK: Yeah.

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

5 MR. CRADDICK: Here, here.

6 MR. McCORMICK: -- here becomes vacant --

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

10 CHAIRMAN OYAMA: Yeah, right here.

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

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

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

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

24 MR. NAKAYA: So the purpose of this is to  
25 have someone trained backup for the accountant IV?

1 MS. YANO: Yes.

2 MR. CRADDICK: That's right.

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

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

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

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

18 MR. NAKAYA: Again, but give someone else  
19 --

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

1 people to select from, not just one.

2 MR. NAKAYA: Okay.

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

7 MR. CRADDICK: That's correct.

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

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

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

14 MR. CRADDICK: No.

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

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

24 CHAIRMAN OYAMA: That's good to hear.  
25 Break the silence for a while. That's what I'm trying

1 to do. But the silence didn't come. But that's good.

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

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

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

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

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

20 And then we've got to come back to the board  
21 again. So I'm trying to avoid coming back to the board  
22 again by getting a more generic approval right now.

23 But if that's confusing, just go with what's  
24 here, and we'll go to personnel with this and see what  
25 happens. You never know. They might approve it. But

1 Sandi obviously is not an accountant II.

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

5 MR. CRADDICK: Yes, yes, I understand.

6 MR. KANESHIRO: Accountant II, whatever  
7 position.

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

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

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

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

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

22 MR. KANESHIRO: Okay.

23 CHAIRMAN OYAMA: Got it.

24 MR. KANESHIRO: I think I got it.

25 MR. CRADDICK: With the proviso that it



1    reverts backwards once the work is done, the need for it  
2    no longer exists.

3                   MR. KANESHIRO:    Okay.

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

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

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

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

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

17                   Any second?

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

20                   CHAIRMAN OYAMA:   Okay.

21                   MR. McCORMICK:   It's getting muddier.

22                   CHAIRMAN OYAMA:   I'm getting puzzled, too.

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

25                   MR. CRADDICK:    The only thing I can say is

1 I had some previous discussion with the missing board  
2 member today, and I know he was supporting it provided  
3 that was in there. And so I'm trying to -- without him  
4 being here trying to incorporate his concern in it  
5 without saying that. But it's now said.

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

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

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

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

21 CHAIRMAN OYAMA: So we can defer it.

22 MR. McCORMICK: Defer it, I guess.

23 CHAIRMAN OYAMA: You want to defer it?

24 MR. McCORMICK: I'm just saying I'm not  
25 fully clear.

1           Would deferring it have a major impact on the  
2 department?

3           MR. CRADDICK: It could. I could.

4           MR. KANESHIRO: Can we defer it until the  
5 end of this meeting where you can work on it? And then  
6 --

7           MR. CRADDICK: Could, yeah.

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

9           MR. CRADDICK: We could do that, too.

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

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

14          Any second to it?

15          MR. KANESHIRO: To the end of the agenda.  
16 I second that.

17          CHAIRMAN OYAMA: Seconded by Mr. Kaneshiro.  
18 Any discussion?

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

23          All in favor say aye.

24          Opposed no.

25          Motion carried.

1           Next one, yeah. The next one is the dual line.

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

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

17           CHAIRMAN OYAMA: Is there any question?

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

20           MR. CRADDICK: We have two here right now.  
21 One was Wailua, which after having approved the things  
22 with the dual system, has gone out of service. And  
23 consumption is increasing on our system, as it would  
24 have to happen if the dual system goes out. And it's  
25 creating problems for us because the facilities were

1 never put in because of the dual system.

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

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

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

14 MR. CRADDICK: Yes, yeah.

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

17 MR. CRADDICK: Yes.

18 CHAIRMAN OYAMA: And the one at Koloa is  
19 where?

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

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

24 MR. MOISES: Kiahuna Mauka.

25 MR. FUJIKAWA: It's right next to the old

1 source -- the waste water plant, Aqua's waste water  
2 plant.

3 MR. MOISES: Kiahuna Makai is the  
4 subdivision.

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

7 CHAIRMAN OYAMA: A small one?

8 MR. FUJIKAWA: Quite big.

9 MR. MOISES: Hundred lots.

10 MR. FUJIKAWA: A hundred lots plus.

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

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

15 CHAIRMAN OYAMA: And you think it's  
16 successful?

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

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

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

24 MR. FUJIKAWA: Yes.

25 CHAIRMAN OYAMA: Their own private, right?

1 MR. FUJIKAWA: It's not a dual system.

2 CHAIRMAN OYAMA: It's not a dual?

3 MR. FUJIKAWA: No.

4 MR. CRADDICK: Just private system.

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

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

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

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

19 MR. CRADDICK: That's the overall goal.  
20 But for this specific one that we're trying to work  
21 with, the board wanted some kind of report on. That's  
22 the hold-up. And if we can't get over this issue, and  
23 we can't get any guidance from the board, then we just  
24 got to go back to them and tell them, This is the issue.  
25 You know, and -- that's it.

1 I mean, the board said they wanted a report,  
2 and that's the report. That's where we are right now.  
3 We cannot -- I mean, I suppose I can just take the bull  
4 by the horns and pick one or the other. And that's  
5 what I was ready to do.

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

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

17 CHAIRMAN OYAMA: Anybody else, questions?

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

20 MR. CRADDICK: Right.

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

24 MS. SUZUKI: The board requested an update,  
25 so it is just being received.



1 MR. CRADDICK: That's the update. And if  
2 you want to get into more meat of it, we did list it as  
3 an executive session because this is a negotiation  
4 that's ongoing. And I think we can go into executive  
5 session on that if you want to.

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

8 MR. NAKAYA: To get more details?

9 MR. CRADDICK: Yeah.

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

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

14 CHAIRMAN OYAMA: Okay, okay.

15 MR. KANESHIRO: No. 3.

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

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

24 CHAIRMAN OYAMA: Okay.

25 MR. NAKAYA: Second.

1 CHAIRMAN OYAMA: Seconded by Mr. Nakaya.

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

4 CHAIRMAN OYAMA: Okay. All in favor say  
5 aye.

6 Opposed no.

7 Okay.

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

10 CHAIRMAN OYAMA: Roll call vote, okay.

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

13 CHAIRMAN OYAMA: Yes, we've got four.

14 MR. KANESHIRO: Go ahead. Roll call vote.

15 MS. SUZUKI: Board Member Nakaya.

16 MR. NAKAYA: Aye.

17 MS. SUZUKI: McCormick.

18 MR. McCORMICK: Aye.

19 MS. SUZUKI: Oyama.

20 CHAIRMAN OYAMA: Here.

21 MS. SUZUKI: Kaneshiro.

22 MR. KANESHIRO: Aye.

23 (Executive Session at 1:59 to 2:21 p.m. in  
24 separate transcript. Reconvene Regular  
25 Meeting at 2:22 p.m.)

1                   CHAIRMAN OYAMA: Meeting called back to  
2 order. Discuss the statement of Kauai County Water  
3 Department's revenues and expenditures.

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

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

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

18                   For source and storage, the Department of  
19 Health conducted sanitary survey for the Kapaa and the  
20 Wailua systems in November. We recently received the  
21 report just about less than two weeks ago. And the  
22 operations division is preparing the response to the  
23 report. They've had the Department of Health  
24 recommendations on what we should do based on the  
25 findings of their inspector.

1           Some of these are simple meeting matters for  
2 you. On the second page we have the chart. And I think  
3 the most important part of that chart is the overtime.  
4 From October to November our overtime is down thanks  
5 largely to the efforts of our supervisors who are  
6 monitoring the overtime work of their subordinates.

7           If you have any further questions.

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

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

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

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

23          The well is actually a really good quantity  
24 well. For the past 30 days -- or now it's been over  
25 30 days. We've been getting about 300 GPM regularly.

1                   CHAIRMAN OYAMA: How long are the pumps  
2 running?

3                   MR. REYNA: 24 hours pumping, yes.

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

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

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

14                  MR. CRADDICK: Very good.

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

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

20                  CHAIRMAN OYAMA: Yeah. It should be good.

21                  MR. REYNA: Do you have questions?

22                  CHAIRMAN OYAMA: Any questions? Anybody  
23 any questions?

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

25                  MS. SHIRAMIZU: Sorry.

1                   CHAIRMAN OYAMA: We like to hear your  
2 voice.

3                   MS. SHIRAMIZU: Thank you. Mahalo. So all  
4 I'm going to say is my report is there.

5                   Do you have any questions?

6                   CHAIRMAN OYAMA: We like to hear your  
7 voice.

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

15                   CHAIRMAN OYAMA: Any questions for Faith?  
16 Okay.

17                   We don't have Marites here yet.

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

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

24                   No. 5, the monthly -- manager's report monthly  
25 update.

1                   MR. CRADDICK:    Okay.  Let's see here.  The  
2 accountant III, I guess, will be starting work on the  
3 1st of January.

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

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

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

10                  And then the conveyance of water systems there,  
11 \$30,000.

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

15                  CHAIRMAN OYAMA:  Okay.  Any questions?  
16 Okay.  Let's see.  We're done.

17                  Okay.  Topics for next water board meeting.  
18 Employee of the quarter award, project status update,  
19 affordable housing update.

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

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

25                  Right, David?

1 MR. CRADDICK: Yes.

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

5 And next next water board meetings; we have  
6 Thursday, January 26th, 2012, 10:00 a.m.; then Thursday,  
7 February 23rd, 2012, 10:00 a.m.; Thursday, March 22nd,  
8 2012, 10:00 a.m.; and Thursday, April 26th, 2012, 10:00  
9 a.m.

10 Everybody okay with that? Okay.

11 And that's it. Ready for adjournment.

12 MR. CRADDICK: No, no, no, no, 53, back to  
13 53.

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

16 CHAIRMAN OYAMA: Oh, yeah. Okay. David,  
17 all yours.

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

24 CHAIRMAN OYAMA: Is that it? Any second?

25 MR. KANESHIRO: I'll second.



1                   CHAIRMAN OYAMA:   Okay.   Seconded by  
2   Kaneshiro.

3                   Any discussion to the motion?

4                   If not, all in favor say aye.

5                   Opposed no.

6                   Hearing none, motion carried.   Thank you.

7                   Now we are ready for adjournment, right?

8                   So we are adjourned.   Thank you very much.

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

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1 STATE OF HAWAII )  
 ) ss.  
 2 COUNTY OF KAUAI )

3 I, TERRI R. HANSON, RPR, CSR 482, do hereby  
 certify:  
 4

5 That on Thursday, December 22, 2011, at 10:18  
 a.m. that the foregoing REGULAR MEETING, County of  
 6 Kauai, Board of Water Supply, was held;

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

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

12 DATED this 7th day of January, 2012, in Kapaa,  
 13 Hawaii.

14  
 15 \_\_\_\_\_  
 16 TERRI R. HANSON, CSR 482  
 Registered Professional Reporter

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