

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COUNTY OF KAUAI  
BOARD OF WATER SUPPLY  
SPECIAL BOARD MEETING

Thursday, December 15, 2011  
9:04 - 9:26 and 9:36 - 9:47 a.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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

APPEARANCES

BOARD MEMBERS:

Larry Dill (arrived late)

Michael Dahilig

Daryl Kaneshiro

Roy Oyama, Chair

Randall Nishimura

Clyde Nakaya

STAFF:

David Craddick

Andrea Suzuki, Deputy County Attorney

Carol Beardmore

Marites Yano

Faith Shiramizu

Dustin Moises

Val Reyna

Gregg Fujikawa

William Eddy

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SPECIAL BOARD MEETING

CHAIRMAN OYAMA: The special board meeting please come to order. This is the Board of Water Supply, County of Kauai, Second Floor Micro Lab Building, County of Kauai, Department of Water, 4398 Pua Loke Street, Lihue, Kauai 96766. This is Thursday, December 15, 2011, and it's 9:04 a.m. Call to order.

Can we have the roll call, please.

MS. BEARDMORE: Roy Oyama.

CHAIRMAN OYAMA: Here.

MS. BEARDMORE: Michael Dahilig.

MR. DAHILIG: Present.

MS. BEARDMORE: Larry Dill. Daryl Kaneshiro.

MR. KANESHIRO: Here.

MS. BEARDMORE: Clyde Nakaya.

MR. NAKAYA: Here.

MS. BEARDMORE: Raymond McCormick. Randall Nishimura.

MR. NISHIMURA: Here.

MS. BEARDMORE: We have quorum.

CHAIRMAN OYAMA: Thank you. Item C, Acceptance of Agenda.

MR. KANESHIRO: Move to accept the agenda.

MR. NISHIMURA: Second.

1                   CHAIRMAN OYAMA:  Seconded.  Okay.  Thank  
2 you very much.  Any discussion?

3                   If not, all in favor say aye.

4                   Opposed no.

5                   Hearing none, motion carried.  Thank you.

6                   And then now we are on Item D, New Business,  
7 Manager's Report No. 12-48, board discussion and  
8 possible action on the proposed amended Rules and  
9 Regulations, Part IV, fixing rates for the furnishing of  
10 water service in the County of Kauai as it relates to  
11 rates and use charges for the furnishing of water  
12 service for fiscal year FY 2012 to 2016.  Mr. Craddick.

13                   MR. CRADDICK:  Yes.  For this matter here,  
14 it's a recommendation that we request the board to take  
15 positive action on the amendment to the Rules and  
16 Regulations of the Board of Water Supply for the  
17 above-listed section changes and as also recommended by  
18 our consultant, RW Beck.

19                   This is a conservative approach and the  
20 recommendation is again made with the understanding that  
21 at a minimum of once each year the board looks at the  
22 rate development fee funds that are being made and  
23 checks to see if cash is accumulating due to the  
24 development fees fully funding expansion costs and  
25 replacement projects are not being completed as funds

1 are available, and then either future rate year  
2 increases are either delayed or cut back.

3 And the reason we make this recommendation is  
4 if we don't do that, we are -- the rates that we're  
5 charging are exceeding our operating costs. But we know  
6 that we've gone this specific approach because we don't  
7 expect the development fees to be coming in at a high  
8 enough rate to pay the first few years of deprec- -- or  
9 not depreciation, of debt service payments.

10 And then I don't know -- you know at our public  
11 hearing we had a presentation, and no one showed up. I  
12 don't know if you want to go through that presentation  
13 as part of your packet. I can go through a shorter  
14 version of that. I don't think we need the whole thing.

15 In your packet you did get the letter to small  
16 business. It's this page that's handed out here, and it  
17 says 071. And if you go to the first group of pages  
18 there, they're numbered, I think, up to about 80 or so.  
19 And this page just goes in at page 71.

20 Anyhow, for background on this, the matter  
21 first came to the board January of 2011, at which time  
22 it was referred to the board's finance committee. After  
23 eight committee meetings some of which were referred to  
24 a later date, the finance committee made a  
25 recommendation to the board.

1           During this time staff held approximately 14  
2 meetings with various community groups. The only  
3 adverse reaction was when people asked to have the rates  
4 increased for the purpose of reducing FRC costs. This  
5 was opposed by most of the groups when this issue was  
6 raised.

7           Subsequently the board approved the attached  
8 revisions of Part IV rules to be sent to small business  
9 review board at its November -- at the board's  
10 November 4th meeting. A copy of the draft Part IV rules  
11 is available as part of this special board meeting  
12 packet. That's on the very -- I think the very last  
13 pages going from page 201 to -- and there's a whole  
14 bunch, and then I think it's 210 there. Yes, 210.

15           The public hearing for this rule amendment --  
16 oh, and then the small business actually approved this  
17 to go to public hearing at their December 7th meeting.

18           We went to public hearing December 8th. Notice  
19 was published November 18th in the newspaper Honolulu's  
20 Star Bulletin. The results of the public hearing, it  
21 says, Were sent, but it's a mistake there. It should be  
22 will be sent to the small business review board for  
23 their review. And there was no adverse testimony at the  
24 public hearing.

25           We also have the minutes or the transcript of

1 that public hearing in the packet, too, even though no  
2 one was there. You have the actual transcript of that  
3 meeting. So if you want this presentation, you have it  
4 in there.

5 Does everybody want to see the presentation  
6 that I basically was -- had to give to the community?  
7 It may be important because what the small business --  
8 even what the small business letter says, what happened  
9 there at the meeting, they had a bare quorum of the  
10 board there, and so I needed 100 percent of their vote,  
11 positive vote, to go to public hearing.

12 Starting off, two of them were against it  
13 because they seemed to feel that their purview is to go  
14 into what rates we needed. And they asked, you know, if  
15 the presentation that I gave was intended to fully --  
16 was that the presentation I was giving to the board.

17 And I said, No, it wasn't.

18 And then one of the board members there had  
19 actually taken a comparison of our costs and revenue,  
20 and says, Oh, you know, you're making \$2 million more  
21 out here than what your cost is.

22 I said, Well, yes, we are because of the debt  
23 service coverage and the fact that our debt service is  
24 exceeding our depreciation.

25 So if you look at the -- it's the last chart in

1 the presentation. The presentation is given on page 195  
2 to 199 in the handout portions. And the last graph,  
3 what I did was I -- if you can -- can everybody see this  
4 one down on the floor over here? It's not numbered, but  
5 it was an additional graph that I made up because of  
6 that small business reaction to our proposal.

7 It shows the \$2 million. The red line there is  
8 our operating costs. The blue line is our revenue. And  
9 the revenue does exceed our cost but it needs to because  
10 in two years our depreciation -- or our debt service  
11 will go up by \$2 million.

12 And then additionally if all of that was coming  
13 from the FRC, its portion, we wouldn't have any problem.  
14 But we don't expect to see -- or well, I shouldn't say  
15 we don't expect. We just don't know if we'll be getting  
16 that revenue. And if we do get that revenue, there will  
17 be some opportunity to cut back on the proposed rate  
18 increase in future years. But right now, with a  
19 conservative approach, and I don't have any argument  
20 with taking a conservative approach to it.

21 CHAIRMAN OYAMA: Board members, any  
22 questions? Yes, Mr. Nishimura.

23 MR. NISHIMURA: Does the current rate  
24 increase take into account the current status of the BAB  
25 funding levels? And what are the projects that are



1 being funded -- or what projects are being funded?

2 MR. CRADDICK: The schedule from Beck that  
3 was recommended by the finance committee showed the FRC  
4 not making any payments into the water revenue fund, and  
5 we don't know if that will occur. If we start getting  
6 enough money into that fund that it can make the full  
7 debt service payment for all of the projects that are  
8 expansion related, we could end up -- if we don't do any  
9 additional projects, we could end up building up  
10 additional cash reserves, which I don't think anybody  
11 wants to see.

12 MR. NISHIMURA: Now the BAB fund, isn't  
13 that a separate fund from the water utility fund?

14 MR. CRADDICK: It's not a fund. It's just  
15 that's a borrowing that we did. So it shows as cash  
16 right now. But as we spend it down, that disappears.  
17 But you're left with the debt service payments for the  
18 next -- let's see, we had two years go by, so it would  
19 be 23 more years.

20 MR. NISHIMURA: So those obligations are in  
21 the water utility fund right now?

22 MR. CRADDICK: Yes, yeah, everything is  
23 there. So the way we're showing it right now in the  
24 current year's budget is we make a transfer from the FRC  
25 into the water utility fund to pay the debt service for

1 the SRF and other bond projects that were expansion  
2 related, and this would be no different.

3 What we're planning on doing is waiting until  
4 all of the money got encumbered, and then we would make  
5 a one-time adjustment. There would be a one-time  
6 transfer of funds if it's available from the FRC into  
7 the water utility fund, and we would continue on from  
8 there.

9 If there's not sufficient money in there, then  
10 what's going on with the rates is the rates are high  
11 enough that we could do an interfund borrowing  
12 resolution, and the FRC would basically have to borrow  
13 money from the water utility fund, repay it with  
14 interest.

15 And hopefully we would get over that hump of  
16 the people that have rushed in to pay the development  
17 fee now for the FRC that probably aren't going to be  
18 developing right away but because they think the rate  
19 will go up, we do have a -- well, we've had a doubling  
20 of the number of people that came in for meters this  
21 last year.

22 And how long -- well, the longer it takes to  
23 get the FRC in that will continue on, may even  
24 accelerate. Because some of the systems are starting to  
25 get to the point where we're saying they're adequate and

1 with the projects that have already been built. So  
2 those ones will definitely be seeing probably more  
3 people coming in.

4 CHAIRMAN OYAMA: Any more questions? Sure.

5 MR. DILL: Have we spoken before about if  
6 we approve this rate increase, I think each year the  
7 actual annual rate increase would be subject to approval  
8 by this board. And you talked about this board being  
9 able to review and confirm financial information in the  
10 budget basically for the upcoming year to confirm that  
11 our rate increase is warranted.

12 And is there anything that has been since put  
13 into place policy protocol-wise to ensure that that  
14 information would be received by the board in a timely  
15 manner?

16 MR. CRADDICK: Well, we have to approve our  
17 budget by June of every year, and the budgeting process  
18 is the only thing that's in place. I mean, you would  
19 definitely have all of the information available to you  
20 during the budget process.

21 MR. DILL: Okay. So remind me,  
22 schedule-wise, the rate increase is proposed July 1 of  
23 every year, is that right?

24 MR. CRADDICK: This proposal here, the  
25 first step is January of this next -- this current

1 fiscal year, which would be January. And then the other  
2 three are January -- or July 1.

3 MR. DILL: Okay. And is there a firm  
4 schedule for budget approval or is it just by the  
5 beginning of the fiscal year?

6 MR. CRADDICK: It really is by June 30th.  
7 And I never hit the case where the budget wasn't  
8 approved by June 30th. We typically try to get the  
9 budget to the board in March and then hopefully it gets  
10 approved by June.

11 MR. DILL: Okay. Well, I think that  
12 getting it to the board in March would give us adequate  
13 time. But I would like to have that be confirmed that  
14 we get it by, I don't know, first meeting in March or  
15 something like that. Because I think the March meeting  
16 to make sure the board does have adequate time to  
17 justify the rate increases upcoming in the following  
18 fiscal year.

19 MR. CRADDICK: I think we've done it for  
20 the last two years.

21 MR. NISHIMURA: My vote is for sale, Larry.

22 MR. DILL: Is that going to be in the  
23 minutes?

24 CHAIRMAN OYAMA: Anything you say.

25 MR. NISHIMURA: Be careful what you wish

1 for.

2 I have an overriding concern because of the  
3 difference between the supposed 7 and 11 percent. Okay.  
4 As you know, I disagree that the rate increase is only  
5 an 11-percent increase because the rates -- our revenues  
6 will go up by 11 percent, but the rates that the  
7 consumers will actually see will go up by much more.  
8 And so, you know, my concern with respect to what we're  
9 going forward with, I understand, you know, all of the  
10 safeguards, and I appreciate the safeguards that  
11 Mr. Dill and Mr. McCormick are trying to build in.

12 And because the BAB represents such a large  
13 part of our upcoming debt service, I would like to ask  
14 the manager whether he would be willing to take the  
15 high-level-water project off of it and substitute  
16 replacement projects instead?

17 MR. CRADDICK: I do not believe before we  
18 run out of money in the BAB that that project will have  
19 completed the environmental assessment.

20 MR. NISHIMURA: You did not answer my  
21 question. It's either a yes or a no.

22 MR. CRADDICK: To me I think that's a board  
23 decision to do that if they want to do that. If they  
24 feel that's a low priority, they can do that. And to  
25 say to not do it right now when we're just embarking on

1 the EIS process -- anyways, the likelihood that any BAB  
2 money is going to be there is -- in two years is all  
3 money will be spent. That project, I don't think, will  
4 be done. We may be presenting the EIS at that point.  
5 So I think just functionally we're going to run out of  
6 money.

7 But it's up in the board. If they want to drop  
8 it off, they could. I mean, to me, it's not going to  
9 make any difference one way or the other because we'll  
10 have encumbered all of the funds anyways with other  
11 projects.

12 CHAIRMAN OYAMA: Any more discussion?

13 MR. CRADDICK: Hopefully that is a good  
14 enough answer for you.

15 MR. NISHIMURA: That's okay.

16 MR. CRADDICK: Okay.

17 CHAIRMAN OYAMA: Anyone else? Can we take  
18 an action? Or any more discussion? Do I hear a  
19 response?

20 MR. DILL: Mr. Chair, can I ask our legal  
21 counsel to give me some wording for the proposal to  
22 adopt the rule, I guess?

23 MS. SUZUKI: You can move to adopt the  
24 amended rules and regulations as presented.

25 MR. DILL: Okay. So I'll move, Mr. Chair,

1 to adopt the amended rules and regulations as presented.

2 CHAIRMAN OYAMA: Okay. Mr. Larry moved to  
3 adopt the regulations as presented. Second to it?

4 MR. NISHIMURA: Mr. Chair, for the sake of  
5 discussion, I will second the motion.

6 CHAIRMAN OYAMA: Okay. Seconded. Any  
7 discussion at this time?

8 MR. DAHILIG: Mr. Chair, request a roll  
9 call vote.

10 CHAIRMAN OYAMA: Request a call?

11 MR. DAHILIG: Request a roll call vote.

12 CHAIRMAN OYAMA: All right.

13 MR. NISHIMURA: Mr. Chair.

14 CHAIRMAN OYAMA: Yes.

15 MR. NISHIMURA: Move to amend the motion  
16 that we delete from the BAB subject to approval of the  
17 main motion that we delete the high-level-water project  
18 from the BAB project list and that be reflected at the  
19 time of further resolution or changes to the borrowing  
20 resolution, and that no further funding from the BAB be  
21 used for the high-level project once action is taken.

22 CHAIRMAN OYAMA: Okay. A motion to amend,  
23 to remove the high-level project. Any second?

24 MR. KANESHIRO: Second.

25 CHAIRMAN OYAMA: Second by Mr. Kaneshiro.

1 Okay. Discussion first. Calling for discussion.

2 MR. DAHILIG: Mr. Chair, I'd like to  
3 actually move to request that the board go into  
4 executive session pursuant to Chapter 92 to consult with  
5 the attorney regarding any rights, duties, privileges,  
6 or liabilities as a result of removing appropriated  
7 funds for a project that may have already commenced.

8 MR. CRADDICK: No, I think he said going  
9 forward from now.

10 MR. DAHILIG: But I'd like to ask.

11 CHAIRMAN OYAMA: He wants an executive  
12 session. He made a motion, so any second to it?

13 MR. DILL: I'll second it.

14 CHAIRMAN OYAMA: Larry seconded it.

15 All in favor.

16 Motion carried.

17 (Executive Session at 9:26 to 9:35 a.m. in  
18 separate transcript.)

19 CHAIRMAN OYAMA: Call the meeting back to  
20 order. This is 9:36 a.m. And we are at the stage of  
21 the amendment being amended. Yeah.

22 MR. KANESHIRO: And we have a second on  
23 that, also.

24 CHAIRMAN OYAMA: We have a second on that,  
25 and we have a discussion. And we'll continue the



1 discussion at this time.

2 MR. NISHIMURA: Mr. Chair, the purpose of  
3 the amendment is to make sure that BAB monies are used  
4 primarily for projects that will be affected by the  
5 rates without the \$12 million project on that list that  
6 represents almost 20 percent of the BAB.

7 And if we are going forward with this  
8 additional four percent in revenue that we want to  
9 create, I would like to see those monies going towards  
10 our existing system or replacement of the system as  
11 opposed to, you know, using it as insurance for FRC  
12 which may still be required, but we're not committing  
13 those funds for projects that may be slanted toward the  
14 FRC. And that's the purpose of this amendment.

15 CHAIRMAN OYAMA: Okay. Anybody else? Any  
16 more discussion?

17 If not. We're going to be acting on the motion  
18 to amend. Okay.

19 MR. DILL: I'm sorry, Mr. Chair.

20 CHAIRMAN OYAMA: Yes.

21 MR. DILL: Just for clarification. So  
22 would you be comfortable, Mr. Nishimura, if FRC revenues  
23 did come in and were able to support the project and be  
24 funded out of the FRC then?

25 MR. NISHIMURA: At that point, yes. But

1 when we're looking forward, we're basically shooting in  
2 the dark right now.

3 MR. DILL: Right.

4 MR. NISHIMURA: And so if I'm going to  
5 shoot in the dark, I want to narrow the picture --  
6 narrow the -- make that target bigger for us, you know.  
7 And I think by taking this project off the BAB, we still  
8 will go forward -- can go forward with the \$2 million,  
9 you know, to do feasibility, EA, all that kind of work.  
10 And see if in the future it, you know, justifies further  
11 funding. I could support that.

12 But if we're going to increase the rates by  
13 potentially an additional four percent over the other  
14 option, I would like to see some assurances that that  
15 money is being spent on our rate holders as opposed to  
16 expansion projects.

17 And, you know, we can argue the percentage of,  
18 you know, expansion versus growth. But for me, if I'm  
19 going to support this -- your motion, I've got to have  
20 greater reliance on the fact that the monies are going  
21 more toward our rate holders as opposed to expansion of  
22 the system.

23 MR. DILL: So just to clarify the motion,  
24 you don't have an issue with the first phase of the  
25 work?

1 MR. NISHIMURA: I do not.

2 MR. DILL: Thank you.

3 CHAIRMAN OYAMA: Okay. Any more  
4 discussion? If not --

5 MR. CRADDICK: Could we -- I don't know if  
6 it's appropriate for me to be asking for a recess, but  
7 especially since in my evaluation it says that not full  
8 disclosure, I want to make sure that you understand the  
9 high-level well is not an expansion project. So  
10 deleting them off of there is not going to affect --

11 MR. NISHIMURA: Why is it not an expansion  
12 project?

13 MR. CRADDICK: Because the purpose of doing  
14 it is to stop pumping all of our existing ground water  
15 sources. So it would be a replacement of ground water  
16 sources. Now, if we hit a bonanza and we got way more  
17 water than we're currently pumping, then an argument  
18 could be made that we could expand the system with that.  
19 But right now it is not being done for the purpose of  
20 expanding the water system. It's being done for the  
21 purpose of cutting our power costs, and that's all.

22 MR. NISHIMURA: And you're willing to spend  
23 12 million on that?

24 MR. CRADDICK: Well, the proposal that came  
25 in is slightly over double that.

1 MR. NISHIMURA: Yeah, I understand that.  
2 But I'm saying with the \$60 million bond, you're willing  
3 to expend 20 percent of that for one part of what? Nine  
4 systems?

5 MR. CRADDICK: Well, if we can save  
6 \$2 million a year in power costs, which is basically  
7 what the Lihue, Kapaa system is paying for, we would pay  
8 off that bond before the bond was paid off -- we would  
9 have saved that much money before the bond was paid off.

10 So I have no -- I mean, I have no objection at  
11 all to dropping that from the project list simply  
12 because I know it's highly unlikely we'll even get to  
13 the point. And I know that \$30 million is a big jump to  
14 take. I mean, as we go through the financial analysis  
15 on it, it may end up that putting photovoltaics in is a  
16 cheaper option rather than taking the risk of drilling  
17 that high-level well and finding out we don't get what  
18 we're looking for. But again, it's to replace existing  
19 sources. It's not for the purpose of getting new  
20 source.

21 CHAIRMAN OYAMA: Any more discussion? Next  
22 step is recording the votes for the -- to amend. Okay.  
23 Are we ready?

24 MR. DAHILIG: No more questions.

25 CHAIRMAN OYAMA: No more questions.

1           Okay. Call a vote to amend the motion. Should  
2 we do a roll call vote?

3           MR. DAHILIG: Yes.

4           MS. SUZUKI: You want a roll call vote?

5           MR. DAHILIG: Yes.

6           CHAIRMAN OYAMA: Okay. Roll call vote.

7           MR. DILL: Mr. Chair.

8           CHAIRMAN OYAMA: Yes.

9           MR. DILL: And I would be open to an  
10 amendment -- it is an amendment -- I'm not sure how to  
11 put this. To say that we already have a safeguard, if  
12 you will, in the contract that any further work beyond  
13 on Phase I would have to come back to the board for  
14 approval. Rather than outright banning this project  
15 from the BAB list right now, just say that its inclusion  
16 would be subject to the board approval at a later date  
17 if it's justified by the department to do that.

18           MR. NISHIMURA: Can we bring it back up at  
19 that point. My point is to take it off the list for  
20 now.

21           MR. DILL: Okay. Well, if that's the case.

22           MR. NISHIMURA: Like I said, I'm going to  
23 be gone after a year.

24           MR. DILL: It will be your legacy.

25           CHAIRMAN OYAMA: Okay. So, Andrea, would

1 you call a roll call vote as requested.

2 MS. SUZUKI: Okay. This is a roll call  
3 vote for --

4 CHAIRMAN OYAMA: To amend.

5 MS. SUZUKI: Board Member Nishimura's  
6 amendment?

7 CHAIRMAN OYAMA: To amend. Yeah. To  
8 amend.

9 MS. SUZUKI: All right. Board Member  
10 Nakaya.

11 MR. NAKAYA: Aye.

12 MS. SUZUKI: Board Member Nishimura.

13 MR. NISHIMURA: Aye.

14 MS. SUZUKI: Board Member Oyama.

15 CHAIRMAN OYAMA: Aye.

16 MS. SUZUKI: Board Member Kaneshiro.

17 MR. KANESHIRO: Aye.

18 MS. SUZUKI: Board Member Dahilig.

19 MR. DAHILIG: Aye.

20 MS. SUZUKI: Board Member Dill.

21 MR. DILL: Aye.

22 CHAIRMAN OYAMA: So it's unanimous. That  
23 is carried.

24 So now we will vote as amended. Okay.

25 MR. NISHIMURA: Before we go forward with

1 the vote.

2 CHAIRMAN OYAMA: Sure.

3 MR. NISHIMURA: I was going do ask Mr. Dill  
4 if he felt that the budget be presented to the board no  
5 later than March 30th as part of the motion?

6 MR. DILL: I would like that. If you care  
7 to support the amendment, I would support that. So I'd  
8 like to amend my motion.

9 MS. SUZUKI: Amend the amended motion.

10 MR. DILL: Yes. To include a stipulation  
11 that the department submit to the board for review the  
12 annual budget no later than the March meeting -- or say  
13 March 31st.

14 CHAIRMAN OYAMA: So that's coming the 27th.

15 MS. SUZUKI: March 31st or March 27th?

16 MR. DILL: What's the difference?

17 MS. SUZUKI: Three or four days.

18 MR. NISHIMURA: I would say by the March  
19 meeting, Larry.

20 MR. DILL: Okay.

21 MR. NISHIMURA: And that way you can get it  
22 by the meeting, you know.

23 CHAIRMAN OYAMA: Okay. March meeting.

24 MR. DILL: Okay. By the March meeting.

25 Thank you. I'll go with that.

1 MR. NISHIMURA: I'll second that.

2 CHAIRMAN OYAMA: Seconded by Mr. Nishimura.

3 Any discussion? Any question? Are you okay?

4 Okay. No discussion. So we will vote on the  
5 issue.

6 MR. NAKAKA: Again, I'm going to be  
7 supporting this, however, the timeline that -- the March  
8 date is very important. Accounting, do you have any  
9 problem with that?

10 MS. YANO: No, I think we started it in  
11 February last year.

12 MR. NAKAYA: That was my main concern that  
13 we have the information on a timely basis so we can move  
14 forward. That's all I have to say.

15 CHAIRMAN OYAMA: Okay. Well, that's very  
16 good to ask Tess for clearance.

17 Okay. Now we're going to be voting to amend  
18 for adding the March 31st -- or the March meeting  
19 deadline. Okay. All right.

20 MS. SUZUKI: Board Member Nakaya.

21 MR. NAKAYA: Aye.

22 MS. SUZUKI: Board Member Nishimura.

23 MR. NISHIMURA: Aye.

24 MS. SUZUKI: Board Member Oyama.

25 CHAIRMAN OYAMA: Aye.



1 MS. SUZUKI: Board Member Kaneshiro.

2 MR. KANESHIRO: Aye.

3 MS. SUZUKI: Board Member Dahilig.

4 MR. DAHILIG: Aye.

5 MS. SUZUKI: Board Member Dill.

6 MR. DILL: Aye.

7 CHAIRMAN OYAMA: Unanimous, motion carried  
8 again. All right.

9 Now, we will vote for the main motion as  
10 amended. That's the final voting for this meeting.  
11 Okay.

12 Any more discussion on that?

13 Okay. Roll call.

14 MS. SUZUKI: Board Member Nakaya.

15 MR. NAKAYA: Aye.

16 MS. SUZUKI: Board Member Nishimura.

17 MR. NISHIMURA: Aye.

18 MS. SUZUKI: Board Member Oyama.

19 CHAIRMAN OYAMA: Aye.

20 MS. SUZUKI: Board Member Kaneshiro.

21 MR. KANESHIRO: Aye.

22 MS. SUZUKI: Board Member Dahilig.

23 MR. DAHILIG: I have reservations.

24 MS. SUZUKI: Board Member Dill.

25 MR. DILL: Aye.

1                   CHAIRMAN OYAMA: Unanimous again. Motion  
2 passed. Thank you.

3                   Since there's no other business, we are  
4 adjourned. Thank you.

5                   (Concluded at approximately 9:47 a.m.  
6 December 15, 2011.)

7                                   \* \* \* \* \*

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

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

5 That on Thursday, December 15, 2011, at 9:04  
6 a.m. that the foregoing SPECIAL BOARD MEETING, County of  
7 Kauai, Board of Water Supply, was held;

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

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

17 DATED this 26th day of December, 2011, in Kapaa,  
18 Hawaii.

19 \_\_\_\_\_  
20 TERRI R. HANSON, CSR 482  
21 Registered Professional Reporter  
22  
23  
24  
25