

Committee Meetings

February 18, 2010

Board present: Chair Randall Nishimura, Ian Costa (10:25 am), Dee Crowell, Donald Fujimoto (10:23 am), Leland Kahawai, and Roy Oyama. Absent & excused: Raymond McCormick

Staff present: David Craddick, Paul Ganaden, Gregg Fujikawa, Keith Fujimoto, Bruce Inouye, Faith Shiramizu, and DOW Deputy County Attorney Andrea Suzuki and Board's Deputy County Attorney Amy Esaki. Absent & excused: William Eddy.

COMMITTEE OF THE WHOLE:

Chairperson Nishimura called the Committee of the Whole Meeting to order at about 10:00 a.m.

Re: Board Discussion and Setting the Manager's 2010 Goals

Chair Nishimura reported that as part of the Job Performance Evaluation process for Manager David R. Craddick, this matter is on this Committee Meeting Agenda as an agenda item of the Committee of the Whole as per his request to continue discussion on the Board's goals for the Manager for 2010. Once the Board's goals are finalized at the February meeting, it will be communicated to Manager Craddick to ensure clarity by all of us.

As requested at the January 28, 2010 Board Meeting, all Board members were to review the list of potential goals for our manager to prioritize and ensure that the recommended goals are measurable. The following are some criteria that Chair Nishimura wanted to use as the basis for including an item as a goal:

- A. It must be measurable in the form of a report, recommendation, actual physical accomplishment or confirmation by a third party.
- B. The goal must be able to be accomplished or substantially completed within the 12 month period starting January 1, 2010 and ending December 31, 2010. If the goal is expected to take more than one year, it was recommended that it be broken into achievable phases with specific benchmarks for the current year.
- C. He recommended consolidating some items as they appear to overlap.
- D. There should be a deadline for accomplishing the goals in order that the manager is able to focus on them in a timely fashion.
- E. There should be priorities we establish so that the manager is clear about which goals deserve the most attention.

It was recommended again that the Board review the list, whittle the list down and concur on the prioritized measurable goals to reflect the direction for our Manager to proceed. It was further recommended that the Board provide the manager the first 6 goals by the February meeting so that he can begin focusing on the most important priorities.

On query by Chair Nishimura, Mr. Crowell stated that anything and everything about the bond issue would be the No. 1 priority for the Manager.

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The Board Members compiled a list of 27 potential goals for the Manager and decided to whittle the list down to the following goals:

Bond Issue Goals:

- #11: Develop talking points describing why we need the rate hike and how the projects will be prioritized. This should be something that our customers can understand
- #12: Develop and implement a clear plan to educate the ratepayers of the upcoming rate hike before setting the public hearing. If we need to hire a PR consultant, I would be OK with that.
- #14: Develop a plan for completing projects identified in the Bond Issue. Plan should identify Dept. staffing and timeline to either complete projects in-house or through consultant contracts. This should help identify if additional staffing is necessary, and a timeline for recruitment of needed staff.
- #16: Develop a public relations campaign to inform and update the public on:
 - a. 2020 Plan
 - b. Explanation of the Bond Float and how it relates to the 2020 plan
 - c. Explanation of the upcoming increase in water rates and its corresponding justification
 - d. Explanation of the future plans, challenges and our plans to accomplish them
- #18: Re-visit Water Plan 2020. Update and re-prioritize projects and submit for Board Approval
- #19: Fill all vacant positions critical for implementation of Water Plan 2020.
- #21: Obtain professional services to perform and conduct a comprehensive Financial Management Planning and Water Rate Analysis and Cost of Service study to provide a sound Financial Management Plan for the next five years for the Board and Department.
- #22: Integrate our CIP plan with the County 6 year CIP Plan to take advantage of economies of scale.
- #23: The County is in the process of expanding the Waimea Sewerage Treatment Plant. Re-prioritize Waimea Projects to mesh into this expansion where required.
- #24: Ensure that water infrastructure is in place for County sponsored or supported Affordable Housing Development Projects.

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#27: Get \$50 Million General Obligation Bond approved and floated. Spend down \$20 Million by end of Calendar year.

Mr. D. Fujimoto was present at the meeting at about 10:23 a.m.

On query by Chair Nishimura, Mr. Kahawai stated that his high priorities were Goal Nos. 14 and 18 and his second priorities were Goal Nos. 6, 7, and 8 as follows:

1st Priorities:

#14: Develop a plan for completing projects identified in the Bond Issue. Plan should identify Dept. staffing and timeline to either complete projects in-house or through consultant contracts. This should help identify if additional staffing is necessary, and a timeline for recruitment of needed staff.

#18: Re-visit Water Plan 2020. Update and re-prioritize projects and submit for Board Approval

Secondary Priorities:

#6: Develop an approved succession plan for the Department with time table and implement the first three goals. The plan shall include all divisions and administration.

#7: Choose industry benchmarks appropriate to similar size water facilities and compare where we (Kauai) stand in relation to those benchmarks and make public semi-annual or annually the positives.

#8: What are Mr. Craddick's professional aspirations in the industry and what he feels is needed to attain those goals/aspirations and how can the Board assist. (ie - recognition, achievements, awards, etc. that can enhance his professional career)

Mr. D. Fujimoto felt that #17 Reassessment of the employees' compensations and policies was important too. It would require an analysis of the existing organization, which was done previously by RW Beck; however, it was only partially done for the engineering divisions and not for the fiscal division.

Mr. Costa was present at the meeting at about 10:25 a.m.

Chair Nishimura requested that this matter be deferred to the next meeting to give him time to meet and work with Manager Craddick to consolidate this list and he will report back at the next Board Meeting. At the same time, Chair Nishimura requested that the Board Members come up with deadlines and measures for the above goals. In all fairness, he felt that there was a need for measures to ensure that the goals are not moving targets. Chair Nishimura requested that the Board Members submit their deadlines and measures by Tuesday, February 23, 2010 to him and then he will schedule a meeting with Manager Craddick.

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On query by Mr. Crowell, Manager Craddick stated that we do have our customer survey on our website that includes by districts on how we are doing. Chair Nishimura added that there are 1-2 goals that address customer service so his meeting with Manager Craddick will have some discussion on this matter.

Mr. Crowell moved to defer this matter to allow Chair Nishimura to meet with Manager Craddick to review and clarify the goals, to have the Board Members submit the goal's deadlines and measures, seconded by Mr. Oyama; by a unanimous vote; motion was carried.

The Committee of the Whole Meeting was adjourned at about 10:35 a.m.

FINANCE COMMITTEE MEETING:

Finance Chair Roy Oyama called the meeting to order at about 10:40 a.m. Mr. Nishimura recused himself from voting as he had a conflict of interest with one of the DOW payments.

Re: Claims Payable (as of January 31, 2010):

WATER UTILITY FUND:	\$2,536,918.43
BOND FUND:	\$ -0-
FRC FUND:	\$ 992.95
STATE FUND:	\$ 234,064.32
TOTAL	<u>\$2,771,975.70</u>

Mr. Costa moved that the claims be approved for payment, seconded by Mr. Crowell; by a unanimous vote; motion was carried.

The Finance Committee was duly adjourned at about 10:38 a.m.

RULES COMMITTEE MEETING:

Rules Committee Chair Ian Costa called the meeting to order at about 10:38 a.m.

Re: Committee Discussion and Possible Action on Various Proposed Rule Revisions

Rules Chair Costa reported that for our Board's information and preliminary review, our new DOW Deputy County Attorney Andrea Suzuki provided a working draft for the Board on Board procedures. She is presently working on the initial working draft of the procedures that will address incorporating them into the Board's Rules of Procedure and Reconsideration.

Ms. Suzuki stated that corrections were needed on her working draft where there were any references to the Kauai County Code and the County Code of Ordinances, as it should be eliminated.

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On query by Mr. Crowell, Ms. Suzuki stated that if our customers had concerns about our rate changes that they would need to submit their concerns to the DOW and would not be considered an intervention.

Manager Craddick gave the Board a heads up that another potential upcoming rule amendment would be needed to document the legislative bill that the DOW previously proposed and was introduced by our Kaua'i legislators. That bill was proposed so that the Board could delegate its authority to the water manager for disbursement of funds.

He added that there is an amendment to that legislative bill; whereby, additional language was inserted that states "*the board may delegate through rules and policies its powers and duties regarding the disbursement of funds to the manager and chief engineer*". Therefore, this delegation would need to also be documented in our Rules once the bill is finalized and approved.

Ms. Suzuki added that if there are any other items of interest for inclusion by the Board to please feel free to let the staff know.

Ms. Suzuki recommended that the Board review the working draft and to defer this matter to the next Board Meeting for further discussion.

Mr. Oyama moved to defer this matter to the next Board Meeting, seconded by Mr. Crowell; by a unanimous vote, motion was carried.

The Rules Committee was duly adjourned at 10:50 a.m.

ADJOURNMENT:

There being no other business, the Committee Meetings were duly adjourned at 11:00 a.m.

Recess: 10:50 – 11:00 am

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