

REGULAR MEETING MINUTES
BOARD OF WATER SUPPLY
Monday, July 23, 2012

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Monday, July 23, 2012. Vice Chairperson Clyde Nakaya reconvened the Board of Water Supply Regular Meeting back to order at 4:10 p.m. On roll call, the following answered present:

BOARD: Vice Chair Person, Mr. Clyde Nakaya
Mr. Michael Dahilig (*joined via teleconference*)
Mr. Randall Nishimura
Mr. Raymond McCormick

ABSENT/EXCUSED: Mr. Daryl Kaneshiro, Chairperson
Mr. Roy Oyama
Mr. Lawrence Dill

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. David Craddick
Mr. William Eddy
Mr. Gregg Fujikawa
Deputy County Attorney Andrea Suzuki
Ms. Joy Buccat

GUESTS: Mr. Greg Allen, Kapa`a Highlands
Mr. Max Graham, Kapa`a Highlands, Allen Family LLC
Ms. Joanne Allen, Kapa`a Highlands

NEW BUSINESS

Re: Manager's Report No. 13 – 1 – Manager's recommendation regarding correspondence from Kapa`a Highlands Subdivision Planning Commission Subdivision No. S-99-45

Mr. Nishimura moved for the board to enter into an executive session, with no objections; motion was carried.

Pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a) (4), the purpose of this executive session is to provide the Board with a briefing regarding a County Attorney opinion. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item

Vice Chair Nakaya requested a roll call.

Vice Chair Person, Mr. Clyde Nakaya
Mr. Michael Dahilig (*joined via teleconference*)
Mr. Randall Nishimura
Mr. Raymond McCormick

At this time, 4 board members answered present to roll call.

At 4:13 p.m. Vice Chair Nakaya moved for the Regular Meeting into recess and the board into executive session.

At 4:36 p.m. Vice Chair Nakaya moved for the Regular Meeting back into session.

Re: Manager's Report No. 13 – 1 – Manager's recommendation regarding correspondence from Kapa`a Highlands Subdivision Planning Commission Subdivision No. S-99-45

DISCUSSION:

Mr. Nishimura expressed his concern that there is enough disagreement in the applicant and the department that what really needs to be established is:

1. What is the affordable housing component that is part of this development in units/percentage?
2. The cost of the affordable housing

Affordable housing was the reason why the board had some agreement on going forward to deviate from the standards. With the supposed changes in possible numbers, the board does not know what they are looking at. If there is no numbers increased for the affordable housing units in a significant manner. It almost eliminates this special case that allows the board to deviate from the standards.

The department has recommended for the board to defer any action on this, and that the applicants shall be given some kind of closure to this item.

Mr. Nishimura moved to defer *Manager's Report No. 13 – 1 – Manager's recommendation regarding correspondence from Kapa`a Highlands Subdivision Planning Commission Subdivision No. S-99-45* for 30 days and have a report given on the reasons of:

- a. Understanding the affordable housing component of the application in terms of number of units/percentage.
- b. The items that the department does not agree with the applicants and the reasons where they do not agree and concurrence from the applicant that they agree that these are the disagreements.
- c. Concurrence from the applicant on the items there is disagreement.

DISCUSSION:

Mr. Allen explained that the choice was between an ag subdivision which was 50 units and an urban subdivision which included affordable housing. The County wanted housing residences

that middle income people can afford. The 800 units that were proposed and by the nature of the design they will be affordable. The units will probably be below the affordable market compared to the County's standard market rate which is based on the median income and on Kauai it is \$66,000. This doesn't really achieve the affordable residence any way even though it fits Ordinance 860 so by the market. The goal is for the 600 townhouse units to be the most affordable housing to live in Kapa`a. The bottleneck to this agreement has been with the Department of Water for over four years. Since the source is available and the department has the storage, the question now is how to differentiate between what they are worth.

Mr. Allen clarified to Mr. Nishimura that the equivalence of the water given for the 5 ag lots and the 600 townhomes will be given to the DOW upfront.

The understanding from Manager Craddick's recommendation to defer this item is to gather information on other clients whose projects are possible ahead of this one. This would give them a fair chance to proceed without having projects jump in front of another. The time line than can be given to them would be 30 days.

Board Members, Mr. McCormick, Mr. Dahilig, and Mr. Nishimura expressed concerns that issues of an agreeable proposal has not been presented to the board. Issues have to be ironed out before coming to the board level.

Mr. Nishimura moved to defer *Manager's Report No. 13 – 1* – Manager's recommendation regarding correspondence from Kapa`a Highlands Subdivision Planning Commission Subdivision No. S-99-45 for 30 days and given a report on the reasons previously stated with the amendment and seconded by Mr. McCormick to add that in the event that the DOW staff and Kapa`a Highlands can come to agreeable terms before the 30 days, a special board meeting will be held.

Vice Chair Nakaya request for board members to do a verbal vote.

Board Member Nishimura-Aye
Board Member McCormick-Aye
Board Member Dahilig-Aye
Vice Chairman Nakaya-Aye

By a unanimous vote, motion was carried with 4 ayes.

ADJOURNMENT

Vice Chair Nakaya moved to adjourn the Regular Board Meeting at 4:55 p.m.; with no objections, motion was carried.

Respectfully Submitted,



Mary-jane Garasi
Acting Private Secretary

Approved,



Randall Nishimura
Secretary – Board of Water Supply