

SPECIAL MEETING MINUTES
BOARD OF WATER SUPPLY
Friday, November 9, 2007

The Board of Water Supply, County of Kaua'i, met in special meeting at its office in Lihu'e on Friday, November 9, 2007. Chair Lynn McCrory called the meeting to order at 10:10 a.m. On roll call, the following answered present:

BOARD: Ms. Lynn P. McCrory, Chairperson
Mr. Donald Fujimoto (present at 11:20 a.m.)
Mr. Leland Kahawai
Mr. Steven Kyono
Mr. Roy Oyama
Ms. Bernie Sakoda

Absent & Excused: Mr. Ian Costa

STAFF: Ms. Wynne Ushigome
Ms. Amy Esaki
Mr. Harrison Kawate, First Deputy County Attorney

Absent & Excused: Ms. Rosa Flores, Deputy County Attorney

AGENDA

Chair McCrory recommended that Executive Session be taken prior to Agenda Item No. 2. Mr. Oyama moved to approve the Agenda, as amended, seconded by Ms. Sakoda; motion was carried.

Chair McCrory read the following Executive Session Notice.

Re: **EXECUTIVE SESSION**

Pursuant to Hawai'i Revised Statutes §§92-4, 92-5(a)(4), 92-5(a)(8), and 103D-105, and Hawaii Administrative Rules §§3-122-63 and 3-122-69, the purpose of this executive session is for the Sub-Committee of the Whole to consider matters that require confidentiality under State law; to wit, the selection and the procurement of a consultant to assist the Board in its search for a new Manager and Chief Engineer of the Department of Water. The further purpose of this executive session is to permit the Board to consult with the Board's legal counsel on questions and issues relating to the Board's and the County's powers, duties, privileges, immunities, and/or liabilities as such powers, duties, privileges, immunities, and/or liabilities may relate to the foregoing items, and to deliberate and take such action as the Board may deem appropriate with respect to the foregoing procurement.

ES-1: Ranking and selection of consultant bids

There was no public testimony. Mr. Oyama moved to go into Executive Session at 10:12 a.m., seconded by Mr. Kyono. Acting Manager Ushigome and Waterworks Legal Advisor Esaki were excused from the Executive Session Meeting.

Recess: 11:53 a.m. to 12:08 p.m.

The meeting was called back to order at 12:08 p.m.

Re: A Report by the Subcommittee of the Whole to Recommend Selection of Job Search Firm for Water Manager's Position

Re: Board Action to Hire the Job Search Firm for the Water Manager's Position as Recommended by the Subcommittee of the Whole.

Re: Discussion and Action on Utilization of Former and Retired Board of Water, City and County of Honolulu employees and others to assist with the Selection Process for a New Manager and Chief Engineer of the Kaua'i County Department of Water

Sub-Committee of the Whole Chair Sakoda reported that the Sub-Committee of the Whole met and recommended that the CPS firm be hired as the job search firm for our Water Manager's position.

Mr. Kyono moved that we adopt the report and the recommendation of the Sub-Committee of the Whole, seconded by Mr. Oyama.

On query by Mr. D. Fujimoto, First Deputy County Attorney Kawate stated that discussion on Agenda Item No. 4 would only be appropriate to consider if their entity had submitted something prior to the ad posting of the RFP.

Mr. D. Fujimoto stated that he did not attend the previous 2 Board meetings; therefore, he did not have the opportunity to speak in support of the alternate route of using the Agenda Item No. 4's option. He felt that these honored and vast experienced personnel and past peers of our Water Manager's position would be great to assist the Board with finding a new Manager instead of going the job search firm route.

Mr. Kyono stated that he felt that the former water employees could work alongside the job search firm process. Mr. D. Fujimoto stated that he felt that these former water employees could replace the job search process, as they are experienced in the water industry, know the goals and objectives of the water industry, and they know their peers who would be qualified and capable to do the duties of the Water Manager. He added that these former employees are willing to go out to search for a qualified person that would replace the job search firm.

Chair McCrory felt that the former water employees have had different philosophies that are quite different from Water Plan 2020. However, Chair McCrory felt that these personnel would be helpful as somewhat like an advisory panel; as once we had our applicants in place, they could assist the Board with the evaluation of the applicants to help the Board make the best selection. Mr. D. Fujimoto rebutted that nothing is perfect and that there are different priorities, money availability and situations that would make it hard to compare various philosophies over time. Although he still felt that it was a duplicate effort, he did concur that even though a job search firm was still hired that the

former employees would be assets to help to seek out the applicants to apply for the Water Manager position.

Mr. Kyono added that in CPS' r sum  it showed that they would check with various water industry people to flush out qualified candidates.

Waterworks Legal Advisor Esaki relayed some background information from the phone call that she got from a former head of engineering at the Honolulu Board of Water Supply. The caller stated that he saw our ad in the newspaper and he thought there may be another way to find a Manager then going the job search firm route; he and other former employees in the water industry would be very willing to help us to find a Water Manager. The other members that he got confirmation that they were willing to help were the former water manager for the Honolulu Board of Water Supply and the current Board Chair of the Honolulu Board of Water Supply. He also suggested other possible water people that he had not approached as of yet, like the former Kaua'i water manager, etc.

Waterworks Legal Advisor Esaki stated that the caller suggested that if the Board was interested they could come to one of our Board Meetings to do a presentation on what they planned to do; all the Board needed to do was to pay for any necessary travel expenses that they would incur, like airline, Oahu airport parking and possibly a car rental, if necessary.

Waterworks Legal Advisor Esaki added that the caller stated that they are aware of the engineering job market and the Department of Water and that they would be willing to review the DOW's budget and the DOW projects and to review the applications that were already received.

Waterworks Legal Advisor Esaki also added that the caller stated that they used this process of using retired employees to assist in the hiring of the present Mayor's cabinet.

Mr. D. Fujimoto summarized that he thought that this may be a route that could replace the job search firm and save the DOW \$50,000.

Mr. Kyono added that if there were truly someone there at the executive level, we probably would have had someone already come forward; however, the salary is not up to par.

Although Chair McCrory understood Mr. D. Fujimoto's perspective on this matter, she felt strongly that the Board needed to move forward on the path already taken as she felt it was best to go the route of having a job search firm, with their vast experiences and knowledge, to seek qualified applications for our vacant Water Manager position. She agreed that these former water employees would be valuable to be on the selection committee to assist the Board in making their decision, which would help to get a balance perspective of selecting a Manager.

Motion was carried.

Mr. D. Fujimoto requested that this message be forwarded to the former water employees. Waterworks Legal Advisor Esaki will follow up with them.

Re: Discussion, deliberation and decision-making or action regarding further steps, actions, procedures and processes necessary to select a new Manager and Chief Engineer of the Department of Water

On query by Chair McCrory, Deputy County Attorney Kawate stated that the next steps would be:

1. Post-Selection Activity (must be done within 7 days of award)
 - a. DOW notifies the winning bidder
 - (1) Attorney confirms terms of bids (price, scope of services, etc.)
 - (2) Attorney determine time frame of project completion with consultant
 - (3) Attorney gives copy of Schedule G to winning bidder
 - b. DOW notify losing bidders
 - c. Attorney completes Recommendation of Award, attach copy of bid, turn in to DOW.
 - d. DOW posts Professional Services Internet Posting Form within 7 days of the award.

2. Contract
 - a. Attorney begins drafting of contract while waiting for consultant to complete and submit the required certificates specified in Schedule G.
 - (1) Tax Clearance Certificate
 - (2) Certificate of Compliance
 - (3) Certificate of Good Standing
 - b. Attorney/DOW executes final contract once all parties agree on language
 - c. Notice to Proceed to be issued

On query by Mr. D. Fujimoto, Chair McCrory stated that Acting Manager Ushigome cannot be part of the Selection Committee as the Deputy Manager cannot assist with helping to select his/her boss. Waterworks Legal Advisor Esaki added that it is by law.

On query by Mr. D. Fujimoto, Deputy County Attorney stated that a department staff member could help with the selection.

Chair McCrory stated that the Selection Committee will be formed and she will contact Deputy County Attorney Flores to check what the Selection Committee needed to do next.

First Deputy County Attorney Kawate stated that the Selection Committee would need at least 3 members. Volunteers for the Selection Committee were Roy Oyama, Leland Kahawai, Steven Kyono or Donald Fujimoto (one of these engineers,

depending on their busy schedules, need to attend for an engineering perspective). Chair McCrory stated that she would volunteer for the time remaining until her term expires on December 31, 2007; she will chair the Selection Committee for now and Mr. Oyama will take over when her term ends.

Mr. Kyono suggested to Chair McCrory since she was going to call Deputy County Attorney Flores that CPS could be informed that formal notification is forthcoming; therefore, could they start working now on firming their scope of services further.

Re: Staff Compensation Issues Discussion

Mr. D. Fujimoto stated that a morale issue arose due to one of the newly hired engineer who was hired at the full step that was done due to the Mayor's directive due to an engineering shortage. That engineer makes more money than a licensed engineer working for the County for six years. The Mayor was also planning to work on something similar to get all of the engineers at that level; however, that action is now hung up as it was brought up that there is no Excluded Managerial (EM) engineering shortage.

Mr. D. Fujimoto stated that the Department of Personnel Services (DPS) informed him that this matter is not a Board matter, but instead a personnel policy matter that is with the County and Mayor.

Mr. D. Fujimoto gave some background that several years ago due to the engineering shortage DPS changed their recruitment efforts from using steps to going full range, which enabled the County to hire engineers at a higher salary level. He explained that there are about 15 steps that would normally take you about 30 years to get from the entry-level step to the highest step. Mr. D. Fujimoto added that now there is the problem with the working employees that have lower pay at a lower step. One of the options would be to take your chances and quit and re-apply at the higher salary level.

Mr. D. Fujimoto added that hiring at a higher level was done at his Public Works Department; however, it was done discriminately and not across the board as that would not be fair to the employees that have been working for a long time to get the same pay as the newly hired employees. Therefore, he felt that flexibility should be given to the Acting Manager and to the immediate supervisors to make the recommendation.

Mr. Kyono concurred that this is not a Board issue but a collective bargaining issue, which gets addressed by the Executive Branch, which are the Mayors, and their personnel directors of each of the Counties, along with the Governor, who all by law are empowered to make any changes to the collective bargaining. The union would then have to concur.

First Deputy County Attorney Kawate requested that this matter be brought up in Executive Session at the next Board Meeting and should be noticed more specifically for this subject.

Mr. D. Fujimoto suggested that Chair McCrory meet with the Mayor to inform him of what is happening at the DOW. Mr. D. Fujimoto volunteered to also attend this meeting.

For the Board's information, Chair McCrory passed out to the Board members copies of a study that was done to compare the American Water Works Association (AWWA) metrics on the salaries of various positions nationwide as compared to the County of Kauai. The comparison takes into account: operations and maintenance cost in comparison to a customer account; the cost in relationship to the million gallons sold; the million gallons delivered per employee; and the number of customer accounts per employee. Comparatively, the County's average and the national average were far apart.

Chair McCrory felt that with Kauai Department of Water being at the lower end of the range, this would result in the Kauai Department of Water's numbers being higher than the national average. There may be other issues to consider but this is a reference [this was a good reference] and would help with next year's budget preparation.

Acting Manager Ushigome added that the Board needed to take into consideration that our consultant mentioned that he did not make a direct comparison of the exact same type of utilities. Kauai is unique as we are an island community with 11 independent water systems.

ADJOURNMENT

There being no further business, Mr. Oyama moved to adjourn the meeting at 12:50 p.m., seconded by Mr. Kyono; motion was carried.

Respectfully submitted,

Rona Miura, Secretary

APPROVED:

Wynne M. Ushigome
Acting Manager and Chief Engineer

RM