

CHARTER COMMISSION
MEETING MINUTES
JANUARY 30, 1992
COUNCIL COMMITTEE ROOM

Present

Sherrilee Dodson (Vice Chair)
Robert Nakasone (Chair)
Victor Reyes
Allan Sparks
Jamie Woodburn
Deborah Wright
Lloyd Yonenaka
Susan Nakano-Ruidas (Staff)

Excused

James Cockett
Dolores Fabrao
Annette Mondoy
Anne Takabuki

I. CALL TO ORDER

Chair Nakasone noted a quorum present and called the meeting to order at 4:07 p.m.

II. PUBLIC TESTIMONY

None.

III. APPROVAL OF MINUTES

- A. Chair Nakasone recommended approval of the December 19, 1991 Commission meeting minutes.
- B. Approval of the January 19, 1992 Commission meeting were deferred to the next meeting.

IV. COMMUNICATION 91-31 - 1987 SPECIAL CHARTER COMMISSION REPORT ON WATER

- A. John Hirashima, member of the 1987 Special Charter Commission to review the Water Department, noted that "the Commission was formed as a result of the 1982 Charter Commission recommendation, which removed all powers from the Board of Water Supply." The reason the 1987 Special Charter Commission was formed is that the 1982 "Commission wasn't sure it had made the right decision. That Commission felt the Department of Water Supply should be given a chance, to see how effective their 1982 decision had been."

Talking about the 1987 Commission, Hirashima said "we spent about one year, with a dozen or so meetings. It was a funny kind of deal - no provisions for a budget or secretary. We did eventually get some funds for advertising."

"We reviewed the history of the (water) department - way back to the '40's, and what happened during different mayoral terms. Looking at it (the data/information), it was not clear that one system was better than the other...because of timetable and overlap of administrations."

IV. 1987 SPECIAL CHARTER COMMISSION REPORT ON WATER

A. John Hirashima (Continued)

"What we were looking for was significant progress or rules that may have been different (between the two systems of operation). In the '70's, there was the transmission project under an autonomous board. In the '70's the water board was heavily influenced by Mayor Cravalho for upcountry. In the '80's, treatment plants, enormous delays in projects, and the upcountry moratorium."

(IN AN ASIDE: "They should not have the authority to do that (moratoriums). Subsequent to that, the County Council had numerous occasions to kill the moratorium, and has not.")

"Nothing happened long enough to conclude anything from that (1987) review. We identified several issues that we thought were core issues:

- (a) The appointment and tenure of the Water Director is a key factor. (He should be a "good leader with vision and (be) allowed to carry out long term, long finance projects, without an artificial end to his tenure. This was a significant issue. A water director whose tenure is open - we felt, under those circumstances - you could attract a greater pool of qualified applicants.
- (b) Continuity was very important.
- (c) Accountability is a very big thing.
- (d) The financial aspect - how best to budget and finance projects was another issue."

"We interviewed other directors of water departments of other counties, three neighbor island mayors and county council chairmen. They were strong that their autonomous system worked very well. It was good news that their water departments were NOT in the papers - they were just doing their work. (These) other boards have had directors for a long time - with longevity and good leadership. They have developed a strong middle-management, been allowed to do their work, and they've done it well. (Qualifications are important among engineers, and I am a former one.)"

"After massaging the information, we felt a return to autonomy was best. Land use and water go hand in hand - whoever controls development (land use) should also control elements, like water."

"This was great in principle, but I don't think it has worked that well. Elected officials have

IV. 1987 SPECIAL CHARTER COMMISSION REPORT ON WATER

A. John Hirashima (Continued)

a built in tendency not to want to spend great sums of money. It (the water department) should be run quite like a utility, with the need to make long term plans and long term timely investments. The political system has a built-in resistance to that."

"Many projects should have been done in the '80's - they've accumulated during all this time. I can't see why it has waited this long for the investment to be made. At the time, the report of the Safe Water Act, it would have taken \$22 million for all the projects. The Kamaole treatment plant was built for \$8 million."

"There has been no significant water developments done during this time. I think the present Board is grappling with things that should have been done, and they are moving ahead, but they are having a hard time."

"The real positive under the present system is that revenue bonds can be issued, that come in at GEO bond rates. This gives the County much more flexibility in financing."

"I think the climate that exists today, with the press and people being interested, the accountability issue is well covered. If the Board chooses to go on its own agenda, it's at its own peril."

"The Board is required to follow the County's General Plan. The Board is required to adopt a County Water Plan approved by the Council. You want a lot of connections for information to go back and forth freely. You also want an efficient system that allows for long range planning and financing in a timely manner."

Asked if the 1987 Special Commission Report on Water was a unanimous decision of the Commission, Hirashima replied: "It was a unanimous decision at the end. It was not going to be unanimous if we did not provide for mayor and County Council participation. I did not want factions. The accountability issues was the large issue."

Asked how water rates were set, Hirashima responded: "Rates go through rules. The Board of Water Supply

IV. 1987 SPECIAL CHARTER COMMISSION REPORT ON WATER

A. John Hirashima (Continued)

adopts its own budget. You would have a number of years when you foresee the surplus dwindling." Then "you go in for an increase in water rates." Also, "it was a requirement during a bond issue, by insurance underwriters, that 15% is set aside to upgrade - of the system and (for) repairs."

Nakasone: "Isn't it odd that they adopt their own budget, and yet rates are adopted by rules?"

Hirashima: "There was a group that wanted full autonomy of the Board, and there was a group that was not comfortable with that. This was the best balance. If you build in enough connections, you prevent 'rogue' boards or directors."

"All projects have accumulated until now, that needed timely investment for the long haul. Those projects are ten years old. There is no reason why they should be ten years old. They had bond money in the bank accumulating interest, (but were) unable to spend money in a timely manner. Systems that are accountable to elected officials are too timid to work."

"There are investor-owned water companies around the nation, and they are highly efficient. Bob Chuck, who used to be with the State Department of Land & Natural Resources, had a great interest in water management resource systems, and he found the Authority system is the most efficient system. It runs successfully with or without the connection we've built in. (The Authority system has the) built in ability for the Board to proceed as it sees fit, and usually will follow the lead of the Water Director. (It has) built in open tenure."

When asked if you could add the responsibility of sewer to the Water Board, Hirashima responded: "There are different funding and collection systems. Federally funded projects are supposed to be self-supporting. When putting in sewer and water lines, they are similar. I'm really not prepared to address that; I haven't given it much thought. (For both) you need to have long range planning, timely setting of fees; timely maintenance and upkeep. There are similarities. The monies involved are mind-boggling."

V. COMMITTEE REPORTS

Chair Nakasone postponed committee reports until a later date.

VI. (AGENDA ADDENDUM ITEM) CORPORATION COUNSEL OPINION
A. Maile Luuwai, representative

Chair Nakasone: "We wanted to get the opinion from Corporation Counsel - 'If the Charter Commission recommends an amendment to the Charter, and the Council disagrees with us, can the Council put an opposing view on the ballot?'"

Luwai: "I talked to Guy (Haywood) about this. It doesn't specifically say this, but Darryl (Yamamoto) said he would highly recommend to the Council that they don't do it.

It is a mandatory review, to have an audit done, by an independent entity, to look at the Charter every ten years. What we would recommend to Council is, you've got nine years to go in and amend the Charter, and this may not be the appropriate time, during this mandatory review. For the Council to go in and propose contrary amendments, that would contradict the whole process. Corporation Counsel and the County Clerk will point out that this year is not the appropriate year."

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:12 p.m.

ACCEPTED:

Robert Nakasone, Chairman Date