

The departmental budget reviews reconvened on April 13, 2012 at 2:21 p.m., and proceeded as follows:

Councilmember Kualii (*present 2:24 p.m.*)
Councilmember Nakamura (*present 2:23 p.m.*)

EXCUSED: Councilmember Bynum
Councilmember Rapozo

PUBLIC WORKS (OPERATING & CIP):

Chair Furfaro: I am going to ask Mr. Barreira to clarify some of those particular budget submittals that dealt with staffing levels.

Mr. Barreira: Good afternoon, Chair and members of the Council, Ernie Barreira, Budget and Purchasing Director. Pursuant to the Council's request, we will be clarifying this afternoon the positions that were submitted in the March submittal in terms of the dollar funded positions and those that were incorrectly transmitted with regard to new positions. I think rather than going into a very in cumbersome discussion, if you look at the email that was sent to this Council on April 3 and I will speak to that issue this afternoon. That is the most comprehensive review of the issue and I think it will end clarification in terms of what has been submitted in our budget presentation. On April 11, I sent a follow up communication to the Council through the various staff members of Council in terms of some work that our budget analyst had put together to clarify not only the dollar funded positions that came into the March submittal but also all dollar funded positions in the Council and I do not want to into that detail here since that is not the charge but that information is available once again on the April 11 email with several attachments to include Chair, the original transmittal that you sent to us in terms of your understanding of which positions were dollar funded. Our budget analyst worked hard and did get a response out and we did since respond.

Chair Furfaro: Much appreciated.

Mr. Barreira: You are welcome sir. In terms of the dollar funded positions that should have come in the March transmittal and which I have since clarified. We should have accurately documented fifteen dollar funded positions in the March submittal which was based on the vitally needed services to return our services to the community. Only twelve of those were accurately reflected the FY 2013 operating budget that was submitted on March 15 and these follows: 1) was a records management analyst which is a proposed re-description of a land use (inaudible) position number 2031 which is a Planning Department position. The two identification technicians who are proposed re-descriptions of both a secretary and records clerk from the Police Department position numbers 345 and 342 respectively. A human resources assistant which is a proposed re-description of a senior clerk position number 702 from Fire. A plumber position 1532 which comes from Public Works Building Maintenance. A repair shop supervisor which was position number 897 from Public Works Automotive. A mechanics helper which is a proposed re-description of a labor working supervisor from the Highway Fund Hanalei base yard position number 955. A half time grounds helper which is position number 1986 from the Golf Fund. A sprinkler repair worker position number 900 also from Golf and the tenth position is a permit clerk which is a proposed re-description of a grant specialist 3 position number 1946 from Parks the planning and development division. An irrigation technician which is a proposed re-description of truck driver position number 1345 from Parks beautification which we just discussed this afternoon. The twelve position is a procurement and specification specialist 1 which is a proposed re-description of the special projects officer position number 1547 in Finance administration. Those were the twelve positions that were accurately conveyed as dollar funded in the March submittal. The other three

which were also accurately included but required some kind of clarification are as follows, the first was a superintendent of highway construction position number 827 in Public Works highways administration. In this particular position it was reflected that – the intent of the Mayor was that this position be transferred to Public Works Solid Waste division and re-described as a waste diversion program advisor and we intend to clarify this correction in our May submittal. The second position was a HCNM supervisor position number 835 in Public Works Highways Hanapēpē, this position is included in the March submittal and is re-described as a waste diversion program advisor. This position however should have remained in its current classification with the Highways division with funding resorted for an eighth month period. And finally, the third which would make our fifteenth dollar funded position which required clarification was the law clerk position number E71 from the Office of the County Attorney, this position was incorrectly included in the Office of the County Attorney FY 13 March submittal as their dollar funded law clerk. It should have been reflected as a proposed re-describe deputy county attorney representing fifty percent funding. The position is intended to serve as a liquor department deputy county attorney with the balance of a fifty percent funding to be supported through the liquor fund. The fifty percent also applies to the fringe benefits. In addition to the errors that I have just noted, there were eight additional positions that were incorrectly included in our March submittal. These should not have occurred as it was the Administrations intent to only advance designated dollar funded positions as noted earlier in my presentation and in the Mayor’s budget message which accompanied the March submittal. These are the incorrect eight positions that should not be in the March submittal: three parks security officers, one permit clerk also from Parks, an engineering aid from Public Works engineering, a waste water treatment plant operator assistant from Public Works waste water, a sewer maintenance helper from Public Works waste water, and an economic development technician from our Office of Economic Development. Once again, I extend to the Council our apologies for these inadvertent submissions in the budget. We will clarify and correct these errors in our May submission to the Council.

Chair Furfaro: Thank you very much. Again, I think that is a May 3 submittal?

Mr. Barreira: May 8 submittal.

Chair Furfaro: At that time what you have just read to us in the narrative we should be able to follow specifically in the resubmittal?

Mr. Barreira: Yes.

Chair Furfaro: Any questions?

Ms. Nakamura: With the fifteen dollar funded and then the eighth that got slipped in inadvertently that was twenty-three positions, is that correct?

Mr. Barreira: Yes.

Ms. Nakamura: Of the eight, we have heard this morning that four of them may be including in the May submittal?

Mr. Barreira: That is yet to be determined the budget team will review those and the Mayor will have to make the determination.

Ms. Nakamura: So, none of that is set at this time? Of the eight, you do not know which one?

Mr. Barreira: For the sake of the March submittal, those should not be in existence.

Ms. Nakamura: Thank you.

Mr. Kualii: I am sorry because I walked in a couple minutes late, the handout is the April 11 email with several different spreadsheets attached?

Mr. Barreira: The simplest read is the April 3 email which is what I am referencing in my presentation this afternoon.

Mr. Kualii: Because I was trying to follow it that way and I was...

Mr. Barreira: I would be happy to hand it off to you temporarily if you would like to look at it.

Mr. Kualii: I got the April 3 one.

Mr. Barreira: It is also in the April 11 transmittal, I did include that as well as a repeat submission.

Mr. Kualii: So that is the initial twelve positions and then the second list of the eight positions?

Mr. Barreira: Actually it is twelve that are accurately submitted in the budget, three that are incorrectly but were not allocated properly in terms of our intent on the re-description.

Mr. Kualii: The three that are incorrectly, what are they again and how will they be corrected?

Mr. Barreira: Once again, the first position if the superintendent of Highway construction and that is position number 827 in Public highways administration. It was the intent of our Mayor that this position be transferred to Public Works solid waste division and re-described as a waste diversion program advisor and that is what we will submit in the May submission. The second one... and I apologize, perhaps Mr. Tabata can... HC&M...

Chair Furfaro: We wanted to get a definition of an abbreviation.

Mr. Barreira: Highways, Construction and Maintenance?

Mr. Tabata: Yes.

Mr. Barreira: Highways, Construction and Maintenance supervisor position number 835 which is in Public Works highways in Hanapēpē. The position in the March submittal is described as a Waste Division Program Advisory, that should have remained in its current classification within the highway division with funding restored and all of these dollar funded positions came in as a recommendation for eight months of funding. Once again based on the time it will take to recruit. The third position was the law clerk position number E71 in the Office of the County Attorney, this position was incorrectly included in our March submittal as a dollar funded law clerk position, it should have been reflected as a proposed re-described deputy county attorney at fifty percent funding. The position is intended to serve as a liquor department deputy county

attorney with the balance of fifty percent funding to be supported thru the liquor fund and those were the three.

Mr. Kualii: Now I understand because I am looking at it. The only other thing is now these other eight positions, we just was talking with Parks and Recreation earlier today and I asked about the three park security officers and why they were started in April 1, 2013, which seem to be nine months, ten months into the fiscal year and why would it not just start the following fiscal year? Are you telling me that that is in there by mistake and that is coming out?

Mr. Barreira: My testimony is that those eight should never have been in the March submittal. Whether they are going to appear in the May submittal is yet to be determined.

Mr. Kualii: Should never have been in the March submittal?

Mr. Barreira: Yes.

Mr. Kualii: Should never have been in the March submittal?

Mr. Barreira: Yes.

Mr. Kualii: Thank you very much.

Chair Furfaro: Thank you very much for taking the time to have us reconcile some of these staffing guides and I am going to go ahead and excuse you and we will look forward for the corrections in the May 8 submittal. These items in Engineering and Public Works is going to be as follows, we got a half a day focused on Public Works and Engineering and a full day on Monday and then on Thursday, we are doing CIP. I want to make sure we have a mutual understanding that as we go thru operational issues over the next two periods of time, that some of these lead supervisors are going to be available to us such as Donald Fujimoto, etc., am I correct Mr. Dill? Let the record show that he is acknowledging yes. Before I call up Lyle because this is a two day process, we have someone who wants to give public testimony now on operating issues for Public Works. I am going to have to excuse you from the piece. Seems to be some other pressing business this afternoon, coming across of the NBA schedule.

GLENN MICKENS: One of the biggest questions I need answered is do we have enough worker? I mean in the trench workers to properly look after the area from Puhī to Anahola. Reliable sources have told me that there are 19 Indians, not chiefs in Kapa'a base yard to do whatever is needed in that total area. When Larry Tavis was in charge of our roads I understand that he had 50 workers in this same base yard to cover that area. I had the greatest respect for Larry and for the way he and his crew did their jobs.

Obviously if Larry had almost 3 times as many workers to take care of that area as Larry Dill now has it is understandable that he could do the job better. Thus the question arises as to why we do not have more workers when our Mayor can fill 18 new positions and none of them are for these needed workers. If my information is wrong please tell me why we are struggling to keep Kaua'i beautiful.

I walk a 4 mile area in Hauiki meadows each day and have seen our workers using cane knives to cut overhanging trees from our roads. I have seen them using extension chain saws to reach tree branches whereas I see private tree trimmers using hydraulic bucket lifts to do the same job in less time using less man hours. So why do we not have proper equipment and efficient man power to do the jobs right?

I will try not to be too repetitive and go into my 18 year roads repaving crusade. But this Council approved our roads resurfacing list months ago and I have still not seen any repaving going on. And, again why have we accumulated \$8.8 million dollars, a number given in the Garden Island in this repaving schedule while not doing any resurfacing for the last 3 years whereas, in the past, the County on a yearly basis approved about \$2 million dollars for repaving and it was used. I am happy to see the bid contract given to Glover and Grace Pacific now using 1 ton of AC per 108 square feet and not the 1 ton per 90 square feet as used in the past to give us the 1 ½ inch of finished grade. And I am happy to see whenever the work begins... Larry now using HAPI standards to repave our roads. It will save our tax payers a lot of money.

Hauiki road about a 2 mile long road that is not a major thoroughfare was repaved in December of 2008. Again, I walk this road on a daily basis and find sections that are cracking and edges of shoulders that have fallen off due to the easement areas not being graded or backfilled to the level of the road. I have brought this issue up before and though Public Works has done some backfilling along portions of the roads there are many areas such as Hauiki, Kainahola and others that still need backfilling. And, again it appears that lack of manpower is the problem.

Upper Waipouli road is a total disaster and though our Public Works crew work on shoulders and sections of it all the time, we should not be wasting our manpower, material and equipment on doing this, either we complete repave this road, it is 13 feet wide and completely needs repaving, or leave the minor part of it like it is. There is one section of it that has 7 or 8 pot holes in it that have had cold mix dumped in it 30 or 40 times since I moved to Kaua'i 22 years ago. This cold mix just washes out with the rains a total waste of our money. Again, either repave the whole 1 mile long road or stop doing pieces of it that do no long term good.

As Ken Stokes article once pointed out Kaua'i has the worst roads in the state and we have to overhaul the system and address this problem. When we can spend hundreds of thousands of dollars on positions that the Mayor has given to a few and leave the drivers of this island with badly paved road, then something is very wrong.

When are we going to make alternate roads on Kaua'i a priority paving our can haul roads? Haven't these storms that shut down the Kapa'a by pass road and the Koloko dam break that stopped traffic flow on Kūhiō Highway been messages enough to tell us to do this? When traffic accidents, or road work can make our highways a parking lot isn't it way past time to get other roads opened? We have spent years and a potential \$105 million dollars working on a multi use path that is not even on the same radar screen as more by pass roads so where is the leadership in this government?

Chair Furfaro: Glenn, let me ask you here when it comes to road side maintenance, I read this as you would be supportive of us acquiring a truck with hydraulic bucket lift?

Mr. Mickens: Yes. I understand from one of my sources that they do have one on the island but I think they need a lot more.

Chair Furfaro: I want to make sure, you are talking about a hydraulic lift that has a man in it with a chain saw?

Mr. Mickens: Yes.

Chair Furfaro: Or a lift that only has a chain saw on the end of it and you guide it from down on the ground?

Mr. Mickens: I have watched those guys cut it but they have chain saw as part of the lift, you may be right the guy at the bottom may control it, I am not sure.

Chair Furfaro: I think Larry folks, I do not think they let their roads projects until May, when it gets a little dryer but I will ask that question when we get into the Roads section with Larry. But I think their cycle is... they do not do the work in the first quarter when it is wet.

Mr. Mickens: I am sure that Larry is still waiting to find out whether there connector road like Olohena that we talked about so many times... whether it is or it is not a connector road because if it is a connector road, you will get federal funds where... but federal or state does give some money to all our roads? We do get some money from those don't we?

Chair Furfaro: We do get some.

Mr. Mickens: Very little, okay.

Chair Furfaro: The last item is talking about roads, were you looking for some speed signs at one time for parts of Olohena?

Mr. Mickens: Basically over there by Thronas Rentals the turn... there is water under the road and that water has to be drained off before they go ahead and repave over the top of that.

Chair Furfaro: I think the one that is (inaudible) speed control is Lāwa'i down in front of the condominiums and surfing areas, I think there was a long time request made by resolution by this County that we have no fulfilled getting those... speed signs up. But you are right your previous one dealt with the water settling there.

Mr. Mickens: I think it is a spring, I do not think it has anything to do with the water department. Some people said there might be a water line, are you familiar with that?

Chair Furfaro: It could be a spring under the road.

Mr. Mickens: Unless you drain it off, it is going to keep coming up no matter what you do to pave the road over.

Chair Furfaro: Any body else has any questions for Mr. Mickens? Let us start with Public Works and I will let you set the tone of who is coming up when Larry. We are going to have two days of it and I would like to get thru this operational part today by 4:30.

Mr. Dill: You have our budget presentation before you and we are have also provided you with the PowerPoint slides that we would like to go through. We will start off by giving an overview of the Department of Public Works and then we will call up division by division to discuss specifically to their various operations. I am going to start off with an apology Mr. Barreira gave a presentation just before us regarding staffing and so our presentation was done upon the budget that we were provided, so it is not consistent with what Ernie just mentioned to you. We will address that case by case as it goes with our presentation.

Starting off with our mission – The Department of Public Works mission is to deliver excellent service to our constituents, and support the health and safety of their communities, with sustainable services and solutions. Talking about some events from FY 2012 we do the best we can to look for other funding sources simply then our County general fund to achieve our goals and take

care of the infrastructure. We did through the efforts of various folks in Public Works including our fiscal officers and our various divisions recover approximately 9.3 million dollars in federal grant reimbursement funding and leveraged County CIP funds in various construction projects. Utilized 3.0 million dollars in low cost state revolving fund financing for infrastructure improvements that refers specifically to our waste water project that is the Department of Health State revolving fund. It gives us an opportunity for funding, I think the interest rate is three quarters of a percent, so good way to use our money. Solicited several presentations from Capital improvement program management software vendors to support development of a RFP for FY 2013. FY 2013 generally the Public Works, we seek to support the objectives of the six divisions within the Department, ensuring manpower, equipment and materials needs are met adequately in order to meet the overall Goals of Public Works. Implement Objectives of Public Works in order to meet the Goals of the Mayor, including Holo Holo 2020. Ensure the health, safety and welfare of the public. Implement systems that will serve to reduce complaints and emergencies which will allow us to focus on proactive activities. We do receive a lot of complaints that we need to respond to and do the best to respond as quickly as we can to the community. Obviously that takes away from our day to day activities so we are working to set up preventive maintenance management systems whereby we can begin to eat away at that and focus our efforts to being proactive rather than reactive.

Some of our challenges for 2013 is planning for future improvements while continuing to meet the day to day needs and demands of the community. Utilizing funds in the most efficient manner while maintaining satisfactory levels of service. Succession planning, since we are talking about Public Works Administration that includes our fiscal division as well as our personnel division helping the administration office a significant transition that we are looking at in fiscal year 2013 is the retirement of our fiscal officer. Unfortunately, our fiscal office has been proactive in planning for that event and has been grooming his next in command for takeover, so we are confident that that this happening smoothly and will happen smoothly. We work hard with our union partners obviously the UPW and the HGEA both play a significant role in our efforts, so we have many things that we have to deal with them on and we work hard to maintain a positive working relationship with them as we move forward to achieve our mutual goals. Expediting the regulatory review process, I think our building permit actually has made some strides in that area and we are also working with our engineering division. The chief of our engineering division who is on vacation at the moment is the gentleman with most of the experience, expertise and industrial knowledge in that regard. We are working with him to see that he passes it on to the folks of the regulatory review section to make that process more effective and ultimately to plan for the transition and succession planning that will be happening in that regard sometime.

Ms. Yukimura: Larry, who is that?

Mr. Dill: Wally Kudo. Our fiscal officer is Mr. Clint Saiki.

Ms. Yukimura: Okay.

Mr. Dill: As I mentioned we spent a lot of time in FY 2012 looking for the right solution or planning for the right solution for our CIP management software, so FY 2013 we will be moving forward in assessing the CIP program actually in RFP mode to make that happen to implement. Our employees have a clear understanding of roles and responsibility in reorganizations with reference to the Engineering Division where we set up specific sections for project development, others for regulatory review. I am going to run now through the various divisions and some specific objectives and initiatives to address those objectives. I am going to go through them here in a fairly broad brush format. As we get to the Divisions, you will see us address these in particular. Feel free to ask questions of course but we will invest them in more detail when we get to the divisions. For the Engineering Division as I mentioned before, we are looking to ensure that the transfer of regulatory review for subdivision, grading, and flood are maximized so we are

continuing the process to move those responsibilities to the regulatory review section to free up the chief of the division to spend more time to actively managing the division as opposed to doing the regulatory review himself and he will spend more time training and setting up protocols for... seeing that processes are moved down the chain of command to make that more efficient. We are working to ensure manpower and training to rebuild the design capabilities of the division. We do a little bit of in house, we would like to do more on that and so both on as I mentioned the regulatory and project management side, we look to see more of that in house for some of the more straight forward projects that are not too time consuming. To support that effort when you get to the engineering division you will see that we talked about an engineering aid because I mentioned that it is not consistent with what Mr. Barreira spoke about earlier so I was lost over that. We have done some additional training for our staff that we will be talking about when we get to the specific division review and also we got some project funded staff there that we are using to help us with projects. We also done some training this year for project inspection which allows us to certify the inspections of federal highway projects to help to empower our staff to do more. Objective number four (4) is a completion of the transition to a CIP management software solution and as I mentioned a lot of work has been done in regards to repairing the RFP requesting funding for this body to do that next fiscal year and hope to move forward with that. Objective number five the complete streets resolution thanks to the resolution that was adopted by this body, actually I will give the credit to our Deputy County Engineer Lyle who is has been spearheading the effort whereby we have been working to create a complete streets manual, we have engineering designs manuals now which we use to guide us in reviewing and approving projects. We need a complete streets manual to put things in a form that our engineers can use as a guideline but also those who are doing the projects out there can use as well. We are basing the after much review on County manual and so we are beginning with that project, we have got Housing Agency, Transportation, Planning and Public Works involved in regular meetings to review the meetings to review the manual and revise it, edit it to meet our needs and again Lyle is meeting that effort and so engineering is a big part of the effort to adopt...putting complete streets into practice.

Safe routes to school is in somewhat a related effort that we are also working on. Again, our deputy County Engineer Lyle is deeply involved in this having visited every Elementary School on Kaua'i and visited with the Principals and look at address their needs so that mainly their school children has opportunities to work safely to get from their homes to their neighborhoods to their schools. That is a significant effort. Our Building Division, of course we need to ensure that code enforce continues to meet the needs of the public. We continue to develop qualify personnel by recruitment and/or training in house. One of their big initiatives this year that goes on this week's Council agenda was the adoption of the 2006 International Building and Residential Codes and also the building division is supporting the implementation of e-plan review system presently in process. It will make us much more efficient in reviewing our building permit applications as well as save us a lot of paper. That is in the works and Building Division will address that more when they come forward. Objective number two (2), ensuring building maintenance continues to meet the needs of the public. We have been improving our maintenance management tracking systems software or our work order status reporting system. Looking for ways to create more matrix as well as keep track and show how different projects are prioritized in the work order system. That is not training that happens not only within our building maintenance but training the other departments, when they submit the work orders make sure they do it correctly so we know when they are prioritized and when is it a regular request. Building division also does a significant amount of project management. We are implementing the use of project funding for our project and construction managers in the building division to most efficiently use the resources available to us and we are actually in the process of looking at somebody else and bringing him on board to help us with those efforts. Continuing to provide proper training. We have been working with federal highways, they comes over... they let us know they were going to try to come over on a monthly basis especially permanent to our federal highways projects to help us train our new project manager in the process

because there are a lot of hoops to jump through when you use federal highway funds. We have been working with federal highways on that issue.

For our Roads division objective number one continue on going base yard operations to meet public expectations. Roads guys are the guys that response a lot Mr. Mickens was talking about things like pot holes and the Road guys are the front line troops on this and so they are the guys that are charged with that responsibility. In order to make them as I mentioned earlier, try to move us into a proactive maintenance mode as opposed to a reactive mode. We are working to acquire and implement management software systems, help us to prioritize our efforts and keep us in a proactive mode as much as possible. You are aware that the Roads Division spend a lot of time on the Levees, we were successful in getting the Hanapēpē levees back into active status with the United State Army of Corp. Engineering Program and we are getting close with the Waimea levees. We had some equipment and materials we had to (inaudible) delayed that a little bit but we are getting close to that. Along those regards we will be seeing as we specifically talk about roads how we are formulating creating some crews to address levees. Objective number three, also a special construction crew to address special needs with regards to roads and bridge type maintenance that we do not have formally address right now. Our automotive division does a great job in meeting the needs of all county departments with the staffing and resources that he has available. We will be talking more in detail about some plans to do some minor improvements which will hopefully have a significant change in his capacity to address the needs of the County in his efforts there in automatics.

Environmental Services solid waste division obviously their big project is the new landfill. The EIS project is well on the way and we need to continue to support and move that process forward. In the mean time objective number two Kekaha landfill, we are making sure that we do what we can to extend the life of the landfill and use that airspace as wisely as possible. Cell number two design is on task and we will be looking for funding in the CIP when we get to that presentation for construction of Cell two at the landfill. On the wastewater side, we have four wastewater human plants that must all meet Department of Health and EPA standards and so we continue our operational compliance of our wastewater operations as you probably know the Waimea wastewater plant going through a significant expansion and upgrade and that will come hand in hand with some new requirements when we have that online and also some new opportunities. We have a lot of projects going on and you will see when we get to that division. We have under objective number two to help us with maintaining compliance and managing and developing the new projects newly hired engineers essentially an assistant chief in the wastewater division to help support the project management of the various division projects and help with planning and development of the various funded upgrades from the SRF fund.

Here we have an overall summary of the Public Works budget comparing FY 2012 and FY 2013. You will see that salaries and wages are pretty flat, not a lot of change there, less than a percent. Cost of benefits have gone up though our wages have not gone up, our cost of benefits has increased. Our utility cost, we show an increase of about twenty-five percent and that is largely due to the (inaudible) though there are some increase cost due to some lighting or requirements that do exist, you will see an increase in the equipment lease line item which is a reflection of a proposed equipment that we have coming before you. Our operations cost, there is an eight percent increase there that is one significant portion of that is our roads division you will see has a significant request in their operations for more materials and supplies to help them with a lot of the road maintenance issues that are out there. Overall, we show a budget request about ten percent increase over last year's budget. Here we shown, this is the same information showed in a graphical format. As I mentioned salary and wages are pretty stable and we have some increase in the other areas as I mentioned. That was my overview of the budget for the Public Works Administration fiscal side and overall the department. I would be happy to take any questions now.

Ms. Yukimura: Are there any questions for Mr. Dill?

Mr. Dill: As I mentioned Wally Kudo is on vacation, Ken Teshima is here to represent Engineering.

KEN TESHIMA: I am covering for Wally Kudo. What you see up there is a summary of some of our accomplishments and status of the efforts that we are currently pursuing. We did send some of our staff for qualifications especially for federal highway, more specifically for federal highway inspection requirements. Kokee road, we did in house design and we are already in the process of beginning the construction. Piikoi renovation, we completed the planning and design for that project. Historic bridge – Opaekaa, Puu opae and Kapahi, the improvements for those bridges, the design and planning are underway. Hanapēpē Bridge and Pedestrian walkway, the planning and design are also completed and we are soliciting from HDOT and federal highway to get approval to advertise for construction. Ala Kalanikaumaka is essentially the northern leg of the western bypass which the permits and clearances are essentially completed with the NEPA process. That gives us a green light for a hundred percent design process, we got approval for sixty percent, and funds for sixty percent has been obligated so we are pursuing that now. We are in the process for soliciting design teams for that. Lae Guardrails, that is a small road in Kalāheo, we got the design members on board. The Kōloa Guardrail safety improvements that project is a consequence of some safety issues statistically Kōloa road some federal money, instead of a eighty/twenty, it is a ninety/ten so we are paying only ten percent of that. We are beginning the procurement process for design like most of these. Kanaele road is in the same situation, Hanapēpē Road resurfacing, Puhi road, Maluhia Road, they are all in the procurement process which is sets the foundation of what occurs for next fiscal year. The biennial bridge inspections, it is every two years. We are soliciting professional services to take care that.

Kokee road resurfacing, that is for the next fiscal year but we are beginning that process now already. The bulk of the work will be fiscal year 2013 I believe for construction. The Hanapēpē bridge construction also. The Hanapēpē road resurfacing planning and design which should be moving before the next fiscal year starts in that process hopefully.

Ms. Yukimura: You are talking now this FY 2013 is what you are going to be doing?

Mr. Teshima: Yes. Most of the things that I mentioned in 2012 continues on, so it is possible a multiyear processes.

Mr. Chang: I am sorry possibly multiyear process beginning 2012 or 2013?

Mr. Teshima: We started in 2012 it will carry through to 2013.

Mr. Chang: What is the status of the Lae guardrail improvements?

Mr. Teshima: We have advertised and we do have a consultant on board for the design and we are in the negotiating process right now.

Mr. Chang: That is the guardrail adjacent to the reservoir?

Mr. Teshima: Yes.

Mr. Chang: If I can really make mention of the concern. The residence have stated that the guardrail was actually ruined after Iwa and there has been request again and

again for that rail because if you are not familiar with the road, the guardrail is very well needed because if you miss the turn, the reservoir is right there. I know that we requested that a while back and it was funded but I just wanted to see if we can really, I do not want to say fast track but keep that in concern because the residence have waited for some thirty somewhat years.

Ms. Yukimura: Well looks like they are moving on it, yes?

Mr. Teshima: Yes, and we do understand the severity of the situations.

Mr. Chang: Yes because that is a very dangerous turn there.

Mr. Dill: Vice Chair, I should have mentioned in the beginning generally speaking for the divisions as we go through the various reports, the format would be we are going to talk about FY 2012 and various things were accomplished and this current year, talk about FY 2013 and some of the things we anticipate for FY 2013 and then in the presentation that was given to you, you were given budget information and some graphs which pointed out the variations between FY 2012 and 2013 budget. We are going to talk about in our presentation the reasons for those variations the significant ones and then the final section with staffing. Based on Mr. Barreira's presentation, we may not touch on all the issues of staffing because again our presentation was predicated on the budget as it was printed out.

Ms. Yukimura: Okay I just want to observe that this two part budget process is extremely difficult for the Council. And then we are going to have such a short time to deal with the budget when it comes up, the second addendum supplemental but let us get to the end of the division and then have questions. Continue Ken.

Mr. Teshima: Hanapēpē Road, we are already starting the planning and design and the bulk of the work will be done in fiscal year 2013 to get into construction assuming there is funding. Kawaihau road complete streets that effort is to look at the concept of complete streets safe routes to school consolidated into that project or that concept in consolidate into that project. Operating budget discussion, increase in operations is due to Engineering division's training budget moving form Public Works Administration to engineering. A couple of new employees has started in last FY maybe about six percent of the fiscal year and now it is a hundred percent for FY 13. Public Works Admin has moved to engineering and also there is an increase of direct salaries means that there is an increase in benefits, so essentially that should take care of the different variance.

Ms. Yukimura: Alright, thank you. The 2012 you are just letting us know that you filled the construction inspector position?

Mr. Dill: Yes and the two civil engineering one positions.

Ms. Yukimura: Were they dollar funded or were they funded?

Mr. Dill: I think the construction inspector was vacant and the two engineering positions, were they new positions last year?

Ms. Yukimura: They were fully funded positions?

Mr. Teshima: One was dollar funded and one was transferred from Solid Waste.

Ms. Yukimura: The engineering position is not in the present budget, it does not account for the six percent increase in salaries and wages that you show on page twenty-two of your report, is that correct?

Mr. Dill: The engineering position is in the budget graph.

Ms. Yukimura: But it was not supposed to be?

Mr. Dill: That is my understanding.

Ms. Yukimura: And then we are going to discuss its rationale when we have three days to discuss it? Right, when you send it to us and then we go straight into discussion making?

Mr. Dill: That is my understanding.

Ms. Yukimura: That does not make sense. I think we should but you do not know whether we are going to talk about it yet because the Administration has not made up its mind what positions are going to set up?

Mr. Dill: I do not have directions to talk about it.

Ms. Yukimura: Questions of Engineering?

Ms. Nakamura: One of the challenges is upgrading drafting capabilities to support this division and I was wondering what do you think that... does that involve staff or equipment?

Mr. Teshima: It is a combination of many things. For engineering increase this ability to do in house design, the primary data comes from surveying and now it is loaded into the drafting system electronically. We need to beef that part up. There is one person who is (inaudible) operator and for those who can do it one but we need to have that ability to expand that resource and that may include or it will include possibly better computers because we do have the software to do it but it does not function too well.

Ms. Nakamura: Is it more efficient to be doing this work in house, some of the work in house?

Mr. Teshima: Yes and no. It depends on the complexity of the project. We always look at whether the value is there or not because the projects are not only engineering, it is about that is usually planning and design, outside the scope of pure engineering. So if we keep it all in house, we get bogged down with the planning, clearances, permits and environmental stuff. Usually the engineering is the easy part.

Mr. Dill: If I may add to that too. We have picked up additional (inaudible) licenses especially as we bring in young engineers on board who maybe more familiar with some of the things. We have also conducted the training and so we are taking some steps in that direction to enhance our capabilities.

Ms. Nakamura: This is probably not in this year's budget but if we are looking at in the future, this would be...

Mr. Teshima: It is in this year's budget. We have a line item for fourteen thousand dollars for CAD software and so that will buy us two more licenses.

Ms. Nakamura: So you have the software but... and you have people who can operate it?

Mr. Dill: Yes and we have conducted training and continue to do so.

Ms. Nakamura: Okay. Another question that I had, recently the Council expanded the scope of the open space commission and one of the things that we have tasked the commission staff to do is to begin working on some of the public access that has been committed to open... we have asked developers or we worked it out where we are supposed to have this public access to the ocean and to certain places but there needs to be work done to survey the land or figure out how that access is going to happen or where that parking is going to be and so forth. I was wondering whether it makes sense in upcoming initiatives or part of a goal of this division is to assist on the implementation of that piece. Do they have funds to possibly do some of it, to contract some of it out but if it is a smaller project or, is that possible to make sure that it is on your radar, this public access is something that... there is a lot of that has not been resolved. There is going to be some work involved in trying to make it accessible.

Mr. Dill: Certainly in Public Works and Engineering did request for support surveying support and minor design projects (inaudible) we can certainly help out those on a case by case basis.

Ms. Yukimura: On the issue of your drafting capabilities and your support tech, are the computers that you think you might need in this budget too?

Mr. Teshima: Yes, we have one. I was at the end of our budget tax information. We have a new computer in there with associated basic software.

Chair Furfaro: I want to go back to the open space piece. Larry, you do know by Charter that the control of the easement pieces, public access pieces as far as meeting the requirements for reasonable care and public safety, that authority is with you, nobody else. It is not with the Mayor, it is not with the Planning Director, it is not with the Council that is with the Chief Engineer of the County. I just wanted to make sure you folks knew that. If you find something that is not safe, you have the ability to close it for repair for up to six months. I am sure open space would look for your kōkua on a follow up to Councilmember Nakamura as it relates to evaluated these requirements.

Mr. Kualī'i: My one question had to do with the Department of Personnel Services showed as a vacant position as of December 31, 2011 and that is a civil engineer six position with a position number of 1937 where is that position in this engineering division? I do not see it and are all positions listed on the budget on page 160 all filled except for the ones on the bottom where there is switching or repositioning?

Mr. Dill: All of the funded positions are filled.

Mr. Kualī'i: There is one civil engineer six which is position number 1433, SR 28, \$88,8487 – that is filled?

Mr. Dill: Correct.

Mr. Kualī'i: Is there another...

Mr. Dill: What was the position number you mentioned earlier?

Mr. Kualifi: 1937.

Mr. Dill: I am going to have to get back to you on that one.

Mr. Kualifi: Okay because it is the same positions, civil engineer six and in the 12-31-11 Department of Personnel services vacancy report, it said fund source, County funded effected date of the vacancy November 1, 2011 so it was just the end of last year. It then says recruitment status, names referred November 1, 2011 so I would imagine that by now maybe somebody would have been hired into that position unless something else happened which we do not know.

Mr. Dill: 1937, I see it. I mentioned as I briefly went through the Waste water presentation that we have a newly hired civil engineers six, that is the assistant chief of the waste water division. We had an engineer, we lost one over to Department of Water and then we hired Eric Agena.

Mr. Kualifi: Wastewater?

Mr. Dill: Correct.

Mr. Kualifi: 1937.

Mr. Dill: It is on page... it is in the Wastewater Division.

Mr. Kualifi: I am not sure why Personnel put it has Public Works Administration.

Mr. Dill: I do not know... it is Public Works Wastewater.

Mr. Kualifi: I will make note of that.

Ms. Yukimura: Other questions? I have one then. On the northern western bypass road, exactly what is the status? You have completed the EA?

Mr. Teshima: The State EA is completed HRS 343 requirements and the NEPA EA is essentially completed, it needs to get posted with the OEQC. Once that time runs down, it is completed.

Ms. Yukimura: Are you attempting to get a no significant impact?

Mr. Teshima: Yes.

Ms. Yukimura: You are kidding right?

Mr. Teshima: No.

Ms. Yukimura: That is such a huge project, how it can be a no significant impact? It is over wetlands.

Mr. Teshima: It is but the structure is designed and aligned so that it does not impact the wetlands.

Ms. Yukimura: How much was the estimated cost to complete?

Mr. Teshima: Construction, we estimate twenty million at this point in time.

Ms. Yukimura: Twenty million dollars of how much of a roll, how long?

Mr. Teshima: About four, tenths of a mile.

Ms. Yukimura: For four, tenths of a mile. And I guess you are trying for an eighty/twenty match?

Mr. Teshima: Yes.

Ms. Yukimura: Okay. So is that in terms of County portion?

Chair Furfaro: Four million dollars from the County.

Ms. Yukimura: And how are you planning to get that money?

Mr. Dill: Well, that is not coming in this year's budget.

Ms. Yukimura: I know. I still asking you how do you plan to get that money?

Mr. Dill: We do not have an answer for you at this time.

Chair Furfaro: But most likely that is a new bond issue.

Mr. Dill: Most likely.

Ms. Yukimura: You are already looking at ten million dollars in bond payments on our existing bond, okay, thank you. When is the deadline for a decision?

Mr. Teshima: What decision?

Ms. Yukimura: A no significant impact decision?

Mr. Teshima: The 343 is done, the (inaudible) was completed. The NEPA EA went through all the different agencies included federal highway, they signed off on it and agreed that (inaudible) is where it is. The only difference is during the thirty day period of it being posted, if there is any comments then we need to address it.

Ms. Yukimura: So the thirty day period has started or has not started until it is posted?

Mr. Teshima: It has not started, we are going to try to post it sometime in late April or May, and I do not know the exact date.

Ms. Yukimura: Okay, thank you.

Chair Furfaro: Let us try to keep as many of the CIP questions until Thursday. We are going to revisit this on Thursday, if you can tighten up some of those questions, it would be very much appreciated.

Ms. Yukimura: Thank you, Ken. We will proceed with Building... what is your next division?

DOUG HAIGH: Good afternoon. The highlights for the Building Division FY 2012 we completed the Historic Building renovation.

Chair Furfaro: And under budget. Four hundred... not a very flexible budget but under budget. Take some credit where credit is due.

Ms. Yukimura: Well under the final budget.

Mr. Haigh: We have completed the Kaiākea Fire Station PV system and it is up and running. Our LEED certification is just about done. Piikoi Fire Department Administration Offices, the building division handled the construction management, engineering division assisted us with... they did the design and we took over and did the construction management. Fire has moved in and we are in our final punch list. 2006 International code and international residential code, we have completed our code amendments and have submitted to the Council and I believe we had first hearing this week. That is major accomplishments.

For FY 2013 we plan to move forward with electronic plan review, we are doing this in partnership with IT division of the Department of Finance. We actually have some of our initial meetings next week with the vendor. Pono Kai and Moanakai Seawall are two projects we hope to do depending on permitting, it has been a very long process getting our Department of Health permits and it is ongoing. Hardy Street project basically we are doing a complete street upgrade to Hardy street and that one we hope that... we will be proceeding with that project this year. The Kapa'a base yard renovation project is under construction scheduled to be completed this summer and from there we will be moving Parks and Recreation Beautifications division, we will have space in the renovated space. Kapa'a base yard State Department of Transportation gave us their half of the base yard when they moved to their new facilities in Puhi. The major part of the project is structural renovation. Lihu'e civic center site improvements, we hope to be going out to bid this summer for that project, if not sooner.

Operating budget, really not a whole lot of new stuff in our operating budget. We have some vehicles replacing two vehicles and providing a pickup truck for a new plumber.

Chair Furfaro: Excuse me, are those lease purchases?

Mr. Haigh: Yes. We defer to the Department of Finance on how they procure their equipment. You will see a large increase on the operating budget but that is ninety-nine percent due to the fact that last year the R&M projects were shifted to the CIP budget rather than the operating budget so this year we brought them back in to the operating budget, that is where we are seeing the gain increase to our budget.

Chair Furfaro: Excuse me, can I ask you when we are moving R&M versus CIP and so forth, we are actually getting a generally accounting understanding of what qualifies for CIP versus what qualifies for R&M? Is that something that Clint is tracking?

Mr. Haigh: I would say that we defer to the Director of Finance on those issues. There is a lot of different opinions on such things but the Director of Finance are...

Chair Furfaro: I am delighted because you are going back what my opinion was putting everything in CIP the last time, I do not think was acceptable because you got to book the asset after the add it but we have an understanding of what qualifies for CIP versus what should be R&M. Is there an statement we can go to?

Mr. Haigh: I would have to defer to the Director of Finance.

Chair Furfaro: Okay. I will put that down for a question when we see him again.

Mr. Haigh: And then we have some increase in utility cost primarily due to the additional of Fire Administration office in the Piikoi building and also inflation to our energy cost. Staffing...

Mr. Dill: We are going to ask... Doug was not here for the earlier discussion. We will wait on that discussion, we will stress that we continue hiring a project manager on a project funded basis to help us manage our CIP projects.

Ms. Yukimura: Thank you, Doug. Questions for building?

Chair Furfaro: I would like to ask Clint to come up on this building piece in CIP and so forth just so that at least somebody is pursuing it for us by Thursday.

CLINT SAIKI: Good afternoon.

Chair Furfaro: Clint, when we go into CIP on Thursday, I am wanting to see if we cannot have something in a way of a narrative under general accounting practices that tells us what qualifies for... or let us put it this way what does not qualify for CIP and is really a repair and maintenance item. Is there an accounting narrative that you can provide us by Thursday?

Mr. Saiki: The issue that is up for discussion right now is the change in policy really on how we handle the R&M projects from this year to this current fiscal year but it was a policy decision that was made by the Finance Department on how we should be financing those projects at the time. Basically it was a decision that came up and primarily you would need to have an opinion by the Director on why he made that call during that time.

Chair Furfaro: There would be a policy somewhere, I would think. It is not a discretionary item. When we put paint on stuff and what is the difference on blinds versus FF&E. There has to be some kind of narrative around.

Mr. Saiki: Majority of those projects are maybe in a gray area in terms of whether they are truly maintenance or there were some improvements that were made that would increase the life of the asset to such an extent that it would not be considered a capitol improvement.

Chair Furfaro: Sure, I mean you put a roof on a house, it increases the life of the house.

Mr. Saiki: That is true.

Chair Furfaro: But if you paint the kitchen guess what... the choice of color is your wife's choice, it is not a CIP decision.

Mr. Saiki: I agree. And some of those projects were combined in a sense that there were some maintenance aspects to the projects but they were also improvements that were made that we have increased the life of the asset. In those cases, it is an subjective decision that it could go either way because of the character of the project.

Chair Furfaro: I do not like subjective decisions. I would like to see something in writing that is very objective that tells me if you are putting a new roof on the house, that it is going to extend the life of the house another ten years. Or you are putting a retaining wall up basically it is going to help you from flooding and so forth but when you do it like... changing the screens in this building and new paint and so forth, there needs to be definitions here and to me that is a change in philosophy that we need to know. We spent big bucks to fix this building, now, we are not going to wait another ninety-nine year, eight months before we fix the windows again. There is some R&M that goes into this building. I would love to see if you could pose that question that you can actually deliver some kind of narrative that tells us how we determined what is R&M and what is CIP.

Mr. Saiki: Basic definition, we can clarify but the decision on where the projects were funded was a policy decision that I would need to defer it to the Director to respond to you.

Chair Furfaro: Fair enough.

Ms. Yukimura: Thank you, Clint.

Ms. Nakamura: Thank you Doug for all of your accomplishments this past year. You had a lot on your plate, it looks like. One of the challenges that you mentioned in your report is filling vacant positions in a timely manner, what has been the biggest obstacle in this process? The other thing is about how long has it taken you to fill these vacant positions?

Mr. Haigh: We have been lucky in some of them. We were able to use the building permit revolving fund to pre-hire or to hire someone and train them in the anticipation of retirement. So we had that in some instances. Other instances, we have been using... staff has been moving up into the positions, so there is cross training before the retirement. A couple of the positions have been difficult to fill because the people who are in line did not have the necessary qualifications. Once we had the seniority, did not have the necessarily have the qualifications. So those were our biggest and the ability to pass the civil service test sometimes we have been people who have been in this division for many years and are very capable doing the work but they are not taking the testes in one of their skills and so that can be a challenge. I think the Building Division is in pretty good shape. The biggest challenge is more on the capital improvement side of things. Our construction management, our project managers... the dollar funded policy is a little bit of a challenge because it is hard to bring in experienced County people who have worked elsewhere to come on just a contract basis with no sense of permanence even though the positions we funded have stayed permanent because we have to need, but if somebody is making the life decision of moving to Kaua'i and they are only looking at a temporary contract position, it is a challenge. And the frustrations of working in a public sector is very different so when we pull in outside construction managers who used to work in the private sector, it is quite a change in environment for them to work within the public sector and the difficulties we have. But right now, the Building Division, we are in pretty good shape as far as our succession issues.

Ms. Nakamura: Managing multiple projects with minimal staff is another challenge. One of the other things we noticed when looking at the CIP projects for the County is just how many of them are being supervised by you or projected managed by you and you are also the manager of this Division that has how many employees?

Mr. Haigh: About ninety. I think it was just yesterday the County Engineer and I were talking about that specific issue. We were looking at new hires under the dollar funded positions and it was do we get somebody with field experience in more construction management side or do we get somebody higher up with the project management and government in dealing with the different regulatory agencies. The Deputy County Engineer told me, Doug, you need to get guys to do the project management so you can do the Administration. So my bosses see that too.

Ms. Nakamura: Because I do not know how you do it with having so much on your plate.

Mr. Haigh: I have been fortunate to have very good staff who managed the sections. That is having good staff below you really helps you. One thing, the additional plumber is a current dollar funded position that we are looking at fully funding and then the project managers are also dollar funded positions so I guess we are outside of that... separate discussion that I do not know anything about.

Mr. Kualii'i: One position I have noticed in the Department of Personnel Services report, position 1528 the supervisory building inspector, is that a recent vacancy that is not going to be filled because Human Resources says pending request from Department or by now you have requested that they recruit?

Mr. Haigh: It was a recent retiree.

Mr. Kualii'i: At the end of last year.

Mr. Haigh: Yes and we have the Personnel next in line with seniority and a temporary assignment handling that position. We have got a lot of other things going on right now and we are comfortable with him in that position and so we just have not put the energy over to formulizing opening the position and doing what we need to do to fill it. It is clearly our intent to fill within if we can and the gentleman who is in that position now is doing a good job and so we are in a little bit in limbo and we get a little more time and then we will address that personnel issue.

Mr. Kualii'i: It is just that we have been hearing from Department after Department, their frustration with how long it takes a recruitment from Department of Personnel Services and so if you intend for that to happen, you might as well get them started because you might have to wait six to nine months.

Mr. Haigh: Yes.

Mr. Kualii'i: A lot of Departments have been saying.

Mr. Haigh: In this particular instance, we do not have a sense of urgency because we are managing it because we are lucky we have the building permit revolving fund so these positions kind of move up, so the person who is doing the TA into that supervisory position, we are filing the positions below him by utilizing somebody funded with the revolving fund.

Mr. Kualii'i: So then I have a question sort of what is the practice and what is the requirement regarding temporary assignment, how temporary is temporary?

Mr. Haigh: I would say six months would be reasonable and just like you mentioned it takes time to do the hire. It is on our plate to move forward with that is just we have not...

Mr. Kualifi: One thing I would just argue on behalf of the guy that is doing the great job is that, you know he would have the chance to go after the job permanently once it is posted and if it is going to take Human Resources awhile, the sooner you get it posted, the better.

Mr. Haigh: I appreciate that, thank you.

Chair Furfaro: Doug, I think for the benefit of Lyle and Larry, I was a big proponent for earmarking money from the CIP so that you could have some project managers. Do you remember that?

Mr. Haigh: Yes and those are our dollar funded positions.

Chair Furfaro: And we have the Auditor's bring their guy in and all of a sudden he was recommending that we hire all these people for these specialize issues and we are not big enough to do that but I have to tell you, how long have you been with the County now?

Mr. Haigh: Twenty years.

Chair Furfaro: Have you ever remembered a year that we have not spent or identified a CIP (inaudible) that was less than fifteen million dollars?

Mr. Haigh: No.

Chair Furfaro: And so if we take five percent of the fifteen million dollar package so that you could have some regular project managers that is four hundred and fifty thousand dollars. We have Pat, who else do we have?

Mr. Haigh: Right now as contract hire... I think Pat is the only one.

Chair Furfaro: Okay but my point is if we never fallen behind fifteen million in CIP and everything that comes out in the audit is about and this is believe me is something I believe in very strongly, that Doug cannot manage everything no matter how talented he is, we should not be saying that well because... we might have an extra guy and so forth... how long has Pat been with us so far?

Mr. Haigh: About five years now.

Chair Furfaro: Five years as a project manager. I think we can do it another time when we have CIP budgets that are in the twenty and thirty million dollar bracket, I would just want to encourage you not to use that rationale in the past, and let us look at another project manager for you charge against the percentage of the budgeted project money. You deserve it.

Mr. Haigh: The challenge has been is that we have to charge specific projects.

Chair Furfaro: Understood.

Mr. Haigh: And it works out.

Chair Furfaro: You have an excellent accountant for project management in Clint Saiki.

Mr. Haigh: He is retiring.

Chair Furfaro: Well get him to set up a program before he retires but do not sell yourself short, I think you hear my message.

Mr. Haigh: Yes, I hear you.

Ms. Yukimura: I want to be clear I am hearing the right message, I think what I am hearing from the Chair is saying make a civil service position, basically.

Chair Furfaro: Well I am just saying do not tell me you cannot retain somebody is the reason we have not pursued it, that is what I am saying. Because we have enough money every period of time. Now if that turns into another position fine, maybe you want to do it with Pat, but I do not think this County would find themselves ever spending or indentifying less than fifty million dollars in projects and fifteen million dollars in projects need management. You cannot stretch you all over the place.

Ms. Yukimura: I think I am hearing the Chair saying that the volume of projects will be such that you could actually justify through conventional funding maybe one more project manager position.

Chair Furfaro: That is right.

Ms. Yukimura: Okay, thank you. You mentioned that your utility cost are going to be increased in janitorial because of the move of Fire back into Fire Offices?

Mr. Haigh: Correct.

Ms. Yukimura: At some point with the help of our energy coordinator and sustainability manager, those might be put in the department's respective budget at sometime but we are not doing it now because we do not have separate meters?

Mr. Haigh: Well there has not been an Administration decision to do such. Yes, if you are going to do that there are different ways in the portioning the cost and separate meters is one way to do it but technically our buildings are designed where we have multiple agencies in buildings under the same electronically panel distribution system, individual meters is a challenge to do. It is possible but I think really that should be part of... we are looking at bringing in outside help for our energy use for buildings which we are moving forward through the Office of Economic Development. I think through that process there is going to be an ideal opportunity to look at those issues on how best to manage and minimize our energy cost.

Ms. Yukimura: It just occurred to me that there might be some kind of accountability process through load controllers and whether you could actually identify who is drawing on the load and allocate electrical cost within one meter building and I do not know if that is possible but to the extent that you are pulling on different sources and so forth, I do not know.

Mr. Haigh: We are also distributing the air conditioning, we have a central (inaudible) plant that is servicing all multiple agencies within the building. There is ways that you can do things to monitor by adding controls and monitoring devises but it is a matter of

looking at the big picture and what is going to be our most effective means of minimizing our energy cost. With the outside expert through OED, I think we will really have a great opportunity to take a look at that.

Ms. Yukimura: While we are at it I just want to say one thing that to me that is not working about this building is the air conditioning in this room, I mean it is freezing.

Mr. Haigh: That is just a matter of setting the thermostat.

Ms. Yukimura: We have set it at eighty.

Mr. Haigh: Okay, we can adjust that.

Ms. Yukimura: Please, thank you.

Mr. Kualii'i: In the budget – those are all the positions at the bottom, you got 904.8 project management officer contract, the 904.9 contract management, 905.1 construction manager... I mean the other one is construction manager also and then 904.7 project manager. You show four dollar funded positions but Department of Personnel Services show five, they also have a 904.6 and actually then in Mr. Barriera's report, he shows five also but one of them, he says not applicable – it does not have a position number.

Mr. Haigh: Yes, that is what is on our spreadsheet for our budget list.

Mr. Kualii'i: So, you have five dollar positions?

Mr. Haigh: There are five shown and one does not have a position number.

Mr. Kualii'i: Okay, so that is the last one that is 904.6.

Mr. Haigh: Yes.

Mr. Kualii'i: Glitch, the number just did not come through.

Mr. Haigh: Yes.

Ms. Nakamura: So, are you saying that just one of those five are filled?

Mr. Haigh: That is correct. We have had two of them that are filled previously but people have chosen to...

Ms. Nakamura: I am hearing you to say that it is because it is annually renewed that potential applicant may not have the job securities so it may not want to apply for this position?

Mr. Haigh: Correct.

Ms. Nakamura: And so if it is a civil service position that that might make it more attractive?

Mr. Haigh: That is correct.

Ms. Nakamura: If we are saying we have funds in the CIP budget for it, it really needs to be in the Operating budget for it to be helpful to you?

Mr. Haigh: Well to increase the probability, retaining somebody and attracting somebody.

Ms. Nakamura: Right and given the amount of projects that your division oversees, there is probably going to be work to justify it?

Mr. Haigh: I would defer to the County Engineer and the Deputy County Engineer what their long range plan is for projects for the Building Division.

Ms. Nakamura: I see.

Mr. Dill: Very likely.

Ms. Nakamura: Well okay, if that is the case then, maybe we need to... when we do the CIP discussion is identify those projects that will likely be a Building Division Department project and then look at what it is going to take then to get those projects implemented and then work backwards?

LYLE TABATA: That is just part of... what Doug mentioned is part of the whole... the second part is we cannot pay these people enough.

Ms. Nakamura: Okay.

Mr. Haigh: It is a doubled sided sword because if we go to the civil service position, you will end up paying them a little less in some instances. Where in this project management positions, we have a little bit more flexibility.

Ms. Nakamura: I see.

Mr. Tabata: In a private industry, people get paid many times double what we can pay.

Ms. Nakamura: Right.

Mr. Tabata: That is why Doug takes it upon himself to manage it because he has the background, the expertise in government. Where if you bring in somebody from the outside, they do not have that expertise.

Ms. Nakamura: Right now we do not have the flexibility since all of them are the dollar funded positions, you have to go through the CIP budget which allows you to hire at a higher rate but there may be a candidate out there who wants that security but... I am just wondering if it helps to have the flexibility moving forward or just to say...

Mr. Dill: It would have to have both opportunities. We can fund them by the CIP or if we had a civil service position. If we have someone with the PE license after their name, that allows us to hire at a higher level and often we can find people who has the necessary experience and expertise, we do not happen to have that and that becomes a challenge.

Ms. Nakamura: Okay, that is something to consider.

Ms. Yukimura: Any other questions? One last one on page fourteen and I think the Chair was already looking at it, the funding... the fifty-five percent increase in operations which is your building maintenance is because of funding none recurring R&M projects that was moved to the CIP budget last year?

Mr. Haigh: Correct.

Ms. Yukimura: They are none recurring and you made them... so now why is it more in this year's budget?

Mr. Haigh: Like I mentioned...

Ms. Yukimura: Oh, because now you...

Mr. Haigh: ...the Director of Finance is making that decision. It is made beyond us.

Ms. Yukimura: But why is it none recurring? Because the reason it is back in there is because you actually have R&M expenses again.

Mr. Haigh: But it is not like a salary or a utility cost that you are paying every month. It is individual projects that are being done to improve our assets and in some cases we are putting on roofs which extends the life...

Ms. Yukimura: I understand, okay. That does not give good budget reflection though but thank you very much. Any more questions? If not, let us move on.

EDWARD TSCHUPP: Good afternoon.

DONALD FUJIMOTO: Good afternoon.

Mr. Tshupp: We are happy to be here today and appreciate the Council's support. In Waste Water Division for FY 2012 we have been working pretty hard in Waimea with projects in seventy-five percent complete, there are new equipments that are starting to get started up and so on. We have also had a very good experience with a contractor evaluating and doing energy audits for the division, the other three Wastewater Treatment Plants have been analyzed for energy audits and we are working on trying to contract for the implementation of those improvements. We also have a couple other construction projects that are currently in progress, one is replacement of an emergency generator at the 'Ele'ele Plant and the other is the Complete Renovation of our Līhu'e Laboratory Facilities. Looking forward to next year, we are looking forward to the completion of the Waimea WWTP expansion and upgrade project. That also opens the door of working on distributing the new R1 water being developed as part of that project. We have been working with (inaudible) land company on scoping improvements to the existing (inaudible) none potable water distribution system that serves through the town. We also had some preliminary discussions with Parks Department about take offs of the R1 water that could go to serve the sports field complex. We have been awarded and there is a grant application process that we need to go through but in 2010 there was a earmark, one of the last earmarks – congressional earmark to the County for Waimea Wastewater work that we are proposing to apply to the planning and design elements of the distribution system upgrades. That is a new project showing up this year. It is not reflected in the budget with a budget allocation because we are really hoping to leverage some of our federal funds. The third item on the list is the implementation of the energy efficiency work and then the remaining items are the next three Wailua, 'Ele'ele and SCADA are projects that we are currently working with Purchasing Division on getting out to bid, so they will be going out into

construction next year. The Wailua and 'Ele'ele projects are SRF funded through the Health Department, the SCADA project is bond funded. The final project on this list is the odor control project that the funds were allocated this last year by Council to proceed with coming up with odor control improvements at Coco Palms. At present we are in the process of rewarding the design contract for that project.

Ms. Yukimura: For which project?

Mr. Tschupp: Coco Palms SPS odor control project.

Ms. Yukimura: Badly needed project.

Mr. Tschupp: We have actually a lot of our funding in the operating budget are fairly consistent from year to year and something that I keep saying to the County Engineer and the Finance Director and the Deputy County Engineer is that we actually generate a significant amount of revenue from our operations and the revenue side is almost never reflected in these budget discussions because I do not believe there are many other agencies that are essentially generating the kind of revenue that we generate. In respect, we are close to being self sufficient and our schedule of rates and charges was designed and approved by this... maybe it was last Council with rate increases that are taking us even closer to being self sufficient. That is the yard stick that we are trying to reach over the next couple of years.

Chair Furfaro: Just so we know, this year there is a change in our presentation on Tuesday in the afternoon session, we are going over all revenues including yours.

Mr. Tschupp: Okay.

Chair Furfaro: Just for the body, if you look at the agenda, there is a section about revenues.

Ms. Nakamura: I just was going to say, it would be good to have that in your presentation to see the big picture with the revenues and expenses in the future.

Mr. Tschupp: That would be a different format than I think most of the other County agencies deal with.

Ms. Yukimura: But if I may ask Ernie, it would be good to have it your regular portion of Ed's budget as all the other County agencies and then just an enterprise fund budget presented to us. So we could see that picture that both the Chair and Councilmember Nakamura are talking about and you have also suggested that it is the revenue side.

Mr. Tschupp: We have one of the areas on the summary table is operating budget discussion, increase equipment/lease equipment cost. This is a relatively small relative to the number of facilities that we operate but we do have a couple of pieces of equipment, mobile equipment that are up for replacement. It is a relatively large percent increase on the order of twenty somewhat percent but it is not a big dollar item. I was told to skip this one because it was already addressed... that is it... We do have on staffing, we do have many of our staff have been there for quite awhile and many are looking at retirement and it is a challenge for our... particularly the grade for operators and we basically need two grade four operators at each plant plus the supervisor and I have...we have been very fortunate in this last year that we had some folks successfully pass their grade four exams last year and I think it is a reflection on the ongoing training as well as the motivation of the employees. Because it is not a trivial examination, it is a

very mass centric, very professional kind of examination, it is not easy to pass and yet we do have some retirements coming up, a couple key ones this year – a supervisor and grade four operator.

Ms. Yukimura: Well congratulations to your employees who went through that. That is the kind of planning basically that we need, even if it is just encouragement and support to go do those test and prepare for them.

Chair Furfaro: I have raised this question with you before with Wastewater and it is a consistent issue with our inspection forms and it relates to the hiring of an electrician for the plant. If you read every comment that we had from the State Health Department, it is like Wastewater does not provide the appropriate technical background with electrical worker, what is our strategy there?

Mr. Tschupp: We address that in two different ways and even though we say this to the Health Department, I agree wholeheartedly that the best approach is to fill that position with an industrial electrician. One of our strategies is to attempt to do that and it is very difficult for some of the reasons that Mr. Haigh mentioned even though it is a permanent position, it is a very competitive environment out there and County levels of compensation are nowhere near (inaudible) with what that licensed electrician can get in the private sector.

Chair Furfaro: When it is a good construction period.

Mr. Tschupp: But even over the last couple of years, it has been a pretty cut throat very flat economy and yet still we have not had qualified applicants coming in.

Chair Furfaro: But we have never come back with a strategy that this Council is asking for... is that something because of the ability to identify, hire and retain electricians, is that something in our thinking that we have to talk to the bargaining unit about that particular pay grade? Have we evaluated that approach and what it would take to secure you the right compensation to... because we cannot go on year after year with this deficiency from the Health Department that is not acceptable too.

Mr. Tschupp: I have not push that with the Department of Personnel and I am hearing you once again because I acknowledged that you have asked this before. I am not really clear what it would take to do that.

Chair Furfaro: I would really appreciate that we do not go another year with the same deficiency and then we did not come up with a strategy to talk to HR and get something going with the union about retention about that position.

Mr. Dill: Thank you, Council Chair. We will look into that.

Ms. Yukimura: May I also suggest that you talk to the other Counties because if they are having the same problem collaborative strategy on it might be useful especially if you are going into collective bargaining with some proposals.

Mr. Tschupp: It does reflect upon the broader contract agreement which is part of why Personnel Management has to be involved.

Ms. Yukimura: With a new Human Resources Department, hopefully they will be able to do that kind of more sophisticated research and strategizing.

Mr. Tschupp: I can but hope.

Chair Furfaro: And please note, we do not have to negotiate a whole new contract...we have to open dialog with them about the approach to red circle a position for one person. That is what I would hope we would be able to at least initiate.

Mr. Tschupp: The other side of our equation on agreed that we should fill the position and do what we need to do. I just wanted to reassure Council that although it shows up with the Health Department as a deficiency, I think that they are applying their limited knowledge of our actual flexibility to go out and do an emergency procurement and when we have an emergency involving an electrical problem, we have never had the Finance Director stand in our way or any institutional entity stand in our way here within the County to go out and hire that contractor.

Chair Furfaro: And I do not think that is what you heard from me here. You did not hear that from me.

Mr. Tschupp: I just wanted to make that clear.

Chair Furfaro: I am saying year after year seeing that in the report, I think we have to have some dialog to see if we can red circle something to make it more attractive.

Mr. Tschupp: I appreciate that, thank you.

Ms. Yukimura: Other questions of Ed?

Mr. Kualii'i: I just wanted to clarify, that is position number 1918 which is called plant electrical/electric EQ repairer?

Mr. Tschupp: That is correct.

Mr. Kualii'i: That DPS shows as continuous recruitment.

Mr. Tschupp: That is correct.

Mr. Kualii'i: So for year and year, it is unsuccessful in recruiting and for the reasons you stated. What other positions are currently vacant? Is 907 sewer maintenance helper vacant as of August 8, 2011 and it says pending discussion with Department or has that been moved up?

Mr. Tschupp: 907 has been filled, yes.

Mr. Kualii'i: Currently? Filled like within the last month or two?

Mr. Tschupp: I think it was a couple months back.

Mr. Kualii'i: But after December 31 because that is when the report we have from DPS and then the other one... the 1937, I think that is the one that came from... what was showing somewhere else, 1937 civil engineer 6 SR 28 eighty-five thousand was vacant as of November 1, 2011, the status they have is names referred.

Mr. Tschupp: That is Eric Agena and he started with the agency in February.

Mr. Dill: That is the one we spoke about earlier Councilmember.

Mr. Kualii: The other thing is in the budget it shows eighty-five thousand, four hundred and twenty-eight dollars and in the recruitment dollars they show sixty-two, four, two, four but you are saying as of July 1 that person is being paid eighty-five, four, two, eight? At the rate that is in the budget?

Mr. Tschupp: That is my understanding.

Mr. Kualii: HR just got the number wrong?

Mr. Tschupp: When we were recruiting, we recruit a possible across a range and because the person that was selected has several years of experience in government, he ends up over the step category that is at a higher pay scale then the starting salary.

Mr. Kualii: Right. The last one is, there is a position fourteen, forty-three that is called civil engineer six and in parenthesis it has fifty percent and says transferred to Solid Waste, is that a half time position that was transferred to Solid Waste?

Mr. Tschupp: I believe that refers to Mr. Fujimoto here on my right.

Mr. Kualii: Oh, okay.

Mr. Tschupp: Environmental Services Officer.

Mr. Dill: He's position is funded half from Solid Waste and half from Wastewater since he oversees both of those divisions.

Mr. Kualii: Okay, so I do not know why it says transfers but it is a split position and that is half the salary?

Mr. Dill: Correct.

Chair Furfaro: A housekeeping item just for... at 4:30 we are required to take a caption break but I would like to say at 4:30 we are done for Engineering for today because we are going to start back up again on Monday at 9:00.

Ms. Yukimura: Very good Chair, thank you. Any other questions for Mr. Tschupp?

Ms. Nakamura: I wanted to ask you a question about the (inaudible) solids disposal diversion and what strategy you have for doing that?

Mr. Tschupp: This is something that I got to take and give a lot of credit to Solid Waste because they are the ones who are taking the ball and running with that, partly that is a function of staffing. Before Eric started I was really strapped but I believe that they are in the process of preparing for publication a request for proposals for alternative, there is many possible alternatives and I would invite Donald to add any comments that he may have.

Mr. Fujimoto: Just echoing with what Ed said, we are just about ready to go out for procurement, so it should be coming out in the next month or so. The funding is actually, we are looking at funding it... it is kind of complex because the funding is under Wastewater and the complication is actually when we go through procurement. If we obligate that funds for procurement can we use this operations as well? Maybe one way to do it is to try to target next fiscal year.

Ms. Nakamura: In terms of implementing the project?

Mr. Fujimoto: Yes, and even going out to bid because to bid a project, you will need the funding, you need to secure the funding.

Ms. Nakamura: So there is no funding in...

Mr. Fujimoto: Well there is funding but it is already used for operations for our present operations. The gray comes in when we go out to funding, do we obligate that money once we go out for procurement and therefore freeze ourselves from being able to use the same funds for the operations.

Ms. Yukimura: Well that is because right now you are paying money to take care of the sewage sludge?

Mr. Fujimoto: Yes.

Ms. Yukimura: You are taking it to the landfill and paying tipping fees. We are looking for a project that might recycle and divert that and use it in a more productive way then taking up landfill space, so we are in a transition and in the long picture, your operational cost should go down.

Mr. Tschupp: That would be desirable.

Ms. Yukimura: And because there may be some revenues coming in or at least be a break ever where the people who are doing this other project will pay for it or will use it.

Mr. Tschupp: It is a funding... it is a immediate near term how do you fund the procurement aspect and I think there are ways to do that within Finance Department.

Ms. Nakamura: Do we know about how much needs to be in the budget to in order to make this work?

Mr. Fujimoto: Right now the preliminary feedback that we are having is that we are hoping that it would be significantly less however even (inaudible) the rates are almost similar to the tipping fees. We are looking at almost similar cost but the big issue is diverting from the landfill and becoming more efficient.

Mr. Dill: Councilmember Nakamura, I am not sure if we have explained clearly but Wastewater Division has in its budget a line item for tipping fees in the landfill which is a significant number. At the end of the fiscal year, having moving forward hopefully with this whatever proposal is the fund, we can fund it out of that line item.

Ms. Nakamura: I see.

Mr. Tschupp: I believe that is a hundred and sixty thousand and that is part of our operations.

Ms. Nakamura: I also have a question about the energy audits are not completed.

Mr. Tschupp: The investment grade audits I believe are the final version that was supposed to be emailed to us today. They delivered the draft a couple months ago, we went through them and discussed it.

Ms. Nakamura: Is there anything in the budget on implementing any of the energy conservation measures?

Mr. Tschupp: There is not because the fundamental approach for those energy conservation measures is that the energy savings would fund the improvements. It is one of those... instead of paying KIUC, we would go out and do some capital expenses through the contractor and divert the KIUC funds – potential payment to paying as if it was a bond float the capitalization for the improvements.

Ms. Yukimura: And once you pay that off then it should be an energy saving... it should be a saving?

Mr. Tschupp: Right.

Ms. Nakamura: So who fronts the initial investments?

Mr. Tschupp: The whole procurement for this thing was done under the State procurement offices primary procurement mechanism that was set up by them and bottom line is we go to supplemental contract that either is a guaranteed energy savings contract, that is a financial mechanism or it is a purchase power agreement or both, I think we are actually looking at both.

Ms. Nakamura: It sounds like a separate briefing.

Mr. Tschupp: Executing a contract that pays for the capital and takes the avoided revenue stream for the debt service.

Chair Furfaro: Sometimes they refer to that as a shared revenue program where you share with the supplier of the investment a part of your savings. But in this case, it is the full amount? Have you seen that contract?

Mr. Tschupp: The guaranteed energy savings aspect to it is that if we do not achieve the energy savings that the contractor said...

Chair Furfaro: Promised us.

Mr. Tschupp: Promised us that we go back to them and say pay up.

Chair Furfaro: I had a very bad experience myself in a hotel doing that shared revenue process because we did not live up to...

Ms. Yukimura: I think we have some history of that ourselves as a County and so they have to be very carefully crafted and you have to have good contractor consultants.

Mr. Tschupp: The negotiation is not insignificant by any means. It is a real process and we are, actually that whole contract is administered through the Office of Economic Development, Glenn Sato guys, and Ben Sullivan is doing a terrific job of watching out for some of our County interest and we are already in decisions with Finance Department and the County Attorney's to assist with the...

Ms. Yukimura: Good because you are going to need really good legal advice as well and oversight. I have one question. On you R1 distribution project which is a recycle water project, right?

Mr. Dill: That is correct.

Ms. Yukimura: It is very exciting and a wonderful thing that is happening and I think projects the future or reflects what we are going to be doing more and more of in the future, so you are pioneering this. Are we a utility in our distribution of our the water?

Mr. Tschupp: That is a very good question. It could be. That is one of the details that needs to be sorted out if we go through the existing system that Kikiola operates and just do some improvements there, that is... a question is whether we take over that system or whether we just sell to that system and that has not been established between us and Kikiola.

Ms. Yukimura: And I think the Water Department is looking at some of those issues too because it is coming up on other parts of the island so you might talk to them because... as well as to Attorney's or some experts in the utility field because this is breaking new ground and how you set up the systems is important and also can be effected by the existing regulatory framework that we all live in.

Mr. Tschupp: Maui County Wastewater is running an R1 distribution system so they are a good model for us.

Ms. Yukimura: Yes, it would be good to check with them too. Lastly, not a question but I think you were far too modest Ed, in your successes and achievements you did not mention the EPA award that you have won.

Mr. Dill: That was last year, a long time ago.

Ms. Yukimura: Past history but it is in the last year and we want to acknowledge you and your staff and all the people who had a part in it because that was a very significant award and recognition and job well done. If there is no other...

Chair Furfaro: Well that is perfect, we finished Wastewater right on the nose and if you have no more to offer us today, then we are going to start up Larry again on Monday at 9:00. Also, just pointing out again Larry, you might want to share some information with us in advance on revenues which will come up on Tuesday.

The budget review recessed at 4:29 p.m.