

**COST OF GOVERNMENT COMMISSION
County of Hawai'i**

MINUTES

May 4, 2006 – 10:05 a.m.

Office of the Corporation Counsel - Conference Room
101 Aupuni Street, Suite 325
Hilo, Hawai'i 96720

Commission members present: Myles Y. Miyasato, Chair
Wayne T. Joseph, Vice Chair
Marilyn L. Nicholson, Commissioner
Melvyn K. Sakaguchi, Commissioner
Barbara R. Stremski, Commissioner

Others present: Diane A. Noda, Deputy Corporation Counsel
Mary Crosson, Secretary
Dora Beck, Department of Environmental Management
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1. CALL TO ORDER

The Chair called the meeting to order at 10:05 a.m.

2. APPROVAL OF MINUTES FROM APRIL 6, 2006, MEETING

Motion and Vote: Ms. Nicholson moved to approve and file the minutes; Mr. Joseph seconded; and all members voted to approve and file the minutes of April 6, 2006.

3. STATEMENTS FROM THE PUBLIC

There were no members of the public present.

Communication No. 2006-22: A letter to Demetra Reynolds from Dixie Kaetsu.

Motion: Ms. Nicholson moved to file the letter; and Ms. Stremski seconded.

Discussion: Mr. Joseph pointed out that Ms. Reynolds' letter was dated May 6, 2006 (a date in the future), and so he was hesitant to accept it. He said he would accept the letter with a notation that the date is incorrect.

Motion Amended and Vote: Mr. Sakaguchi said clarification could be sought on the date. Mr. Joseph said he would accept that as an amendment to his motion. Mr. Sakaguchi

seconded the amended motion. All members voted to file the letter away and to make a note that there is a discrepancy in the date of the letter and to request clarification on the date.

Communication No. 2006-31: Letter to Demetra Reynolds from Milton Pavao.

Motion: Mr. Joseph moved to accept and file the letter, and Ms. Stremski seconded.

Discussion: Mr. Sakaguchi stated that he was not satisfied with Mr. Pavao's response to the letter, as he, too, has automatic bill payment and receives an unnecessary return envelope. Though it would cost the department money to reprogram its computer system here, he still felt it would ultimately save money. He felt the response was flippant.

Vote: After further discussion, and it being determined that the issue of return envelopes was already on the COGC's running tally of recommendations for its report, the Chair called for a vote. All members voted to accept and file away the letter.

4. APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

There was no addendum or supplemental agenda.

5. PRESENTATION AND QUESTION/ANSWER SESSION WITH THE SOLID WASTE AND WASTEWATER DIVISIONS OF THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Dora Beck was present to represent the Wastewater Division of the Department of Environmental Management ("DEM"). She explained that Michael Dworsky, who was to represent the Solid Waste Division, was unable to attend due to another commitment.

Ms. Beck introduced herself and explained that she is the chief of the Technical Services Section of the DEM. Technical Services is involved in the planning, design, and budgeting of capital improvement projects with the Wastewater Division.

Ms. Beck had with her a letter she'd written to answer the questions the COGC posed to the DEM and said she would basically read through her responses. She explained that she addressed each question from the viewpoint of the Wastewater Division and that the Solid Waste Division may have different answers.

1. Do you have any ideas about what your department can do to save money while not compromising essential services?

- She would like to increase the engineering staff so that more projects could be done in-house, thereby saving money. For the next fiscal year, they are requesting \$1.7 million in consulting services for capital improvement projects, which are needed due to the large-capacity cesspool mandate, equipment repairs, and long-run cost-savings tactics. The cost is for a consultant and does not include the time put in by the County staff engineer. Based on an average of four design projects per year, she estimates they

would need six full-time engineers to handle these projects, with an average salary of \$70,000 each. This would save the County about \$1.3 million per year in consultant fees.

- Additional engineering staff would also allow in-house construction management of various projects. They currently have one contract, totaling about \$275,000. This equates to two engineers, with each one handling an average of two construction projects per year. It is anticipated that additional construction management services will be required for future projects related to the large-capacity cesspool compliance, as well as other projects.

- Establishment of a Grants Manager position to pursue government grants would help to fund the CIP projects. A Grants Manager would also be able to research and pursue more grants, thus relieving the staff engineers who are currently tasked with pursuing and managing these grant funds. At the present time, CIP's are funded through bonds or revolving fund loans. Grants would be free. She explained that her section oversees the federal grants and Brownfields Assessment grants. A dedicated grants person would be able to handle those grants, as well as pursue any other grants that may be appropriate for a project. This would relieve the engineers and allow them to concentrate on the more immediate projects.

2. Do you see any way to consolidate services, activities and functions of a similar nature within your own department as well as with other departments?

- The sewer billing is something that could be consolidated with the Department of Water Supply's billing, as is done on Oahu and Maui. This would save about \$25,000 per year in postage and direct supplies alone. Additional savings would be in labor costs. Combining the billing would improve collections, as would disconnecting water for non-payment. The degree to which collections would improve is unknown. To combine the billing would require the same billing practices, payment terms, and consequences for both the Water Supply Department and Wastewater Division, and this would require the approval of the Water Board as well as significant changes to the October 1, 2005, ordinance. There are also complexities due to DWS and Wastewater not necessarily billing the same customer, so until common practices can be established, separate billings may be the most practical.

- See if the various payroll forms could be consolidated into one form. Currently there are different forms for leaves of absence, temporary assignment, overtime, etc. There is duplication of information.

- The establishment of a two-week lag in payroll would significantly reduce the time spent by account clerks on correcting timesheets after they have already been submitted. The current system requires employees to predict their hours, since the timesheet is due the day the paycheck is issued. As a result, account clerks spend a lot of their time going back and figuring out what hours employees really worked.

3. Are there any services, activities, and functions not necessary to the efficient conduct of government that could be eliminated?

Ms. Beck stated that she could not identify any at this time, as it is difficult to eliminate services and not affect the benefit to the community.

4. Can privatization help you? If so, in what ways? What would you privatize?

Ms. Beck said that they already have contracts for services with private businesses. Privatization continues to help them come into compliance with programs. She added that the purpose of privatization is to increase the efficiency of an organization by having an outside organization take up the services. There might be a problem in privatizing certain services at County facilities, because there may be labor and legal concerns. Labor unions would not be happy about their people losing jobs, so that would be a roadblock. Her opinion, however, is that privatization is a good idea.

5. Can you suggest any modernization projects that might streamline operations in lieu of privatizing functions?

Ms. Beck said they are looking to upgrade their software for the Solid Waste scales and billing functions, which should provide for some streamlining. She was not given the costs on this.

6. Do you have any other ideas on how you can make your operations more efficient?

- Providing incentives to employees who perform well would help to motivate them and improve attendance. However, this would require union participation and changes to contracts on a state-wide basis.

- Computerized Maintenance Management Systems (CMMS) is widely used in operational type facilities, such as water treatment plants, and would help to improve the department's efficiency by having the maintenance of facilities and equipment timely and automatically scheduled. If the right software is instituted, the system can reduce overall long-term costs by lessening down-time and energy consumption and by optimizing staff functions, improving productivity, and lengthening the life of equipment. The system would allow them to input manufacturer recommendations, such as when to change generator oil, when to service a pump, etc., into the program, so that there is a timed schedule to do these things, rather than letting them go, to the detriment of the equipment.

The Chair asked Ms. Beck if she had any other comments or ideas regarding her department, or any other ideas other than the questions they'd given her, to toss out.

Ms. Beck commented that every department has issues to address to make it more efficient. She feels that because her department is new, about only four years old, it is still going through growing pains. Serving the County is a very full-time job, in addition to trying to spot all the things that need correcting. It will take time and needs everybody's cooperation. Everyone needs to be on the same plane of thought, which is not always easy. A large department like the DEM has many different personalities, and sometimes there are people that go off in all directions and react. As an engineer, her tendency is to stay focused and organized.

If there is a problem, she plans how to approach it and tries to come up with solutions and implements them. When people just react, it becomes chaotic.

Mr. Sakaguchi said he is concerned that the DEM lacks focus, as it has a relatively simple function. He questioned what the tangents might be and whether there were personality problems between Kona and Hilo. Ms. Beck said the problems do not go as far down the ladder as that.

Mr. Sakaguchi said he feels that the government is broken, that there is not one department that seems to work well, yet more money keeps getting put in. He said that even the President screws up, but at the local level it hits close to home. He asked what the relationship is between the DEM and the private systems maintained by hotels. Ms. Beck explained that there is no relationship between the two. Hotels have their own treatment system, and the federal government sets standards. There are both private and County-owned sewer systems. The DEM does not have authority over the private systems, which are probably regulated by the PUC.

Mr. Sakaguchi asked whether the State also owned treatment systems, and Ms. Beck said it probably does. An example could be a prison, which might have its own collection and treatment system. She had never looked into this.

Mr. Sakaguchi asked how the DEM makes money and what its source of revenue is other than the fees it collects. Ms. Beck said that was why she suggested getting a grants manager on board, to research more sources of funds. She said there are not enough hours in the day for her to spend time researching this.

Mr. Sakaguchi felt the DEM could learn from other jurisdictions and asked whether the DEM sends people to conferences. Ms. Beck said there is an annual conference and that there are mainland conferences, which may be more valuable. However, the DEM discourages trips to the mainland because of the costs. She said she disagrees with this and feels the mainland is probably years ahead of Hawai'i and would be a good source of knowledge and information.

Mr. Sakaguchi said sending employees to conferences, including on the mainland, would be good for morale, and employees would come back with information and ideas to try. The DEM should not need to reinvent the wheel, but the government seems to do a lot of that.

Ms. Beck explained that she is from the mainland and has been with the County of Hawai'i for three years. She had worked for 15 years on the mainland in private consulting in engineering. When she first came to Hawai'i, there was culture shock and she also felt like they were reinventing the wheel. She had questions about why things were being done a certain way and found it was usually due to County rules and policies that needed to be followed. After a while, she just got used to it and gave up the fight. Fighting was not practical and did not help.

Mr. Sakaguchi said it is leadership's function to empower the employees to find new solutions, and Ms. Beck said she agreed.

Mr. Sakaguchi asked whether the DEM consultants are from the mainland or local, and Ms. Beck said the majority are local. Mainland consultants may be more knowledgeable or experienced, but there are problems with the distance as well as with the different culture and

way of doing things in Hawai'i. Mainlanders often find it difficult to work with the local culture. She is currently working with a mainland consultant on the sort station project, and her explaining how the government and attitudes are in Hawai'i has helped the consultant.

Ms. Nicholson asked about the first question, dealing with ideas on saving money. Hiring outside consultants is like privatization, and Ms. Beck had costed out that if the DEM increased its engineering staff by six people, it would save the County about \$1.3 million. She asked whether the DEM had the space and equipment available to handle six engineers. Ms. Beck said that getting basic office equipment would not be a problem, but space would be a problem. She said she is holding off on trying to hire more until she knows what the space situation is. The County Building is currently undergoing an analysis on where departments can go, but she does not know much about this or when it will happen.

Ms. Nicholson questioned how the space issue is handled, as other departments also say they need more people but cannot hire because there is no space. She asked if Ms. Beck was involved in the long-range plan to figure out where the DEM can go, and Ms. Beck said that issue is more under the director's purview.

Ms. Nicholson asked if the director knows about how Ms. Beck analyzed the situation, and Ms. Beck responded that the director read and signed the response letter. Ms. Beck said she can only make suggestions to the director, which she frequently does, to help the director understand the situation. She believes the director does understand and that it is just a matter of getting a plan into place and knowing which direction to head.

Mr. Sakaguchi asked if Ms. Bell was an engineer, and Ms. Beck said no. He asked what Ms. Bell's field of study was, and Ms. Beck said she believes the director has a degree in theatre. In terms of work experience, Ms. Bell started out as county clerk and then went to work for Recycle Hawai'i, where she believes Ms. Bell got the bulk of her work experience before being appointed by the Mayor as director of the DEM.

Mr. Sakaguchi said Ms. Bell's education and experience raised questions, and Ms. Nicholson explained that Ms. Bell is an appointee. Mr. Sakaguchi and Ms. Stremski expressed that appointees should have some background in their position. Ms. Nicholson said that one would assume that when the Mayor appointed Ms. Bell, he had confidence that she had the skills necessary to lead the department.

Mr. Sakaguchi said that the DEM is a technical department and Ms. Stremski said that there is difficulty because the DEM is a new department, taken out of another department and set up as a separate entity. It still needs to get the kinks worked out.

Mr. Sakaguchi questioned how the DEM, if it does not have a knowledgeable department head who understands the technical aspects, can get problems solved. He said there needs to be cooperation between the right and left hand, and there is only one person who can bring the right and left together.

Ms. Beck said the people in leadership do not really need technical expertise, as they depend on their division chiefs for this. However, they do need to have planning capabilities and be able to prioritize what are immediate problems and what can be dealt with later.

Ms. Nicholson asked who is involved in long-range planning efforts, whether it involved only department heads or the department as a whole. Ms. Beck said that as part of the Technical Services staff, she herself does long-range planning for CIP's. She also projects out her staffing needs for each fiscal year to see how many projects can get done that year. She puts this information on the CIP list, which goes to the Council to request approval. She does not know the specifics on how the other DEM divisions plan. She just does her job and reports to the department head with her plan.

Ms. Nicholson asked if the director integrates all the plans from the divisions, and Ms. Beck said yes.

Ms. Nicholson asked whether there was a lot of overlap between the divisions in terms of physical or personnel resources. Ms. Beck explained that Technical Services is supposed to provide staff resources to support the Wastewater and Solid Waste divisions. She said she is suggesting to the director now that all the engineers come under Technical Services so that they can more efficiently address projects from each division, rather than having an engineer in Solid Waste and another in Wastewater. She said when projects are in separate divisions, it is hard to know what each other is doing. If they were all in the hub of the wheel, it would be easier to control.

Mr. Sakaguchi asked why computerization is taking so long, that the left and right hands should know what each other is doing. Every department seems to be stuck in some way. Some do not have equipment, while others have software problems. Ms. Beck said she did not know how to answer that.

Mr. Sakaguchi said that with a good computerized system, there is no reason the DEM can't deal with a consultant who lives in London. He explained that every day he spends two hours correcting English papers from students who are 9,000 miles away. He does not need to see the students.

Mr. Sakaguchi asked what kind of projects the DEM needs six engineers for, and Ms. Beck said for CIP's, new projects. She said there are projects that have been pushed back, such as sewerage parts of Hilo. Mr. Sakaguchi questioned whether there would be enough work for six engineers over the next 25 years, as once a project is done, it is done. He said you could privatize by going with consultants, and this way would not have to keep engineers busy if they don't have the work.

Ms. Beck said the engineers are needed mostly to catch up, but said that there is a lot of development happening on the Kona side. Mr. Sakaguchi said that much of the development is self-contained, with their own private systems. The Chair said that it depends where a development is on the grid. If it is on the grid, it has to tie in.

Mr. Sakaguchi asked why Waikoloa has its own system, and the Chair explained that Waikoloa is way off the grid, nowhere near a County sewer system.

Mr. Sakaguchi expressed concern that a developer makes money selling land that is on the grid, which then imposes a burden on County, which has to maintain and connect the system. He feels developers should have to pay the County for this.

Ms. Nicholson asked Mr. Sakaguchi if he was suggesting that whenever someone develops a piece of property, they would need to pay a fee to Wastewater. Mr. Sakaguchi said he was trying to figure out how to contain costs when developers come in and cause them to increase. Developers should either pay for their own system or pay the County to do so.

Ms. Beck said that many developers, when they connect to the County, ask that the system be dedicated to the County. So the developers are putting up the costs, which they probably receive back from the sale of the homes. Mr. Sakaguchi said that the maintenance costs are passed to the County. He likened it to developers requiring a road to be put in, to County standards, and afterwards the subdivider gives the road to the County. He gives credit to Mayor Kim when he does not accept a road.

Ms. Nicholson asked about Ms. Beck's recommendation on the two-week lag in payroll. She asked if employees submitted their time sheets electronically or manually. Ms. Beck explained that time sheets are not transmitted electronically because of the approval process, wherein they have to be signed off on by supervisors and department heads before going to payroll clerks to be processed. She said that payroll clerks are busy between pay periods because they have to go back and correct the inaccurate time sheets.

Ms. Stremski said that is why the State government changed its system. They were overpaying and had to collect. Employees would have to estimate their time on the last day of the pay period, resulting in being paid for time not necessarily worked.

Ms. Beck said she does not know who could be approached about the lag, that it might be the Civil Service Department. However, she does feel it would be a good idea.

The Chair said the lag is appropriate as a recommendation for the Commission to make.

The commissioners discussed problems that might come up, as the unions would have to agree to the lag, and it would require a period without a paycheck. Ms. Stremski pointed out that there was squawking among State employees when it first took effect, but it eventually worked out.

Ms. Nicholson asked Ms. Beck how many conferences she goes to. Ms. Beck said she attends conferences within the State from time to time, and goes to the mainland about once a year.

Ms. Nicholson wondered how Honolulu works, whether they rely on consultants to the extent Hawai'i County does. Ms. Beck said she assumed so, as all the consultants she talks to are very busy, though she knows not all their clients are county clients. She said this would be good to research, but she does not have the time as she is trying to keep her own section afloat.

Ms. Nicholson said she does not know enough to address the issue on hiring consultants versus employing more engineers. She is concerned on finding the physical space for the

engineers. She wondered whether it is standard practice in other places to use consultants the way our county does.

Ms. Beck said that it is not uncommon to farm out work to consultants, as they have the equipment and expertise to do the job quickly. On the other hand, large amounts of money are spent paying consulting fees when some of the projects can be done in-house. There needs to be a balancing point to figure out what projects can be handled in-house and don't need a consultant. It would depend on the scope and size of the project.

Mr. Sakaguchi asked whether engineers could work from home, and Ms. Beck said that would be great and is being done on the mainland now. However, County people may not find that acceptable.

Ms. Beck said that there are a lot of County employees who are clock-watchers, people who insist on taking their breaks and talking story for 45 minutes several times a day. This would not happen in private practice, but in the government it is hard to get rid of slackers. It is just the truth that there are employees who do not work.

Mr. Sakaguchi said Ms. Beck might hire six more potential problem employees, and she said she would hire the best people. If she could not find someone good, she would not hire.

Mr. Sakaguchi commented that to hire an engineer for \$70,000 would mean hiring someone fresh out of college. Ms. Beck agreed that it is difficult to find good engineers here, but it is still her suggestion. If she just gives up and does not try to improve her division or section, where would she be? She has a commitment to her job.

Ms. Stremski said that if everyone had that work ethic, we would not have the problems we have, and Ms. Beck said that it does come down to work ethic. She has found that it is not up to 100% over here with everybody. She could look at the next person and notice they are not working very hard and so decide to just put in her eight hours. But that is not her personality, and she gives all that she has to the County.

Ms. Nicholson pointed out that Ms. Beck suggested incentives as a solution, and the commissioners discussed whether that would be possible or allowed under union contracts. Ms. Nicholson said they could still list incentives as a recommendation.

Ms. Beck said that it is hard to attract good employees to the County. Mainland people won't come here, as they make more money on the mainland and the cost of living is lower there. She said she took a cut in pay to come to Hilo. If salaries could be raised to attract people, or if new employees could receive sign-on bonuses, that might help bring them in.

Mr. Sakaguchi said this is why privatization comes up. A private company can get the job done sooner and still get paid the agreed upon amount. They're able to earn more if they work harder and faster. But that can't be done for County employees. He questioned whether, if the County has extra money, it could be used to hire consultants to help catch up and do new things.

Ms. Beck said she failed to mention that even when a consultant is hired, it still takes staff time to manage the project. It involves the pre-design phase, where data is gathered to provide the basis for the design; then the design itself; then the bidding process; and then construction. Once a project is done, it also needs maintenance.

Mr. Sakaguchi said it would be nice if Hilo could do something new and successful and let the rest of the country follow our lead. He asked why we couldn't contract with India or Pakistan, as they have a plethora of engineers.

Ms. Stremski asked why we would have to go out of the country, and Mr. Sakaguchi replied that we have to spend so much in our country.

Ms. Beck said that it is not that simple, that they are not creating widgets.

Mr. Joseph asked how many wastewater treatment plants the County had and whether they were all regulated by the EPA. Ms. Beck said there are five and that the Hilo plant is the only one discharging, so it is subject to DOH discharge regulations. She said the EPA does not get involved, just the DOH as a regulatory agency.

Mr. Joseph asked whether there was recycling of wastewater in West Hawai'i, and Ms. Beck said that the only organization receiving our effluent is the Swing Zone driving range, about three miles south of the Kealakehe Wastewater Treatment Plant.

Mr. Joseph asked whether the only time wastewater is recycled is if it is requested. Ms. Beck said she is working with a developer to build a recycling water facility in Kona. This facility will treat the water so it can be used to irrigate golf courses without restrictions. The water would be safe to have human contact. She is pushing to work successfully with this developer to build the plant and produce recycled water to be used for irrigation purposes.

Mr. Joseph asked where Hilo's wastewater currently goes, and Ms. Beck explained that after it leaves the plant it goes to the outfall, about a mile off Puhi Bay.

Mr. Joseph asked who tests the water, and Ms. Beck said their lab facility at the wastewater treatment plant does. Mr. Joseph said that the County was then monitoring the County. Ms. Beck said there is another entity that does private samples for them, who provides them with data to compile a discharge monitor report for the Department of Health every three months. She said that guidelines are followed every step of the way and that everything is above board. They don't want to get fined.

Mr. Joseph asked how they would get fined, and Ms. Beck said that could occur if they exceeded a limit and did not do anything about it. Mr. Joseph asked if County employees were monitoring this, and Ms. Beck said yes. He asked who would fine them, and Ms. Beck said she believes it would be the State—that it is an EPA program but responsibility was given to the State.

Mr. Joseph asked if the federal government might come and do a surprise inspection, and Ms. Beck said the State might, but not the federal government. However, there has been a lag because they're extremely busy, too.

(A recess was taken from 11:25 a.m. to 11:30 a.m., at which time the Chair called the meeting back to order.)

Mr. Joseph said he had exhausted his questions.

The Chair asked whether the five treatment systems were at or close to capacity, and Ms. Beck explained that the Hilo plant is at a little more than half capacity. The Kealakehe plant is at less than half. She does not believe the other three are near capacity, although she does not have the exact figures.

The Chair asked if the amount of employees at the plants versus how much is being processed is efficient, or should there be more customers. Ms. Beck said there are only certain pockets on the island that are sewered. There are some properties which are accessible to connect, but the County is unable to find or identify them, partly because the data base is neglected. They could attempt sending out letters, but a lot of the owners do not speak English or are elderly and cannot afford to pay the \$3,000 to \$4,000 to make the connection. In addition, hard ground drives the cost up even more.

Mr. Sakaguchi suggested that a fee be imposed when the property is sold, to provide for connecting.

The Chair suggested expanding the improvement district and spanning out the cost. Ms. Beck said that improvement districts are a finance vehicle to fund the projects. She said that the Kilohana District is a large-capacity cesspool system, but because of the EPA mandate the County agreed to help, so that district is an improvement district.

The Chair said he was curious as to why the County is not expanding the sewer system right out of Hilo, as so much development is going on up the hill. He asked whether this was because of the lack of engineers or money, and Ms. Beck said that there is a lack of engineers, even if there was the money to do it.

Ms. Nicholson asked why sewers are being built in places where people will not connect, for whatever reason. Ms. Beck said that they are not trying to sewer where people are not capable of connecting. Building sewers is driven, for example, by the cesspool conversion project. Sewers are also built in areas that are close to the coastline. These in fact are projects that are on the back burner and which they want to move forward on.

Ms. Nicholson asked what happens if someone is close to the coastline and does not pay to connect, and Ms. Beck said there is a County code that says if a property is accessible, it must be connected. If she comes across a person who cannot connect, she suggests taking out a loan, as there is a loan program.

Ms. Nicholson said going back and getting people connected should be a priority, and Ms. Beck said that she was in the process of figuring out how to do that in Papaikou with the Wastewater Division when she was working there, but then she got transferred out of Wastewater to Technical Services.

Ms. Nicholson said it would be a source of ultimate revenue, and Ms. Beck said it only costs about \$27 per month, not a whole lot.

The Chair pointed out that the main line that the County put in is being wasted if people are not tying in, and Ms. Beck said the main concern is the environment.

Ms. Stremski asked whether a buyer of a property whose owner could not afford to connect would have to connect, and Ms. Beck said she believes that is a requirement. The Chair said someone would need to monitor that type of situation, and Ms. Beck said that if someone does not connect, the County could put a lien on the property as a way of tracking it.

Ms. Stremski said that if an unconnected property is being sold or even passed on to children, they should have to connect. Mr. Sakaguchi said there should be a computer system that would flag this. Ms. Beck said it would require working with Real Property Tax and putting the information into their data base. She believes that real estate agents also research the issue.

The Chair said he would like the issue of getting people to tie in to the sewer system worded to make it a suggestion in their report, to improve efficiency. What route could the County take to get people to tie in? Should people go door-to-door? Ms. Nicholson suggested providing a financing system for people. The Chair said he wanted an umbrella statement about pursuing more actively those not participating in the sewer system.

Mr. Sakaguchi said they needed to separate out the problems. Some who do not connect are elderly or poor, and it seems that others just do not want to connect. Ms. Beck said that one of the attitudes they encounter are those who have cesspools which are working fine, and question why they should dig up their yard.

Mr. Sakaguchi asked what precludes the State from taking over the treatment of wastewater. Ms. Beck said it goes back to privatization and legal and labor issues. It may not be easy to work out with the unions. Ms. Beck said she does not know if there is a State agency which handles wastewater systems. The DOH is a regulatory agency which is to make sure the counties are in compliance with EPA rules. Mr. Sakaguchi said there shouldn't be two governing entities for things, as is the case with roads and highways.

Mr. Joseph asked if the Keaukaha plant is still open, and the Chair said it is closed and being rebuilt into an aquaculture system. Ms. Stremski said another plant was built, farther inland.

Mr. Joseph asked if the pollution in the bay is caused in part by wastewater, and Ms. Beck said that before wastewater leaves Hilo's treatment plant, it is chlorinated, disinfected, and dechlorinated. It should not be contributing to pollution.

Ms. Stremski said a lot of the pollution was from the bagasse from the former sugar plantations. The Chair said there is also a lack of circulation. Ms. Nicholson said it is not a wastewater issue.

Mr. Joseph asked whether the DOH monitors Hilo Bay, and Ms. Beck said she is not certain of that. She believes the Clean Water Branch may be involved with that.

The commissioners thanked Ms. Beck for her presentation and she left the meeting at 11:38 a.m.

The commissioners expressed satisfaction at having learned about wastewater and that Ms. Beck was very knowledgeable and familiar with the process.

The Chair asked if there were any suggestions to add to their list of recommendations.

Ms. Nicholson said the County should explore the issue of the two-week payroll lag. And although Ms. Beck had suggested hiring a grants specialist, she was concerned because she believed the Research and Development Department had hired additional grant writers to serve the various departments. This should be looked into. She also felt having incentives for employees would be a good thing, as well as exploring the possibility of telecommuting within the County.

Mr. Sakaguchi said that governments like to centralize things but that it may be better to decentralize the grant writers, since some of the departments are very technical and specialized. The DEM's grant writer needs to be an engineer.

Ms. Stremski said investing in training, including sending employees to the mainland, would be a good investment. This would apply to all departments, not just DEM.

Mr. Sakaguchi said he liked the idea of making money off golf courses, using the recycled wastewater. Ms. Nicholson said it would be good to expand that to include parks, nurseries, and other landscaped areas; and Mr. Joseph said it should include anything that is irrigated, as long as it is safe for human contact.

Mr. Sakaguchi said sending employees to the mainland to learn how things are done makes more sense than hiring consultants.

Ms. Nicholson said they needed to agree on some language for a real recommendation here, so it would be on the record and stand out as a recommendation. She said one recommendation would be that the Wastewater Division work with the Real Property Tax Division to ensure that when title is transferred on a property, if it is feasible for that property to connect to the sewer, the new owner should be required to do so. The other recommendation would be for the County to explore ways to financially assist home owners who cannot afford to connect to do so, possibly through a grant effort or financing.

Mr. Sakaguchi said he wanted a recommendation regarding promoting computerization, and also one to limit the hiring of consultants.

Motion and Vote: The Chair asked if there was a motion to put the recommendations regarding connecting to sewers and looking for ways of financing on their list. Ms. Nicholson so moved; Ms. Stremski seconded; and all members voted aye.

Ms. Nicholson asked whether they wanted to make the computerization a recommendation, and the Chair pointed out that Data Systems is No. 5 on their list of priorities.

He believes the advancement in computerization was mainly in the area of payroll, so that all departments could have payroll through one system.

Mr. Joseph said the payroll lag does not need to be two weeks, just as long as they recommend a lag. Mr. Sakaguchi said the purpose of the lag would be to save money by not having employees go back and make corrections to timesheets.

Ms. Nicholson said they needed to decide which of Ms. Beck's suggestions they agreed to include as recommendations in their report.

Motion and Vote: Mr. Joseph moved to place the payroll lag on their list of recommendations; Mr. Sakaguchi seconded the motion; and all members voted aye.

Mr. Sakaguchi said they should refer to the Computerized Maintenance Management Systems (CMMS) when they go back to computerization, as a specific recommendation for the DEM.

Motion and Vote: Ms. Nicholson moved to include on their list Ms. Beck's suggestion to review the payroll forms for consolidation; Ms. Stremski seconded; and all members voted aye.

The commissioners discussed Ms. Beck's suggestion on a grants manager position. Mr. Sakaguchi said he wanted to include something on their list about this, as the County is probably losing out on money because it doesn't know where to look, and it probably applies to all departments. The Chair suggested they follow this issue for now.

Motion: Ms. Stremski moved to include on their list the establishment of the grants manager position for DEM and Mr. Sakaguchi seconded.

Discussion, Motion Amended, and Vote. Ms. Nicholson said she would recommend that they pursue grants rather than a grants manager position. Mr. Joseph agreed. Ms. Stremski said she would amend her motion to that effect; Mr. Sakaguchi seconded; and all members voted in favor.

Mr. Sakaguchi said he would like to recommend in-service training or other opportunities to attend conferences for employees, as these are sources of new ideas, strategies, and software. It may not save money in the short run, but it would in the long run.

The commissioners discussed the public's negative perception about County employees traveling, as seen in the newspaper letters recently published about the Mayor's trip to Germany. Mr. Joseph said it is a difficult issue—it would be good to send enthusiastic, hard-working employees someplace for training, but not those who just want to play. Mr. Sakaguchi said a department head should know which employees are worthy of being sent.

Motion and Vote: Ms. Nicholson moved to include on their list that the County encourage and support expanding staff training opportunities, including travel to the mainland, to gain professional experience and to improve services or increase the efficiency of government operations. Mr. Sakaguchi suggested that the wording for the training should be to provide

professional development opportunities for departmental staff so that they can improve government efficiency or operations and explore new approaches and new strategies to solve existing problems. Ms. Nicholson said that was better wording, as it was more specific on what the training is for. Ms. Stremski seconded the motion; and all members voted aye on adding it to their list.

Motion and Vote: Mr. Joseph moved to recommend that, when it is appropriate, the County look at developing more opportunities in the area of wastewater recycling. Mr. Sakaguchi seconded the motion and said it should be pointed out that this would primarily be for environmental reasons, but would also generate revenue. All members voted aye on adding this to the list of recommendations.

Mr. Sakaguchi said he had been dubious about studying the DEM but that he learned a lot, and that it involves health and safety issues as well as efficiency issues. Ms. Stremski said she was very glad that Ms. Beck came to their meeting.

Mr. Sakaguchi said he is still disappointed, however, that the Mayor does not always appoint people who are qualified for the job. Ms. Stremski said it is the Mayor's prerogative to appoint people to head different departments, and that cannot be taken away. People could make suggestions to him privately, however.

Mr. Joseph said just listening to a director does not give a full picture.

(A break was taken from 12:17 p.m. to 12:23 p.m., when the Chair called the meeting back to order.)

The Chair removed himself as Chair in order to suggest that the DEM have a long-term strategic plan, to include staffing and space needs, as it did not sound like they had one. Mr. Joseph took over as Chair.

Motion and Vote: Mr. Miyasato moved for them to either produce or develop a long-term strategic plan, as the island is growing and is only going to get bigger. It needs a plan for staffing, facilities, replacements, etc. Ms. Stremski seconded the motion, and all members voted aye. Ms. Noda asked for clarification on the motion, whether it was for the entire department or just the Wastewater Division. Mr. Miyasato said it was just for the Wastewater Division, as he wanted to help Ms. Beck with her staffing, though there were other repercussions as well.

Mr. Miyasato resumed as Chair and moved the agenda on to item No. 6.

6. DISCUSSION/ACTION REGARDING PRIORITIZING DEPARTMENTS/BOARDS/COMMISSIONS OR ISSUES TO ACCOMPLISH THE MANDATE OF THE COST OF GOVERNMENT COMMISSION.

The Chair said they had prioritized five departments so far. The commissioners discussed whether they should leave it at five or add more. Ms. Nicholson said that because of some of the issues that came up, they may want to add the Civil Service Department as No. 6 on the list of priorities.

It was decided to hold the list at five departments for now.

Mr. Sakaguchi said it may not be good to invite a department director, and Mr. Joseph felt they should start with the director to get a good overview of a department.

7. DISCUSSION OF ITEMS TO BE PLACED ON NEXT AGENDA

Mr. Joseph said the Solid Waste Division needed to be followed up with.

The Chair said he will not be able to attend the next meeting, scheduled for May 18, 2006, as he will be in California.

Ms. Nicholson asked whether they could have two speakers for the next meeting, and the Chair said the speakers would need to know the date of the meeting, that there may not be a quorum on May 18, 2006.

Ms. Nicholson asked whether they should go to another department after Solid Waste, to hear the overview by the department head, and Ms. Stremski agreed.

The Chair clarified that someone from Solid Waste should speak at the next meeting, as well as the director or deputy director of the Department of Public Works, for an overview of the DPW.

Ms. Noda asked whether, if a Solid Waste person was not available, she had discretion to ask for two people from the DPW, the director and another person. Ms. Nicholson said she would like to hear from Stanley Nakasone, of the Highways Division. Ms. Noda asked who would be next, if Mr. Nakasone were not available.

Mr. Sakaguchi said he wants information on how many cars the County has and what is being done in terms of the procurement policy. He asked Ms. Noda to get that information from the Finance Department or other appropriate department.

Ms. Noda said that separate departments provide for and take care of their own vehicles.

Ms. Nicholson said she did not see where it would be helpful for the COGC to know how many cars the County has, unless they were to look at using alternative fuel. Mr. Sakaguchi said it would give them a magnitude of the problem, if the count of vehicles was high. Ms. Nicholson asked whether the County looks at fuel economy when they purchase vehicles. Ms. Stremski wanted to know if there was a policy on purchasing new vehicles.

The Chair asked what the second choice for division was, after Highways. Ms. Nicholson suggested the Building Division. The Chair asked what division would come after the Building Division.

The Chair asked Mr. Sakaguchi if he wanted the number of County vehicles as a specific agenda item for the next meeting, and Mr. Sakaguchi said he just wanted to know how many

vehicles the County has. He said there may be not be a problem, but he wants to look at alternative fuel possibilities. He said he just wants a vehicle count and then can address the issues related to vehicles.

Ms. Stremski mentioned that she has seen blatant misuse of department vehicles on weekends, where she has seen them down at the beach.

Ms. Nicholson asked how to put this item on the agenda.

Ms. Noda said she would see what she could get and that it might be useful to ask the Public Works Department how they handle it, to fulfill Mr. Sakaguchi's request for data. Mr. Sakaguchi said that people are not concerned about environmental issues, but when gas prices go up they get upset. He does not know how to handle it.

Mr. Joseph suggested getting a communication that lists the total number of vehicles owned by the County, with a breakdown by department and type of vehicle, and the total number of staffers. Ms. Nicholson said they could add that to the questions they ask departments—how many employees are in the department and how many vehicles they have. Mr. Sakaguchi said that would work.

The Chair pointed out that their questions to departments had already been sent out. Ms. Nicholson said they could just keep the question in mind, then, when they question department heads.

The Chair said that each department has its own vehicles, and whether or not they are looking for alternative vehicles would have to be addressed with the individual departments. He does not see how the count of vehicles will help the COGC. Even if the information is broken down, it will not tell them if they are looking at alternative vehicles. Mr. Joseph said they would at least have information on how many vehicles belong to each department, and the Chair said that if it would be informative, he has no problem.

The Chair said that if there were no further items for the next agenda, he would move on.

Mr. Joseph questioned why Dixie Kaetsu is not present, and that she should be here, to help them reach a quorum. Ms. Noda explained that since Ms. Kaetsu is an ex officio member, she cannot sit for a quorum and she cannot vote.

8. STATEMENTS FROM THE PUBLIC

No members of the public were present.

9. ANNOUNCEMENTS

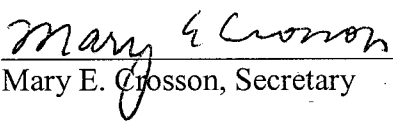
The Chair announced the next meeting for May 18, 2006, at 10:00 a.m., at the conference room at the Department of Liquor Control in Hilo.

10. ADJOURNMENT

Motion and Vote: Mr. Joseph moved to adjourn; Ms. Stremski seconded; and all members voted in favor of adjournment.

(The meeting adjourned at about 12:55 p.m.)

Respectfully submitted:



Mary E. Crosson, Secretary