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Mr. John Hirashima, Chairman
Special Charter Commission
The County of Maui, Hawaii

Subject: Report of Milton Howell, Member of subcommittee to research the opinions of the Mayors and the Council Chairmen of the Counties of Oahu, Kauai and Hawaii.

There follows an account of the individual meetings.

OAHU - Mayor Frank Fasi, his opinions and comments

- 1) He favors a semiautonomous board, with considerable responsibility, but he insists that there be accountability involving elected representatives.
- 2) The Mayor should appoint the director of the department.
- 3) The Mayor should be able to remove the director, but only with a 2/3 concurrence of the Council.
- 4) The Council should be able to veto rules, budgets, and bond issues by a 2/3 vote, plus the concurrence of the Mayor.
- 5) The members of the board should be appointed by the Mayor with council approval for long staggered terms.

Mayor Fasi feels the present semiautonomous board in Honolulu has excellent members and is doing an excellent job. He states he rarely ever calls a member of the board.

He emphasized that the Director of the Water department is a member of his cabinet and attends all his cabinet meetings, so there is coordination between the department, the Mayor and the other departments.

Arnold Margato, president of the Council, City and County of Honolulu

Mr. Margato's stand is unequivocal. He favors an independent self sufficient water board and department that runs its own business, its budget and its planning.

- 1) He states that he never sees the water budget and is opposed to the Mayor or the Council having any role other than influence, except the appointment of the board members.
- 2) He is highly complimentary of the present system in Honolulu, of the present employees and the present board.

KAUAI: Mayor Kunimora, County of Kauai

"Don't polute the water supply with politics."

"There is nothing worse than political pollution of the water system."

Mr. Kunumura stated that in his early days as a county legislator the president of the water board had wanted to replace a subdivision water pipe with a larger one, at county expense. He had so vigorously opposed what he had considered the precedent this move would set, that the project was dropped. The board was semiautonomous at that time. He had been so angered by all this that he had persuaded the legislature to put the water department under the control of the county council. This, in his opinion, was a disaster; the resultant system was very badly neglected.

He went back to the legislature, apologized and requested return to the semiautonomous board which they now have in Kauai.

He is strongly in favor of this way of doing business. He is highly complimentary of the present board and system.

He felt that in the first instance he should have realized that the system was not at fault, but the president of the water board.

Ronald Kouchi, Council President, County of Kauai

At the time Mr. Kouchi was first elected to the Council there was a property reevaluation, raising the assessed value to 100%. This raised real estate taxes considerably, with a resultant 300 protestors demonstrating on the lawn...his mother in law objected...his wife objected...the person passing out his campaign leaflets objected; there was unhappiness on the part of everyone. He said that following this, and not knowing any better, the council decided to buy no new vehicles and to discontinue preventive maintenance, in order to "save money." In two years the budget was in better shape but they realized the error of this philosophy, because the cost of maintaining the outdated, poorly maintained equipment increased.

At the same time, he noted that the water department with a separate budget and income continued to replace equipment and vehicles on a regular schedule and to have a system of preventive maintenance; their system was better. He observed that they could raise water rates when they had to and though there were complaints, they were short lived. The department stayed on an even keel.

He favored a semiautonomous board. although he felt at times that he wished he had more power. He relates that the council doesn't see the water budget.

HAWAII Mr. Dante Carpenter, Mayor

Mayor Carpenter gave generously of his time even though we were late. He stated that his first experience with boards of water supply was when he was with C. Brewer. He was often at odds with their policies and was sometimes impatient with them; he felt they had too much power. Now he states that he has come full circle - he strongly favors a semiautonomous water board. He feels that the word "semi" could be omitted, for as the situation stands on the Big Island, the board is really autonomous at this time, and he favors this system.

He cites two current Big Island problems that enforce his preference of semiautonomous boards:

1) The sewer system on the Big Island is not self sufficient because even though the law requires everyone to hook up to the system, the county government has been unwilling to enforce the law, for a twenty year period - Hilo Bay continues to be polluted. The government doesn't enforce the law because it would be politically unpopular, in spite of the fact that their lack of enforcement is illegal.

2) The Big Island has the most roads of any county in the State - and the lowest fuel tax. Mayor Carpenter's efforts to raise the tax and fix the roads is running into serious opposition within the county government.

He feels that elected representatives cannot sustain a consistent long range fiscal policy. On the other hand, he feels that the semiautonomous water board is able to accomplish long range planning because of its freedom of action and insulation to immediate voter reaction.

The Mayor also feels there is sufficient accountability in the present system. He feels that his power of appointment, the council's power of approval of these appointments, the fact that the water director is a member of his cabinet, and the power of persuasion by telephone and correspondence give sufficient accountability. I asked him if he felt he could bring a "run-away" board into line and he felt that there are sufficient remedies for such a problem.

He was complimentary of their present semiautonomous system, of the people who are on the board and in the administration of the board at the present time. He would not change it.

Steven Yamashiro, Council Chairman

Mr. Yamashiro is satisfied with the present charter and would not change it, in spite of feeling that the board 1) should have been more aggressive in raising water rates and 2) should have made fewer requests for bonds.

Steven Yamashiro, Council Chairman, continued

Mr. Yamashiro noted that there had been two attempts to change the water portion of the charter and both had failed at the polls.

Bill Sewake, director of water supply, Big Island

In a private conversation, Mr. Sewake, stated that from his standpoint, he strongly favored the semiautonomous board. He pointed out the longevity of the directors and the freedom to develop a long range plan and stick to it.

In our discussion it developed that the director of water supply becomes a "lame duck" at the same time his appointing mayor becomes a "lame duck", at which time he loses standing.

Mr. Sewake made a statement that changed my thinking on one subject - he said "we are accountable to each of our customers every time they pay their bill." I had simply considered that the only accountability is at the polls. It is obvious that consumer complaints on an everyday basis provide a very effective form of accountability and that the board, director and staff would be responsive to these expressions.

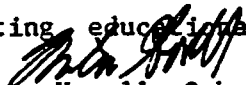
Summary - review of the three county charters

- 1) All three counties have semiautonomous boards, with minor variations.
- 2) All board members are appointed to staggered terms by the Mayor, then approved by the county council.
- 3) The water boards appoint the director. He is required to be an engineer, with administrative experience.
- 4) The water board makes the rules.
- 5) The water board sets water rates.
- 6) The water board determines the number of positions needed in the department. (Hawaii voluntarily asks council approval.)
- 7) The water board and the director are responsible for their budget. (In most cases, the Mayor and council do not see it.)
- 8) Free communication is allowed between the board and all divisions of government. (This does not appear to be used very much.)

Interviews with the three Mayors and council chairmen of Oahu, Kauai and Hawaii, and the director of water supply of Hawaii, produced the following:

- 1) All seven favored their semiautonomous board system and further stated that if they could rewrite their charters they would not change them.
- 2) Mayor Fasi, Oahu, however, felt a) the Mayor should appoint the director for a long term, but it would take the vote of the Mayor and 2/3 of the council to remove him and b) the Mayor and 2/3 of the council should be able to veto rules, budgets and bonds.
- 3) Arnold Margado, Oahu, was clearly opposed to any political function in the water board.
- 4) Six of the seven favored appointment of the director by the board.
- 5) Six of the seven favored an independent budget drawn by the water board.
- 6) All favored financial operational selfsufficiency.
- 7) All felt that the board should set the rules, establish the water rates and, in general, run their own business.
- 8) All had given consideration to the philosophical weighing of accountability versus efficiency; they all felt that there is sufficient accountability in their systems and that they have improved efficiency.

These interviews were most interesting, educational and worthwhile.


Milton Howell, Oahu, Kauai, Hawaii
Pancho Alcon, Oahu, Kauai

"Don't polute the water supply with politics"
Mayor Kanimura, Kauai

"We are accountable to our customers every time they pay their bill."

Bill Sewake, Big Island