

COUNCIL OF THE COUNTY OF MAUI
**PUBLIC WORKS AND
TRANSPORTATION COMMITTEE**

July 19, 2002

Committee
Report No.

02-91

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Public Works and Transportation Committee, having met on July 8, 2002, makes reference to County Communication No. 99-62, from the Chair of the Public Works and Water Committee, requesting that the matter relating to future proposed rules for the Board of Water Supply (Board) be referred to the Public Works and Water Committee.

Your Committee notes that County Communication No. 99-62 was referred to the prior Council's Public Works and Water Committee at the Council meeting of January 22, 1999.

At its meeting of November 15, 2000, the Public Works and Water Committee recommended that County Communication No. 99-62 be referred to the Council Chair for the term beginning January 2, 2001, for a recommendation as to referral or other disposition.

At its meeting of January 12, 2001, the Council referred County Communication No. 99-62 to your Public Works and Transportation Committee (County Communication No. 01-24).

By correspondence dated June 26, 2002, the Mayor transmitted the Rule amendment to Title 16, Chapter 8, Water System Development Fees for the Board, relating to payment schedule of fees and meter fees. The Mayor stated that he approved the Rule amendment. The amendments revise the payment schedule for fees, and requires that meter fees be effective at the time of installation.

Your Committee notes that consistent with Section 8-11.8 of the Revised Charter of the County of Maui, the Mayor transmitted to the Council the approved rule amendments within 15 days of his receipt of the revisions.

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Your Committee further notes that Section 8-11.8 allows the Council 45 days to confirm the Mayor's recommendation or to override the Mayor's recommendation by a two-thirds vote of its entire membership. The Council's 45 days will expire on August 10, 2002.

At its meeting, your Committee met with the Chair of the Board of Water Supply, the Director of Water Supply and a Deputy Corporation Counsel.

The Director provided your Committee with an overview of the matter. He noted that the current fees are based on outdated assets numbers which were developed in 1990. He further noted that the proposed increase will more accurately reflect the cost of doing business and providing service to the community, as well as replicate, up-to-date, asset levels based on the year 2000.

In response to an inquiry from your Committee, the Director indicated that the proposed increases in fees are based on a formula provided by the American Water Works Association, which is a commonly utilized methodology for reflecting water system expansion and capital improvement project costs. The Chair of the Board stated that it is not clear when the Board will request another increase in fees; however, he stated that it is the goal of the Board to review the fees on an annual basis to prevent a 10-year lapse in requesting fee increases.

To clarify the basis for determining the increase in fees, the Chair of the Board stated that the factors, which go into creating the fee schedule, consist of development of the water source, transmission of the water and storage.

The Deputy Corporation Counsel transmitted to your Committee a document that outlines the current language for Title 16, Chapter 8, Section 9 of the Rules of the Board. The document also incorporated the proposed revisions to the above-referenced Rules.

Your Committee considered a draft resolution entitled "APPROVING AMENDMENTS TO CHAPTER 8, WATER SYSTEM DEVELOPMENT FEES, FOR THE MAUI COUNTY BOARD OF WATER SUPPLY RELATING TO PAYMENT SCHEDULE OF FEES AND METER FEES". The purpose of the draft resolution is to approve the Rule amendments to include the payment

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schedule for fees, and to require that meter fees be effective at the time the meter is installed.

Your Committee voted to recommend approval of the draft resolution.

Your Committee is in receipt of the proposed resolution, approved as to form and legality, by the Department of the Corporation Counsel.

Your Public Works and Transportation Committee RECOMMENDS that Resolution No. _____, attached hereto, entitled "APPROVING AMENDMENTS TO CHAPTER 8, WATER SYSTEM DEVELOPMENT FEES, FOR THE MAUI COUNTY BOARD OF WATER SUPPLY RELATING TO PAYMENT SCHEDULE OF FEES AND METER FEES" be ADOPTED.

Adoption of this report is respectfully requested.

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