

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

July 19, 2002

Committee
Report No.

02-92

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 3, 2002 and 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 definitions, penalties and fees. The Mayor stated that he approved the Rule amendment.

The proposed amendments revise the definitions, penalties and fees to:
a) add new definitions of "Distribution system" and "Impact fees" and revise the definition of "Source development"; b) revise the penalty provisions for previously removed meters; c) revise and clarify the exceptions from fee payments; d) revise the payment plan schedule for fees; e) add interest to fees collected and

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maintained by the Board; and f) revise miscellaneous, non-substantive, and/or clerical provisions of the rule.

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.

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 of July 3, 2002, your Committee met with the Director of Water Supply and a Deputy Corporation Counsel.

Your Committee noted that the Mayor transmitted two sets of amendments to Title 16, Chapter 8 of the Rules of the Board by separate correspondence dated June 26, 2002. However, since only one set of proposed amendments was noted on your Committee's agenda, your Committee requested that the item be deferred to allow your Committee to discuss both proposed amendments on the same date.

Your Committee recessed its meeting to July 8, 2002 at 10:00 a.m.

At its reconvened meeting on July 8, 2002, your Committee met with the Chair of the Board of Water Supply, the Director of Water Supply and a Deputy Corporation Counsel.

Your Committee received an overview of the matter from the Chair of the Board of Water Supply. He stated that the proposed Rule amendments consist of new definitions, revisions to the existing definitions and non-substantive changes. He further indicated that the amendments make the operations of the Department more customer friendly in the areas of extending deadlines and providing payment plans for owner occupied residents.

Your Committee also received an overview from the Director. He stated that current Rules do not define "Distribution System" and "Impact Fees", terms

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that must be defined. He also stated that the proposed amendment to extend the term of the delinquency period from 60 days to 36 months was based on a recommendation from the Department of Water Supply's customer service division. Your Committee requested that more statistical data be provided that supports the recommendation for increasing the delinquency period.

In response to an inquiry from your Committee, the Director stated that the proposed Rule amendment that extends the reservations for applicants who are not ready to connect to the system, from one year to two years, may impact only a few applicants that are ready to connect. He further stated that financial institutions require a commitment for water before the applicant can receive financing for their project. He also stated that this provision will allow some flexibility for those applicants experiencing financially difficult periods.

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 DEFINITIONS, PENALTIES AND FEES". The purpose of the resolution is to accept the following amendments to the Board rules: 1) add new definitions of "Distribution system" and "Impact fees" and revise the definition of "Source development"; 2) revise the penalty provisions for previously removed meters; 3) revise and clarify the exceptions from fee payments; 4) revise the payment plan schedule for fees; 5) add interest to fees collected and maintained by the Board; and 6) revise miscellaneous, non-substantive, and/or clerical provisions of the rule.

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 DEFINITIONS, PENALTIES AND FEES", be ADOPTED.

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Adoption of this report is respectfully requested.

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