

1 BOARD OF WATER SUPPLY

2 COUNTY OF MAUI

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10 REGULAR MEETING

11 THURSDAY, OCTOBER 22, 2009

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16 Held at the Department of Liquor Control Conference
17 Room, David Trask Building, Room 105, Wailuku,
18 Maui, Hawaii, commencing at 9:25 a.m.

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28 Transcribed from the audio recording by Gaye
29 Hayashida, Commission Support Clerk, Department of
30 Water Supply, County of Maui.

1 A P P E A R A N C E S

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3 BOARD MEMBERS:

4 Michael Howden, Chair

5 Patricia Eason

6 Donald Gerbig

7 Kui Lester

8 Ted Yamamura

9

10 STAFF PRESENT:

11 Eric Yamashige, Deputy Director of Water Supply

12 Edward Kushi, Jr., Deputy Corporation Counsel

13 Gaye Hayashida, Commission Support Clerk

14 Holly Perdido, Fiscal Officer

15 Ellen Kraftsow, Water Resources & Planning

16 Manager

17 Walt Hager, Water Treatment Plant Supervisor

18

19 OTHERS:

20 Mary Blaine Johnston, Deputy Corporation

21 Counsel

22 Matthew Pietsch, Attorney for John and Judy

23 Jacintho

24 James Geiger, Attorney for Pulehu Farms, LLC

25 David Goode. Pulehu Farms, LLC

26 Kelly McGinnis, Executive Assistant to Council

27 Member Pontanilla

28

1 CHAIR HOWDEN: Ok, I'd like to call our October 22nd
2 meeting to order. Present are Don Gerbig, members
3 Don Gerbig, Kui Lester, Patricia Eason, and Ted
4 Yamamura, Chair Michael Howden; also Deputy
5 Corporation Counsel Ed Kushi, Deputy Director of
6 the Department of Water Supply Eric Yamashige; and
7 also from Corp Counsel's office we have..

8 MS. JOHNSTON: I'm Deputy Corporation Counsel Mary
9 Blaine Johnston.

10 CHAIR HOWDEN: Thank you. Thank you. Anyone else?
11 Would you like to identify yourself so we know?

12 MR. PIETSCH: I'm Matt Pietsch. I'm here on behalf
13 of John and Judy...

14 CHAIR HOWDEN: Great.

15 MR. PIETSCH: Jacintho.

16 CHAIR HOWDEN: Ok, Matt.

17 MR. GEIGER: James Geiger here on behalf of Pulehu
18 Farms.

19 CHAIR HOWDEN: Ok. And we have a court reporter
20 and we're all set to go. Ok. Any announcements?
21 Any corrections to our minutes from our last
22 meeting? Might we have a motion to approve?

23 MEMBER LESTER: Approve.

24 MEMBER YAMAMURA: Second.

25 CHAIR HOWDEN: Second.

26 MS. HAYASHIDA: I'm sorry, who made the, a motion
27 to approve?

1 CHAIR HOWDEN: She approves (indicating Member
2 Lester), Ted second. Those in favor?
3 (a chorus of ayes)
4 CHAIR HOWDEN: Unanimous, great. Ok, we'll now
5 open it to Testimony from the Public. Is there any
6 testimony, Gaye, this morning?
7 MS. HAYASHIDA: No. No testimony.
8 CHAIR HOWDEN: Ok. Let's move into the appeals.
9 (At this time the Board went into agenda Item VI,
10 Appeals. The regular meeting reconvened at 11:23
11 a.m. with Unfinished Business.)
12 CHAIR HOWDEN: Ok. No Unfinished Business. Other
13 Business, Receipt of Board members' requests for
14 agenda items to be placed on future agendas. So,
15 Gaye, that email that Don sent me..
16 MS. HAYASHIDA: Uh huh.
17 CHAIR HOWDEN: Would you send that on to the other
18 board members?
19 MS. HAYASHIDA: Sure.
20 CHAIR HOWDEN: So they could take a look at it.
21 MS. HAYASHIDA: Yep. And then, ok. And then you
22 guys are gonna let me know if you want it on the
23 upcoming agenda or not.
24 CHAIR HOWDEN: And we've not received the final
25 draft of the Water Use and Development Plan yet
26 or...?
27 MS. HAYASHIDA: No, you should have. That was a
28 long time ago.

1 CHAIR HOWDEN: So we need to set up hearings,
2 right?

3 MR. KUSHI: Was that the final, final?

4 MS. HAYASHIDA: The June, that's the last I got,
5 what's on the agenda. Maybe that's something you
6 can ask Eric or Ellen when they get here, but
7 whatever's posted on the website that's the last I
8 have.

9 MEMBER YAMAMURA: Gaye, can I have another one,
10 please. Thank you.

11 MEMBER EASON: Me too, please.

12 DEPUTY DIRECTOR YAMASHIGE: Gaye, you got in touch
13 with Ellen?

14 MS. HAYASHIDA: No. She's not answering.

15 CHAIR HOWDEN: Lunch hour, yeah, so.

16 (silence)

17 CHAIR HOWDEN: Yeah, we need to move forward with
18 the hearings.

19 MS. HAYASHIDA: You guys wanna give me a date when
20 because I need to..

21 CHAIR HOWDEN: Oh, there they are.

22 MS. HAYASHIDA: I need to..You wanna ask Eric if
23 that's the final-final? As far as I know that's
24 the final-final.

25 CHAIR HOWDEN: Yeah, and Ellen's here too. Eric
26 and Ellen, do we have the final drafts of the Water
27 Use and Development Plan for..

28 MS. HAYASHIDA: Central.

- 1 CHAIR HOWDEN: Central and South and like that or
2 any final?
- 3 MS. HAYASHIDA: The one that's posted on the
4 website, is that the final?
- 5 MS. KRAFTSOW: The one that's posted on the website
6 is the final review draft of Lana'i.
- 7 MS. HAYASHIDA: What about Central?
- 8 MS. KRAFTSOW: And then for Central, yeah, that's
9 the final review draft for Central.
- 10 MS. HAYASHIDA: Ok.
- 11 MS. KRAFTSOW: And Upcountry I don't think we have
12 the final review draft posted yet. I'll check
13 again.
- 14 MS. HAYASHIDA: Oh, careful!
- 15 MS. PERDIDO: I see it. I felt it. It's one of
16 those...
- 17 MS. HAYASHIDA: Yeah.
- 18 MS. PERDIDO: Here I'll hand these to you. One of
19 those booby traps.
- 20 MS. HAYASHIDA: Yeah.
- 21 CHAIR HOWDEN: So, Gaye, how much advance notice do
22 we have to give on hearings?
- 23 MS. HAYASHIDA: 30 days we have to pub, we have to
24 give 30 days notice in the newspaper, to publish
25 it. So I can get, no problem, the Planning
26 Conference room at night.
- 27 MS. KRAFTSOW: Can I give this to you?

1 MS. HAYASHIDA: For Kihei I would need a little bit
2 more time 'cause I gotta find a planning room, a
3 meeting room. And I'm, and I'm thinking about the,
4 probably the Kihei Community Center, would be one.
5 CHAIR HOWDEN: Horrible place.
6 MS. HAYASHIDA: Yeah, I know. The sound is bad.
7 CHAIR HOWDEN: So a month from now would be
8 Thanksgiving, ha ha ha.
9 MEMBER LESTER: Yeah, wow.
10 CHAIR HOWDEN: That's no help. So what I would
11 suggest is we go for the beginning of December.
12 And then we go for Wailuku on December 1st, it's a
13 Tuesday, Tuesday evening.
14 MS. HAYASHIDA: Ok, Wailuku:
15 MEMBER EASON: I mean what? Is this December?
16 You're saying December, no?
17 MS. HAYASHIDA: December 1st.
18 CHAIR HOWDEN: December is the soonest we can do
19 it.
20 MS. HAYASHIDA: December 1st.
21 CHAIR HOWDEN: And we gotta get it before
22 Christmas.
23 MEMBER EASON: Ok.
24 CHAIR HOWDEN: Between Thanksgiving and Christmas
25 is what we're stuck with at this point. So, my
26 suggestion will be Tuesday evenings December 1st for
27 Wailuku and a week later for Kihei, and we should
28 get on the Lana'i thing 'cause we got complaints

- 1 from Lana'i from Butch Gima. Maybe we could do
2 that on, on the 15th, the following week.
- 3 MS. KRAFTSOW: Of November?
- 4 CHAIR HOWDEN: Of December.
- 5 MS. HAYASHIDA: Just to let you know, I'm gonna be
6 on vacation from December 10th to 16th. So I won't
7 be here but hopefully I can get everything planned
8 by then.
- 9 CHAIR HOWDEN: Ok.
- 10 MS. HAYASHIDA: The Lana'i one, did you wanna hold
11 it on Lana'i?
- 12 CHAIR HOWDEN: Oh, we have to.
- 13 MR. KUSHI: Have to.
- 14 CHAIR HOWDEN: Have to, yeah.
- 15 MS. KRAFTSOW: We have a meeting with them also on
16 the 13th of November, if anyone, I don't know if any
17 board member would be coming that way.
- 18 CHAIR HOWDEN: Just tell them to give us a, tell
19 them that we're looking at the 15th of December.
- 20 MS. KRAFTSOW: Ok.
- 21 CHAIR HOWDEN: And we'll need sound people over
22 there because Gaye will be on vacation, so we need
23 someone to record it. But Tuesday the 15th...
- 24 MS. KRAFTSOW: And then we'll have our board
25 members...
- 26 MS. HAYASHIDA: And what time do you want to start
27 the Wailuku meeting? 5:30?

- 1 CHAIR HOWDEN: What makes sense? 5:30, 6? 6,
2 maybe 6.
- 3 MS. HAYASHIDA: 6 o'clock.
- 4 CHAIR HOWDEN: Ok, let's do 5:30, 5:30. Yeah,
5 we'll be there. There are always people who come
6 early; they just don't want to stay late.
- 7 MS. HAYASHIDA: The same for Kihei?
- 8 CHAIR HOWDEN: Yeah.
- 9 MR. KUSHI: You could check with Carl Freedman's
10 schedule too.
- 11 MS. HAYASHIDA: Yeah.
- 12 MS. KRAFTSOW: Wait, Carl not for Lana'i, right?
13 What's the Central, now?
- 14 MS. HAYASHIDA: Ok, Wailuku, the Central, the first
15 hearing for the Central will be in Wailuku probably
16 at the Planning Conference Room, that's on Tuesday,
17 December 1st. Then the week after that we will try
18 to see if we can get Kihei Community Center. That
19 will be Tuesday, the 8th.
- 20 MS. KRAFTSOW: Ok.
- 21 MS. HAYASHIDA: Or someplace.
- 22 MEMBER GERBIG: What are the dates again?
- 23 MS. HAYASHIDA: Wailuku, December 1st and Kihei,
24 December 8th. And then Lana'i, December 15th.
- 25 MEMBER YAMAMURA: Lana'i will be during the day?
- 26 MS. HAYASHIDA: Probably evening.

- 1 CHAIR HOWDEN: We have to do evening, I would think
2 'cause everybody's at work over there, a lot of
3 people are at work.
- 4 MS. HAYASHIDA: So that means an overnight stay for
5 board members?
- 6 MS. KRAFTSOW: Are we gonna charter a plane or no,
7 I just was gonna ask...
- 8 MS. HAYASHIDA: Don't ask me, I don't know.
- 9 CHAIR HOWDEN: Whatever, whatever works best for
10 the Department, you know, we're viable. And, and
11 for Kihei, Thursday, the 10th could be an alternate
12 date, if it's not available on the 8th.
- 13 MS. HAYASHIDA: Ok.
- 14 CHAIR HOWDEN: And for Lana'i we could use
15 Thursday, the 17th.
- 16 MS. HAYASHIDA: Oh no, that's our board meeting.
- 17 CHAIR HOWDEN: Oh, it is? Oh, well we'd be going
18 afterwards anyway.
- 19 MS. HAYASHIDA: Unless you wanna hold the board
20 meeting on Christmas Eve?
- 21 MS. KRAFTSOW: They're accustomed to Friday
22 meetings, too, so we could do the day time on
23 Friday the, whatever the Friday is of the 15th.
24 Whatever that Friday is.
- 25 MS. HAYASHIDA: That's the 18th.
- 26 MS. KRAFTSOW: That's the 18th.
- 27 MEMBER EASON: Do we ever have meetings on Fridays?
- 28 MS. HAYASHIDA: Board meetings?

- 1 MEMBER EASON: Yeah.
- 2 MS. HAYASHIDA: Umm, no.
- 3 MEMBER EASON: Ok.
- 4 MS. HAYASHIDA: Because I think our, we, we kinda
5 set it as the 4th Thursday of every month, that's
6 how it just...
- 7 MS. KRAFTSOW: That's why I have their meetings on
8 Friday so that I won't conflict with the board
9 meetings.
- 10 MS. HAYASHIDA: So, Kihei alternate would be
11 December 10th?
- 12 CHAIR HOWDEN: That would be our alternate date and
13 then the 17th would be the alternative date for
14 Lana'i.
- 15 MS. HAYASHIDA: Ok. Ok, so I will be on vacation,
16 yeah?
- 17 CHAIR HOWDEN: So Ed'll be taking care of
18 everything then. Sorry. So we have a, how long
19 will it take?
- 20 MS. HAYASHIDA: Depends on how many speakers you
21 have.
- 22 CHAIR HOWDEN: Oh no.
- 23 MS. HAYASHIDA: Oh this.
- 24 MS. PERDIDO: Shouldn't, Operating shouldn't be too
25 bad.
- 26 CHAIR HOWDEN: Great. Ok.
- 27 MS. PERDIDO: Ready?

1 CHAIR HOWDEN: Sure, go for it. Thank you. Thank
2 you for coming, both of you.

3 MS. PERDIDO: I think Eric wanted...Is Gaye ready?
4 Can we start, Gaye?

5 MS. HAYASHIDA: Oh yeah. The recording's on.

6 MS. PERDIDO: I think Eric wanted to start, say a
7 few words, Eric.

8 DEPUTY DIRECTOR YAMASHIGE: Just a, just a very...

9 CHAIR HOWDEN: Yeah Eric, please, yeah.

10 DEPUTY DIRECTOR YAMASHIGE: Yes, thank you. Just a
11 very brief introduction into our Fiscal Year 2011
12 Budget that we'll be submitting up to the Mayor
13 after you have a chance to review it. All of the
14 divisions have taken a really hard, sharp pencil
15 look at our expenses. You'll notice that all of
16 the expenses have been reduced, in almost every
17 category. At the same time will you keep in mind
18 that we do have to keep our CIP's going, keep our
19 operations going and try and get projects out.
20 Holly will go through more of the details and Ellen
21 will go through the CIP. But you'll notice that we
22 have substantially cut our budget in anticipation
23 of reduced revenues because people are conserving
24 and trying to keep any increases down, so, in this
25 tough economy we're not asking people to cough up
26 more than they have to. So, thank you very much
27 for taking the time to review this, ah, Mr. Chair?

28 CHAIR HOWDEN: Holly?

1 MS. PERDIDO: Ok. Good morning. If everyone, in
2 your packet, will go over kind of the summary sheet
3 of the Operations Budget, I think it's your first,
4 the first page there. Kind of the Revenue and
5 Expenses.

6 MEMBER GERBIG: Is that on the back page?

7 MS. PERDIDO: The, under the Operations...

8 MEMBER GERBIG: Yeah, ok.

9 MS. PERDIDO: The very first page should be it.
10 What I'll do is, a lot of the back up you'll see is
11 kind of detailed, of my summaries. So, what I'll
12 do is kinda go over the front sheet and then we'll
13 go over each division, just the additions or
14 deletions, and go from there, and that is pretty
15 much the summary of the whole budget for the
16 Operations. I'm currently still working on
17 revenues to find out how much, I'm hoping not to do
18 a rate, you know, an increase but we're working on
19 numbers yet and we will advise you as soon as we
20 come up with the numbers for that. What we have to
21 do is get this, the Operations and CIP Budget to
22 the Mayor by tomorrow or Monday, so we need the
23 Operations and CIP done and then I'll be working on
24 revenues and the other aspects of the budget. Just
25 kinda, to go through this, revenues, what I'll need
26 to cover operations is, operations and CIP
27 transfers is about 50.4 million as you can see.
28 These other, Others and Inter-fund Transfers or

1 other revenues that we will be receiving, we do
2 have a carryover that we include in the amount that
3 we have to do for our budget, and then if you look
4 farther down, the 17,700 is Other Funds of Sources,
5 Other Funding Sources for the CIP. So our total
6 revenues will be 74.7 as well as the offsetting
7 expenses which we have to have a zero budget by the
8 way. As you can see under the Expenses, Operating
9 Appropriations, which we will be going through,
10 OPEB is Other Post Employment Benefits that the
11 County, that we have to reimburse the County for.
12 That just started about last year, I think was the
13 first time we had to do it and then this year and
14 this will be the 3rd year we have to do that. And
15 this is a proposed debt service that we have for
16 the County. As you can see our CIP, we're
17 estimating it to be about 21.7 million and the
18 breakdown there is where the funding is from, the
19 Capital Replacement Fund. I'm not sure if everyone
20 knows what these different funds are. Maybe I can
21 kinda tell you. Capital Replacement Fund is a
22 transfer from the Revenue Fund to the, to fund
23 main, ah, or any kind of line replacement or any
24 funding that we need repair and maintenance
25 replacement. Water System Development Fund is what
26 we get from the meter installations; so that money
27 is all for the source, storage and transmission for
28 new expansion projects. This source, CIP Funding,

1 is, I guess there was a Hono, Ed might help me,
2 Honokowai, we got some funding that they had owed
3 old source monies to the Department, so we're just
4 gonna receive that maybe next month, I think it is.
5 SDWLF is the Safe Drinking Water Loan Fund which we
6 will be getting some funding from. And then of
7 course the new bonds that we're proposing to issue
8 to total out to 21.7 and we can go into that more
9 detail once we go with Ellen and her CIP budget.
10 Ok, so if you go to the, I think it's the next
11 page, does it say "Overview of Program Budgets"?

12 MEMBER EASON: Yes.

13 MS. PERDIDO: Ok. So this is basically, and I'm,
14 is everyone pretty much familiar with our
15 operations that we have the different divisions?
16 Ok. The program budget, we're divided into the
17 Administration, Fiscal, Engineering, Water
18 Resources and Planning, the Water Treatment Plant,
19 Field Operations and Plant Operations. So as you
20 can see these are the, what our Fiscal Year 10
21 Budget was, what we're proposing for Fiscal Year
22 2011 and no expansion positions, and then equipment
23 for the different programs is listed below. So
24 that's our overview. So what I'll do maybe is go
25 through each one, kinda hit on highlights, if you
26 have any questions on it you can, we can bring it
27 up at that time. So the next page is the
28 Administration Program. This is the Director, you

1 know, the Deputy and then Jacky's included in
2 there, the safety officer, and as you can see one
3 of the things as you noticed in all of 'em, the
4 salaries and wages, I know everyone's been hearing
5 all this stuff about the furlough and, what we did
6 is we left it status quo for now. Whatever we
7 propose for Fiscal Year 10 for salaries is what
8 we're doing for 11. If the Mayor comes in and
9 tells us we're gonna cut then we will and we will
10 adjust accordingly then hopefully we won't have to
11 have such a large, if we have a rate increase or
12 we'll adjust the revenues accordingly on that.
13 This Operations Budget, there is no change and the
14 breakdown is below. Contractual Services, we had
15 to increase 4,000. Basically it's for copier
16 maintenance machines, the maintenance of copier
17 machines and different contractual services that
18 they have. And the other large one, Telephone.
19 The Admin's telephone budget includes all the
20 county phone charges that the County charges the
21 Department for the phones in the County Building as
22 well as any other cell phone plans that are needed
23 for the Director and the Deputy and the safety
24 officer and the person office..

25 DEPUTY DIRECTOR YAMASHIGE: For this board.

26 MS. PERDIDO: And the Board. So whatever is needed
27 for that, that's where it's coming from.

1 MEMBER GERBIG: I can ask a dumb question.
2 Electricity is gone, is going down? Why is that?
3 MS. PERDIDO: Well the, the elect...
4 MEMBER GERBIG: I mean it's not a lot, I'm curious.
5 MS. PERDIDO: Well, one of, one of the reasons is
6 that we had to look really close to see where we
7 could cut or see where we could save money and
8 these electricity is what the County charges us for
9 our share of the County Building. And it's been
10 averaging, I think it was 75,000 so we thought we
11 could get by with going down a bit and that's why
12 we cut it. And also to help, we wanted to try to
13 get the budget as low as we could, yeah. And
14 Claims, Settlements, and Judgments we decreased
15 because we haven't been getting that many claims
16 against the County. Equipment...
17 MR. KUSHI: So Holly...
18 MS. PERDIDO: Yeah.
19 MR. KUSHI: Miscellaneous Other Costs, that would
20 include the Board expenses?
21 MS. PERDIDO: No.
22 MR. KUSHI: Oh.
23 MS. PERDIDO: That's just a miscellaneous category
24 that he felt we could lower because of the, just
25 the, that it wasn't being used that much, so he...
26 MR. KUSHI: So, we, you said that the Board's
27 expenses...

- 1 MS. PERDIDO: The Board has their own category so
2 if you looked...
- 3 MR. KUSHI: On a different place...
- 4 MS. PERDIDO: Yeah.
- 5 MR. KUSHI: Ok, ok.
- 6 MS. PERDIDO: Yeah. It's basically in these
7 sheets. It gives you all the detail of every
8 division here.
- 9 MR. KUSHI: Ok.
- 10 MS. PERDIDO: And that's, I only gave the increases
11 or decreases.
- 12 MR. KUSHI: Sure.
- 13 MS. PERDIDO: But the Board Costs are 25,000 a
14 year. So that's where the Board Costs come under.
15 So, you'll see a, farther back in the packet is the
16 summary sheets that you could look at any kind of
17 detail or you can ask me and I can tell you what it
18 is if you need to. Ok. Basically, the safety
19 equipment is for the whole Department. The Safety
20 Officer's located in the, under the Administration
21 program. So, the, they wanted to have the budget
22 for the safety equipment out of the Director's
23 office so we could oversee it. If I'm talking too
24 fast tell me to slow...
- 25 MEMBER GERBIG: What page are you on now?
- 26 MS. PERDIDO: I don't think you have pages in
27 there, right?
- 28 MEMBER GERBIG: Just going through it.

1 MS. PERDIDO: So right now we're on the
2 Administration program still.
3 MEMBER GERBIG: Ok.
4 MS. PERDIDO: Ok, any more questions over there?
5 (silence)
6 MS. PERDIDO: Can you find it? Ok. Then our next
7 one, I think your next one would be the Department
8 Wide Expenses, is that correct?
9 MEMBER EASON: Yes.
10 MS. PERDIDO: Ok. These charges are basically the
11 overhead charges that the administration charges
12 us. That's for all the, like Mr. Kushi's services,
13 personnel services, all those different..
14 MEMBER GERBIG: Why the decrease?
15 MS. PERDIDO: It went up.
16 MEMBER GERBIG: The bottom.
17 MS. PERDIDO: Oh.
18 MEMBER GERBIG: 15 versus down to 12 million?
19 MS. PERDIDO: Ok, the decrease if you notice came
20 under Debt. We paid off some bonds.
21 MEMBER GERBIG: Oh.
22 MS. PERDIDO: So but if you notice all the overhead
23 charges went up by 3%; the charges that we get from
24 the County. Interest, yeah, basically we had paid
25 off some of our bonds so that's why we have a
26 negative. And then I have, some of our debt we, in
27 the beginning like on the bonds, we don't pay
28 principle until a few years later. And also, SRF

1 funds we have a year after they start to start
2 paying back so I have to budget and budget the debt
3 accordingly, so this year our debt won't be quite
4 as high but in 2012 we'll be hit with some more
5 debt. Is there any other questions on this? Ok,
6 our next program is the Fiscal Division which is my
7 division that covers the meter readers, the billing
8 collection and all, all the financial parts of the
9 department. As you can see, we had to figure out a
10 way because our stores inventory, we needed
11 additional stores of what we, we had had I think
12 it's 300,000 for stores. Let me confirm that with
13 you though. We had 300,000 and we haven't, we
14 needed to increase that, so what we did is we
15 lowered our water meter inventory, basically in
16 Fiscal Year 09 we only had like 95 meters, new
17 meters installed. I think it was 95. And with, or
18 96, which is very low compared to previous years.
19 But that's not, one of the reasons is we had some,
20 we had a meter replacement program which we changed
21 out all the transponders and we do have some extra
22 transponders from this program. So we felt like we
23 could reduce our meter inventory adequate, you
24 know, to be able to cover the increase in the other
25 places. Also postage has gone up so I needed to
26 increase postage.

1 MEMBER GERBIG: Your equipment went way down, is
2 that the, the, that's what you're talking about,
3 the meters?

4 MS. PERDIDO: No, no. It's up on 6013, Water Meter
5 Inventory. If you look up higher.

6 MEMBER GERBIG: Under Fiscal Service?

7 MS. PERDIDO: Yeah, under the, yeah.

8 MEMBER GERBIG: (inaudible)

9 MS. PERDIDO: But yeah, our equipment did go down.

10 MEMBER GERBIG: Oh, oh, I'm sorry, yeah.

11 MS. PERDIDO: I'm trying to think last year what I...

12 MEMBER GERBIG: I'm looking at equipment up on the
13 top category, you went 62,000 down to 36,000.

14 MS. PERDIDO: Yeah.

15 MEMBER GERBIG: What...

16 MS. PERDIDO: Prior year I think we had in there a
17 new vehicle and also the mezzanine; we wanted to
18 put in a second floor in our warehouse to increase
19 storage and, for parts, you know, to put parts in.
20 So that was one of the reasons it higher then. And
21 this year I think I only need, one of our meter
22 reader vehicles burned, caught fire up in Kula when
23 the guy was driving it so we have to replace that,
24 and then we, computers. Any thing, questions? Ok.
25 And I didn't, I didn't, personnel, I think the
26 Director, director's office is fully staffed, Eric,
27 I think, right? Fiscal, we have one shortage, the
28 Assistant Fiscal Officer retired so I have one

1 vacancy right now that we're trying to fill. I
2 forgot, I should tell you that as we go along. The
3 only problem is Engineering; we do have quite a few
4 vacancies. I'm not sure exactly how many
5 engineers; Eric might be able to help me. We have,
6 we lost another one.

7 DEPUTY DIRECTOR YAMASHIGE: I wanna say it's about
8 5...

9 MEMBER GERBIG: You, you still have those positions
10 budgeted?

11 MS. PERDIDO: We have them budgeted.

12 DEPUTY DIRECTOR YAMASHIGE: Yes.

13 MS. PERDIDO: We haven't cut 'em yet.

14 DEPUTY DIRECTOR YAMASHIGE: We have between 5 and
15 10 vacant engineering positions. We've been
16 actively trying to recruit.

17 MEMBER YAMASHIGE: Even in this market? Yeah?

18 DEPUTY DIRECTOR YAMASHIGE: It's a unusual...

19 MEMBER YAMASHIGE: Amazing.

20 DEPUTY DIRECTOR YAMASHIGE: We've actually had to
21 look at mainland recruits. And I just signed off
22 on a, one list that nobody was interested after
23 looking at the position and we're asking for
24 another list. So I'm surprised as you are why we
25 cannot find engineers in this market. But they
26 seem to be busy. I'm glad.

27 MEMBER YAMAMURA: Yeah.

1 MS. PERDIDO: Basically, one of the, you'll see
2 the, well, actually Salaries and Wages went up a
3 tiny bit but that was because we budget like the
4 2011, we're basing it on what we know now. 20,
5 2010 was based on 2009; there could've been some
6 step increases in there so that's why this small
7 difference. Operations, Computer Services,
8 Contractual Services decreased because the MIS
9 Division took over our scanning, our scanning
10 system. We used to fund for it under the, our
11 Department, under Engineering. But they said they
12 would take it over and so they have a county-wide
13 scanning system. So we don't have to fund that
14 now. And Lab Services he increased basically
15 because he's hoping he'll have a lot new recruits,
16 I think. They have to take tests for that. And
17 then his software, he needed, he has pretty
18 expensive software on some of their programs they
19 needed upgraded to. And basically his equipment is
20 the bare necessity of what he needs to get done.
21 The large plan copier and scanner is to print out
22 the plans. And right now we do, the one we have is
23 broken, I think yeah?

24 DEPUTY DIRECTOR YAMASHIGE: Yes.

25 MS. PERDIDO: I told you it'd be quick. Ha, ha,
26 ha.

27 CHAIR HOWDEN: Thank you.

1 MS. PERDIDO: Ok, so Engineering. Ok, now it's
2 Planning. I don't know if Ellen wants, I'll, I'll
3 kind of overview and then Ellen's here. We do have
4 her here to comment on it. Under her personnel, I
5 think she has, she just did some more hiring, so
6 how many vacancies? Only a few now I think.

7 MS. KRAFTSOW: We actually, there's, the one
8 vacancy that we have, we have a student temporarily
9 filling that position to give us extra data entry
10 help, so we actually don't have any vacancies..

11 MS. PERDIDO: Yaaaay.

12 MS. KRAFTSOW: Once that guy arrives.

13 CHAIR HOWDEN: Great.

14 MS. KRAFTSOW: That's the first time since I've
15 worked here that we've ever been able to actually
16 hire. Very happy.

17 MEMBER YAMAMURA: So regardless if it's Engineering
18 or, or other staffing, you can still hire in this
19 atmosphere or climate with the County?

20 MS. KRAFTSOW: Actually we had, for this last
21 training level, Conservation Specialist position,
22 there were I think more than a hundred applicants?
23 Yeah. Maybe, maybe it's more than 50, but it was
24 just some huge number compared to you know,
25 normally you're struggling to get 3 or 4 good ones.
26 So, although Conservation is kind of a fun thing,
27 everybody wants to do it, but.

1 MS. PERDIDO: Yeah, currently there's no
2 restrictions yet from the Mayor to stop hiring or
3 freeze positions yet.

4 MEMBER YAMAMURA: Well, then hurry up, save all the
5 positions.

6 MS. PERDIDO: I know, especially our Engineering.
7 Yeah, so, yeah, we're still actively recruiting the
8 vacant positions right now.

9 MEMBER YAMAMURA: Holly.

10 MS. PERDIDO: Yeah.

11 MEMBER GERBIG: We're, we're on the Planning
12 Department...

13 MS. PERDIDO: We are.

14 MEMBER GERBIG: Down on the bottom on the
15 Advertisement. You went from 500 to 2,000, what
16 the...

17 MS. KRAFTSOW: We went up, I thought we went down.

18 MS. PERDIDO: You went up in Advertising.

19 MEMBER GERBIG: Under 6101 Advertising.

20 MS. KRAFTSOW: Oh, I think that was based on
21 actuals then. Because we have been advertising
22 both, well, Conservation we have a separate fund
23 for but the Water Advisory Committee meetings, we
24 have Well-head Protection program going, we're
25 about to have a Well siting...

26 MEMBER GERBIG: That's all in the Advertising?

27 MS. KRAFTSOW: Yeah, uh huh. And I think we spent,
28 most of my, where I increased is because I was

1 actually spending more than what was budgeted for
2 previously, so.

3 DEPUTY DIRECTOR YAMASHIGE: If I can interject,
4 Don. On this sheet, Don?

5 MEMBER GERBIG: Huh?

6 DEPUTY DIRECTOR YAMASHIGE: On this sheet. It has
7 little bit more details.

8 MEMBER GERBIG: Oh, ok. (inaudible)...

9 MS. KRAFTSOW: Yeah, I spent quite a bit.

10 MS. PERDIDO: 7300.

11 DEPUTY DIRECTOR YAMASHIGE: Ok.

12 MS. KRAFTSOW: I had spent 7300 on advertising in
13 2009, so actually...

14 MEMBER GERBIG: Ok, got it. Looking at the ones
15 that stand out.

16 MS. KRAFTSOW: Yeah.

17 MEMBER GERBIG: (inaudible) it's not that I'm
18 against as well...

19 MS. KRAFTSOW: Yeah, no, it's a reasonable
20 question.

21 MEMBER GERBIG: Maybe it needs to be done.

22 MS. PERDIDO: Yeah, and when, when Ellen was
23 looking at her budget she knew she wanted to get
24 this leak detection equipment which was quite
25 expensive so she was trying to figure out where she
26 could finagle and figure out where she could get
27 some of the funding so that's why you'll see the

1 Conservation Program she took, decreased that so
2 she could get the...

3 MEMBER GERBIG: Is the, all these announcements in
4 paper that ended as Advertisement too then?

5 (Member Gerbig, Ms. Perdido and Ms. Kraftsow
6 speaking at the same time)

7 MS. PERDIDO: The conservation are under the
8 Conservation Program..

9 MEMBER GERBIG: For any announcements for water
10 whatever...

11 MS. KRAFTSOW: The, the conservation advertisements
12 are under Conservation but the Well-head
13 advertisements...

14 MEMBER GERBIG: Yeah.

15 MS. KRAFTSOW: The Watershed Protection
16 advertisements, the Water Use and Development Plan
17 meeting advertisements, any kind of other...

18 MEMBER GERBIG: Anything that goes in the
19 newspaper.

20 MS. KRAFTSOW: Anything except for conservation is
21 under this, yeah. Conservation we have a separate
22 fund for. And sometimes we mix it up but not
23 usually.

24 MS. PERDIDO: I guess the Professional Services
25 kinda sticks out 'cause we decreased it by 29,000
26 and I think one of the, what was the reason?

27 (Ms. Perdido and Ms. Kraftsow speaking at the same
28 time)

1 MS. PERDIDO: One of the models is done?

2 MS. KRAFTSOW: Because model analysis, and one of
3 the USGS model is done.

4 MEMBER GERBIG: What is it?

5 MS. KRAFTSOW: And we, we cut out some of the
6 allowances so that I could, I wanted to take any
7 money I could take and put it into leak detection
8 equipment. Because, you know, our revenues are
9 going down and we're trying to promote
10 conservation. We kinda have to clean house
11 internally, get our supply side going and our
12 conservation specialist is totally, uh, that's what
13 he wants to do and I completely agree, so we're
14 gonna really focus on eliminating system losses.
15 That's gonna be our...

16 MS. PERDIDO: One of the other large ones is a
17 rentals, that's for basically renting the building;
18 it's, she had to increase for the rent, what it'll
19 be charged for in that year. If you look, you see
20 Stream Monitoring grants; basically all the grants
21 stayed the same except the Na Wai Eha, there was
22 40,500 in 2010 but it's finished so that's now,
23 that's why it, it's decreased by 40,500. The
24 program finished up this year, right? It finished
25 up.

26 MR. KUSHI: Holly, you know, on the next line under
27 Total, at the far, furthest right-hand column, why
28 is it 461...

1 MS. PERDIDO: Ignore those.

2 MR. KUSHI: Oh.

3 MS. PERDIDO: Eric brought to that my, that to my
4 attention, you know, this was, I had it set up but,
5 it's basing it on the previous and it should be
6 based on the top. So, if you ignore those
7 percentages...

8 MR. KUSHI: Ok.

9 MS. PERDIDO: Yeah, I couldn't change it before I
10 got it to you. You guys had received it already by
11 the time I...

12 MEMBER GERBIG: Under the Stream Monitoring, what
13 is the Professional Services, what is that?

14 MS. KRAFTSOW: Which one are we talking about?

15 MEMBER GERBIG: Stream Monitoring.

16 MS. PERDIDO: Ok, if you...

17 MEMBER GERBIG: Grants.

18 MS. PERDIDO: If you look at the details, there's a
19 whole list of all different ones, Tri-Isle, Maui
20 Nui, East Maui Watershed...

21 MEMBER GERBIG: Oh, ok.

22 MS. PERDIDO: West Maui, all of those. And they're
23 all, like we're saying the amounts are still the
24 same.

25 MS. KRAFTSOW: I think it's an East Maui Stream
26 Monitoring Program that we're adding more
27 transfers, knock 'em off one by one.

28 MS. PERDIDO: Not all the same as this year.

1 MS. KRAFTSOW: Oh, then that's just the existing
2 gauges, yeah.

3 MS. PERDIDO: Yeah.

4 MS. KRAFTSOW: Ok, sorry. My bad.

5 MS. PERDIDO: I mean, if, we need, if you want I
6 can go over the detail on 'em or if you can, you
7 can look at 'em, whichever. We, and we can always
8 get you more detail if you need us or whatever.
9 One of the other big ones that we do is the
10 miconia, Tri-Isle RC and D Miconia Containment
11 Removal, that's one of the larger ones; 240,000
12 they get. Any questions on Planning?

13 MEMBER GERBIG: Why is the Board of Water or
14 Department of Water interested in miconia?

15 MS. KRAFTSOW: Because the...

16 MEMBER GERBIG: Does it produce any water?

17 MS. KRAFTSOW: Do you have, it, it's basic, do, do
18 you actually want an answer to that question?

19 MEMBER GERBIG: Yeah, yeah, go ahead. No, what I
20 meant why.

21 MS. KRAFTSOW: What's, Hawaii is a cloud forest
22 eco-system and so warm waters from the Pacific and
23 the subsiding from the poles converge and when warm
24 water flows up the mountain and hits the subsiding
25 cold air it creates this thing called the trade
26 inversion layer, which is a layer of moist air
27 right around between 4800 and 7800 feet; that is
28 right where our key forests are. And that cloud

1 forest is so important that they estimate like for
2 instance on Lana'i, 65% of the recharge in the key
3 aquifer depends on cloud drip from the, from the
4 forest.

5 MEMBER GERBIG: Miconia interferes with it?

6 MS. KRAFTSOW: Miconia kills the forest. And part
7 of what makes the forest such a good water manager
8 is that it's, it's like, it's like one big storage
9 reservoir for one thing. Every, you know, leaf and
10 stem and twig, the water adheres to it, right? And
11 then it's held and then also when it rains it hits
12 the leaves and the canopy and everything, it
13 doesn't just hit the ground and run off and create
14 erosion. So, it prevents erosion and it allows the
15 water to go through slowly and absorb slowly and
16 now they're finding that where you have invaded
17 forest; there was just this study published from
18 the Big Island, where you have invaded forests
19 especially like eucalyptus or I think they looked
20 at evergreen ash and other kinds of; they tend to
21 create monotypic stands. You lose your under
22 story. The soil underneath, if you ever, if anyone
23 ever takes you up into the forests and shows you a
24 native area and the soil is like rich and thick and
25 graded and then shows you an area under manuca or
26 eucalyptus it's gonna be hard packed and you, it,
27 it's not, it just, you can see like with your own
28 eyes instantly why it's not the same. And so they

1 figure that well, like I said on Lana'i it's 65% of
2 recharge. Even the lowest estimates I've seen are
3 15% to 30% of our water depends actually on the
4 health of the forest.

5 MEMBER GERBIG: Is the, what about the State? Are
6 they for this, this is county money, right?

7 MS. KRAFTSOW: This is county money. The State
8 also puts in quite a bit of money.

9 MEMBER GERBIG: As you know, is there grant from
10 the State that we get?

11 MS. KRAFTSOW: Yes.

12 MS. PERDIDO: Doesn't the County...

13 MS. KRAFTSOW: Yeah, actually the County covers a
14 lot, the State also covers a lot. I don't think we
15 even do as much as the State.

16 MEMBER GERBIG: Does the State give the County any
17 money?

18 MS. KRAFTSOW: Um, no...

19 MEMBER GERBIG: So that's all separate under the...

20 MS. KRAFTSOW: Everybody gives money to...

21 MEMBER Gerbig: DLNR.

22 MS KRAFTSOW: The project, yeah. Well, yeah, DLNR
23 is the part of the project but yeah. There's
24 federal, state and county funds that, that go into
25 it. Yeah, and so I think as well as some
26 foundation grants, that it takes to fund these
27 efforts.

1 MS. PERDIDO: Isn't there county money also besides
2 water, county and water.

3 MS. KRAFTSOW: Yeah, county, county-county in
4 addition to the water utility, county also
5 contributes. And miconia in particular took over
6 in Tahiti and they lost almost all of their native
7 watershed due to landslides, major landslides
8 'cause it's shallow rooted crop that crowds out all
9 other crops. And so it, it's very, it's a
10 particularly alarming need to have, you know..

11 MEMBER GERBIG: Worst than I thought.

12 MS. KRAFTSOW: Yeah, it's scary.

13 MS. PERDIDO: Ok, any other questions on Planning?

14 (silence)

15 MS. PERDIDO: Ok, next one is our Water Treatment
16 Plant. They really did sharpen their pens. So if
17 you notice Salaries and Wages went up because in
18 Fiscal Year 11 there was an, a few exp, one
19 expansion position but they were budgeted at a
20 lower amount so, or 8 months instead of the 12
21 months so that's why it went up for that.
22 Operations, actually they really looked at
23 everything and based on what they expended and what
24 they could they lowered their expenses.

25 MEMBER GERBIG: Why the, why the big drop in
26 equipment?

27 MS. PERDIDO: Every year they look at what they
28 need and they, I guess they, all the equipment they

1 purchased last, or for Fiscal Year 11 this year; he
2 thought well, they really looked what they needed
3 for FY 12 and said the main thing we need is this
4 vehicle to replace a diesel vehicle that's giving
5 'em problems. And they said they'll hold off on
6 anything else. They are doing some retrofitting
7 that has helped, you know, retrofitting some of the
8 plants that'll help and they have a few CIP
9 projects but equipment they said, "we're, we can do
10 with this for this year." So. One of the, diesel
11 and one of the things they noticed, last we cut the
12 diesel and this year and basically this diesel is
13 for the standby, for the generators at the plants.
14 So, they thought they could get by with what they,
15 with what he gave us on these figures.

16 (silence)

17 MS. PERDIDO: Any questions? That one's good? Ok,
18 Field Operations. Salaries and Wages; this is the
19 same situation. He had some expansion in 2011,
20 where we're budgeted at 8/12 so the salaries, so we
21 needed to budget full salary. Operations ended up,
22 we had to work with him a bit to come out with no
23 increases in operations. And, basically he was
24 looking at actual amounts and deciding what he,
25 what he could get by with and was able to. Road
26 patching materials needed to increase. They used
27 quite a bit in that. And on equipment he just, he
28 just needed a tapping machine and 3 vehicles. So

1 that's what he requested in equipment. Ok?
2 Alright the last operation is Plant Operations
3 which handles all the pumping and tank maintenance
4 and everything.

5 CHAIR HOWDEN: So separate, separate...

6 MEMBER GERBIG: That was the hand outs...

7 MS. PERDIDO: Oh, yeah, that's the new one, thank
8 you. And behind the other hand outs are just
9 replacements for the other sheets that are inside
10 the packet.

11 MS. HAYASHIDA: May I get...

12 MS. PERDIDO: You may. Here's all these extras.
13 So what's on Plant Operations. Joe really looked
14 at his budget and turned in these numbers that he
15 thought were, he could live with. One of the, the
16 Professional Services decreased because, I think
17 they're doing some certification for the lab and
18 this year they had budgeted I think 200,000 and he,
19 they're getting down to where he thought they could
20 get with a 175,000 to finish up the certification.
21 Now, I didn't mention vacancies on Treatment Plant,
22 Field and Plant. We do have vacancies and they are
23 trying to fill 'em. I can't tell you exactly how
24 many there is. But if you need us to get that back
25 to you we can do that.

26 (silence)

27 MS. PERDIDO: Um, what else. And basically he
28 needed...

1 MEMBER GERBIG: Just your treatment plant, huh?

2 MS. PERDIDO: No, Plant Operations is the, the
3 wells, they handle the wells, the pumps...

4 MEMBER GERBIG: Oh, oh, oh, I, ok...

5 MS. PERDIDO: Yeah.

6 MR. KUSHI: Scada system.

7 MS. PERDIDO: Scada systems.

8 MEMBER GERBIG: Maintenance.

9 MS. PERDIDO: Maintenance, yeah. Water Treatment
10 Plant is just the treatment plants, none of the
11 other, other, you know.

12 MEMBER GERBIG: So, this is all the wells,
13 everything...

14 MS. PERDIDO: The wells, yeah and all the, they
15 handle all pumping. Their electricity budget is
16 one of our biggest ones. I think, what is their
17 budget at? That's where our electricity is looking
18 like. 14.8 million is his electricity budget.
19 That's because of all the pumping. Some of these
20 like the Sampling Stations and Flushing Devices,
21 they want to set up these, these are all to do
22 testing for the water samples that are required by
23 DOH. And if there's any questions on anything?

24 (silence)

25 CHAIR HOWDEN: Any more, Holly, or is that...?

26 MS. PERDIDO: That, if there's no other questions,
27 that's...

28 CHAIR HOWDEN: Ok. So we're on to Ellen.

1 MS. KRAFTSOW: Are we? Ok.

2 MS. PERDIDO: Yeah.

3 MS. KRAFTSOW: So I'm a little bit nervous just
4 'cause I just usually give you maps and this year I
5 didn't prepare any kind of dog and pony show. I'm
6 just gonna tell you about the projects. But if you
7 have questions feel free to ask and I'll try to
8 answer. So I'm gonna go through, you have, you
9 have it broken down in your packet 3 ways. You
10 have it by community plan, you have it by type of
11 project and you have it by kind of the big sort of
12 overall titles that we submit to council. So, the,
13 the way that I'm gonna go through it right now is
14 probably on the front page of your packet. It's by
15 community plan. So is everybody ready?

16 MEMBER GERBIG: Uh huh.

17 MS. PERDIDIO: Ok. So do you want me to go through
18 the countywide stuff too?

19 MEMBER GERBIG: What's that?

20 MS. KRAFTSOW: I, I said do you want me to go
21 through the countywide projects too, that's
22 countywide allowances? So...

23 CHAIR HOWDEN: Maybe just an overview of that would
24 be helpful.

25 MS. KRAFTSOW: Ok. So Countywide Archeological
26 Monitoring is just a fund to conduct archeological
27 renaissance, reconnaissance, sorry, and monitoring
28 projects as needed for when any line that might

1 come in that might create a where, where we know
2 there might be archeological concerns. Countywide
3 Land Appraisal and Acquisition, there are in
4 addition to needing to purchase land under our
5 sites there are also a number of sites that we've
6 had for many years that we still don't own and so
7 slowly by slowly they're trying to address that.

8 CHAIR HOWDEN: Ellen, does that include Hamakuapoko
9 Well, the 2 wells there?

10 MS. KRAFTSOW: No.

11 CHAIR HOWDEN: We, we own those?

12 DEPUTY DIRECTOR YAMASHIGE: I think we have an
13 easement for that.

14 CHAIR HOWDEN: What?

15 DEPUTY DIRECTOR YAMASHIGE: I think we have an
16 easement for that.

17 CHAIR HOWDEN: But we don't own the land. We just
18 have rights of access?

19 DEPUTY DIRECTOR YAMASHIGE: I would need to go and
20 check on that, if we...

21 CHAIR HOWDEN: Ok. That, that would be a question
22 I have.

23 MS. KRAFTSOW: Ok, H'poko.

24 CHAIR HOWDEN: I mean for the future.

25 MS. PERDIDO: (inaudible) alright, go ahead.

26 MS. KRAFTSOW: Ok. Countywide Pipe and Facility
27 Improvements are, there are a few different things.
28 Pipe and Facility is normally used for when we have

1 a contract, it's issued and it turns out that for
2 some reason either our budget wasn't adequate or a
3 big break happens when we weren't expecting one,
4 something unexpected happens, so there's, it's kind
5 of an allowance for those kinds of issues. And
6 then the difference between that and Small In-House
7 Pipes is Small In-House Pipes we usually plan those
8 in advance and there are pipes that we can correct
9 or fix internally but they're too small to even
10 itemize, line item. And also they have a small
11 allowance for small pipes that break. So it's,
12 it's kinda used, one is used by Engineering
13 primarily and the other used by the Baseyard
14 primarily but they're kinda similar. Tank Facility
15 Improvements, same thing. Any problem that comes
16 up with the tank or any overage in any of the
17 projects that comes up, this is where we can draw
18 from. We have to kinda do it by type of unit.
19 Pump Facility and Energy Efficiency Upgrades;
20 that's motor controls, pump replacements that go
21 down that weren't specifically budgeted and also we
22 usually have about 8 pumps budgeted. Countywide
23 Raw Water Storage Study, Design and Land; this is
24 an allowance for any studies that may need to be
25 done. As you know, that Water Use and Development
26 Plan that's coming out is recommending on the order
27 of, if we can get it done in time, of \$200 million
28 worth of storage.

1 MEMBER GERBIG: Through the reservoirs and all
2 that?

3 MS. KRAFTSOW: Yeah, large raw water storage
4 between Upcountry and Central Maui and West Maui
5 coming up, so this is like money to get us going on
6 that project. And of course I paid no attention to
7 my notes. Let me catch up real quick. Hamoa-Koali
8 In-House Waterline Improvements Construction, that
9 is the installation of pvc high density
10 polyethylene or pe line to replace breaking
11 segments from Hamoa to Kaoli and to address
12 frequent breaks along the 17,000 stretch of line.
13 Now we're doing that with substandard, pvc I guess
14 is standard but we're not doing a full on project
15 there because the Hana Community is very much
16 opposed to having this line upgraded. However, it
17 is a line that's causing a lot breakage and water
18 loss. And so it, some, it needs to be addressed
19 somehow and so that's why it's in here like that.

20 MEMBER EASON: You say the Hana Community was
21 opposed?

22 MS. KRAFTSOW: Um, yeah.

23 MEMBER EASON: And they, I know you did some work
24 up to Hamoa where you go down to Koki but they
25 didn't continue?

26 MS. KRAFTSOW: No, they didn't.

27 MEMBER EASON: And then they started again when you
28 got out of Koki toward Kipahulu?

1 CHAIR HOWDEN: Yeah, going toward Koali.

2 MEMBER EASON: Koali, toward Koali.

3 MS. KRAFTSOW: Yeah.

4 MEMBER EASON: So the by-pass was Hamoa. You
5 didn't do anything in the Hamoa area?

6 MS. KRAFTSOW: No, they wanted to connect the 2
7 ends of the system from the well to the well, to
8 sort of strengthen the transmission in the main
9 portion but now this is going outside of Hana Town
10 and towards the end of the system, where the
11 community plan says that they want it not focused
12 growth, right? They want growth to be focused in
13 town. And apparently, I, pardon me, I wasn't there
14 but when the engineers went out they had, there was
15 a lot of protest to the thought of, "Why are you
16 doing this? You're gonna development Hana. You're
17 gonna ruin Hana." So, but we have severe leaks and
18 we need to serve people without breaks and so this
19 was kind of a compromise solution to that. Hana
20 Source Development Wakiu Backup Well; this is land
21 acquisition and exploratory drilling for a well to
22 back up the Wakiu end of the system. As you know,
23 one of those wells doesn't really function and so
24 there's a need for a backup for that well, well
25 group. Then moving on to Kihei-Makena, the Makena
26 Road Waterline Improvement Design; this is a
27 project that has been in and out of CIP so many
28 times. It is such a small line and, and it has

1 such small use but it is costing us more overtime
2 than almost any other line in the system. It's
3 another one that it's breaking all the time and it
4 just needs to be addressed and so that's what this
5 is for. Maui Meadows 18 Booster Pump and
6 Electrical Upgrade; this is, this entire station
7 within Maui Meadows needs to be upgraded and
8 resized and so, it, it's kind of a, it was too big
9 to just put in the overall pump upgrade allowance.
10 It's, it's a huge project by itself. So that's
11 what that is. It needs increased booster capacity
12 replacing all the pumps; upgrading electronics for
13 the system that controls everything. So that's a
14 big project. The Kihei Reclaimed Water Line
15 Design; this is one of the projects that is
16 recommended by Carl in our Water Use and
17 Development Plan. And we have staff now working
18 with Public Works to try to get at an estimate of
19 what we could really save with that line. And so
20 this is a design project for that line.

21 MEMBER GERBIG: If that's Reclaimed Water, how
22 come...

23 MS. KRAFTSOW: It would offset enough potable
24 water; it would actually be cost effective measure...

25 MEMBER GERBIG: So you'll sort of, the Department
26 of Water will buy it for...

27 MS. KRAFTSOW: Well, I think that the funding still
28 has to be worked out whether, whether we front it

1 and they help recover the cost, or whether, you
2 know, because actually an investment like that per
3 dollar, they would make more than we would. But
4 they have such big financial burden just to get
5 their systems to meet standards that they're really
6 in a position to do it, but it's kinda not fair to
7 us either, so one way or another it's to the
8 benefit of the people to get it done and so
9 financing still has be worked out. But that's what
10 this is for is to design it.

11 MEMBER GERBIG: The Department of Water Supply has
12 money in but they don't?

13 MS. KRAFTSOW: Well, we don't exactly have money by
14 we have more money than they do because they are
15 building their, places where they are, not even
16 meeting EPA standards and they, their plans require
17 major, major upgrades. Kamole Tank Replacement
18 Design, Land and Power; that's to replace the half
19 a million gallon Kamaole, I'm sorry not Kamole,
20 Kamaole Tank up, up in Kula and I guess that tank
21 is just degraded and in need of replacement.
22 Kamole Water Treatment Plant Improvements Control
23 Buildings, Restoration, Paint and Other Repairs;
24 they need to paint, seal and repair their chemical
25 and control buildings at the plant. If I
26 understand it's spalling, is that the one that's
27 spalling? Yeah, it's in pretty bad shape. It
28 needs some attention, the facility needs some

1 attention. Olinda Treatment Plant Improvements
2 Refurbish the 3 Million Gallon Clearwell, that's to
3 pressure wash, sand blast, paint seal and otherwise
4 refurbish the clearwell at Olinda Treatment Plant
5 and possibly remove lead paint. Piiholo Treatment
6 Plant Improvements Organic Carbon Reduction
7 Construction; this is to install filters to reduce
8 organic carbon in raw water from the lower Kula
9 system, to improve, improve compliance status under
10 the disinfection by-products rule and also the lead
11 and copper rule.

12 MS. PERDIDO: And Walt's here if you need him to..

13 MS. KRAFTSOW: And Walt's here if you have any more
14 questions..

15 MEMBER GERBIG: That's 5 million..

16 MS. KRAFTSOW: I think it's GAC, right?

17 MEMBER GERBIG: Ellen, that's \$5 million?

18 MS. PERDIDO: Yes.

19 MS. KRAFTSOW: Yes.

20 MEMBER GERBIG: For that CO..

21 MS. KRAFTSOW: Yes, yes. If you have any
22 questions, our treatment plant supervisor is here.
23 If you have any specific questions on that, you
24 might have more to offer. Ok, hearing none. Upper
25 Kula Storage Improvements Omaopio Tank 2 Design and
26 Land, are both scheduled. The existing Omaopio
27 Tank is cycling. It can't keep up with demand. So
28 an additional tank in this area will enable

1 smoother operations as well as potential savings on
2 pumpage funds. So, they're, they're looking at how
3 to address that. That's a major tank in that upper
4 Kula line. Phase 10 Pumps Upgrade, Refurbish and
5 Increase Redundancy; this is both something that's
6 from within the Water Use and Development Plan, one
7 of the projects that's needed as well as just a,
8 it's time to do it. The motors, controls, valves
9 and pumps of the Phase 10 series, which is Pookela,
10 Maluhia and Olinda 50k all need to be upgraded.
11 They might consider additional pump stations. They
12 might consider variable frequency drives. They're
13 gonna look at the cost effectiveness of different
14 options and design it to cover the increasing
15 demand that we're seeing Upcountry. So that's just
16 replacing this major pumping series that we have
17 that goes from Makawao to Lower Kula.

18 CHAIR HOWDEN: Ellen, just real briefly, what, what
19 happened to, we've been talking for years now about
20 high lift pumps and better filtration systems for
21 Kamole Weir.

22 MS. KRAFTSOW: I think that the high lift pumps and
23 the filtration upgrade, I think the filtration
24 upgrade is almost done and the high lift pumps are
25 already budgeted.

26 CHAIR HOWDEN: Already budgeted.

27 MS. KRAFTSOW: In the current year. Yeah.

1 MS. PERDIDO: I think they're this year, right
2 Eric?

3 MS. KRAFTSOW: Yeah, there might be, need to be
4 additional phases but whatever they're working, you
5 know, it's like based on project progress.
6 Sometimes it takes a year or two to design and get
7 permits and then you know, you go to the next phase
8 and the next phase. So they have, they have..

9 CHAIR HOWDEN: So, it's within reach.

10 MS. KRAFTSOW: It's, well, at least a portion of
11 it. I think that's gonna be a long term project.

12 CHAIR HOWDEN: Ok, how long?

13 MS. KRAFTSOW: Eric, can you help me here?

14 DEPUTY DIRECTOR YAMASHIGE: Yeah, the Kamole high
15 lift pump refurbishment, we have \$3 million in the
16 Fiscal Year 10 budget, so our current budget.

17 CHAIR HOWDEN: Ah hah, so..

18 DEPUTY DIRECTOR YAMASHIGE: That's based on the SRF
19 loan and the other thing you asked about was..

20 CHAIR HOWDEN: Ah, filtration.

21 DEPUTY DIRECTOR YAMASHIGE: Filtration. Walt was
22 actually in the midst of that replacement of the
23 existing membranes to a higher capacity, more
24 efficient membranes. That is actually in the
25 current 10 budget.

26 CHAIR HOWDEN: So, could we get a report on that
27 maybe in December something?

28 DEPUTY DIRECTOR YAMASHIGE: Certainly, by..

- 1 CHAIR HOWDEN: Where...
- 2 DEPUTY DIRECTOR YAMASHIGE: We'd be done.
- 3 CHAIR HOWDEN: You'd be done? Very good. And I
4 had one other question to, to interject quick.
5 What's happen to the ah, Waikamoi Flume system?
6 The design, we were gonna, we had some money for
7 re-design of that?
- 8 MS. KRAFTSOW: That's another one that I think
9 Eric's been more on top than me.
- 10 DEPUTY DIRECTOR YAMASHIGE: Yeah.
- 11 CHAIR HOWDEN: Good.
- 12 DEPUTY DIRECTOR YAMASHIGE: The um..
- 13 CHAIR HOWDEN: Oh good. Lucky you're here.
- 14 DEPUTY DIRECTOR YAMASHIGE: Yeah. The project that
15 is in the current budget is the safety line that'll
16 precede any improvements on the Waikamoi Flumes.
17 And that is out to bid right now. So we anticipate
18 getting construction bids so we can award the
19 contract by the end of this calendar year.
- 20 MEMBER GERBIG: Where are we? What's the bid for?
21 To do what?
- 22 DEPUTY DIRECTOR YAMASHIGE: To put in safety lines
23 so...
- 24 MEMBER GERBIG: To repair?
- 25 DEPUTY DIRECTOR YAMASHIGE: Yeah, so when they do
26 have to walk on the flume they can hook on and not
27 fall to the...
- 28 MEMBER GERBIG: Ok.

1 CHAIR HOWDEN: That's not to repair anything. It's
2 just to make sure we don't have to repair people
3 later on.

4 DEPUTY DIRECTOR YAMASHIGE: Yes.

5 MR. HAGER: What's the question?

6 MEMBER GERBIG: Waikamoi.

7 CHAIR HOWDEN: Oh no, no, before Waikamoi.

8 MR. HAGER: No, not Waikamoi.

9 CHAIR HOWDEN: Kamole Weir, with the, the new
10 screens and the high lift pumps and stuff.

11 MR. HAGER: Ok, the new membranes are on site and I
12 got a staff here right now and that's from the
13 Seimans Company that's gonna do the, the, the
14 module tanks. And that's why I'm here just to talk
15 with Eric when we take a break. And then whether
16 we can go forward with that now or probably put it
17 off til mid-January.

18 CHAIR HOWDEN: Ok, that's great. I mean, yes...

19 MR. HAGER: And then high lift pumps are, that
20 started back in, since 1976 with the same motors
21 and pumps and the manifold systems is in need of
22 repairs so that particular project is going be one
23 that if we don't fix it, it's gonna break. And if
24 it breaks there's no way to run the plant. And
25 it's the largest sustainable source of water on the
26 mountain.

27 CHAIR HOWDEN: Yes.

28 MS. KRAFTSOW: It's budgeted...

1 MR. HAGER: Yeah. It's already budgeted.

2 CHAIR HOWDEN: Ok. Thank you.

3 MEMBER GERBIG: I have a question on a, get your
4 expertise, just out of curiosity, the Piiholo
5 treatment improvements, 5, \$5 million whatever...

6 MR. HAGER: Yeah.

7 MEMBER GERBIG: Is, has there been, there been many
8 violations there? Or are you right on the...?

9 MR. HAGER: What the, what, well it, it's, the
10 violation factor is the corrosion control issues we
11 have and also the trihalomethane development. And
12 the Department of Health has changed their system
13 for, for reporting it. Now, it's any violation,
14 any, they call 'em excursions, in the system now
15 becomes a violation. It used to be a, an annual
16 average. It's not an annual average in place, it's
17 wherever the problem is at.

18 MEMBER GERBIG: Have they changed their MOI?

19 MR. HAGER: And the...

20 MEMBER GERBIG: So that we can spend \$5 million?

21 MR. HAGER: Well, yeah. But that, what that's for
22 is, is TOC reductions, that's by removing the...

23 MEMBER GERBIG: Are you high then?

24 MR. HAGER: No, we're, we're high in the total
25 organic carbons.

26 MEMBER GERBIG: Oh.

27 MR. HAGER: We need to cut them down and there's a,
28 a study going on right at that facility as to

1 whether it will be, which would be the best for us
2 to use, activated carbon or carbon reduction..

3 DEPUTY DIRECTOR YAMASHIGE: Ion exchange.

4 MR. HAGER: Ion system. And it's very expensive.

5 CHAIR HOWDEN: So you're comparing the two?

6 MR. HAGER: Right, they're doing comparative tests
7 right now, pilot tests on `em.

8 MEMBER GERBIG: Thank you.

9 CHAIR HOWDEN: Ok Ellen, we got another 10-15
10 minutes max probably. Can do?

11 MS. KRAFTSOW: Ok, I'll speak really fast.

12 CHAIR HOWDEN: Naturally.

13 MS. KRAFTSOW: Ok. Kaunakakai Well 2 Exploratory
14 Design; Molokai needs another well, it needs it's
15 water withdrawals distributed, that's clear. Ok,
16 Ualapue Chlorination Tank and Piping; that area
17 needs re-piping and a new pump outlet to comply
18 with the Groundwater Rule. Backup Generation for
19 Kualapuu; we're so dependent on that well and we
20 had some emergencies lately that show us that we
21 need backup generation. Aleiki Street; I'm gonna
22 actually , let's see. There's a bunch of these
23 lines that are really one big project, so I'm just
24 gonna skip them all but I'll give you the list, ok?
25 Aleiki, Hikina & Hema, Holo, Kaulua, Kulani, Loio,
26 Luna, Meha, Melia and Poni; that whole area with
27 total design cost of which is about 169,000 in
28 total. You see lots of little pieces; it's

1 basically taking Paia-Kuau map and bringing it up
2 to standards. It may be that it turns out to be
3 too much but we talked a lot about trying to just
4 budget projects in one area and see how much we can
5 get done and see if that would make things more
6 efficient; so that's what this project was an
7 attempt at. So I won't go into the details.
8 They're all substandard. They're all small lines,
9 old that just need upgrading to be up to standards.
10 Haiku Exploratory Well Land and Exploratory
11 Drilling; design, drilling and testing of a well in
12 the Haiku area for Upcountry source. Hikina-Hema,
13 I mentioned. Holo, I mentioned. Kauhikoa Road
14 Standpipe 57 to Standpipe 11; that's 1800 feet of
15 8-inch ductile line on Kauhikoa Road and service
16 lateral replacement to replace existing 4-inch pvc
17 and cast iron segments. Kalua, I mentioned
18 already. Kokomo Road Pololei to Uakoko, 5,000 feet
19 of 12-inch ductile iron on Kokomo. There were some
20 bottlenecks in that area. It's kind of a major
21 flow through area and it's just to close those. I
22 think Kulani, Loio, Luna, Meha, Melia, Pololei,
23 Poni, I just described already as part of that
24 blocking. Central Maui Source Development Waikapu
25 South Well Development Construction; construct
26 wells, pumps, control tanks and telemetry. This is
27 more distribution of withdrawals from 'Iao and
28 expanding demand, meeting expanding demand and

1 distributing withdrawals. Kahului Tank Replacement
2 Construction; the roof was failing the tank needed
3 replacement that's what that is. Kanoa, Oihana and
4 Pikale and Pikale Place aka Waiale Place Waterline
5 Improvements; that's 1800 feet of 8-inch line and
6 hydrants along Kanoa, Oihana and Pikale Place which
7 is in Wailuku. Ku Drive same same, 1600 feet
8 though. On Nani, Loke, Wailani, Kaniela, 2,000
9 feet of 8-inch line also in Wailuku. Central Maui
10 Source Development Wailuku Well Exploratory
11 Drilling, that's further distribution within the
12 'Iao Aquifer and to take advantage of increased
13 permits that the commission has granted us but to
14 spread the pumpage as ideally as possible. Kanoa
15 Well 2 Renovate the Chlorination System and the
16 Chlorine Containment Building; their gonna convert
17 that from hypochloride back to chlorine gas which
18 is much easier to use and renovate the building to
19 accommodate proper chlorine containment. West Maui
20 Kameeui Place Waterline, that's 400 feet of 8-inch
21 line to replace existing 2-1/2 inch line. So it's
22 a substandard line that's been high priority for
23 breaks and low volume complaints. On Mahinahina
24 Treatment Plant Enlargement; additional filtration
25 and increased capacity both for meeting increased
26 demand and, I don't know if Walt has anything to
27 add to that. And then West Maui Source
28 Development, Development and Design; that's a

1 possible distribution of withdrawals and expansion
2 of source. And that's it! Was that fast enough?
3 CHAIR HOWDEN: Gosh, no, you're great, great. Don?
4 MEMBER GERBIG: I, ah, the Paia-Haiku...
5 MS. KRAFTSOW: Ahh.
6 MEMBER GERBIG: Every one of 'em was design. It's
7 all engineering work. I don't see any construction
8 except if you wanna call drilling construction.
9 MS. KRAFTSOW: Right.
10 MEMBER GERBIG: It's all design.
11 MS. KRAFTSOW: Right.
12 MEMBER GERBIG: That's in-house design or is that
13 out house.
14 MS. KRAFTSOW: No, Kauhikoa Road is construction.
15 MEMBER GERBIG: Huh?
16 MS. KRAFTSOW: Kauhikoa Road is construction.
17 Yeah, but basically...
18 MEMBER GERBIG: When you talk design is that in-
19 house? Or outside?
20 MS. KRAFTSOW: Usually, when we do design we send
21 it to a consultant. Unless it's like under a
22 certain size and then we say it's in-house design.
23 MEMBER GERBIG: So this is outside contractors.
24 MS. KRAFTSOW: Yeah. Like if, if we were doing the
25 Paia-Kuau area just one at a time we can do in-
26 house design but we're doing it as a group. We
27 probably won't do the whole group actually 'cause
28 it's, yeah, it's design. But what we do is we have

1 whatever's been scheduled based on having been
2 pushed back before or actually having been
3 scheduled whatever and we sit down with baseyard
4 guys and say ok which lines are giving you the
5 biggest problem, which are highest priority and
6 then priority one and two basically got included
7 and the other ones got pushed back a little.

8 MEMBER GERBIG: (inaudible) Ok, thank you. When
9 are you gonna develop water in West Maui?

10 MS. KRAFTSOW: Well, probably we'll try to increase
11 the use of the treatment plants and then probably
12 we'll try to stay above the pineapple fields
13 wherever else we drill. That's...

14 MEMBER GERBIG: Where's the water gonna come from?

15 MS. KRAFTSOW: Well, if we can negotiate for more
16 water from the ditch that would be nice. If not,
17 we'll have to drill more wells. Ok.

18 DEPUTY DIRECTOR YAMASHIGE: Don?

19 MEMBER GERBIG: Fish are more important.

20 MS. KRAFTSOW: Ok.

21 DEPUTY DIRECTOR YAMASHIGE: Don, actually we have a
22 contract ongoing right now with a consultant to try
23 and locate a, a location to drill in Lahaina.

24 MEMBER GERBIG: How about my backyard?

25 DEPUTY DIRECTOR YAMASHIGE: Let me, let me know
26 where you live and we'll check it out.

27 CHAIR HOWDEN: Shameless, huh? Ed, Ed, did you
28 have something?

1 MR. KUSHI: Yeah, Ellen, one, one question, your
2 total CIP budget will be 21,700,000 odd dollars,
3 right?

4 MS. KRAFTSOW: Uh huh.

5 MR. KUSHI: For this fiscal upcoming, what was the
6 budget for last fiscal year, you recall?

7 MS. KRAFTSOW: Ohh, probably about the same. I
8 don't remember exactly but it tends to run about 20
9 something.

10 MEMBER LESTER: I noticed that, I was looking at
11 how much Molokai was getting and not very much.

12 DEPUTY DIRECTOR YAMASHIGE: Fiscal Year 10, I'm
13 sorry, was about 14, 14 million, 14.6 million.

14 MR. KUSHI: Oh.

15 MEMBER LESTER: I said Molokai not getting very
16 much.

17 MS. KRAFTSOW: It's usually more like 20, 25.

18 DEPUTY DIRECTOR YAMASHIGE: I didn't hear that.

19 MS. KRAFTSOW: But we've been not having much
20 money, so we've been cutting. Not that we ever can
21 get it done. That's because we never have people.

22 CHAIR HOWDEN: Anymore comments or questions from
23 board members? Ok, my...

24 MEMBER GERBIG: I thought the presentation was very
25 good, very efficient, very informative.

26 CHAIR HOWDEN: And we'll give you more time next
27 year, yeah?

28 MS. KRAFTSOW: No, that's ok, this is fine.

1 CHAIR HOWDEN: And more lunch. So, might we have a
2 motion to approve the budget? Don?
3 MEMBER GERBIG: To what?
4 MEMBER LESTER: To approve the budget.
5 CHAIR HOWDEN: To approve the budget. Recommend...
6 MEMBER GERBIG: I'll make a motion to approve the
7 budget.
8 CHAIR HOWDEN: Is there a second?
9 MEMBER EASON: Second.
10 CHAIR HOWDEN: Patty, ok. Those in favor, please
11 indicate?
12 (a chorus of ayes)
13 CHAIR HOWDEN: Ok. (inaudible) Ok, do you have a
14 report, Eric?
15 DEPUTY DIRECTOR YAMASHIGE: Ah well, in the
16 interest of time I guess you have it. I do wanna
17 go talk to Walt...
18 CHAIR HOWDEN: Ok.
19 DEPUTY DIRECTOR YAMASHIGE: About our project
20 Upcountry.
21 CHAIR HOWDEN: Yeah.
22 DEPUTY DIRECTOR YAMASHIGE: If you have any
23 questions, I'm willing to, and you can always ask
24 anytime.
25 CHAIR HOWDEN: I, I just wanna say I, we really, I
26 mean, I, I know we put you guys under pressure so
27 fast but that was very nice. And, and, and thanks
28 Eric as well for answering these questions. It's

1 very helpful to have you here. Thank you. I'd
2 like to adjourn.

3

4 (The meeting adjourned at 12:35 p.m.)

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Prepared and submitted by:

Gaye Hayashida
Commission Support Clerk

Approved on: _____