

BOARD OF WATER SUPPLY
COUNTY OF MAUI

REGULAR MEETING
MINUTES OF MARCH 22, 2012

The regular meeting of the Maui County Board of Water Supply was held at the Department of Liquor Control office conference room, 2145 Kaohu Street, Room 105, Wailuku, Maui, on Thursday, March 22, 2012.

CALL TO ORDER

The meeting was called to order by Chair Phyllis Robinson at 9:04 a.m.

ATTENDANCE

Members present: Phyllis Robinson, Chair
Kelli Myers, Vice Chair
Kevin Boteilho
Patricia Eason
Donald Gerbig
John W. Hoxie, Jr.
James Rust

Members excused: William Kamai
Ted Yamamura

Staff present: Dave Taylor, Director
Paul Meyer, Deputy Director
James Giroux, Deputy Corporation Counsel
Gaye Hayashida, Commission Support Clerk

Others: Mary Blaine Johnston, Deputy Corporation
Counsel

ANNOUNCEMENTS

None.

APPROVAL OF MINUTES

Chair Robinson asked if there were any changes to the minutes of February 23, 2012.

Motion: Member Rust moved to accept the minutes of February 23, 2012.

Second: Member Hoxie.

Discussion: None.

Vote: 7 ayes, 0 nays. Motion carried. The minutes of February 23, 2012 has been accepted.

TESTIMONY FROM THE PUBLIC

None.

APPEALS

In the matter of Appeal No. 11-01, an appeal by David Chevalier and Patricia Chevalier, Deputy Corporation Counsel Mary Blaine Johnston informed the Board that a Stipulation to Reschedule Hearing on 1) Motion to Dismiss Appeal and 2) Hearing on the Appeal has been filed. The parties to the appeal have requested that this matter be rescheduled to April 26, 2012.

Ms. Hayashida stated that the Stipulation to Re-schedule was received yesterday and has been filed. She noted that Chair Robinson has signed the stipulation.

Deputy Corporation Counsel James Giroux asked if April 26th is an acceptable date for scheduling purposes for the staff.

Ms. Hayashida replied that it is acceptable.

In the matter of Appeal No. 11-02, an appeal by Stan Riddle, Frank Carvalho, and Elliot and Barbara Luke, the chair stated that after the board voted to refund the appeal fee it was found that they needed a vote of 5 or more members (in the affirmative) and because it was a vote of 4 (ayes) to 3 (nays) the board has to vote again at this meeting. If there is no majority of 5 then this matter will be scheduled again for a 3rd time. If there still is no majority of 5 at the 3rd meeting then the fee will not be refunded.

Motion: Member Hoxie moved to not refund the appeal fee.

Second: Vice Chair Myers and Member Rust.

Discussion: Member Hoxie stated that the board has not refunded fees in the past and they have held this as their standard because of the costs of the appeal process. He thinks they should not change the way they operate.

Member Rust agreed.

Chair Robinson asked if there were any further discussion. There being no further discussion on this matter, she called for a vote.

Vote: 6 ayes, 1 nay. Motion passed. The appeal fee will not be refunded to the appellants.

UNFINISHED BUSINESS

None.

OTHER BUSINESS

Discussion on the Department of Water Supply's Rules on Infrastructure Costs, specifically the Reimbursement for Water Main Extensions Ordinance

Deputy Director Paul Meyer referred the board to page six of their agenda packet, MCC 14.05.050 - Reimbursement for water main extension. This section provides that the DWS will reimburse the developer 50% of the costs of a water main extension that is part of a subdivision. The reimbursement is paid over 5 years in 20% increments after the work is completed.

If it is a family subdivision the reimbursement goes up to 75% over 2 years. This has been the way the department reimburses subdividers for improvements that are done to the system. There are also credits granted for amounts paid against the meter fee which is broken down into storage fees, transmission fees, and source fees.

Member Rust believes that whoever ties into the system after it is put in should absorb some of the costs because they reap the benefits.

The deputy director stated that he has seen neighbors band together and cooperate on line extensions and share the cost of improvements. For the department to go back and collect money from people who connect later imposes a substantial accounting and tracking burden and there is no code provisions for that currently. The way it is now, the developer pays for the improvements that are necessary for the subdivision.

Member Rust said that he understands that, but for a single homeowner running a 6 or 8 inch line a thousand feet to their property just to get a water meter doesn't seem fair. Director Taylor explained that there is no differentiation in the word "developer"; a professional developer versus you putting in an extra bathroom in your home. You are still a developer because you are using more services than you were using previously.

This is something the council can do by separating small, medium and large developers. But right now there is nothing and it is used very broadly, applying to anyone coming in for any permit.

Member Rust answered that there is a big difference between Everett Dowling and Joe Blow down the street -- there is no comparison.

Member Hoxie asked how would you address something like that? Change the rules?

Director Taylor replied that the council would have to change actual ordinances and define what that means. He further explained that the meter fee is separated into 3 parts; source, transmission and storage. We are using the transmission fee part for paying the developer back, so in a way the new consumers are paying for it.

Receipt of Board Members request for agenda items to be placed on future agendas.

Chair Robinson stated that copies of their recommendations letter to the Charter Commission has been distributed to all the council members. So far the board has not heard back on this. She would like the new chair to periodically check with Ms. Hayashida on any feedback from the council.

She also stated that she received a copy of Resolution No. 12-30 (BWS COM 12-02) that refers to a county council proposed bill establishing a Lanai Water Advisory Committee and that the resolution also requests the Lanai Planning Commission to submit their recommendations to the council expeditiously.

Director Taylor explained that the Lanai Water Advisory Committee was officially part of the Lanai Water Use Development Plan. The committee still wants to stay in existence but now that the plan is finished there are no further issues on Lanai for the DWS to deal with. So the department suggested that if they want to stay in existence they should be part of the Lanai Planning Commission which has ongoing issues on Lanai.

Ms. Hayashida will email all the board members a copy of this council resolution.

Director Taylor suggested that the chair should place this item on a future agenda for discussion and possibly write a letter to the council on the board's views. He believes the council would very much appreciate this board's input.

Motion: Member Gerbig moved to place this matter on next month's agenda for discussion.

Second: Member Rust.

Discussion: None.

Vote: 7 ayes, 0 nays. Motion passed to place the matter of the county council's Resolution 12-30 (BWS COM 12-02) for discussion and possible action on next month's agenda.

COMMUNICATIONS

None.

DIRECTOR'S REPORT

Deputy Director Meyer stated that progress is being made on the flume replacement and an additional well in Wailuku is now under construction. He added that Director Taylor gave a presentation to the county council's Water Resources Committee last week in which the director outlined the strategy the department has developed for assessing long term needs and long term capital projects relating to source and distribution.

Chair Robinson asked Deputy Director Meyer to explain what it means to check for redundancy of wells.

The deputy director explained that there is a formula they use in determining the capability of the water system which is $\frac{2}{3}$ of $\frac{2}{3}$ with the largest pump out of service. You would take the rated capacity of each well and multiply it by 66% or $\frac{2}{3}$ and then you would do that again, multiply it by $\frac{2}{3}$. The first $\frac{2}{3}$ is to take into account the theoretical need to rest the pump for a period of time everyday. The second $\frac{2}{3}$ would be to take into account the variations in demand. This further diminishes the amount of the rated capacity to establish a reliability factor. From that you subtract out your largest pump out. And what you have is a very conservative approach towards a reliable capacity of the system. It is not only a question of $\frac{2}{3}$ of $\frac{2}{3}$ with one pump out. Other factors also affect the reliability such as the size of the distribution system, size of storage in each region, and mechanical issues.

Director Taylor further explained that when you only have one or two wells in your system you need to be very conservative. But once your wells are a part of a network of systems it then becomes more reliable. He likened it to a caravan of cars traveling together where each car has a jack and a spare tire. You don't need every car to have a jack and a spare. You could dump half the jacks and spare tires and then you would have more room for baggage in the trunks.

He stated that everyone is focused on source but you don't need to drill a well in a different location to get a new source. We can put another well next to an existing one so one or the other will be working at any time. This is a project that needs very little approval. You don't need another tank, you don't need to run additional power to it, and you don't have to run another line. From the perspective of the state water commission it would be just a backup pump so you wouldn't need another permit and the environmental assessment and environmental impact statement process is much, much shorter. If your problem is you don't have enough backup which is bottlenecking your availability to serve then this is a much faster and less expensive way to get water to people who need it.

The director stated that he is confident that we are on the right track but the department is not yet ready to share the preliminary results. By the end of the year we should have

a clear direction of what to do first, when we're actually going to run out of water source, and how to de-bottleneck the actual system operation.

Deputy Director Meyer informed the board that a "boil water notice" was issued for the Central system (March 8, 2012). This was the result of the dramatic storm event that occurred in the Wailuku area which caused some run-off from an old cane field just below Wailuku Heights, just below I'ao Valley, flooding into the yard area above Shaft 33, infiltrating into the building, through the foundation and down into the actual well shaft. As far as they know this has never happened before. The water overcame the berms and other water retention devices placed above Shaft 33.

This was really disruptive to businesses so the department worked quickly to flush out the lines but they had to do testing and get clear samples before they could inform the public that it was safe. On Saturday morning they gave the all clear.

Director Taylor stated that nobody panicked; everyone knew their part. The employees are clearly well trained and worked together quickly and efficiently. Also, they plan to replace Shaft 33 with 4 regular wells in the surrounding area to grab the same water and take Shaft 33 out of service so in the future this would never happen again.

Member Boteilho asked what is the status of the monthly billing and how will this affect ag rates?

Deputy Director Meyer replied that it has been pushed back by the Honolulu Board of Water Supply for a number of reasons, one being the deficiencies on the part of the developer of the software program. The current live date is set for July 1st.

The rates per month will be exactly half of what they are, assuming consumption is the same. They are looking at increasing some fixed rate portions of the water rates and they will be promoting a new conservation portion for single family 5/8 meters.

A side benefit to this monthly billing is that people will be reminded more regularly how much water is being used. This may get them to conserve more and be a little wiser on how they use water.

DIVISION REPORTS

February 2012 Division Reports

There were no questions or discussion on this matter.

ELECTION OF CHAIR AND VICE CHAIR

Nominations and Election for Board of Water Supply Chair

Motion: Member Gerbig moved to nominate Kevin Boteilho for board chair.

Second: Members Hoxie and Rust.

Discussion: Chair Robinson asked if there were any more nominations. There being no further nominations, Member Hoxie asked to close the nominations.

Motion: Member Hoxie moved to close the nominations.

Second: Members Eason.

Discussion: There was a call for a vote to accept the nomination and to elect Kevin Boteilho for Board of Water Supply chair.

Vote: 7 ayes, 0 nays. Motion to accept the nomination and elect Kevin Boteilho for board chair passed.

Nominations and Election for Board of Water Supply Vice Chair

Motion: Member Gerbig moved to nominate John Hoxie for board vice chair.

Second: Members Rust and Eason.

Discussion: Chair Robinson asked if there were any more nominations. At this time Member Rust asked to close nominations.

Motion: Member Rust moved to close the nominations.

Second: Member Eason.

Discussion: There was a call for a vote to accept the nomination and to elect John Hoxie for Board of Water Supply vice chair.

Vote: 7 ayes, 0 nays. Motion to accept the nomination and elect John Hoxie for board vice chair passed.

The new Board of Water Supply chair is Kevin Boteilho and the new vice chair is John Hoxie.

RESOLUTIONS

Resolution No. 12-01, Commending Phyllis Robinson for Her Service, and

Resolution No. 12-02, Commending Kelli Myers for Her Service

At this time Phyllis Robinson and Kelli Myers were each presented certificates of service signed by Mayor Arakawa. Also presented to them were koa plaques from the Department and Board along with resolutions commending them for their dedicated service to the Maui Board of Water Supply.

Motion: Member Hoxie to accept Resolution Nos. 12-01 and 12-02.

Second: Member Eason.

Discussion: None.

Vote: 7 ayes, 0 nays. Motion passed. Resolution Nos. 12-01 and 12-02 were accepted.

Chair Kevin Boteilho thanked both Phyllis Robinson and Kelli Myers for serving on this board.

Phyllis Robinson expressed her appreciation in serving with all the members who have shown so much dedication and she stated she is grateful that she has learned so much about water while on this board.

Kelli Myer thanked everyone and said that she feels the same way as Phyllis. It has been an incredible opportunity and she has met many good people.

ADJOURNMENT

There being no further business the meeting was adjourned at 10:44 a.m.

Prepared by:

Gaye Hayashida
Commission Support Clerk

Approved by:

Paul J. Meyer
Deputy Director