

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 12, 2012

Council Chamber, 8th Floor

CONVENE: 9:06 a.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair (In 9:12 a.m.)
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Donald G. Couch, Jr., Member
Councilmember Danny A. Mateo, Member
Councilmember Michael P. Victorino, Member
Councilmember Mike White, Member (In 9:12 a.m.)

STAFF: Scott Kaneshina, Legislative Analyst
Michele Yoshimura, Legislative Analyst
Josiah Nishita, Legislative Analyst
Camille Sakamoto, Committee Secretary

ADMIN.: Sananda K. Baz, Budget Director, Office of the Mayor
Kyle K. Ginoza, Director, Department of Environmental Management
Michael M. Miyamoto, Deputy Director, Department of Environmental
Management
Patrick T. Matsui, Deputy Director, Department of Parks and Recreation
Lisa Almeida, Special Events Specialist, Department of Parks and Recreation
William R. Spence, Director, Department of Planning
Michele N. McLean, Deputy Director, Department of Planning
David C. Goode, Director, Department of Public Works
Jo Anne Johnson-Winer, Director, Department of Transportation
Marc I. Takamori, Deputy Director, Department of Transportation
David S. Taylor, Director, Department of Water Supply
Paul J. Meyer, Deputy Director, Department of Water Supply
Scott K. Hanano, Deputy Corporation Counsel, Department of the Corporation
Counsel

Seated in the gallery:

Holly Perdido, Fiscal Officer, Department of Water Supply
Jacob Verkerke, Information Systems Manager, Management Information
Systems Division, Department of Management

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OTHERS: Tom Croly
One (1) additional unidentified attendees

PRESS: *Akaku: Maui Community Television, Inc.*

CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting for April 12, 2012 is now in session. The time is 9:06. Chair would like to introduce the Members that are present this morning. We do have Member Carroll, Member Baisa, Member Cochran, Member Couch --

COUNCILMEMBER COUCH: Morning.

CHAIR PONTANILLA: Morning. Member Victorino.

COUNCILMEMBER VICTORINO: Morning, Chair.

CHAIR PONTANILLA: Good morning. And Chairman Mateo.

COUNCILMEMBER MATEO: Morning.

CHAIR PONTANILLA: Morning. Excused at this time are Members Hokama and White. Supporting the Committee this morning, we do have Scott Kaneshina, Michele Yoshimura, Josiah Nishita, as well as Camille Sakamoto. From the Administration, we do have Scott Hanano, Deputy Corporation Counsel, Budget Director Sandy Baz, and this morning we do have with us the Director of Environmental Management as well as the...Kyle Ginoza, as well as Deputy Director of Environmental Management, Mike Miyamoto. Members, we do have one person signed up for public testimony. For those that are providing public testimony this morning, again, you have three minutes to provide your testimony. Chair will allow one minute to conclude. Come up to the podium, speak directly into the mike, provide us your name and organization that you represent. The Committee would appreciate that. The testifier this morning is Tom Croly.

ITEM BF-1: PROPOSED FISCAL YEAR 2013 BUDGET FOR THE COUNTY OF MAUI (CC 12-59, 12-)

...BEGIN PUBLIC TESTIMONY...

MR. CROLY: Aloha, Chair. Aloha, Committee Members. I'm Tom Croly. I did put down that I'm speaking on behalf of the Maui Vacation Rental Association, but I'm not sure that I am because this topic caught me a little off guard. Usually we deal with rates and fees later in the Budget cycle, so I wasn't prepared and really hadn't discussed it with the other Board members. But I wanted to give you just some thoughts on rates and fees as we go forward. As we set rates and fees for permits, specifically in my case as you well know, bed and breakfast and perhaps a short-term rental permit, I don't know if that will even get discussed at, in these Budget hearings

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because we don't have that permit yet, but looking forward to it. We have to keep in mind a couple different things. One is what the fee is going to do to compliance. If we set a fee that's too high, that's just a bar that people have to jump over that they're not prepared to. Many potential bed and breakfast operators have come to me in the past few years and have said, what is it going to cost me to get a permit? And the fee is only a small portion of all the costs that go into getting through the permitting process. So when I say to them that the initial fee for a bed and breakfast is \$300, that doesn't hit them too hard. But then when they hear, oh, and then I have to pay \$200 every year for a renewal of that, and I'm looking at my renewal right now of...in three years and I have to write a check for \$1100 just for the renewal and it says that's non-refundable, whether they grant it or not, so that's a pretty significant fee all by itself. But the other portion that I want you to consider, too, is that it's not scalable. That is the small operator is paying the same as the large operator. The guy who has one room in his house and might be making, you know, \$5,000 a year on that room is paying the same fee as the guy who has six rooms in his house. And because it's not scalable, it becomes a larger percentage of someone's income. Yesterday I was doing my personal taxes and I'm not complaining, but I just want to put some numbers out there for you to think about. I paid about \$10,000 to the State for GET and TAT taxes, which of course were, was paid to me by my guests. I paid \$3,600 to the County of Maui for my property taxes, of which 2,100 of those dollars was an increase over what I would have paid if I didn't have my permit. When all came down and I looked at it, I paid another \$8,000 to the Federal Government, another \$6,000 to the State Government and when it all came down and I looked at who's making the most money here, the governments were making more money than I was at the bottom line. When we really got down to the bottom line as to how much profit did I make at the end, all the government fees that I was paying were actually coming out more. And they come a little bit at a time and the fees are one of those. The fee --

MR. KANESHINA: Three minutes.

MR. CROLY: --to get that permit is one of those. I've heard it said in the Planning Committee that some would like to set the fee for the proposed short-term rental ordinance very high to pay for enforcement officers to pay for these things and I understand the philosophy there, but again, recognize that you will be discouraging compliance if you set the fee too high. As with...the same thing will hold true with respect to taxes. People have to make this decision between, do I go through the process and try to be compliant or do I try to avoid it? And if you make the hurdle too high, you're going to find many people that are just going to try to avoid it and then you've created your own problem. You've created an enforcement problem because you haven't made it conducive to people to try to comply. So just keep those things in mind as you consider the rates and fees for these permits for the short-term rentals. Thank you.

CHAIR PONTANILLA: Thank you, Tom. Members, any questions for the testifier? Member Couch.

COUNCILMEMBER COUCH: Thank you. Thank you, Mr. Chair. Thank you, Mr. Croly, for being here.

MR. CROLY: Morning.

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COUNCILMEMBER COUCH: Just a thought. What would be in...I know you're not speaking for the MVRA, but in your mind, a reasonable tier rate for say a one-, two-, three-bedroom?

MR. CROLY: You know, my thoughts on the fees for making application is that they really, those should not be taking into account the --

COUNCILMEMBER COUCH: Size?

MR. CROLY: --the size. They should just be something that's high enough that it's, that people aren't creating a nuisance for the County. If you make the fee too low and I think this was the case with appeals on taxes. We said, eh, you can appeal your taxes for \$15, so people went, eh, \$15, well I'll take my shot and gamble. Same thing I think, with respect to these fees. You don't want to set it too low that you have people just throwing in and saying, hey, can I do this? But at the same time, I don't think that it should be expected to pay completely for the County services as was presented in the report from the Planning Committee. Government all by itself is inefficient in the process and they don't have to be competitive as you do in private enterprise. ...*(cell phone ringing)*... Sorry. So, I don't think that the fee should necessarily be scaled, but it should be high enough that it's not nothing and it should be low enough to not discourage compliance. Something in the \$500 range for these fees is reasonable. Anything getting over that begins to be a hindrance, I think.

COUNCILMEMBER COUCH: Okay. Thank you.

MR. CROLY: Yeah.

CHAIR PONTANILLA: Thank you. Members, any more questions for the testifier? Member Baisa.

COUNCILMEMBER BAISA: Thank you, Tom. I'm looking at the rates and fees proposal and the current fee, application fee is 400.

MR. CROLY: Right.

COUNCILMEMBER BAISA: And you don't...I heard you say, 500. So that's an increase?

MR. CROLY: Well, again, I'm thinking more about the short-term rental ordinance.

COUNCILMEMBER BAISA: Oh, okay, the new one?

MR. CROLY: But keep in mind, too, that application fee is one of the fees and then there's an annual fee on top of that.

COUNCILMEMBER BAISA: Correct.

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MR. CROLY: Okay. So there's, it's more than just the application fee that's charged. But I'm not saying that that \$400 fee is completely out of line, but it's just...just keep in mind that it's just one of the costs that's borne by someone who comes forward to make application. That's just the starting point.

COUNCILMEMBER BAISA: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions for Mr. Croly? Seeing none, thank you again, Tom. Mr. Croly was the only person signed up for public testimony and I don't see anyone in the Chambers. If there's no objection, Chair would close public testimony at this time.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

...END OF PUBLIC TESTIMONY...

CHAIR PONTANILLA: This morning we do have the Department of Environmental Management with us to review their Fiscal Year 2013 Budget. Like yesterday afternoon, what I'm going to do is kinda change it around where we start with the Capital Improvement Projects first and then go into the different areas in regards to Environmental Management, these Wastewater area, as well as, the Solid Waste area.

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, SOLID WASTE DIVISION

CHAIR PONTANILLA: At this time, the Chair would like to call on Mr. Baz if you have comments.

MR. BAZ: Mr. Chair? No, do, we have the Director and Deputy here to go over the Capital Improvement Program for the Department.

CHAIR PONTANILLA: Okay. Mr. Ginoza, you have any opening comments you want to make?

MR. GINOZA: Just for the public's benefit, the Solid Waste Division is comprised of the Residential Refuse Collection Program, the Landfill Program, Abandoned Vehicles Diversion and the Scrap Metal White Goods Programs. Thank you.

CHAIR PONTANILLA: Thank you. Members, we're gonna start with CIP on Page 3-5 in your CIP booklet. Okay. Mr. Ginoza, if you could provide us with some summary in regard to this particular project, the Hana Landfill Detention Pond?

MR. GINOZA: The Hana Landfill Detention Pond is part of a requirement that we needed to implement as part of our permitting for both the SMA as well as, I think, from the State Land Use Commission. And it's just to collect some of the water or the runoff that gets to our Hana Landfill.

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CHAIR PONTANILLA: That's it?

MR. GINOZA: Yes.

CHAIR PONTANILLA: Mr. Carroll, got any questions?

COUNCILMEMBER CARROLL: No questions. I'm just very happy, along with everybody else in Hana, that it's finally getting done. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No, Mr. Chair.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Real quick, \$1.8 million to dig a hole?

CHAIR PONTANILLA: Department?

MR. MIYAMOTO: Thank you, Mr. Chair. It's not primarily just to develop the pond, it's to develop the collection system that surrounds the existing landfill. Right now it has in somewhat of a level of in need of repair so that includes clearing up and re-channelizing and staying out of the existing landfill.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: I just...so you can help us understand some of the terminology, what is a riprap swale?

CHAIR PONTANILLA: Department?

MR. GINOZA: I believe the riprap is having those rocks, rock kind of swale. Basically it's to collect the runoff from running off of the existing landfill and it's just a, I believe, an engineering term for how they do the rock structure for the swale. And that's part of what is lacking --

VICE-CHAIR HOKAMA: Like breakwater type of construction?

MR. GINOZA: Similar, I think.

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VICE-CHAIR HOKAMA: I mean the fine breakwater, you know, not the course where you just put boulders, but you know, you get that nice rock walls in certain parts of the harbor and the breakwater. Is that rip rock swale?

MR. GINOZA: That I think is termed riprap, but I'm not sure, specifically, exactly, what they're intending for this, the swale facility. But it's to basically...I mean, that's what adds to the cost of actually creating a detention pond is right now there isn't a, an adequate swale structure to collect all of the runoff from the old landfill.

VICE-CHAIR HOKAMA: Okay. And does this pond need to be lined by a Federal or State requirement...EPA or Department of Health requirement? So it's an unlined pond?

MR. GINOZA: No, unlined pond.

VICE-CHAIR HOKAMA: Okay. Okay. Thank...and is this part of a Consent Decree or some kind of a fulfillment of a previous requirement?

MR. GINOZA: It's part of our Department of – State Department of Health Operating Permit. They're requiring us to adequately collect the runoff and into a detention pond.

VICE-CHAIR HOKAMA: Okay. Thank you very much, Director.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. Just a fast question for the Department. Your Fiscal Year 2012 funding, what happened to it?

MR. GINOZA: That was for the design of this project and we're asking for construction money to implement the design.

CHAIR PONTANILLA: Okay. Design all finish?

MR. GINOZA: Almost finished, but we'll finish it this year and bid out the project for, with the construction money, should we get it.

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CHAIR PONTANILLA: Okay. Good.

VICE-CHAIR HOKAMA: Chairman, just a --

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: --point of clarification, please. As we read the project description, it says, this current year's \$½ million was for the construction of the pond was funded in Fiscal Year 2012 so, was it actually for design or, you know, I'm just reading what is the language that is presented to the Committee, Chairman.

CHAIR PONTANILLA: Good. Thank you. Department?

VICE-CHAIR HOKAMA: I hope this is not one change order.

CHAIR PONTANILLA: Good eyes.

MR. GINOZA: Yeah, good eyes. I believe we were incorrect in our initial comment about the...we do still have to do the swale structure to get the runoff into the pond.

VICE-CHAIR HOKAMA: So the pond is complete, but the swales are not. Is that the Committee's correct understanding then?

MR. MIYAMOTO: In reading the description, that's what we have listed down that...we've had to also redesign the pond because of the location, trying to get the water to gravity flow from the upper ends of the landfill and getting it around the closed sections of the landfill. So there is some redesign that was involved in some of that money to construct the basin first and then we'll construct the collection system with this funding.

VICE-CHAIR HOKAMA: Thank you. Was this engineering done in-house or was it contracted out to a outside third-party consultant firm?

MR. MIYAMOTO: It was contracted out to a third-party --

VICE-CHAIR HOKAMA: That was pretty bad work, then --

MR. MIYAMOTO: --consultant.

VICE-CHAIR HOKAMA: --in my estimation if you guys have to come back, redesign and ask me, ask us for more money. Thank you, Chairman. I hope you guys remember what that company did because this doesn't pass with people like me.

CHAIR PONTANILLA: Yeah. I'm looking at that CIP report, December 31st for Hana Landfill Detention Basin Redesign, 100 percent complete, Brown and Caldwell contracts 4440, \$129,924. I don't know if it's at the contract number to do the design for that Hana Landfill.

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MR. GINOZA: That was for the Fiscal '12 month, the current year Budget.

CHAIR PONTANILLA: Yes. Okay. And then the rest were to do some construction work?

MR. GINOZA: That's correct.

CHAIR PONTANILLA: Okay. Fine. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. You know, this brings up that question that we had at the last hearing regarding the way we award the design contracts. If the process that we're using is supposed to provide us with designers that have the right level of expertise to do these designs, what happened in this case where we've got to go back in and redesign it? And who pay, you know, who pays for that? Is that something that we should be paying them more to do? Was it done by the same firm? You know, is there any kind of responsibility on their part if they screw something up to pay for the redesign or is there Errors and Omissions insurance that they provide for that eventuality?

CHAIR PONTANILLA: Good point. Department?

MR. MIYAMOTO: Mr. Chair?

CHAIR PONTANILLA: Yes?

MR. MIYAMOTO: We can discuss this with our staff, but from our field visit there, where the original siting of the basin was started, I think we discovered some areas of previous trash being dumped. So technically any water that would touch that trash now becomes leachate which has to be handled in a different manner. So some of the under, the sub-surface conditions may have been a cause for why we had this issue. Typically when we do this types of jobs, we do selected area borings roughly, and the number of borings depends on how big the site is, and I think we discovered some un-inventoried or un-designate...unidentified, sub-surface materials that then became an issue that we had to redesign.

COUNCILMEMBER WHITE: Okay.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER WHITE: Thank you.

CHAIR PONTANILLA: Okay. Thank you. Next project, on Page 3-4, Central Maui Landfill Wind Turbine, Turbine. Mr. Ginoza?

MR. GINOZA: This Wind Turbine Project is to construct or install eight wind turbines at our Central Maui Landfill on the windward side of the, that wind wall that is located right by where the residents dump their trash at the landfill. And this project is what is deemed a supplemental

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environmental project, which will help to fulfill requirements of an impending Consent Decree that the County will be a part of for our Central Maui Landfill, and we are currently working out the details with the Environmental Protection Agency regarding the Consent Decree. But this was for actions that occurred in 2006 and 2007 where the County did not install a gas, methane gas collection system in a timely manner. And so the Environmental Protection Agency has basically notified the County that, you know, there will be a Consent Decree. And so as we finalize that agreement, we'll ask to be in front of the Policy Committee to discuss that. But this project is part of that settlement for the Consent Decree regarding the gas collection system.

CHAIR PONTANILLA: Thank you. Mr. Carroll, question? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. So when is this needed to be done by before we start getting fines and penalties? Is there a clock on this?

MR. GINOZA: Yes, we...I believe it was the end of '13, we had to get the windmills, I mean, yeah, the windmills, wind turbines installed. And there is a requirement for us to have it--I forget what it was--like say 60 percent operational for the next few years or something. And the power generated from this project will be utilized to power the Admin Office for the Central Maui Landfill.

COUNCILMEMBER COCHRAN: And...Chair, a follow-up? And the gas-to-energy project, which I think is more...is coming up online?

MR. GINOZA: Yes.

COUNCILMEMBER COCHRAN: Can that not replace this mandate? Because I thought I heard you say, because we didn't push forward with that, this is why this came to play to be done?

MR. GINOZA: Basically the way that the EPA works is if you have a...have, basically have a violation or some kind of infraction and it causes in their mind some type of environmental damage, so for instance, in their mind, they're saying that by not installing this gas collection system, the County has allowed some methane to seep into the environment. And with the supplemental environmental project, they want to see a separate project that was never planned or never in the CIP or, you know, in the process, to account for trying to reduce the footprint of this methane gas generation. So the way we arrived at this windmill project was to basically reduce the fossil fuel usage by having the windmills to supply the landfill needs as far as the office electricity needs. So we weren't able to...so, long story short, we weren't able to use the gas-to-energy project as a supplemental environmental project. They wanted a separate project, a completely separate project to account for the purported environmental damage as a result of not installing the gas collection system in time.

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COUNCILMEMBER COCHRAN: But it doesn't address the methane exposure to the environment. Isn't that what prompted it to begin? So are we like blowing away the methane now with these wind turbines, I mean.

MR. GINOZA: No, so we did install the gas collection system in 2008 and since then, we've been flaring the methane.

COUNCILMEMBER COCHRAN: Right.

MR. GINOZA: And so the gas-to-energy project is just to utilize that resource for a beneficial use rather than just flaring it off and not letting the methane gas to the environment. But we couldn't utilize that as a supplemental environmental project, because we had that already in the works. They want the County to feel the pain of another project for the pain that we have given to the environment. So we tried to figure out a project that, you know, would have some beneficial use to the County and the environment, which is this wind project, considering that it's quite windy at the landfill.

COUNCILMEMBER COCHRAN: Right. I mean I agree with both sides, but...okay.

CHAIR PONTANILLA: Okay?

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Thank you. Yes, Members, the project was completed. Now the methane is being flared. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. It says here in your description that, and to connect to the net metering system. Are you still intending to do that?

MR. GINOZA: We have to in order to be able to utilize...my understanding is you cannot just have a separate energy source connected to your meter without notifying MECO of you having an alternate source. So you still have to have a, an agreement as part of having an alternate electricity source. So yes, we are proceeding with...we have discussed with MECO, the net metering agreement for this.

COUNCILMEMBER COUCH: And you haven't hit the 15 percent saturation requirement or...

MR. GINOZA: No and it's...they've deemed it a small project that we wouldn't have to, at least preliminarily we don't have to do an interconnect study for this type of project, considering the slight scale of the project compared to other renewable energy projects that they've seen.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

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VICE-CHAIR HOKAMA: You know, dealing with the Lanai issue, is there something you can tell us regarding the scale of this turbines, please, like 50-foot high, able to do one megawatt per turbine or whatever the capacity is?

CHAIR PONTANILLA: Department?

MR. GINOZA: It's not...it's going to be more similar to your residential-type wind turbines, not like your Kaheawa kind of wind turbines. As you can see in the photo, the rendering that's on the CIP page, it does extend beyond the height of the existing wind wall.

VICE-CHAIR HOKAMA: Right. So --

MR. GINOZA: I don't know exactly what the --

VICE-CHAIR HOKAMA: --what is your estimation, 30-foot high, 50-foot high?

MR. GINOZA: About 50 feet, I think.

VICE-CHAIR HOKAMA: Okay. Because, you know...and if something similar...and I don't know what, you know, if you had to do a, an Environmental Assessment also and you had a FONSI finding or anything, but you know, when you go to Maui Ocean Center, they've got those small turbines, yeah?

MR. GINOZA: Yeah.

VICE-CHAIR HOKAMA: It's a hell of an irritating noise, the whine, you know. So, is that some of the...I think, you know, you need to help us be informed, because, you know, we usually get all the complaints after it gets done.

MR. GINOZA: Sure.

VICE-CHAIR HOKAMA: Something got blocked in my vision, my view planes, now the humming and whatnot is irritating me, da da da da, and I know it's in an isolated area, but you know, I just share the concerns that is being brought up with the Lanai project --

MR. GINOZA: Sure.

VICE-CHAIR HOKAMA: --that are some of the issues that get brought up, right. And I find that, you know, if you're aware of it, we can mitigate it prior to the construction, you know, everybody's better off. So is there something you can give us more specific about the turbines themselves? And if this maybe is part of Mr. McLeod's other component of getting the County on alternative energy sources and that we have additional sources of funding besides the County, whether it be through the U.S. Department of Energy, whether it be through the State Alternative Energy Initiative or even if the provider and manufacturer of the turbines themselves, because they

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would like their product to be considered for other projects, would give the County either a discount or half of the turbines free or something. Is that what you folks look at?

MR. GINOZA: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. GINOZA: With this project, we saw that, you know, maybe we could get some subsidies from other sources, but the way that the EPA works is they don't want the County to be able to benefit from not feeling the full brunt of the financial pain for the injustice to the environment. And so they specifically write in, if you get some kind of subsidy, it better be a bigger project and that the component of what the County is endeavoring into, needs to be at a certain threshold as far as what we estimate. So what they specifically did not want to see is the County say, oh, we're going to install a \$400,000 windmill system and then get \$300,000 worth of grants from Department of Energy or some other State...Federal or State source and then the effective cost to the County is only on the order of 100,000 or so. They wanted the County to develop a project that would be...

VICE-CHAIR HOKAMA: Would cost us \$350,000.

MR. GINOZA: Exactly. Yes.

VICE-CHAIR HOKAMA: Okay. I can appreciate that approach. So let's look here, what is the capacity of energy to...that can be produced from the eight turbines? You know, 100 kilowatts, one megawatt?

MR. GINOZA: I...

VICE-CHAIR HOKAMA: What are we looking at?

MR. GINOZA: It's on the order of 2.4 kilowatts per turbine, so times eight, it's roughly 20 kilowatts.

VICE-CHAIR HOKAMA: That's a lot of effort for 20 kilowatts, gentlemen. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Following the same lines as Mr. Hokama, this is just to...in other words, you're spending this money in this effort really just to suffice EPA?

MR. GINOZA: It is part of what we're trying to negotiate with them and, you know, I'd rather kind of speak on the details of that in the Policy Committee, because I think it will, we would have to go to Executive Session, but this is a part of what the settlement would be and as I mentioned, we tried to negotiate something that would be a benefit not only to the environment in terms of fossil fuel savings, but also that the County could help defray some of our cost.

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COUNCILMEMBER VICTORINO: It seems like a lot for a little, but okay. Thank you.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Sounds like the EPA gone mad. But the question that I have is, what amount of methane is being collected from the, from your current operation?

MR. GINOZA: It's hard to estimate, you know, exactly how much, but if you're looking... 'cause I had that same question when this first came about. And if you read the EPA guidance on methane generation at landfills and the effectiveness of a gas collection system, we... a gas collection system contains anywhere from 60 to 90 percent of the methane generated. So even with a gas collection system, you still get a substantial quantity of methane that is vented to the environment or that goes to the environment.

COUNCILMEMBER WHITE: I'm just looking for a wild, wild guess. I realize you can't be sitting out there measuring the methane, but I'm... the reason I'm asking is that we got a lot of cows on this island and one cow produces 220 pounds of methane every year. So I'm just trying to get an idea of how much is being produced by the landfill versus the cattle. Because I just think this is one of those things that we're being asked to do for no other reason but punitive, and I don't think government should be in that position, so.

MR. GINOZA: We collect and I don't know the conversion between, to pounds, but we collect 600 cubic feet per minute. So 600 CFM, that's 45 percent methane and, you know, I got that guidance from the EPA, the research I did on the EPA's website as far as what the typical gas collection system gets in terms of, you know, 60 to 90 percent of the methane generated is collected. And when I asked our staff and our consulting engineer, they thought that our system collected more on the order of 80 to 90 percent rather than the lower end. But essentially, that is the... part of the environmental cost of landfilling is there is no way to really contain all of the methane absent of doing it in a closed vessel. And so, you know, any kind of opportunities to either, utilize the methane collected or think of any kind of diversion methods from landfilling, helps defray or decrease the methane generation.

COUNCILMEMBER WHITE: Yeah, I guess my... I think I'll just stop here, because I think the reality is that we're being forced to do something that we wouldn't otherwise do, even though we've already put the mechanism to capture it in place. I just find that a little bit hard to handle, but I realize you can't really discuss any...

MR. GINOZA: And part of it was they wanted to give us an outright like \$1.2 million fine or something. And, you know, we don't see the benefit as the County representatives of just a outright fine there. We tried to get it installed. I mean there were some issues with, in the contracting of it to get it installed, but, you know, we dealing with a regulatory agency that does not wanna hear any kind of excuses of, oh, I understand you might have had circumstances, but maybe you should have started years earlier because you might have run into circumstances. You know, and so it's been quite an arduous endeavor to try to reach resolution and as we

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discuss it in Mr. Hokama's Committee, I think we can really expound on why we've arrived at this as a solution.

COUNCILMEMBER WHITE: Yeah, we'll leave it 'til then.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER WHITE: Thank you.

CHAIR PONTANILLA: Mr. Mateo?

COUNCILMEMBER MATEO: Yeah. Thank you, Mr. Chair. And I think that's my interest in how we got to it, because I don't know what the magic of eight turbines is versus--

MR. GINOZA: Sure.

COUNCILMEMBER MATEO: --ten or less. And the question on whether or not any kind of study was done to see that there's actually enough wind corridors to generate the power that we need, so you know, I think those things we can discuss in Committee, Mr. Chair, so I don't need a response.

CHAIR PONTANILLA: Okay. Fine. Thank you. A fast question in regards to these wind turbines, the design for those turbines is part of the construction cost or do you have another separate design cost?

MR. GINOZA: That is correct. The funding we're asking for is inclusive of both, the design cost as well as the installation and equipment cost. So if you see the picture, that rendering on the bottom, the one that shows the turbines, that's part of a study that we did to kinda respond to what Mr. Mateo had mentioned, to see what kind of wind corridors or what kind of velocities we might expect to kind of design a system of what we would need and to try to go forward with. So we did do some preliminary study on that and on the 350 is part of, contains both the design and installation cost.

CHAIR PONTANILLA: Okay. Fine. Thank you. Okay. Members, the next project is on page 3-7, Central Maui Landfill Gulch Crossing. Mr. Ginoza?

MR. GINOZA: This funding is for the...you know, Kalialinui Gulch separates the landfill from the entrance of the landfill, and currently we have kind of a sub-standard entrance to the landfill that was over topped or you know, basically, the runoff in the gulch went over our crossing. And we'd like to make a better crossing to our landfill and that's what this funding would be for is for the design of that. Initially the...I think the Corps of Engineers had thought that we needed a different kind of crossing, because they felt that the Kalialinui Gulch, while there's no water in it most of the time, they thought that it was a navigable water and so they wanted us to design it to that, and we were able to tell them that, you know, there's no water in there. And so we're scaling back the crossing that we'd like to implement.

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CHAIR PONTANILLA: We've heard that definition in NACo...Jesus. Mr. Carroll, questions? Ms. Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, Chair. Where does this navigable water go when it does storm and all this, does it flow...where does it go actually?

MR. GINOZA: This is the one that collects, I don't know, we call it River Mount in Kanaha. You know, it all collects right by the airport and there's that concrete, channelized area that right to the, what is that, to the west of Kanaha Beach Park.

COUNCILMEMBER COCHRAN: It comes out by our Kahului treatment?

MR. GINOZA: Yeah, just to the east of Kahului Treatment Plant.

COUNCILMEMBER COCHRAN: So it just directly flows naturally, no...you know, it doesn't go through any filters or grading or any type of... 'cause isn't it picking up perhaps leachate or anything from the landfill...

MR. GINOZA: No, this does not touch leachate. The leachate...I mean, basically leachate generated through going, through any kind of precipitation going through the trash layers, we collect that and it never goes into our runoff system. So this is looking at any kind of upstream runoff going by the landfill and, you know, just in the stream system collecting and going down and exiting at that area. But as you probably know they're...it's not flowing out of there, I mean, you know, so we don't see it. We tried to justify that. Nobody canoes there or uses that as a navigable water, and we were able to finally get them to change that stance.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR PONTANILLA: Mr. Couch? Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. I'm just trying to figure, you're asking for the 150 now, but you feel it's going to take two years before you come back for the construction component, Department?

CHAIR PONTANILLA: Department?

MR. GINOZA: It is to just ensure that we finish the design prior to going to construction and without a permitting required. Because it's not that we don't have permitting requirements with --

VICE-CHAIR HOKAMA: Right.

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MR. GINOZA: --Department of...I mean Army Corps and other agencies, but we just --

VICE-CHAIR HOKAMA: Right, right.

MR. GINOZA: --feel that, you know, it will be quite cumbersome to navigate through the permitting process both at the State and County and the Federal levels. So just to give us...rather than come in right after for the construction money, in case we do run into problems that, you know, we typically encounter with Federal agencies or delays, we wanted to afford ourselves that flexibility.

VICE-CHAIR HOKAMA: So let me ask you this question because people such as ourselves, who participate actively at the National level, this is part of a congressman gone mad from Minnesota, Representative Oberstar, who expanded the definition of waters of the U.S. and what is navigable waters of the U.S. whereby even plantation, those drainage ditches, those ditches could possibly go through a Corps of Engineers permit review and require approval. You know that's how bizarre this became from a Federal bureaucratic approach, but Congress seems to be willing to make adjustments because counties nationwide are being impacted like your Department with issues such as this, where now the Corps of Engineers, you know, which is basically, the navigable waters where you think some shipment or transportation over that water was their basic jurisdiction originally and now it is not. And again they don't, the Federal government did not give enough engineers to do the work for the domestic program besides the military missions. So if Congress changes this in mid-stream during your design stage, are you still gonna go forth as planned or are you going to have it maybe considered for redesign because there's a potential now cost savings to the County?

MR. GINOZA: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. GINOZA: Well, I think we've crossed, for this project we've kinda crossed that bridge already where they initially thought it was navigable, and we finally got them off of that track, such that now we can just do a more standard for its purpose.

VICE-CHAIR HOKAMA: Okay. Okay. I understand...understood.

MR. GINOZA: But I think that for a lot of our other projects it would help, you know, definitely in the future where we continually have battles in terms of, like you said, the expanded definition of what a waterway is, I mean, a navigable waterway where, you know, for those of us who, you know, have lived here, I mean like the plantation ditch, I mean nobody's gonna be shipping anything on there. So yeah, I mean, just for other projects I see it benefiting it, but for this one, I think we've already gone past that assumption.

VICE-CHAIR HOKAMA: Passed the hump. Okay. Thank you.

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CHAIR PONTANILLA: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: Interesting, yeah? So is there also safety concerns with this area because of heavy runoff when we get big rain, when we get heavy rains? Are there concerns also in this area because, you know, I see the little drainage pipe underneath, but is that...does...I've been told that sometime that backs up and water starts to collect?

MR. GINOZA: It's safety concerns in that, you know, when it's over topping, we obviously aren't gonna try to traverse that.

COUNCILMEMBER VICTORINO: Right.

MR. GINOZA: And we are trying to ensure that there is adequate culvert capacity to ensure that there is no backup or blockage and to allow the stream to flow when there's storm...you know, significant storm runoff.

COUNCILMEMBER VICTORINO: Storm runoff, yeah.

MR. GINOZA: But, you know, in the interim we'll just deal with what's been happening, but as we continue our operations at the landfill, we saw a need to try to improve it to protect the safety of our customers as well as our staff in the long term.

COUNCILMEMBER VICTORINO: And that's the bottom line, the safety and well being --

MR. GINOZA: Yes.

COUNCILMEMBER VICTORINO: --of the staff and the consumers that go through, our clients that go through that area?

MR. GINOZA: Exactly.

COUNCILMEMBER VICTORINO: Okay. I just wanted that clear. I mean, forget the navigable waters and all the other et ceteras, you know. This is for safety purposes and we need to look at it, yeah. And I think that needs to be done, Mr. Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: So thanks.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Chairman Mateo?

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COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Just a fast question for the Department. The monies that you encumbered, the \$295,000 plus, what was that money used for?

MR. GINOZA: I don't...I'm pretty sure, I don't know exactly, but my understanding is that in the previous design, like I said, we were heading toward the path of we have to get a DA permit for it being navigable waters and a more robust crossing because it was, that waterway was deemed as such. And so we proceeded along those lines in parallel, trying to get a change of designation, and we finally been able to get off that track of having to do the navigable water permit. And so a lot of that encumbrance was trying to do the design for the more robust crossing and then trying to also get buyout from the Army Corp to do the simpler design.

CHAIR PONTANILLA: Okay. Again I'm looking at the CIP report regarding Central Maui Landfill Gulch Crossing, design 75 percent complete--now this is back in December, yeah, the report--and requesting additional funds for redesign based on County comments that culverts are preferred to a bridge based on cost to build. So of the understanding that you're gonna build a bridge at that location also?

MR. GINOZA: That's the, I mean, that's basically what we're doing for the crossing.

CHAIR PONTANILLA: Okay. Okay. Good. Thank you.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Yes?

VICE-CHAIR HOKAMA: And you know, just, thank you, Mr. _____ because I thought that, I thought the prior encumbrance was the 61,400 that is on Page 13 of the Finance Director's CAP report on the Central Maui Gulch Crossing and that's part of the preliminary engineering. But this is another encumbrance you're talking about, Chairman?

CHAIR PONTANILLA: This is the cost to do that design at that location. And we contracted out contract number 4262, \$295,000.

VICE-CHAIR HOKAMA: Okay, because it's not on this financial director's report, so I just was wondering which encumbrance you were talking about, Chairman. Thank you. I'll ask your Staff. Thank you, Chairman.

CHAIR PONTANILLA: Okay. Fine. Go ahead.

MR. GINOZA: I think that 295 is from a contract from 2008, that the scope also included preliminary engineering report, Environmental Assessment and that initial design of that, you know, for the navigable waters. So maybe that's why it's not shown on that.

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VICE-CHAIR HOKAMA: So this report is just the balance of that original...

MR. GINOZA: I don't have that report in front of me, but that's kind of where the 295 came from.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Okay. Thank you for your comment, Director. I'll check with the Chairman's Staff.

CHAIR PONTANILLA: Yeah, we will check it out.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Okay. Members, the next project is on Page 3-9, Central Maui Landfill Non-potable Water Tank System. Department?

MR. GINOZA: This is basically to continue to try to get a water source for our Central Maui Landfill. Right now what we do is we truck water to fill our tank and instead, we're trying to basically get well water and pump it to a tank. So this, that's why there's prior year encumbrances and expenditures, because it was a multi-phase project in terms of developing a well, trying to figure out where we could put a well. Then now we want to drill the well and do the tank.

CHAIR PONTANILLA: Okay. Fast question. According to the project justification, a non-potable water source is necessary to support the proposed additional facilities at the Central Maui Landfill. The additional facilities are based on the Integrated Solid Waste Management Plan. Currently non-potable water is trucked to the site...oh, trucked to the site. You know, we've heard talk about, you know, purchasing some land to consolidate some of the County's equipment and I guess, maintenance area. And my question to you is that, should we move to a maintenance area, then the additional facilities, will they still be constructed on that piece of property or what would be moving there, you know, in regards to the additional facilities?

MR. GINOZA: What we have purchased as far as on the more Wailuku or Kahului-Wailuku side of the landfill or...an 11-acre parcel and a...well, we're in the process of getting a 28-acre parcel that is located like I said on the, adjacent to and contiguous with the landfill. Basically what we're looking at for those parcels are, as you had mentioned, warehousing and a maintenance facility and having the Admin offices there, and this water source will not only eliminate the need for us to truck water to fill the tank, but also to accommodate the additional facilities at that location.

CHAIR PONTANILLA: So as far as the equipment for that particular area, you're gonna utilize part of the area for like say, a baseyard as well as maintenance facility?

MR. GINOZA: That's what's currently intended in the master plan that we're developing. So we have not yet finalized what we'll do with the 11- or 28-acre parcel, but that's something that, you know, if we are able to have another discussion on either the Integrated Solid Waste Management Plan or other activities for solid waste in Ms. Cochran's Committee, that's

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something that we definitely could discuss and you could provide further input into or provide input into.

CHAIR PONTANILLA: Okay. And the reason why I bring up that question is that the talk about centralization, so. Member Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: Yeah. Thank you, Chair. So, yeah, I was just curious if there's any talk in the ideas that we've been discussing here and there about the re-location of the Kahului Treatment Facility and if this moves forward before that, the storage tank and discharge-type system would that be kept in mind for future perhaps, you know, retrofitting into a, the relocation of that plant completely in that vicinity or has that been sort of taken into the planning?

MR. GINOZA: I guess I'm not...well, what are you asking? Whether or not the recycled water could be put in a tank or...

COUNCILMEMBER COCHRAN: Yeah. If reclaimed water could be utilized here on the future or --

MR. GINOZA: Possibly. I mean, it's something that --

COUNCILMEMBER COCHRAN: --in the relocation of the plant?

MR. GINOZA: --you know, instead of getting well water, we might be able to just pump reclaimed water if the final location of the relocated plant is in that vicinity which likely it will be --

COUNCILMEMBER COCHRAN: Right.

MR. GINOZA: --somewhere in that Central Maui area. But yes, I mean, that could be the replacement source for this non-potable water use.

COUNCILMEMBER COCHRAN: And what's the amount of water that is currently being needed there? You know offhand?

MR. GINOZA: Sorry, I don't know offhand what the gallons-per-day usage is. I can provide that, but I just don't know it offhand.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: You say, currently you're trucking it in? According to...how much does it cost a year to truck it in?

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MR. GINOZA: I don't know offhand. It's, I mean, we have our own water truck, but I don't know what the cost is.

COUNCILMEMBER COUCH: Well, I'm just trying to see if, you know, you know, \$1.1 million versus how much trucking that buys and how many years.

MR. GINOZA: Oh, I see. I see. Yeah, I don't know offhand.

COUNCILMEMBER COUCH: The other thing is, I guess, the Water Department should take a look. It's only \$1 million to drill a well for non-potable water? Is there any difference?

MR. GINOZA: I think there's a lot of difference between what, I mean, where we would pump and then where --

COUNCILMEMBER COUCH: Okay.

MR. GINOZA: --some of the areas they would. I mean, we're looking at non-potable water so it's, you know, it's gonna be a brackish water source. And we also explored trying to utilize some of the HC&S ditch water, but it was just too far for us to be able to utilize that --

COUNCILMEMBER COUCH: Okay.

MR. GINOZA: --and in our discussions with them, we just didn't see an opportunity that would be mutually beneficial for both parties.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR PONTANILLA: Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: Just one request, Chairman, that maybe Mr. Baz in the future would also consider as far so we can have a full-on understanding of the total project cost, to also add prior funding encumbrances or expenditures besides...I know he has a prior encumbrance component, but when you look at the total project on the bottom, you know, it's not really a \$1.1 million project. You know, there's additional monies Council gave in previous requests, and so that will give us a better grasp of the total requirements that the project will be required for completion and that might be helpful for us, Mr. Baz, if you would consider that, please.

CHAIR PONTANILLA: Okay.

MR. BAZ: Yeah, thank you, Mr. Chair. We did notice that and are considering discussing that with Department of Finance, as well as the CIP coordinator. There is...the way the departments track projects and the way the Finance Department tracks projects are different, and the way the Budget implements it is different as well, so coordinating those as far as what contracts were for

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which budgeted project and the way that Finance tracks those is something that we're working on currently. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. And that would provide us the true cost of a project.

MR. BAZ: Yes. As long as...it should, as long as the Department utilized that project funds for...I give you an example, sometimes Countywide project funds are used in addition to or to start a project maybe before they get the initial amount, you know, as for planning and design or to finish your project should it go above the budgeted cost, so that's where there's some discrepancies right now as far as the true project cost. So we're working on that.

CHAIR PONTANILLA: Okay. Fine. Thank you. Goals and objectives.

VICE-CHAIR HOKAMA: Great. Great. And if you need, if you have some software requirements that helps you implement it so that not only the Council but, you know, the various administrative requirements I think will be better served if that's something we can think about as a assistance to make it happen sooner. If there's software requirements, please let us know.

MR. BAZ: Thank you.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: My question on this one...

CHAIR PONTANILLA: Go ahead.

VICE-CHAIR HOKAMA: So, you know, for me and again, I just need...how close is this project site from the MECO Waena production site that also had acreages for alternative energy projects? How far are we apart?

MR. GINOZA: I believe we're just across the street.

VICE-CHAIR HOKAMA: Okay.

MR. GINOZA: I'm not...

VICE-CHAIR HOKAMA: So if we're just across the street, isn't it cheaper for us to consider... 'cause I'm sure they have a waterline there, right? So does it make sense for us to consider working and tapping into the line that serves that project site, the MECO site for some of your requirements or is that, that wouldn't be allowed? It has to be non-potable water?

MR. GINOZA: Well it's, it will be cheaper to get the non-potable water, but my understanding is there's no waterline existing at that Waena site. I don't know. We can look into that, though.

CHAIR PONTANILLA: Yeah, they haven't started.

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MR. GINOZA: I don't think there's infrastructure.

VICE-CHAIR HOKAMA: There's no infrastructure? I thought they had put some basic infrastructure in, but I may be wrong, Chair. I'm just asking a question.

MR. GINOZA: Me, too, so I don't know.

VICE-CHAIR HOKAMA: You know, but if there is some, you know --

MR. GINOZA: Sure.

VICE-CHAIR HOKAMA: --already infrastructure availability, that if you would at least investigate and see if makes sense that since they're across the street, it might make it more feasible for the County. Again, I'm not sure so I'm just asking a question, gentlemen.

MR. GINOZA: Yeah, I don't know offhand, but that's an excellent point. We'll look into it.

VICE-CHAIR HOKAMA: Okay. Thank you, Chairman.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And this well is located in our property, right?

MR. GINOZA: Yes.

COUNCILMEMBER VICTORINO: Okay. So there's no problem from, in the future?

MR. GINOZA: No.

COUNCILMEMBER VICTORINO: Okay. That was important. And you are correct when you talking a potable system versus a non-potable system, tremendous difference in expense as far as developing it, because you...you dig a well, pump it and you just pump in the water. You don't do anything after that. And actually it's just gonna be like a pipe coming up, so the truck drives under it and similar to what you see at some of the construction sites?

MR. GINOZA: What I mean, it's gonna be pumped to a tank eventually.

COUNCILMEMBER VICTORINO: To a tank. Yeah.

MR. GINOZA: Yeah.

COUNCILMEMBER VICTORINO: And this tank will be in the same location as the well?

MR. GINOZA: No. It'll be elevated storage above the well.

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COUNCILMEMBER VICTORINO: Above the well?

MR. GINOZA: Yeah.

COUNCILMEMBER VICTORINO: So you'll have pumping costs to get the water to the tank itself?

MR. GINOZA: Yeah.

COUNCILMEMBER VICTORINO: Okay. So there's no gravity involved as far as assisting this?

MR. GINOZA: No, 'cause I, my understanding is we want the gravity to be from the tank to the usage, yeah.

COUNCILMEMBER VICTORINO: Okay. All right. Thank you, Mr. Chair, for that explanation.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: How much is this estimated to save us in operating cost?

MR. GINOZA: I don't know offhand. We...we'd have to look at what the trucking costs were or are. Again, I don't know offhand.

COUNCILMEMBER WHITE: Are you still going to truck it from the well up to where you spray it or is there gonna be some overhead system to...

MR. GINOZA: When this is, when the project is complete, are you asking? Well, we're gonna pump it from the well to the elevated storage tank and then as you utilize the water, use that head pressure to...at the, and pipe it to where we need it.

COUNCILMEMBER WHITE: Okay. So you're eliminating the trucking?

MR. GINOZA: Yeah. We'd get the water on-site and then use it on-site, rather than pool non-potable water from off-site or truck it in.

COUNCILMEMBER WHITE: Right. I understand that. I'm just, I'd like to think that we did a cost savings calculation before we propose this, but. And again, Mr. Chair, I have the same concerns about, that Mr. Hokama has over the total cost. Not project by project, but just the totality of just this Department is 200 and, roughly \$240 million of expense over the next six years, and much of that is going to be done with Bond funding, which simply means we're going to be paying roughly 50 to 75 percent more than each of these numbers relates to for the ones that are Bond-funded. And again I have my on-going concern about design cost of 15 percent and the way we're going about --

MR. GINOZA: Sure.

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COUNCILMEMBER WHITE: --putting that out. We're just simply accept...you know, we're negotiating, but we're negotiating with one, not asking for proposals. And I just feel that we're not being good stewards of our taxpayers' money if we're simply negotiating a price rather than seeing of the group that can do the work, who's willing to do it for the best price. That's, we all do that in the private sector so, anyway that's my concerns.

CHAIR PONTANILLA: I agree. Mr. Mateo?

COUNCILMEMBER MATEO: I agree. No questions.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: And I want to thank Ms. Cochran for finding this, but Mr. Ginoza, under details, utilities 6178, Page 29. It says water delivery charges, 13,000 or you want \$15,000 now? Is that the water delivery charges?

MR. GINOZA: Sorry, I need to just look it up real quick.

MR. BAZ: I'm sorry, what page of the details is that?

MR. BAZ: Twenty-nine.

MR. GINOZA: Are you talking about on number, under number four, the 11,687? Wait, what was the number again?

COUNCILMEMBER COUCH: No, Page 29, 6178, utilities...water delivery charges.

MR. GINOZA: I need to get back to you. I don't know offhand.

COUNCILMEMBER COUCH: Yeah, if that's the water delivery charges for... 'cause that's solid waste, it's not cost effective at all.

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Mr. Baz?

MR. BAZ: Sub-object code 6178, water delivery charges is the potable water service for the, that we pay to the Water Department for water service.

COUNCILMEMBER COUCH: Okay.

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CHAIR PONTANILLA: Yeah.

MR. BAZ: It's not the trucking.

CHAIR PONTANILLA: You see the various departments also, water delivery.

COUNCILMEMBER COUCH: Okay.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER COUCH: So we still need to find out what it's gonna cost?

MR. GINOZA: Yes.

COUNCILMEMBER COUCH: Okay, thanks.

CHAIR PONTANILLA: The gasoline cost and the maintenance of the truck. Okay. Members, 3-10, Groundwater Monitoring Well Network. Mr. Ginoza?

MR. GINOZA: This is for the Central Maui Landfill. We currently have six groundwater monitoring wells and as we expand the landfill, we need to look at trying to expand the groundwater monitoring system. So this is to actually explore that and see how many additional groundwater monitoring wells we need to remain in compliance with our State operating permit.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No, Chair, thank you.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: Fine.

CHAIR PONTANILLA: Member Couch? Member Hokama?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Yes?

VICE-CHAIR HOKAMA: Just one quick one. Mr. Ginoza, Mr. Miyamoto, are you folks planning to provide us with a...if we don't go universal collection and the way that we collect revenues for this program currently, do you have a proposed program of approaching refuse fees and other revenue streams that your Department currently has to address this large investment that you're requesting us to do? So that we can, you know, understand and make some adjustments if need be. But is there a financial approach that you folks have discussed? An example, you know,

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how Mr. Taylor gave the Committee a approach on how he would propose, at least give us a proposal on how we might want to approach funding water projects. Is there a way that your Department has at least discussed how to approach a adjustment in the fee structure or support the universal pick-up type of format to create the revenue stream to pay for this borrowing request?

CHAIR PONTANILLA: Mr. Ginoza?

MR. GINOZA: It isn't something that we're proposing in this Fiscal '13 Year Budget, but it's something that we hope to have by next year. Because as...I don't think you were at Ms. Cochran's meeting when we discussed it, but you know, we're exploring such technologies like waste conversion --

VICE-CHAIR HOKAMA: Sure.

MR. GINOZA: --which may in fact reduce our cost, our operating cost and which may provide some level of subsidy for our other operations should we be able to effectively reduce our tipping fees and, you know, keep the same tipping fee structure. But that's one thing that may help us to reduce the General Fund subsidy that we do have. With respect to universal trash collection or universal bill collection, whatever people term it, that's something that we've been hesitant to really go forward with in terms of doing an in-depth study, because we don't really have a good...there's like kinda conflicting goals in terms of what people want and, you know, both from I think if we ask all nine of you what universal trash collection means and what the Mayor or what I deem it to be, I wanna first get a better understanding of what the goal is. Is the goal is to just have it in the real property tax bill or, you know, is it just to be able to get it electronic? We need to kinda set, you know, what the intent is for the universal trash collection. 'Cause some people think that we should collect for every resident in the County, or some...our definition is collect every single residence along a particular trash route, which has logistical implications because, you know, if we going from say 25,000 accounts to like forty, forty-five thousand accounts, we couldn't do it with our existing equipment and staffing. And so...

VICE-CHAIR HOKAMA: And that's the, that was part of the purpose of the question.

MR. GINOZA: Oh, okay.

VICE-CHAIR HOKAMA: Has the Department started looking at how to do it? Because, gentlemen, you know, going on in general how the County's going is not sustainable. We're not going to have enough revenues to take care a growing community of, communities of the County by keeping, trying to keep revenue flat. It's not sustainable, you know, and eventually we're going to hit the wall and people that have worked hard to put this County in a fiscal position to avoid those type of pitfalls and shortcomings. And my point is, gentlemen, why I ask you that is because I'm seeing this project and they're good projects, I not disputing the importance and priority of these projects, my concern is how we're going to pay for it. And then when you talk about asking us for a General Fund subsidy, it is still the property taxpayers, gentlemen, that provides the General Fund. So we still impacting them, but we not telling them truly what it

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costs for this service and this important components of the service. And so, you know, they may grumble that we charging them \$144, but maybe the true cost is \$560. So the General Fund is still gonna subsidize it, still coming from the same source of the resident taxpayer or the property tax owners. You know, I mean, we can disguise it any way we want, but General Fund is General Fund, period, Chairman. That's my point and I just want to motivate all the other departments, besides Mr. Ginoza, that ongoing approach to this County Budget is not sustainable. We're gonna hit the wall and I don't want that wall to be there for the next generation of residents of this County, Chairman. Thank you.

CHAIR PONTANILLA: Point well taken. Mr. Victorino?

COUNCILMAN VICTORINO: Well taken. Nothing.

MR. GINOZA: Mr. Chair?

CHAIR PONTANILLA: Sure.

MR. GINOZA: We have done the analysis of what it would take to become, to reduce or eliminate the General Fund subsidy, but unlike how with sewer and water, it's basic compulsory that you pay your bill in order to get that service. With trash collection or refuse disposal, because there are alternatives to paying the fees, that's where the challenge is for us to become purely self-sufficient from say for instance, refuse collection fees. Because in our analysis, you know, we currently charge \$18 a month for refuse collection. The true cost is on the order of \$40-something a month. And is that something that our community will support a, you know, refuse collection fee of that amount? I mean the way, when we look at the charges that we do charge, it basically covers the cost of collecting the trash, but does not cover the cost of landfilling and maintaining the landfill, which should it just be borne by the people who have refuse collection or is it more of a community-wide General Fund cost? And that's what we've kind of been struggling with is because it's something that impacts the whole community and because our fee structure is kinda based on only people who participate, it's hard to really just make only a certain portion of the population bear that entire cost.

VICE-CHAIR HOKAMA: Yeah. And I appreciate your comments and I think those are the things you need to present to Council.

MR. GINOZA: Okay.

VICE-CHAIR HOKAMA: Because Council will make that final policy decision, not the departments. The Council will. I think what you just shared is something that we need to continue to educate and share with the community of what is the true cost of their programs, so they can understand if we're asked...because yeah, we can make, you know, so that people say, I don't want to pick...use the County's refuse...

MR. GINOZA: Yeah, yeah, no, I understand.

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VICE-CHAIR HOKAMA: Okay. So they going dump it someplace else and then we still gonna put out General Fund money for Community Work Day and all these other agencies that gonna have to pick up the trash and we still gonna pay for trash pickup service --

MR. GINOZA: Exactly.

VICE-CHAIR HOKAMA: --in another form. Okay. So, I think being more upfront and honest of letting people know what it takes may also then adjust their psyche to say maybe there's a way I need to start conserving how I look at refuse, because I gotta, I don't wanna pay this much anymore. And then the recycling programs that you guys trying to improve with asking us for funding the past Council meeting and whatnot, may be more palatable and more affordable because the psyche now knows what it takes to make it happen. And I just share that with you, gentlemen, to take that into consideration. Thank you.

MR. GINOZA: Yeah, we'll flesh it out more and hopefully we can have a discussion in Ms. Cochran's Committee. Thank you.

VICE-CHAIR HOKAMA: Thank you, gentlemen.

CHAIR PONTANILLA: Thank you. I think that would be good. We've had estimated cost in previous years and, you know, again this body ultimately make that policy call, yeah. Sometimes it's hard. Mr. Victorino?

COUNCILMEMBER VICTORINO: No, I just said earlier, no questions.

CHAIR PONTANILLA: Oh, okay. Member Baisa?

COUNCILMEMBER BAISA: Yes, thank you, Chair. I'm wondering, Mr. Director, is this discussion about universal trash included in the Integrated Solid Waste Management Plan?

MR. GINOZA: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. GINOZA: It is included and what the results of implementing universal trash collection on the side of where we do have our trucks running, it's collecting 100 percent or having 100 percent participation. It's really taking our 25,000 existing accounts and elevating it to 44,000 accounts. So really it would be a almost--what...I don't know what is that--like 75 percent increase in the participation of our service. But if you looking at, if you look at the funding mechanism for this as part of ISWMP, it's to raise the monthly trash collection service from 18...well, at that point it was \$14, but from \$18 to \$75 or \$80 a month. You know, which as I mentioned in Ms. Cochran's Committee, I don't think that that will be palatable to our community that you'd find a lot of, like Mr. Hokama had alluded to or mentioned, that people will start dumping it in other areas. And so that's where I think it warrants further discussion and I welcome that, because, you know, it's kinda like we have the two extremes of right now we don't pay for any of the

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landfilling as part of the refuse collection fee and yet, if you pay for everything, it's so exorbitant to the user that he or she might find other means that may not be what we want as a community. So it is addressed though.

COUNCILMEMBER BAISA: So much energy and time went into creating that plan that it's kinda disappointing to hear that, you know, it's not...doesn't really give us a viable alternative. And I really feel, Chair, that this Committee is not the place to have this discussion. This is, we're here to just, you know, discuss the CIP's that we have, but communication and conversation with the communities should begin so that we get feedback from people about what they're willing to pay and what they're willing to consider. Because regardless of whether we raise the fees or we raise the property tax to take care of it, somebody's gonna pay more.

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER BAISA: It's not gonna go away. There's no free lunch.

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER BAISA: So I think we need to confront our communities and ask them what they could live with. I've been told that property tax is a better venue because it's deductible for tax purposes.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Okay. Members, we go to the next CIP. Chair is gonna complete the next two CIP's that we need to review, then take our mid-morning break. Chair would like to recess this meeting at 11:30 and reconvene at 1:30 to take care the rest of the program, the Solid Waste Administration Operations, as well as the Abandoned Vehicles and Grant Revenues, so. If you can limit your questions and pertaining to the Budget itself, Chair would appreciate that. Okay, the next project is Lanai Landfill Moisture Probes. Mr. Ginoza?

MR. GINOZA: This is similar to the project that we recently discussed about groundwater monitoring. With the DOH operating permit, we need to monitor the groundwater to make sure that we're not getting impact in the groundwater with our landfills. And for landfills that I believe are under 20 tons per day and that are in dry areas, there are alternative groundwater monitoring methods as opposed to just drilling a groundwater monitoring well, which is more expensive than doing this alternative, which is to install groundwater monitoring probes. And so this CIP project is to continue with trying to do groundwater-monitoring moisture probes instead of doing the groundwater monitoring well system. So this is part of what is required as part of our DOH permit.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

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VICE-CHAIR HOKAMA: I am pleased that the Department has put this forward, and we noticed that you doing designing construction all of this coming year. So that's something very doable in your estimation, Department?

MR. GINOZA: Yes.

VICE-CHAIR HOKAMA: Okay. I have no problem supporting this request, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: No, I can support this. Thank you.

CHAIR PONTANILLA: Member White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Chairman Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: No.

CHAIR PONTANILLA: Member Couch?

COUNCILMEMBER COUCH: No questions.

CHAIR PONTANILLA: Okay. The last project for CIP is 3-8, Molokai Landfill Cell No. 4. Mr. Ginoza?

MR. GINOZA: This funds are, is to basically do our next cell at the Molokai Landfill. The last cell, Cell 3 was completed in calendar 2009 and, you know, as we approach that being filled, we are embarking on developing the next phase of the Molokai Landfill.

CHAIR PONTANILLA: Thank you. Chairman Mateo?

COUNCILMEMBER MATEO: No, I'm glad this is definitely moving forward. The current cell, it's amazing how we create mountains, yeah, out of flat lands. And the prior cells, we're reaching that point of becoming one of the higher peaks on Molokai. So, you know, thank you for expanding our environment.

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CHAIR PONTANILLA: Move the landfill to the Police Department, alleviate the flooding. Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No. I think a new mountain is being created not by lava but by opala. Thank you.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, I'm just curious and, you know, gentlemen, you know, just please check, because it's kinda interesting when you look at design of many of your projects, regardless of the construction cost, it always seems to be 150,000. Whether it's a \$1 million project, \$3 million...a smaller project, under million, you know, so again, it's just an interesting point that Mr. White has made me very acutely aware of and it's just an...it's too interesting to ignore. Thank you, Chairman.

CHAIR PONTANILLA: Thank you.

MR. GINOZA: We will investigate that.

CHAIR PONTANILLA: Thank you. Mr. Couch? Ms. Cochran? Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Okay. Thank you. That completes the CIP for Environmental Management. So Chair is gonna call for a ten-minute recess, so we'll reconvene at 10:40. And then we'll go into starting from Page 6-60, which is Solid Waste Administration. This meeting is recessed 'til 10:40. ...(*gavel*)...

RECESS: 10:29 a.m.

RECONVENE: 10:45 a.m.

CHAIR PONTANILLA: ...(*gavel*)... The Budget and Finance Committee meeting is now reconvened. Members, if you all can turn to Page 6-60. That's the Solid Waste Administration Program. Okay. Mr. Ginoza, if you want to provide us with a summary of your Administration Program?

MR. GINOZA: Basically it's pretty flat. The Solid Waste Administration Program oversees the other four sections, as I mentioned earlier, the residential refuse collection, landfilling, diversion or also known as recycling, and the abandoned vehicles and metals program.

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CHAIR PONTANILLA: Okay. We are going to take the A Account for the Solid Waste Administration Program on Page 6-61. Chairman Mateo, you got any questions?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Not on A, thank you.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: No questions.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: The positions of student engineer, environmental health specialist, are those paid-type positions or are those just volunteer interns?

MR. GINOZA: Those aren't funded. Yeah, I mean, it's not funded for...we're not requesting it for 2013.

CHAIR PONTANILLA: Yeah, two less positions are not being required for 2013.

COUNCILMEMBER COCHRAN: Oh, got it.

MR. BAZ: Mr. Chair, they're only there as a reference for historical information.

CHAIR PONTANILLA: Okay. Fine.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Mr. Carroll? Thank you. Mr. Ginoza, just the position details, if you got any vacant positions and if you can identify 'em?

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MR. GINOZA: We don't have any vacancies in the Administration Program currently.

CHAIR PONTANILLA: Okay. Good. Operations, Chairman Mateo?

COUNCILMEMBER MATEO: Not ...*(inaudible)*...

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Not at this time, Mr. Chair.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, if maybe Mr. Ginoza, Mr. Miyamoto, I'm trying to get this thing, under materials and supplies in this area, you folks say there's a decrease in cost relating to gas, diesel and oil, but it's offset by an increase in Interfund Transfers relating to gas, diesel and oil. So help us understand this decrease-increase language, please.

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Mr. Baz?

MR. BAZ: Thank you. These are related to the inflationary instructions put out by the Budget office to the departments and they're, so they're related to the actual expenditures in Fiscal Year '11, again multiplied by the inflationary costs that we set forward.

VICE-CHAIR HOKAMA: So is it correct for us to understand that the interfund support from General Fund goes up for this language, increase in Interfund Transfer? So the General Fund is supporting it even greater?

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. BAZ: This only reflects the expenditure, so this is increasing the Interfund Transfer from the Solid Waste Fund back to the General Fund.

VICE-CHAIR HOKAMA: Back to the General Fund?

MR. BAZ: Correct.

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VICE-CHAIR HOKAMA: Okay. Okay. So you just, you showing a more accurate what the fund itself is able to absorb?

MR. BAZ: Correct.

VICE-CHAIR HOKAMA: Okay. Thank you very much, Mr. Baz.

CHAIR PONTANILLA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

CHAIR PONTANILLA: Okay. Ms. Baisa, questions?

COUNCILMEMBER BAISA: No, thank you.

CHAIR PONTANILLA: Mr. Carroll? Operations. Okay. We go to equipment. There's no equipment being requested. You guys get questions on Transfers Out, General Fund, Mr. Mateo? Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Not at this time.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Just quickly on a Debt Service, please, gentlemen, a decrease in Debt Service. What was the primary cause of this, in my estimation, positive thing?

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Go ahead, Mr. Baz.

MR. BAZ: Thank you. The increase in Debt Service as it relates to the County itself in repayments is based on two factors. One, is the amount of Debt Service level that we have in the amount we been paying down, as well as the refunding that was, occurred back in November, 2010 at reduced rates.

VICE-CHAIR HOKAMA: Thank you very much, Mr. Baz.

MR. BAZ: Thank you.

CHAIR PONTANILLA: Thank you. Mr. Couch?

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COUNCILMEMBER COUCH: No.

CHAIR PONTANILLA: Ms. Cochran? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Okay. Goals and Objectives. Mr. Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. And, Mr. Director, just to follow up on goal number one in terms of efficiency and economically operated, my concern with that particular goal is, one of the issues had always been number of trucks available that actually work and whether or not you had the number of drivers to actually do your routes. Those things had already been adjusted for in your preparing to implement it, these measurements?

CHAIR PONTANILLA: Director?

MR. GINOZA: Those type of issues would be for the Solid Waste Operations Program versus the Admin Program as far as the reliability and numbers of trucks and such. But what you will find is, it's not reflected there and it's something that I think we would need to re-evaluate what we have listed there. I mean, you bring up a good point on that, that we have not addressed.

COUNCILMEMBER MATEO: Yeah, the only reason I bring it up in Administration is because it is one of your goals.

MR. GINOZA: Oh, I see. Okay.

COUNCILMEMBER MATEO: So goal number one.

MR. GINOZA: Yeah.

COUNCILMEMBER MATEO: So I was just concerned because there've been issues regarding some districts or some areas, regular trash was difficult in being picked up.

MR. GINOZA: Sure.

COUNCILMEMBER MATEO: And now we're adding and we're compounding to the need to pick up, so my concern was number of trucks available and getting rid of the problem of drivers.

MR. GINOZA: Okay. Okay. Yeah.

COUNCILMEMBER MATEO: As long as it's been taken cared of.

MR. GINOZA: So that, I mean, that is something that isn't addressed, specifically, in either sections of either the goal or objective, but it is something that I admit is an oversight in terms of we didn't put it in. But it's something that we should and will.

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COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I'm just looking at your goals and objectives, number one as well, objective number one where it says, implementation of a pilot program in South Maui starting in May 2012 where Fiscal Year 2012, you say, yes, that's an estimate and then again in 2013? You gonna implement it in 2012 or 2013? Just...

MR. GINOZA: The plan start is on the order of September 2012.

COUNCILMEMBER COUCH: Okay.

MR. GINOZA: So it would be in Fiscal '13.

COUNCILMEMBER COUCH: So it's kinda...it kinda is yes in both?

MR. GINOZA: Yeah, I mean, the plan was to do it this year, but since we got the funding or we're close to getting the funding now or, you know, this month, we looking at possibly in the next, you know, four or five months --

COUNCILMEMBER COUCH: Okay.

MR. GINOZA: --implement.

COUNCILMEMBER COUCH: I just...it was kind of a odd...

MR. GINOZA: I recognize your confusion.

COUNCILMEMBER COUCH: Okay. Thanks.

CHAIR PONTANILLA: Okay. Member Cochran?

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COUNCILMEMBER COCHRAN: Thank you. And that was my observation also, in goal one, objective one and that May 2012 date. And then looking over on Page 6-68, objective four, number one...or sorry, number two, where in the success measurements, it states curbside recycling by the end of FY 2012. So I was correlating and going, what? So. Okay. Thank you. Clarifying.

MR. GINOZA: Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No, thank you, Chair. Just a comment, I'm excited to have it start ASAP and I'm happy if it's '12 or '13, but let's get it done. Thank you.

MR. GINOZA: Thank you for your support.

CHAIR PONTANILLA: Okay. Thank you. We go to the next program starting on Page 6-63, which is a Solid Waste Operations Program. Mr. Ginoza?

MR. GINOZA: This is basically looking at the landfilling, the refuse collection operations, and recycling.

CHAIR PONTANILLA: Okay. Thank you. Members, on Page 6-64, the A Account? Chairman Mateo?

COUNCILMEMBER MATEO: Nothing in A Account, Chairman.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No, not at this time.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: No, thank you.

CHAIR PONTANILLA: Ms. Cochran?

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COUNCILMEMBER COCHRAN: Nothing.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR PONTANILLA: Mr. Carroll? The B Account, operations. Chairman Mateo?

COUNCILMEMBER MATEO: Chairman. Mr. Director, your activities at a glance, your reference to your 25,000 refuse customers, does any of your goals address your difficulty in collections?

MR. GINOZA: We have not recognized that, but it is something that would warrant being in a...but it would be in the Admin Program, but that's something that we can add because the accounting and collection part of it is in the Admin Program. But that is a good measure that we need to include, so we will.

COUNCILMEMBER MATEO: Okay. Off the top of your head, do you know what they at, you know, what, where we at in terms of delinquencies?

MR. GINOZA: We always, you know, out of our 25,000 accounts, you know, after we publish in the paper that hey, send your bill and, you know, I don't know, what is on our, I mean, thousands don't pay their bill and then it keeps shrinking. But I mean, it is continually a problem for us and that's why...that's one of the reasons why we would want to see some kind of universal bill or universal trash collection where we wouldn't have to try to keep going after people for not paying the bill. And you can imagine that we only bill twice a year and so it is difficult for people to remember, hey...oh, yeah, that's right, it's the month I have to pay the trash. And one thing we were trying to look at is to do a electronic bill payment as part of that, you know, to kind of mirror what Water does. But that's something that we're looking to implement to better assist the public in paying their bill on time.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: On the materials and supplies, you have a \$22,000 amount for maintenance -- repairs and maintenance supplies for expansion positions, but there are no expansion positions in this Department.

MR. GINOZA: I'm sorry, where are you?

COUNCILMEMBER WHITE: Oh, I don't, maybe I'm on the wrong page.

MR. GINOZA: Oh, under Services on the bottom? Yeah, basically...over here, yeah, it was incorrectly listed. It's actually maintenance repair and maintenance supplies for equipment for Makawao refuse. It's not for expansion positions.

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COUNCILMEMBER WHITE: Okay, I'm just reading what's here.

MR. GINOZA: No, I understand. Yeah, we...when we were going over it, we were like...

COUNCILMEMBER WHITE: Great response, though, since you're saying now that it's for my district. Okay. And the other question I had was the contractual services of 113,000 under services due to increased...an increase in actual costs. What is that for? Does it have to do with recycling...

MR. GINOZA: ...or part of the, no, not the curbside recycling. It's part of the existing recycling contracts. I believe it's for EKO Compost contract and...oh and the Molokai Green Waste Project. We increased from three days a week and we're increasing to five days a week for the green waste collection at the landfill.

COUNCILMEMBER WHITE: Okay. It just seems like both of those line items are fairly significant increases. One is 14 percent and the other one's 9 percent. And I just...anyway, thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Gentlemen, as I have shared with the other departments my concern regarding your request for fuel, in particular are you confident that the amount for gasoline, diesel and fuel requirements for this Division to operate well is sufficient? And I just bring it up because, you know, every week you can see a gas station changing their price going upwards, so I'm just asking the question if you feel you still comfortable or does the Committee need to consider making some adjustments so to ensure your ability to perform? I'm looking the Central Maui, the Hana, the Molokai, the Lanai, you know, B Accounts for fuel.

MR. GINOZA: Yes.

VICE-CHAIR HOKAMA: Okay. I hope you don't come back to us later, gentlemen. Thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: No, Mr. Chair. Mr. White read all my notes, so.

CHAIR PONTANILLA: Ms. Cochran?

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COUNCILMEMBER COCHRAN: Thank you, Chair. On Other Costs and it shows a decrease, which is excellent of \$277,000-plus due to reduction in cover soil, so are we using some place [*sic*] in place of it?

MR. GINOZA: What we had in last, in the fiscal or the current Fiscal '13 Budget or Fiscal '12 Budget is a measure to do what is called basically an alternative to daily cover where we brought in automated tarping system. So, you know, after we put trash in the working phase and compact it, at the end of the day, we have to put a layer of dirt typically every day. But we were able to convince the Department of Health to do an alternative, which is to do this automated tarping system, which will reduce the amount of dirt that we'll actually need to truck in. So that's what that reflects. So we, as I mentioned I think in one of...in maybe your Committee, that we had a little bit of trouble with the entity that won the bid, but we finally were able to execute the contract and are in the process of having it delivered to us. And so we didn't, we're not gonna reflect any savings this year or minimal savings this year from that, and we expect to have it for basically next Fiscal Year.

COUNCILMEMBER COCHRAN: Okay. Good. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: No. I think my colleague read my notes, too. I especially like the savings of that 277,000. That's wonderful. Congratulations.

CHAIR PONTANILLA: Mr. Carroll? Mr. Carroll? None. Okay. Kyle, just a fast question, on Page 29 of your Budget details, that Miscellaneous Other Costs. Can you explain what is that cost? It's like \$1.2 million?

MR. GINOZA: I believe that's the, yeah, that's the savings that we had just mentioned of the 277,000 for the dirt.

CHAIR PONTANILLA: Okay. Thank you. We go into equipment. Members, if you can turn to the Equipment Bond side.

MR. BAZ: Mr. Chair, that's Page 3-74 of the CIP book, volume two.

CHAIR PONTANILLA: Three dash seventy-four?

MR. BAZ: Yes.

CHAIR PONTANILLA: Chairman Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: No break your back.

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COUNCILMEMBER COCHRAN: Sorry, Chair, what page are you on in CIP?

COUNCILMEMBER BAISA: Three dash seven four.

CHAIR PONTANILLA: Three dash seven four..

MR. BAZ: Mr. Chair, if I might --

CHAIR PONTANILLA: Yes?

MR. BAZ: --just describe real quickly. We're talking about the Bond for equipment requested in the Department of Finance and this is for the...for the Solid Waste Division, it includes two eight-cubic-yard automated refuse trucks at \$380,000 each for a total of \$760,000; two each, D-6 Bulldozer--I don't know what MLF is, they can maybe explain that--at \$500,000 each, so that's a total of \$1 million; one each 20-cubic yard rear loader refuse truck with lifters at \$275,000, and that's it for the Solid Waste Division.

CHAIR PONTANILLA: Okay. Thank you. Chairman Mateo?

COUNCILMEMBER MATEO: MLF, I'm hoping it --

MR. GINOZA: Molokai.

COUNCILMEMBER MATEO: --it stands for Molokai Landfill?

MR. GINOZA: Yes.

COUNCILMEMBER MATEO: Yeah? And then that means the dozer positions are both filled?

MR. GINOZA: We don't have the equipment operator position, because it was deleted from, the Council deleted it last year.

COUNCILMEMBER MATEO: Thank you. We'll address it later.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No questions, Chair.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Just wonder if Danny can operate a bulldozer. No questions.

COUNCILMEMBER MATEO: I can learn.

COUNCILMEMBER VICTORINO: No questions.

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CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: So except for fire equipment, everything else in this request is Solid Waste Operations, gentlemen?

MR. BAZ: No. Mr Chair? There's Fire, Police, Public Works, Highways, as well as, the Solid Waste, if you just look at the project description area.

VICE-CHAIR HOKAMA: Oh. Okay. I was reading the justification. Okay. Thank you.

MR. BAZ: And, Mr. Chair, they also did request a water tanker truck which we denied, because we will be transferring the Fire Department's water tanker truck to this, the landfill. While it may not be sufficient for emergency operations, it is sufficient for landfill operations.

VICE-CHAIR HOKAMA: Okay. So, Chairman, if I may?

CHAIR PONTANILLA: Go ahead.

VICE-CHAIR HOKAMA: And I appreciate the Department looking at other sources like CDBG, so thank you very much for...

MR. GINOZA: You want me to provide an update on that?

VICE-CHAIR HOKAMA: Yes, please. And if you...are not part of the, you know, higher priority alternatives since we know what, you know, CDBG has moved forward, are you planning then to reapply the following, the next year, so if you maybe...

MR. GINOZA: Yeah, we applied for two pieces of equipment, one at Molokai Landfill and I believe one at Hana Landfill.

VICE-CHAIR HOKAMA: Okay.

MR. GINOZA: And as you know, we weren't part of the selected, you know, we were one of the alternates.

VICE-CHAIR HOKAMA: Yes.

MR. GINOZA: So that's kind of the update on the CDBG.

VICE-CHAIR HOKAMA: Okay. If we decide to defer, is it the Department's intent to still next year try and secure CDBG consideration for this equipment, gentlemen?

MR. GINOZA: We basically look at where we need new equipment and, you know, in the low-mod areas that are served, yeah, we'll continue to apply for the CDBG funding.

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VICE-CHAIR HOKAMA: Okay. Currently if you need support or backup equipment, do you go to a equipment provider whether it be Allied Machinery or, you know, other entities that have equipment for leases or do you maybe borrow from State Department of Transportation or DOFAW?

MR. GINOZA: We try to utilize our existing County resources and, you know, from Public Works or such before going to other agencies.

VICE-CHAIR HOKAMA: Right, but for temporary --

MR. GINOZA: Yeah.

VICE-CHAIR HOKAMA: --you know, support. Terrific. And my last question is, again, because the Federal Government does interesting things regarding equipment auctions and we have bought other types, such as vehicles in the past from Federal auctions, has that been a alternative approach, maybe that the Department has reviewed and maybe might say, we can get a great price, it's three-, four-year old equipment, we feel we can still get another five to ten years of life and if we get the auction at, you know, a super low bid, it makes sense for us to consider acquiring those type of Federal equipment auctions?

MR. GINOZA: I don't believe we've explored that, but it is something that we could. I'm not sure 'cause I don't, I really don't know the details of our equipment procurement as far as not just getting it from a normal equipment distributor.

VICE-CHAIR HOKAMA: Maybe Mr. King in and with procurement can maybe give some guidance.

MR. GINOZA: Sure, we'll explore that.

VICE-CHAIR HOKAMA: I would appreciate that, at least review of options of to consider. I would appreciate that.

MR. GINOZA: That's a great idea. Thank you.

VICE-CHAIR HOKAMA: Thank you very much, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: No.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

CHAIR PONTANILLA: Ms. Baisa?

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COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Mr. Carroll? Mr. Ginoza, you know that two D-6 bulldozer, you say one is for Molokai?

MR. GINOZA: One is for Molokai Landfill and one is for Central Maui Landfill.

CHAIR PONTANILLA: Okay. And you say that there's no operator on Molokai?

MR. GINOZA: There's one, but what happened was we have three positions on Molokai, basically on our remote landfills. And we used to have an equipment operator, a landfill attendant and laborer. And last year, either last year or the year before, we asked for a supervisor --

CHAIR PONTANILLA: Supervisor. Yeah.

MR. GINOZA: --that could manage the, part of the administrative duties, as well as being a working sup.

CHAIR PONTANILLA: Oh. Okay.

MR. GINOZA: But what happened was we re-allocated the equipment operator to the supervisor, but the Council eliminated the equipment operator position. So we effectively still have three, but we lost the equipment operator position. Fortunately, the supervisor's a working supervisor, so he can still operate the bulldozer.

CHAIR PONTANILLA: Okay. Thank you. Let's see. Members, any more questions on the equipment side? If not, Mr. Ginoza, you know on the position details, do you have any vacancies that you can identify for us by position numbers?

MR. GINOZA: I believe you got the vacancy list from the Department of Personnel that showed...actually we have 13 vacancies, but that included, or 14 vacancies, but that included seven that were deleted by Council last year, including what we just discussed, the equipment operator. So effectively, the list should reflect seven, of which three we filled since then. So we have four vacancies, three of which we're in the process of hiring and one where we're waiting for a list from Department of Personnel Services.

CHAIR PONTANILLA: Okay. So you're going to fill out those vacancy positions, then?

MR. GINOZA: Yes, I mean, basically in the next month or so it'll be filled.

CHAIR PONTANILLA: Okay. Fine. Thank you. Members, on the Goals and Objectives...I take it back, proposed...Page 6-67, there's one request for a pickup truck, as well as a tractor mower for Hana Landfill. Any questions to those two piece of equipment. Mr. Mateo?

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COUNCILMEMBER MATEO: I'm kind of hoping that their request for a pickup truck is in error at this point and we can eliminate it?

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Mr. Baz?

MR. BAZ: Thank you. This did, is in error from the ones that were filtered out from my office, so it's not a non-specialized vehicle.

COUNCILMEMBER MATEO: Thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: How large is the area that the mower is needed for?

MR. GINOZA: Basically what it is, is it's part, I mean, there's a big, closed landfill portion of the Hana Landfill, that due to lack of maintenance because we don't have equipment, has become very overgrown and it is an area that the State Department of Health has noted that, you know, we need to keep under compliance and adequately maintained. I know I didn't answer your question 'cause I don't know how big the area is other than, you know, it's, I don't know, it's quite big. It's the closed portion of the landfill, Hana Landfill.

COUNCILMEMBER WHITE: Okay. So, like ten acres or...

MR. GINOZA: Yeah, at least ten.

COUNCILMEMBER WHITE: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions, Chair.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you, Chairman. Can you give us some understanding of additional rentals for the Lanai Recycling Facility, please?

CHAIR PONTANILLA: Mr. Ginoza?

MR. GINOZA: That is actually comprised, I believe, of roughly 10,000 of Maui storage of...you may recall, a year or so ago, we got some equipment from the, donated from the State of Hawaii as part of a...they had funded a HI-5 redemption center or contractor to buy equipment --

VICE-CHAIR HOKAMA: Right.

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MR. GINOZA: --and after he didn't do it, the State gave it to us. And so part of that equipment, like some of the bins and such are stored on Maui and some on Molokai...sorry, on Lanai. So that's what basically that storage costs are until we actually get our Lanai Recycling Center going.

VICE-CHAIR HOKAMA: And if I remember right when we, you know, you helped us understand better, this is a State program and should be...and I'm just wondering why we are using County funds for this State recycling facility requirement.

MR. GINOZA: No, the State, well, the State program is that HI-5 Redemption Program.

VICE-CHAIR HOKAMA: Right, right, yeah, yeah.

MR. GINOZA: But I guess the contractor bought all this equipment and was not the contractor, and so they had all this equipment that was paid for by State monies that they didn't want, and so they approached the County to see if we had any use for these types of...like had a...

MR. MIYAMOTO: Flatbed truck had.

MR. GINOZA: Well, anyway, there were a bunch of things that, containers and bins that they allowed us to utilize. Of course, we don't have a, we don't operate a HI-5 --

VICE-CHAIR HOKAMA: Right, right.

MR. GINOZA: --system and so we are gonna use it for our, you know, like our County recycling center, like the one we have at MCC. We own the bins at our recycling facilities. So it's basically to help us defray some of the cost of actually getting up to speed with a recycling center that is and has been in the County domain.

VICE-CHAIR HOKAMA: Okay. And did we formally accept this donation from the State?

MR. GINOZA: Yes, last year.

VICE-CHAIR HOKAMA: I believe we did, yeah?

MR. GINOZA: Last year we did.

VICE-CHAIR HOKAMA: Last year, yeah? So half of it is on Lanai and half of it is on Maui?

MR. GINOZA: I don't know exactly which equipment is here and which is there, but it was something that we didn't have an immediate need for, but we knew that we would need it, so we wanted to accept it.

VICE-CHAIR HOKAMA: Okay. So is it currently being utilized or it's just in storage? Do you know?

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MR. GINOZA: I believe it's just in storage until we open a facility. Only that truck that was part of that donation or, yeah, that donation --

VICE-CHAIR HOKAMA: Is being utilized?

MR. GINOZA: --is being utilized.

VICE-CHAIR HOKAMA: And that is on Lanai?

MR. GINOZA: Lanai.

VICE-CHAIR HOKAMA: Okay. I hope you can find a use...

MR. GINOZA: Oh, I'm sorry. Mr. Miyamoto corrected me. It's on Maui...for the truck...it's being used by George Correa.

VICE-CHAIR HOKAMA: No, my point is, if we accept it, I hope we utilize those equipment because just to have it in storage kinda...I mean...

MR. GINOZA: Yeah, that's why we're trying to get the Lanai Recycling Center up and running so that we can actually start utilizing that equipment.

VICE-CHAIR HOKAMA: Okay. Thank you, gentlemen.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Baz, back on that pickup truck, you say it was an error because if you look at the justification, I would think that, that one would be a safety consideration.

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. BAZ: The policy set forth by the Budget Office, the Managing Director's Office was to not proceed with any requests for non-specialized vehicles until the vehicle policy was completed and the inventory of vehicles that is currently in the County's assets be reviewed thoroughly. I understand that this justification for this specific truck looks like it's a valid justification, but there were many valid justifications for replacements that we also denied.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Cochran?

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COUNCILMEMBER COCHRAN: Thank you, Chair. I'm looking at in the Budget Details, Solid Waste Alternatives sort of area and just curious what that exactly means, and there's like over 3.2 million in contractual services there and other services, 102,000, so just wanting to know what that's for?

MR. GINOZA: The Solid Waste Alternatives Program is the Diversion Program or the Recycling Program which manages a number of grants, such as like Community Work Day. The big one is with EKO Compost. And so, you know, that is largely funded by a Interfund Transfer from our Wastewater Reclamation Division for the sludge...sewage sludge disposal. But there are a number of grants that the recycling section manages as part of the Diversion Program.

COUNCILMEMBER COCHRAN: So that 3.2 is for EKO?

MR. GINOZA: Part of it. I mean there's a number of other ones. You want to know all? Would you like to know all of them?

COUNCILMEMBER COCHRAN: No, I'm... 'cause I'm looking at 6317 which says County grant subsidies, which is 157,000, which is a completely different line.

MR. GINOZA: Yeah, that one is, there's a bunch of smaller grants that they manage such as like Community Work Day, they have... Mr. Miyamoto has the list and we can provide it.

COUNCILMEMBER COCHRAN: Okay. Yeah, I'm sure it's going to some good needed services, just was wondering what they were...

MR. GINOZA: It's Habitat for Humanity with the E-Cycling Program, the Habitat for Humanity Restore...

CHAIR PONTANILLA: Mr. Ginoza?

MR. GINOZA: Oh, sorry.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: Yeah.

CHAIR PONTANILLA: We're gonna have two days of grant reviews.

COUNCILMEMBER COCHRAN: Oh. Okay.

MR. GINOZA: Oh.

COUNCILMEMBER COCHRAN: And we can go into more detail then?

CHAIR PONTANILLA: Exactly.

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COUNCILMEMBER COCHRAN: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Mr. Carroll? Okay. Goals and Objectives. Mr. Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: None at this time.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: I just would hope that the number of DOH non-compliance would be zero as the goal. I mean...

MR. GINOZA: That was a good catch. Yeah, we hope to be zero as well.

VICE-CHAIR HOKAMA: And that's why, you know, part of what you request from us, you know, I mean --

MR. GINOZA: Yeah.

VICE-CHAIR HOKAMA: --if it makes it, we want to support you because any time we go citation and then deal with compliance orders, it's difficult for the County to exercise some flexibility in its approaches, so I would support your folks goal to make it zero. Thank you.

MR. GINOZA: Yeah and as, as with Mr. Mateo's earlier comments, we recognize the need to kinda refine these to better recognize, you know, where we're going with our programs.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. The renewable energy portion, goal two, one and you see a decrease, is that with the...what's going to take the place to offset the utilities right now?

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MR. GINOZA: Actually that one...I'm glad you brought it up, because it should really say, amount of annual electricity bill. It's not the amount of reduction in the annual electricity bill. The actual electricity bill for Central Maui Landfill is on the order of forty, forty-two thousand. And we will implement that, we're looking to implement that windmill system to defray some of that electricity cost.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: Having just said that, if our annual bill is 42,000, it's gonna go to 33,000 with all that investment in windmills, that's not a lot of money. I realize we have to do it, but you know, it doesn't seem like that much money to me, but that's neither here nor there. You don't need to worry about it, Director.

CHAIR PONTANILLA: Okay. Mr. Carroll? Okay. Members, Chair is gonna stop here. When we come back at 1:30, we go to Metals and Abandoned Vehicles, and then later on soon after we're done with Environmental Management, we'll go into Rates and Fees. Okay? The Budget and Finance Committee meeting is now in recess and we'll reconvene at 1:30. . . .(gavel). . .

RECESS: 11:25 a.m.

RECONVENE: 1:34 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Members, if you can turn to Page 6-69, Metals and Abandoned Vehicles. Mr. Ginoza?

MR. GINOZA: This program is to look at abandoned vehicles, which are vehicles left on the road in a public right-of-way, as well as our metals program, which includes the appliance processing, which are refrigerators, ovens, water heaters, washer and dryers and dishwashers, that type of stuff.

CHAIR PONTANILLA: Okay. This is Solid Waste and Revolving Funds, yeah. Mr. Mateo, you got questions on the key activity goals and measures for this area?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: I hope number...Mr. Ginoza, you know, your key goals lessen the number of...you know, goal number one, object number two, lessen the number of abandoned vehicles found on the roads on Maui island. I think you guys have done a pretty good job. I don't see them hanging around the roads. But what about other areas where you still see a lot

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thrown off to the side, HC&S...roads of that nature. You know, when you go Upcountry and out, you can see 'em. You know, they're not on the roads, but you know, so.

MR. GINOZA: We don't have jurisdiction over --

COUNCILMEMBER VICTORINO: I realize that --

MR. GINOZA: --private side.

COUNCILMEMBER VICTORINO: --but you assist the owners in that area in that respect? Because I get calls all the time from people that find abandoned vehicles on their property, even up here, Iao, you know. Do we assist them in that respect?

MR. GINOZA: I don't know how much, yeah, I mean, we cannot from the County side, but, you know, we can have, we have grants like for instance, through Community Work Day, which can better assist them than the County. So I believe we just try to help...

COUNCILMEMBER VICTORINO: So if they call the County for assistance, they then have to call some private company and pay for it?

MR. GINOZA: Because we don't have, it's not part of our jurisdiction to actually go onto private property to get that.

COUNCILMEMBER VICTORINO: Even if they called you and said, hey, you know, I got abandoned vehicle and all that kind of stuff?

MR. GINOZA: Yeah.

COUNCILMEMBER VICTORINO: Okay. That was the question the public's been asking, so I think that's important. Thank you.

CHAIR PONTANILLA: Thank you. And Mr. Victorino, when we do have or when we review the grants, maybe that's a good question to ask Community Work Day, because I understand that they go into private properties --

COUNCILMEMBER VICTORINO: Yeah, I understand, yeah.

CHAIR PONTANILLA: --you know, take the vehicles out of the property. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Ginoza, I got a couple...real quick, your success measurements adoption of Administrative Rules regarding Abandoned Vehicles, what are you doing now to operate the program? You're just doing it.

MR. GINOZA: Yeah, we don't have formalized Administrative Rules for the program. So we actually wanna codify it.

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COUNCILMEMBER COUCH: Okay. And then it says, lessen the number of abandoned vehicles found on the roads on Maui island and reduce the number of vehicle tows annually. How do you plan on doing that?

MR. GINOZA: That's a very good catch because that, that just kind of tells us, you know, what is out there, I mean, as far as we hope for it to go down and with more, you know, any kind of education to try to keep it down, but it's not something that we can actively really influence through our program. We're more of if it's there, then we'll come and get it versus, you know, try to do some education that...of course it's not legal to just dump your vehicle on the side of the road.

COUNCILMEMBER COUCH: Right. And lastly, you talk about a White Goods Program, et cetera on Lanai and Molokai, but you don't mention anything in any goals and objectives about white goods on Maui island?

MR. GINOZA: On Maui island?

COUNCILMEMBER COUCH: Yeah, is there a program?

MR. GINOZA: Yeah, we have a program where, you know, we get it through either residents bringing it in or like from our residential refuse collection, you know and that kinda things. And we take it to our contractor, Hammerhead Metals for processing. So if it's a white good that is non-Freon, so like not a --

COUNCILMEMBER COUCH: Right.

MR. GINOZA: --refrigerator, you know, we get paid a dollar or we pay \$18 for Freon-type appliances.

COUNCILMEMBER COUCH: And that's a contract?

MR. GINOZA: That's a contract.

COUNCILMEMBER COUCH: 'Cause it just doesn't show anything in your goals and objectives.

MR. GINOZA: Oh. Okay. Okay. Yeah.

COUNCILMEMBER COUCH: No more Great Appliance Days?

MR. GINOZA: We do those on, in the more remote areas.

COUNCILMEMBER COUCH: Oh. Okay.

MR. GINOZA: So like we do that in, we have these metals events like in Hana, Lanai and Molokai.

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COUNCILMEMBER COUCH: Okay. All right, thank you.

CHAIR PONTANILLA: Thank you. Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Sorry for my tardiness. Are we on goals and objectives measures --

CHAIR PONTANILLA: Yeah, on Page --

COUNCILMEMBER COCHRAN: --for metals --

CHAIR PONTANILLA: Six, dash sixty-nine.

COUNCILMEMBER COCHRAN: Got it, thank you. The towing of, is that outside private contracting, the towing part of these vehicles?

MR. GINOZA: That is correct. So we have a towing, we have contracts for the towing of these abandoned vehicles once we get it called in by the police. And so it's broken...it's for Maui island and it's broken up into towing for East Maui is on the order of, the County pays 400, around \$400 per tow and that contract is with Kitagawa's. And for everywhere else on the island, we have a different contract for towing of abandoned vehicles and that's with Maui Tow. And depending on where it's located on the island, it's somewhere on the order of between 70 and \$100 per tow. So, yeah, we do have the, that towing contract, contracts.

COUNCILMEMBER COCHRAN: And Kitagawa and then Maui Tow--

MR. GINOZA: Yes

COUNCILMEMBER COCHRAN: --is the company?

MR. GINOZA: Yes.

COUNCILMEMBER COCHRAN: So, 'cause I know Throckmorton is in West Maui, so I wasn't sure if you go with a rotation basis or whoever's closest to where the actual vehicle is so it's...

MR. GINOZA: No, we actually went out for bid for that to get that contract with the County for the various areas, and it just so happened that Kitagawa's won the East Maui and then, you know, for the different other areas, Maui Tow got the rest of 'em.

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: And so it may be that some...well, I don't see it being profitable to just tow it when it's on the side of the road, because what we get from Hammerhead for abandoned vehicles if nobody wants it at auction is \$25 per car, per vehicle, you know, just for the scrap metal. So I can't see somebody going around with their tow truck just towing random cars, you know, to just

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get \$25. But the reason why we utilize these vendors in particular is because it was a procurement --

COUNCILMEMBER COCHRAN: Bid.

MR. GINOZA: --that we got, we got them under contract.

COUNCILMEMBER COCHRAN: Okay. Thank you. Is that the same with accidents, you know, police-type...

MR. GINOZA: Oh, no that's...

COUNCILMEMBER COCHRAN: That's a whole different...

MR. GINOZA: Yeah, because that's...we don't get involved if it's not an abandoned vehicle.

COUNCILMEMBER COCHRAN: Got it.

MR. GINOZA: That's --

COUNCILMEMBER COCHRAN: Got it.

MR. GINOZA: --between the insurance company and the individuals and such.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Ah, yes, thank you, Chair. This is a subject that's very dear to my heart. I am just so happy that we don't see all these dead cars all over the place like we used to before. And you know, I realize that it was a big challenge and I realize that maybe this afternoon when I go home there may be one, but what is good is that it doesn't sit on the side of the road for a long time. It is so unsightly and ugly.

MR. GINOZA: Sure.

COUNCILMEMBER BAISA: So I really want to thank whoever has done this and, you know, cleaned this up a whole lot. And I really wish the public wouldn't do it again. My question is, every now and then I read...I mean, I read a lot, but in *The Bulletin*, they have a...I don't only read *The Bulletin*, there is a little ad that said, call us and we'll come and get your old car and give you money. What is that all about? Is this anything to do with us?

MR. GINOZA: It may be that...you know, we get, we as a County get \$25 per scrap vehicle that we aren't able to auction. You know, because we have auctions pretty much every month. But it

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may be that Hammerhead or some other processor would offer more for the scrap metal to say a private individual. So say you had a car you didn't want any more...

COUNCILMEMBER BAISA: A monument in your yard, yeah.

MR. GINOZA: Yeah. Maybe, you know, to the scrap metal contractor or vendor, it may be worth \$100, whatever, which might cover the tow price. So we're not involved in that at all, as far as, you know, a tow company going to a private residence, picking up the vehicle and taking it for processing.

COUNCILMEMBER BAISA: So that's a separate deal, but you'd think somebody might want money if they had an old car lying around, you know, if they called and said, well, we'll give you money to come and get it.

MR. GINOZA: Yeah, the market has changed --

COUNCILMEMBER BAISA: That sounds like a good deal.

MR. GINOZA: --quite a bit because the metals market, you know, we used to pay on the order of \$108 per car --

COUNCILMEMBER BAISA: Yeah.

MR. GINOZA: --to process and now they pay us \$25. So, you know, with that shift, it's helped in, you know, as well as our staff really working on getting it, the highways beautified, you know, it has helped in trying to alleviate the problem that we've had.

COUNCILMEMBER BAISA: Thank you very much. And these rules, are we even close to getting them done? I understand it's quite a process to get, to be able to come and get a car. The police get involved, they gotta find out whose car it is and...

MR. GINOZA: Yeah, I mean, we just, we have a process that we're just trying to refine and basically put it to paper, as well as to try to address if, you know, we want to try go after people --

COUNCILMEMBER BAISA: Who dump 'em.

MR. GINOZA: --who dump 'em. But, you know, oftentimes the ones we have on record, you know, was like the fourth previous owner and, you know, it's just kind of a cumbersome process that we, like...Mr. Miyamoto might be able to explain more when he was at Public Works and they tried it. You know, the amount of effort they put in and the amount of proceeds they got, really they had to think of a better system because, you know, the chain of custody really wasn't followed and, you know, to give somebody a big bill, well, it's their fault, but I don't know how we really navigate through that. So that's what we're trying to work out.

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COUNCILMEMBER BAISA: Well, it's a huge improvement and again, congratulations and thank you for cleaning up the streets. Thank you.

MR. GINOZA: Thank you. I'll let the staff know.

CHAIR PONTANILLA: Thank you. Member Carroll? Thank you. Mr. Hokama, you got any questions on the goals and objectives on 6-69?

VICE-CHAIR HOKAMA: No, Chairman. You know, during my review of the details, I got, actually I get only one question, which is on 66, instead of 69.

CHAIR PONTANILLA: Okay. Go.

VICE-CHAIR HOKAMA: Thank you, Chairman, for allowing me this one question back to...you know, gentlemen, and I just ask this because Council just supported you folks request to appropriate for Fiscal Year '12, 440,000, yeah, for the curbside recycling, which is in my, in round numbers, my understanding is 400,000 for the program and 40,000 for the bins?

MR. GINOZA: No.

VICE-CHAIR HOKAMA: No?

MR. GINOZA: It's the opposite way.

VICE-CHAIR HOKAMA: Okay. Thank you for the correction, gentlemen. And so I also find that it, you know, being presented to us in this Budget so, is this an opportunity for us to cut 440,000 from this current consideration, because we just appropriated that 440,000 to amend the Fiscal Year '12 or are you asking me for 880,000 within this short timeframe for the balance of '12 and for also, '13? Because I was looking at, that we could potentially save, you know, 440,000.

MR. GINOZA: We actually, in anticipation of hopefully getting the budget amendment, did not include the bin cost as part of the, you know, which was on the order of \$320,000 for the curbside recycling program.

VICE-CHAIR HOKAMA: Okay. And the only reason I ask was because my understanding and, you know, Chairman can correct me, but you know, you asked for a transfer, yeah, for this 440,000, right? We did a transfer?

MR. BAZ: No, Mr. Chair, that was a Carryover/Savings we had from the Solid Waste.

VICE-CHAIR HOKAMA: Okay, but isn't this one...or is this one, wait...anyway, I went through my details fast. But the reason why I'm asking is that, because you showing that, about one three million savings, right, in your fund?

MR. BAZ: In the Solid Waste Fund?

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VICE-CHAIR HOKAMA: Yes.

MR. BAZ: I have to look at that.

VICE-CHAIR HOKAMA: And that's why I'm just trying to get a sense of how we want to pay for things, because in my understanding of where your balance is and how you asking us for shift money, I'm just trying to get a good grip on this, gentlemen, so I can make the best operational...best financial decision to allow the operation to be as successful as possible. And again, because we do Interfund Transfers, I'm just trying to get a sense, because again, you still showing, what I understand, as a reasonable, sizeable surplus or Carryover in one of your funds and that's the purpose of my question, Chairman. So we can maybe get some clarity from Mr. Baz and Mr. Ginoza, please.

CHAIR PONTANILLA: Mr. Baz, first and then, Mr. Ginoza?

MR. BAZ: Thank you, Mr. Chair. The Carryover/Savings for the Solid Waste Fund we are recognizing as revenue, the net Carryover/Savings Fiscal Year '13 is \$3,786,000. The unrestricted fund balance in the CAFR was 6½ million minus the \$440,000 that we recognized for the curbside recycling pilot program minus the \$2.4 million that was the Carryover/Savings recognized for 2012, leaves a balance of, again, 3.70.

VICE-CHAIR HOKAMA: Right, right. So you gotta get at least \$3 million?

MR. BAZ: Correct, yeah. So, we've recognized that as revenue for the Solid Waste Fund, and therefore, the Interfund Transfer, that supplemental transfer --

VICE-CHAIR HOKAMA: Right.

MR. BAZ: --from the General Fund to the Solid Waste Fund --

VICE-CHAIR HOKAMA: Yes.

MR. BAZ: --is reduced this year. I can look that up, too. I think it's, was reduced by \$1.6 million or something like that.

VICE-CHAIR HOKAMA: Yeah. And I was just trying to see because you showing this number, yeah?

MR. BAZ: Right.

VICE-CHAIR HOKAMA: But we just did one Interfund Transfer, so --

MR. BAZ: Well, the --

VICE-CHAIR HOKAMA: --just trying to understand it, gentlemen.

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MR. BAZ: --the budget amendment was a recognition of Carryover/Savings. It wasn't an Interfund Transfer. The Interfund Transfer will happen with the annual Budget and so that shows up as a supplemental transfer.

VICE-CHAIR HOKAMA: Okay.

MR. BAZ: For Fiscal Year '12, as you mentioned, the --

VICE-CHAIR HOKAMA: That 440,000.

MR. BAZ: --that project was \$440,000.

VICE-CHAIR HOKAMA: Okay.

MR. BAZ: For Fiscal Year '13, we assumed that they would not need to buy new bins, but left in the advertisement and the contractual services. Now because of the lateness of the curbside amendment passing, they may not need those additional revenues, those additional funds for 2013, and maybe if you'd like to take that out, you can probably take that out. I mean, I'd have to -- the Department to confirm, but if they would be sufficient in their current -- with that \$440,000 amendment to cover the whole of Fiscal Year '13.

VICE-CHAIR HOKAMA: Okay. Stop reading my...gentlemen, I would appreciate it if you would please, because sitting in community district meetings, we hear a large amount of requests. And again, I'm just looking at opportunities or options of how we may consider some of these requests from the community, and so, you know, please appreciate my question to you because I was thinking there was an opportunity for us to save some funding in this component so we could, maybe, consider other community needs, gentlemen. So I would appreciate that effort. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Just one question in regards to the recycling program, you know, on Page 6-66, contractual services, \$50,000, so that is no longer required --

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: --since you got that 40,000...440,000...40 for contractual service, 400 for the bins?

MR. BAZ: Yeah. Mr. Chair, I'd like to have the Director explain what he just explained to me regarding the procurement of the \$50,000 in contractual services.

CHAIR PONTANILLA: Sure.

MR. GINOZA: So basically, the 440 that we had asked for, the bulk of it which was 320,000 because we expected it to be \$80 a bin, times 2,000 homes, times two per bin and then the balance was

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for advertising and contractual services. The contractual services is the processing of the mixed recyclables we get. And, you know, we had hoped to get the \$440,000 amendment so that we could at least buy the carts. The reason why we had left in these 35 and 50 thousand was we wasn't, we weren't sure if we'd be able to execute the contracts in time this Fiscal Year and we didn't think that utilizing Fiscal '12 monies for Fiscal '13 operations were, was really what the accounting folks wanted. And so what we anticipate is probably we'll spend the 320 to buy the bins...I mean, we've already, you know, started communications with that, that we want to go forward. But it's kinda premature at this time since the program won't start until the fall of the year to contract for the processing and such. And so that's why...it's a little bit of double counting that I think you're kind of catching.

CHAIR PONTANILLA: Yeah.

MR. GINOZA: But it's only on that side of it, not on the bins. And we won't double count it. As I sit here talking to you today, if you see it double counted and used next year, you can blast me all you want.

VICE-CHAIR HOKAMA: Mr. Ginoza, we'd like to...that's why we doing this discussion --

MR. GINOZA: Yeah, I understand.

VICE-CHAIR HOKAMA: --we want to eliminate that opportunity completely, yeah. And again, you know, I appreciate your understanding that I, you know, part of my thought was that we double counting it, yeah?

MR. GINOZA: Yes, yes.

VICE-CHAIR HOKAMA: And so, that's why I, you know I thank the Chair for allowing me to ask you this, because I was trying to get it straight in my brain since I know we just did this approval --

MR. GINOZA: Sure.

VICE-CHAIR HOKAMA: --with the amended current year's Budget and again, seeing what was being requested of us, I just wanted to be sure. Because like I said, if there was a double counting in error, I'm sure we all have other considerations where we might, would like to put those type of resources. So, you know, I appreciate your response and allowing, having the Chairman allow this discussion. Thank you, Chairman.

MR. GINOZA: Thank you.

MR. BAZ: Mr. Chair, I'm sorry --

CHAIR PONTANILLA: Sure.

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MR. BAZ: --if I might just clarify the supplemental transfer to the Solid Waste Fund this year is \$17,000 over 6 million and that is \$2.9 million less than the previous years...the Fiscal Year '12 supplemental transfer, so we did reduce the supplemental transfer significantly but --

VICE-CHAIR HOKAMA: Thank you.

MR. BAZ: --there is still \$6 million there, so I understand your question and your comments.

VICE-CHAIR HOKAMA: Thank you very much, gentlemen.

CHAIR PONTANILLA: Thank you. Thank you, Mr. Hokama. I was gonna ask you almost the same question in regards to the last, maybe, three or four years, as far as the Carryover/Savings for Solid Waste, what was the average and reduced by that much. So thank you for that information. You know, coming back to the bins, last year you guys told us that on the curb bin, it would cost \$80. So the price has gone up to a hundred?

MR. GINOZA: No, it's because it's three different bins, so the black one that everybody has and then the green and the blue. So \$80 per bin, so each residence gonna have two bins, that's 160, times it, roughly 2,000 homes, so that's how we get the --

CHAIR PONTANILLA: Okay, that's how we get 320.

MR. GINOZA: --320,000. So it's the same price as far as what we had budgeted and what we anticipate.

CHAIR PONTANILLA: Okay. Fine. Thank you. Mr. Couch, you got questions?

COUNCILMEMBER COUCH: No, I already did.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Oh. Okay. No further questions, yeah? Okay. Good. Next Page 6-71. Mr. Ginoza?

MR. GINOZA: There's minimal, I mean, 1 percent change in the total program from the Solid Waste Fund for the Abandoned Vehicle Program and it's largely reflected in...what we did was personnel-wise, we wanted to have one individual handle the White Goods Program and one individual handle the Abandoned Vehicles Program, and that necessitated the change that we were...and that's what caused the change that is reflected in the Budget.

CHAIR PONTANILLA: Mr. Mateo? Questions?

COUNCILMEMBER MATEO: No.

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CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, just quickly, if maybe Mr. Ginoza can give some comment. And again, thank you for your Department's efforts on Lanai, you know. The community appreciates the White Goods as well as this Abandoned Vehicle Program. And so, you know, for Lanai because of the critical mass component, is that still gonna be run maybe still jointly or because again, you know, for us to be able to have either a large load that makes sense for shipment for processing or whether we bring a baler in and you know compacter on the island, I just wanted to ask how you, since you gonna have these two different people doing it, does anything change operational for a district like Lanai, please?

CHAIR PONTANILLA: Mr. Ginoza?

MR. GINOZA: Basically, for the metal side of it we, because of the low critical mass, not having the critical mass of Maui --

VICE-CHAIR HOKAMA: Yes.

MR. GINOZA: --we don't have a facility open all the time.

VICE-CHAIR HOKAMA: Right.

MR. GINOZA: So, you know, we have two to three events per year and it lasts like four days, you know, little bit before the weekend, through the weekend, and that's for the metals program. Abandoned vehicles, we pretty much know of, you know, on the order of probably little under two dozen abandoned vehicles on Lanai, and we don't have processing capability on Lanai, nor really a, an established program. And so right now, Lanai Company has a processing facility and they handle a lot of the vehicles that they have on their lands, and frankly the vehicles that do appear on the roadways disappear and I think Lanai Company handles it. And so we are looking into what it would take to establish something there, but because we don't have processing capability --

VICE-CHAIR HOKAMA: Right.

MR. GINOZA: --you know, we'd likely probably get like some kind of--what is it called?--flat racks for shipments to Oahu. So maybe five to eight vehicles can fit on a flat rack. You know, we

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wouldn't be baling it to the point that we'd process there. But that's something that as we move forward with the program, that is kind of the next phase as to...you know, Molokai, we have a program.

VICE-CHAIR HOKAMA: Right.

MR. GINOZA: Maui, we have a program. And now that's the target, so I don't have a, an answer right now of what date we'll get something going or where we're at.

VICE-CHAIR HOKAMA: Well we appreciate that it's the Department efforts, too. And again, I notice part of your goals was, you know, at least twice a year on Lanai and that has helped tremendously. So I appreciate the efforts and again, I asked the questions because, you know, for me to help you to help the island, you know, I need to know your needs and resource requirements so, you know, when appropriate, I can ask my colleagues for their consider and support because it makes sense, because this is for an island. Yes, we're a small community, but it's an island program so, you know, I appreciate your support and comment in this area. Thank you.

MR. GINOZA: Thank you.

CHAIR PONTANILLA: Thank you. Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

CHAIR PONTANILLA: Really? Ms. Baisa? Mr. Carroll? None. Okay. The B Account. Mr. Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No, not at this time.

VICE-CHAIR HOKAMA: Pass.

COUNCILMEMBER COCHRAN: Nothing, Chair.

CHAIR PONTANILLA: Okay. Mr. Carroll, any questions? No?

COUNCILMEMBER CARROLL: No.

CHAIR PONTANILLA: Thank you. Let's see, the three positions are all filled, right?

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MR. GINOZA: Yes. And if you'll, you will notice in this that two are from the Solid Waste Fund and --

CHAIR PONTANILLA: Yeah. And then --

MR. GINOZA: -- one is from the Revolving Fund.

CHAIR PONTANILLA: Right. Okay. We go to the next page which is that one person on the...oh, goals and objectives. Mr. Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White? Mr. Victorino?

COUNCILMEMBER VICTORINO: None.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

CHAIR PONTANILLA: Member Baisa? Mr. Carroll? No. Okay. 6-73, Metals and Abandoned Vehicles Program. There's one E/P in that area. Mr. Ginoza?

MR. GINOZA: Yeah. This is what I just explained that one E/P comes from the Revolving Fund from the Highway Beautification and that person handles the, that's the specialist that handles the Abandoned Vehicles Program.

CHAIR PONTANILLA: Okay. Members, you guys got questions on any of these here, A, B, C Account? Mr. Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White? Mr. Victorino?

COUNCILMEMBER VICTORINO: None.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: This is just a change in SR range or a step when you talk about DE-0065 from SR14? So the adjustment is to a different SR range or step level?

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MR. GINOZA: It's a different SR because it was a, oh, what was it called, it was abandoned vehicle...it was a different title, and so we made it equivalent positions with the white goods coordinator. So we basically have a abandoned vehicles and metals coordinator, who's a Recycling Specialist IV and then two recycling program assistants who handles...and that's the level that handles the program of both the white goods program and metals and then the abandoned vehicles. So it's equivalent positions now.

VICE-CHAIR HOKAMA: Okay. Thank you for that explanation. Thank you.

CHAIR PONTANILLA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: No.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing, Chair.

CHAIR PONTANILLA: Ms. Baisa? Mr. Carroll? Okay. That's good. We go to Grant Revenue, 7-6. There's three areas, Glass Recovery Program, 125,000; Recycling Program - Landfill Diversion, 500,000; and Used Motor Oil Collection Program, 65,000. Mr. Ginoza?

MR. GINOZA: The Glass Recovery Program is part of the advance deposit...what? Oh, it's our advance disposal fee, which is assessed for, to the distributors for bringing in glass that aren't HI-5 or redemption glass. And so that's monies that we get from the State, you know, there's a pool of money that they portion out to the different counties. And so, you know, we just have been getting declining revenue from that. The Lahaina 2 is for...that one was for Wastewater, but we didn't get that. Even the one that says, Solid Waste Grants, Lahaina waste...I don't know why it says wastewater...oh, okay. The Used Motor Oil one is something that we try to get from the State, as well. And it's basically we get a \$1 per gallon for that. What else?

CHAIR PONTANILLA: That's it? Chairman Mateo, any questions?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: Just a question on the private donations. We had put down 650,000 for this Fiscal Year. What happened with that money? Who was that coming from and how did it fall through?

MR. GINOZA: Basically, the...to give you just a little bit of perspective of where Lahaina 2 is, Lahaina 2 is where Kekaa Drive at Kaanapali Resort, you know, there's a, on the mauka side there's our Lahaina 2 Pump Station. And so the West Maui Taxpayers' Association had approached us that they wanted to see what could be done to try to reduce any kind of nuisance odors or anything that could be done to try to alleviate the impacts of the Lahaina 2 Pump Station. And so they had

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mentioned to us that they were gonna try to secure private donations from the various properties of the Kaanapali Resort to give to the County to try to advance a program on odor control for Lahaina 2. But over the last, in my, in this capacity over the last year-and-a-quarter, you know, when we've had discussions with them, they said that they don't have anything to donate to us. And we...but in response to what kind of complaints we've gotten, we do have a design project as part of our CIP for wastewater, to address the wastewater pump station No. 2 renovation. Basically, it's an odor station, which is what we call a canned pump station that we want to basically change into submersible pumps and have a more updated odor control system that should curb much of the odors that emanate from Lahaina 2. So we had that as a placeholder because it was their...what West Maui Taxpayers' Association's intention of trying to pool together money in order to help us advance that project. So they have notified us that it's non-existent, so that's why we zeroed it out.

COUNCILMEMBER WHITE: Yeah, we're right across the street and I've never smelled anything from there.

MR. GINOZA: Yeah., some...

COUNCILMEMBER WHITE: I must not be in the wind line. Okay. Thank you.

MR. GINOZA: Okay. Thank you.

CHAIR PONTANILLA: Lucky you. Mr. Victorino?

COUNCILMEMBER VICTORINO: I have. I worked at the Westin and Kaanapali Alii, yes, we have. Excuse me, Mr. -- I guess Mr. White doesn't work like in the late evenings when the wind shifts from the mountain, but that's another story and another conversation. Nothing at this time. Thank you.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Just if I can ask, Director, a question regarding the Recycling Program - Landfill Diversion, please.

MR. GINOZA: Oh, sorry. I skipped that one. Basically we applied for diversion grants at the State level, which may help to aid in our operation of various recycling programs. So we applied for, for instance, trying to get HI-5 bins more pervasively around the County, as well as operational funds for the Lanai Recycle Center.

VICE-CHAIR HOKAMA: Right.

MR. GINOZA: So it's something that we don't know if we're gonna get yet, but we wanted to recognize it here.

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VICE-CHAIR HOKAMA: What component of the State that, would you need to work with on this, is it a Health Department area, a DLNR area?

MR. GINOZA: I believe it's Health Department, I'm...I believe it's State DOH, but I don't know which branch.

VICE-CHAIR HOKAMA: Yeah, gentlemen, if you could, you know, maybe help me so that I can support your efforts...

MR. GINOZA: Yeah, I can provide that information. I just don't know offhand which branch of...

VICE-CHAIR HOKAMA: And so, and again, I know you folks did your due diligence so this \$500,000 estimate that you folks are hopefully to, are hoping to be successful to receive, is that something you feel pretty good at this time? So that when people like myself or Mr. Mateo, whoever goes down to the Legislature, as part of our lobbying and efforts to ensure that the County, you know, is in decent shape legislatively at the State level, that we could also maybe support your efforts in this type of component. So if you could, you know, maybe get us some additional --

MR. GINOZA: Sure.

VICE-CHAIR HOKAMA: --information so I can...I would love to support your efforts in this area because I know Lanai would be one of the beneficiaries. And this 500,000 is a good number that we're going after, right, gentlemen?

MR. GINOZA: Yeah, off the top of my head, I couldn't provide you a level of confidence of, you know, how confident I am that we'd get --

VICE-CHAIR HOKAMA: Right.

MR. GINOZA: --500,000, but I can go back and see, you know, where, you know, how competitive the grants are versus and the likelihood of actually receiving the funding. But I just don't know on the top of my head --

VICE-CHAIR HOKAMA: Okay.

MR. GINOZA: --how competitive they are.

VICE-CHAIR HOKAMA: If you could get that, whatever information you can share with me, I would appreciate --

MR. GINOZA: Okay.

VICE-CHAIR HOKAMA: --it, gentlemen.

MR. GINOZA: We will do. Thank you.

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CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Ginoza, the odor control, maybe not necessarily at pump two, but just in general, are those EPA Consent Decree stuff or...

MR. GINOZA: No.

COUNCILMEMBER COUCH: Not even the one at the main plant?

MR. GINOZA: No, I mean, it's not, I mean, basically, I think the EPA realizes that wastewater pumps and wastewater facilities may have some odors emanating from it, and it's more a matter of we try to, you know, basically work with the community where we're more of a nuisance to other...than others, you know. But it's not something that we're pursuing because the EPA is coming down on us as far as nuisance odors. I don't recall ever seeing one that, because of nuisance odors, the EPA came down with a Consent Decree. I don't know though.

COUNCILMEMBER COUCH: Okay.

MR. GINOZA: But it's not something that's come up from their...you know, they regularly site, do site visits and audit us, but it's not come up that the odors emanating from our facilities are extraordinarily bad as compared to other wastewater reclamation facilities.

COUNCILMEMBER COUCH: Okay. Because I'm not willing to fund some odor control that, from places that built downwind of the plant. But that's the other Budget, so.

MR. GINOZA: Well, Lahaina 2, we're doing just as part of...there's an --

COUNCILMEMBER COUCH: Yeah.

MR. GINOZA: --existing odor control unit.

COUNCILMEMBER COUCH: Yeah.

MR. GINOZA: --as part --

COUNCILMEMBER COUCH: No, it's not --

MR. GINOZA: --of it and we just deal...

COUNCILMEMBER COUCH: --the other one.

MR. GINOZA: Oh. Okay.

COUNCILMEMBER COUCH: Yeah. Thanks.

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CHAIR PONTANILLA: Done? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Yeah, kinda curious about the private donation thing 'cause I thought that was in relation to the upgrade of the, you know, the UV channels and what have you, across from Honua Kai? So I wasn't aware...so I'm getting a little confused and the odor control as, Mr. Couch was saying, that \$10 million project, building a building around the building, so I believe the pump station you're describing is on the corner of Kaanapali Parkway and Halelo? Not Kekaa, is that correct?

MR. GINOZA: Oh, yeah, what -- where is Kekaa?

COUNCILMEMBER COCHRAN: 'Cause I'm trying to picture what's across Kekaa?

MR. GINOZA: It's basically where, used to be Luigi's --

COUNCILMEMBER COCHRAN: Right and so that would be Halelo, Kaanapali --

MR. GINOZA: And it's like oh, Tia Juana's -- it's basically diagonally --

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: --mauka.

COUNCILMEMBER COCHRAN: Yeah.

MR. GINOZA: Is that not Kekaa?

COUNCILMEMBER COCHRAN: No.

MR. GINOZA: I apologize.

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: Yeah, I meant, that whatever, Kaanapali Parkway, just mauka of that.

COUNCILMEMBER COCHRAN: Right. Yes.

MR. GINOZA: And that was what the 650,000 private donation we're hoping for.

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: But the one you're talking about with Honua Kai is a separate line item in the Budget.

COUNCILMEMBER COCHRAN: Oh. Okay.

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MR. GINOZA: It's private donation \$5 million.

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: So that's, that's...does, has nothing to do --

COUNCILMEMBER COCHRAN: Separate.

MR. GINOZA: -- with this private donation --

COUNCILMEMBER COCHRAN: Got it.

MR. GINOZA: --that's correct.

COUNCILMEMBER COCHRAN: And I think that's why Mr. White was confused.

MR. GINOZA: Oh. Okay. Yeah. My apologies.

COUNCILMEMBER COCHRAN: Kekaa pump, yeah, so. Okay. All right. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR PONTANILLA: Mr. Carroll?

COUNCILMEMBER CARROLL: No.

CHAIR PONTANILLA: Okay. You know, that's all we had for Solid Waste...yeah, Solid Waste Operations.

COUNCILMEMBER MATEO: Mr. Chairman?

CHAIR PONTANILLA: Yes, Mr. Mateo?

COUNCILMEMBER MATEO: Prior to leaving Solid Waste, I'd like to ask the Director to follow up on that particular position on Molokai's Landfill, the dozer operator, because this Council eliminated that position in Fiscal Year '11. Fiscal Year '12, it again appeared in the Department's listing and it was approved, that particular position was approved by Council, and it did come with a footnote that indicated that the working supervisor's position would be the Dozer Operator II due to a reorganization at the time. And those positions in FY '12, is funded and in the current '13 Budget, it looks as if it is funded again and that supervisor's position appears again. So I think we need to take a look and get --

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MR. GINOZA: Okay.

COUNCILMEMBER MATEO: --clarification on that position.

MR. GINOZA: Okay. Maybe I got it mixed up. So I will research it and I will get back to you.

COUNCILMEMBER MATEO: Thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Oh. Okay. Thank you. Any more questions, Solid Waste? If you have any, then put it in writing and we'll try get a response from the Department. Members, you know, the next item is the Rates and Fees. But at this time, you know, right now the Solid Waste or Waste Management area does not have any proposed increases for their rates or fees. You folks have any questions in regards to rates and fees for either Solid Waste or Waste Management? Mr. Mateo? Mr. White? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, not at this time.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, you know, I think in an early component of this morning's review, I shed some thought about what I would like and hopefully have the Department continue to move forward in their anticipation of, you know, how we're going to take care of the needs, financial needs of the Department in both, Solid Waste and Wastewater. So again, gentlemen, you know, happy to support the need to provide the resources so we can come up with a good financial plan that, you know, is more true to our taxpayers and rate payers, as well as again, balancing the cash to debt ratio, which is of a, already our concern when we go before bond agencies. Chairman, thank you.

CHAIR PONTANILLA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Just a general question if this Department could ever be like Water where it's self kind of funding and pays for itself in a sense?

CHAIR PONTANILLA: Mr. Ginoza?

MR. GINOZA: The Wastewater side is, is like Water. The challenge, like I mentioned earlier as far as getting solid waste, the Solid Waste side of the house self-funded through user fees is the challenge of...whereas Water and Wastewater, you have no alternative to paying into the system in order to get that resource. With Solid Waste, the challenge is if you don't want to pay for solid waste, there are some other alternatives that we would not like to see happen. And so that's where I would appreciate a discussion in your Committee, you know, after Budget to really kind of flesh out, you know, amongst all of us, which direction. You know, we can provide options, but I really hesitated in firming things up, because I don't wanna engage somebody to, like a consultant or whoever, to get something and that's not what we wanted in the first place and it just sit on the shelf. So I'd rather have that initial discussion rather early after Budget and we

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can at least get a semblance of a direction to kind of flesh out and then, you know, before the end of the year, come out with something that we can then see do we want to increase user fees, do we want to put it in as a line item in real property tax, you know, how we really want to address it. But like I said, we've done some preliminary analysis and I just don't want to proceed into detailed analysis without having better direction from this body.

COUNCILMEMBER COCHRAN: Okay. Sounds good. I'm open to that. Thank you.

MR. GINOZA: Thank you.

CHAIR PONTANILLA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, it was covered. Thank you.

CHAIR PONTANILLA: Mr. Carroll? Any questions? Thank you. I want to thank Mr. Ginoza and Mr. Miyamoto for being here.

MR. GINOZA: You're welcome.

CHAIR PONTANILLA: You know, I'm glad we had that prior meeting in Ms. Cochran's Committee. You know, we should have that for all of the departments. It made it much, much easier. And I like the response from you, Director, straight to the point, and good job.

MR. GINOZA: Thank you. You're welcome.

CHAIR PONTANILLA: Thank you, again. Members, we're going to go into Rates and Fees at this time. But before we do that, we're gonna take a five minute recess. . . .(gavel). . .

RECESS: 2:20 p.m.

RECONVENE: 2:30 p.m.

APPENDIX B, RATES AND FEES

VICE-CHAIR HOKAMA: . . .(gavel). . . The Budget and Finance Committee meeting shall return to order. Thank you very much, Members. Chairman Pontanilla has a requirement to, from this meeting for short period of time, so as your Vice-Chairman, I shall continue the business of this Committee on behalf of him. I would like to please direct you, Members, under the Rates and Fees component of the Fiscal Year '13 Budget to Appendix B. And I'd like to first direct you to the Parks area of Rates and Fee, which is on Page 2. If you are using the Ramseyer format presented, that these areas are under the color blue and it's under the account 3288, Permits: Aquatic Life Operations. You will see that they are proposing a fee consideration as authorized by Chapter 5.26 of the Maui County Code. Mr. Baz or Mr. Matsui, if you can go through the fee proposals of A, B and C, please.

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MR. BAZ: Thank you, Mr. Chair. This Chapter 5.26 is a new law that Council passed recently regarding Aquatic Life Operations. The fees will be collected by the Department of Finance, but the enforcement will happen through the Parks Department. This, these are the fees that were submitted to the Budget and Finance Committee as an amendment, that is an item still in the Budget and Finance Committee under review, and we, the Budget Office just put in those items for your review for this upcoming Fiscal Year as well.

VICE-CHAIR HOKAMA: Thank you. Mr. Matsui, do you have any comments regarding the three fee considerations before the Committee this afternoon?

MR. MATSUI: No, I have no comments.

VICE-CHAIR HOKAMA: Okay. Members, let's start with the first fee proposal under A, Initial or Renewal Application Fee. The proposal is as I understand it, \$640. I will start with the subject matter Chairman, Mr. White.

COUNCILMEMBER WHITE: If you could just give us a sense of what the rationale is for 640 as opposed to 400 or 800?

VICE-CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. The Department of Finance created those, that fee structure, the Department of Motor Vehicle and Licensing, which does this type of licenses. And from my recollection of...it's Item BF-50 in the Budget and Finance Committee, but from my recollection of review of that, which may be foggy, it was related to the actual cost of the staff to handle the paperwork involved and then the, an attempt to recover some of the enforcement costs.

COUNCILMEMBER WHITE: Do you know how many operators there are?

MR. BAZ: No.

COUNCILMEMBER WHITE: I don't either.

MR. BAZ: Mr. Chair, I don't --

VICE-CHAIR HOKAMA: Mr. Baz.

MR. BAZ: --believe there's any at this point that are licensed because this has not been enacted yet.

COUNCILMEMBER WHITE: Thank you, Chair.

VICE-CHAIR HOKAMA: Okay. Thank you. Mr. Mateo?

COUNCILMEMBER MATEO: No.

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VICE-CHAIR HOKAMA: Mr. Carroll...questions, Mr. Carroll, for the Department on proposal A of the initial or renewal fee?

COUNCILMEMBER CARROLL: No, nothing, Chair. Thank you.

VICE-CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Chair, it's really hard to make decisions on these kind of numbers 'cause we really don't have --

VICE-CHAIR HOKAMA: Right.

COUNCILMEMBER BAISA: --you know, a rational nexus, which I understand is the requirement. Also, we don't know how many. So if you compare the how many with the cost, it's difficult. So I really don't have an opinion.

VICE-CHAIR HOKAMA: Okay. Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Did we look elsewhere in the State that does this to judge what type of numbers they're utilizing?

VICE-CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Mr. Chair, Member Cochran, I'm not aware that the Department of Finance did or not, but we can. Maybe if there's questions regarding this development, if they're not addressed in Item BF-50 in the Budget and Finance Committee, we can put those in writing to the Department of Finance.

COUNCILMEMBER COCHRAN: Yes, please. Personally, I'm not in favor of this type of licensings at all, so I'd like to add a zero to that, but anyways, move on. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you, Ms. Cochran. Mr. Couch?

COUNCILMEMBER COUCH: No.

VICE-CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: A starting point, Mr. Chair. Thank you.

VICE-CHAIR HOKAMA: Again, I understand Ms. Baisa's comment and again, Members, it's hard when especially when you start a brand new activity or program regarding fees. We'll definitely get comment if this moves forward and then we can make appropriate adjustments with a, an amendment or next Budget cycle. But so that the Committee is fully, know who's before them this afternoon, Mr. Matsui, if you would also introduce the person that may assisting you this afternoon?

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MR. MATSUI: Yes, thank you. I have with me, Lisa Almeida. She's the Special Services Coordinator and she's here to assist us if you have any questions on the permit fees for our parks facilities.

VICE-CHAIR HOKAMA: Okay. Committee, so again, we have additional resource if need be for your requirements of questions and responses. Let us look at proposal B, Replacement of lost, stolen or mutilated Permit, \$15 proposal. Mr. Baz or Mr. Matsui?

MR. MATSUI: No comment. I would guess it's what they believe is the cost to replace the permit.

VICE-CHAIR HOKAMA: Okay. Is this something that is a practice in other divisions or departments regarding replacement of those type of permits?

MR. MATSUI: I believe at the golf course, for a replacement card, there's...I not sure what the fee is, it was like \$10 or so.

VICE-CHAIR HOKAMA: Okay. So it was based on some existing method of how the County is viewing replacement of such permits or cards? Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. In, I was able to pull up the transmittal of the proposed ordinance item that's currently in the Budget...the Budget and Finance Committee, was dated November 10, 2011, from myself forwarding items from the Corporation Counsel and Department of Finance, and there is a breakdown of the proposed fee calculation. They looked at the quantity of or hours required and the rate structure for things like service rep review, secretary review and processing, review for completeness, database input application data, telephone contact by the applicant, letter and memo compilation and generation, the time to prepare copies for enforcement's review, initial review of enforcement department's comments, preparer, approval/denial letter, database input, license data, prepare license, compile a 180-day report, compile 360-day report, annual summary, file and record maintenance or other correspondence and reminders. Also for the Administrative Review staff support, they have items in here, Mr. Chair, regarding Police review and processing, the Park's Director review and processing, as well as, not quite sure why, but the Housing Department's review and processing of .10 hours. So they're looking at a total labor cost of \$362.28 for the initial application and with Fringe, totaling, the grand total labor costs on one application at \$597.76; and then additional to that is 17 copies to the Police Department, the Parks Department and the Housing Department each and two copies to the licensee, which brings a total, grand total cost of the application of \$640.51; and so that's, Mr. Chair, information regarding the actual cost of developing this and where they came up with the \$640.

VICE-CHAIR HOKAMA: Okay. Thank you for that. It sounds like a very thorough review of cost of the County's requirements to process and approve a application of this nature. So we thank you for that response, Mr. Baz. Any questions on what Mr. Baz has just shared, Members? Mr. White?

COUNCILMEMBER WHITE: No.

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VICE-CHAIR HOKAMA: Mr. Mateo?

COUNCILMEMBER MATEO: Yeah. Perhaps if the, Mr., Director can tell us how housing is involved with the aquatics process?

VICE-CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. Mr. Matsui just whispered in my ear, it's animal control. Housing, Department of Housing and Human Concerns includes animal management, so that's where that's from. Thank you.

VICE-CHAIR HOKAMA: Anything else, Mr. Mateo?

COUNCILMEMBER MATEO: No.

VICE-CHAIR HOKAMA: Thank you. Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: Chair, the only thing I could find that makes me a little happy with the \$640 is on Page 51, where you have the CORA permits, the application is 100 and the fee is 500, so you put it together, you got 600. It's kinda close. I think I can live with that.

VICE-CHAIR HOKAMA: Okay. Thank you.

COUNCILMEMBER BAISA: I was looking for something comparable.

VICE-CHAIR HOKAMA: Right, right.

COUNCILMEMBER BAISA: Yeah.

VICE-CHAIR HOKAMA: Thank you for that, Ms. Baisa.

COUNCILMEMBER BAISA: Thank you.

VICE-CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

VICE-CHAIR HOKAMA: Thank you. Mr. Couch? Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR HOKAMA: Okay. Thank you. So regarding the next two components of this proposal, Aquatic Life Operation, regarding the Replacement of lost, stolen or mutilated permit at 15 or

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see each additional certified copy of permit at 15, those basis are again on something that we currently practice with other similar type of permit or cards, Mr. Baz?

MR. BAZ: Mr. Chair, it looks like it from the Department of Finance's proposal, so yes.

VICE-CHAIR HOKAMA: Okay. Thank you. Mr. Matsui, any comments you wish to share with the Committee?

MR. MATSUI: No comment.

VICE-CHAIR HOKAMA: Okay. Mr. White, questions?

COUNCILMEMBER WHITE: No.

VICE-CHAIR HOKAMA: Mr. Mateo?

COUNCILMEMBER MATEO: No.

VICE-CHAIR HOKAMA: Mr. Carroll?

COUNCILMEMBER CARROLL: No.

VICE-CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No. Right below it shows similar fees for taxicab permits that are lost or whatever--

VICE-CHAIR HOKAMA: Right.

COUNCILMEMBER BAISA: --so it sounds like it's comparable.

VICE-CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, no.

VICE-CHAIR HOKAMA: Mr. Couch? Mr. Victorino?

COUNCILMEMBER VICTORINO: None at this time.

VICE-CHAIR HOKAMA: Okay. Thank you very much. Members, if I can then direct you to Page 24 of the Rates and Fee proposal. Members, this is under the topic of the Maui Invitational Basketball Tournament, that we currently have a item still in Committee, a proposed license agreement with KemperLesnik Communications that would expire on December 31, 2020. Mr. Baz, any comments at this time?

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MR. BAZ: Thank you, Mr. Chair. Just in anticipation of Council's approval of that agreement, we put this in to reflect the name change and the change of the expiration date, Mr. Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Matsui, any comments for the Committee at this time?

MR. MATSUI: No comment.

VICE-CHAIR HOKAMA: The Chair will share with the Committee that the Mayor has been very open in allowing me to work with two of his executive assistants. We are currently in on-going discussions with KemperLesnik and I can say that KemperLesnik has already contacted their Chief Executive Officer to consider opportunities as, regarding the annual rental fees and the additional components for the Maui Invitational Basketball Tournament. And they're also open to reviewing and considering other opportunities with the County. So at this time, there is on-going communications with the Mayor's office, KemperLesnik, and again, the Mayor has been gracious to allow me to participate and present a point of view that I believe this Committee and the Council would be viewed to see as beneficial in the future once we get close to a proposal. So these rates and fees will be adjusted, Members, upon the new agreement that the Council will finally adopt in the near future. Questions? Mr. White?

COUNCILMEMBER WHITE: No, you stated it very well and we'll look forward to hearing from the Mayor.

VICE-CHAIR HOKAMA: Thank you. Mr. Mateo?

COUNCILMEMBER MATEO: No questions.

VICE-CHAIR HOKAMA: Mr. Carroll?

COUNCILMEMBER CARROLL: No.

VICE-CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No.

VICE-CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No.

VICE-CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: No.

VICE-CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Not at this time.

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VICE-CHAIR HOKAMA: Okay. Thank you. Then let us move to Page 36 of the Park's Rates and Fees consideration, Members. This is regarding the Waiehu Golf Course Program, Members, under Rental - Pro Shop, Account 3631. You will notice that we do have a new operator providing service, which is Hawaii Golf Equipment and Sales, dba Waiehu Pro Shop. The adjustment of the terms of the current agreement from 2011 to 2016, as well as the adjustment of the per month lease agreement term that has a five-year term, that is part of the agreement. Mr. Baz, any comments for the Committee?

MR. BAZ: No, Mr. Chair.

VICE-CHAIR HOKAMA: Mr. Matsui?

MR. MATSUI: No comments.

VICE-CHAIR HOKAMA: Okay. Mr. White, questions?

COUNCILMEMBER WHITE: No, none on that. Thank you.

VICE-CHAIR HOKAMA: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Was this put out to bid?

VICE-CHAIR HOKAMA: Mr. Matsui?

MR. MATSUI: Yes, it was, a formal public bid.

COUNCILMEMBER COUCH: So the highest bid was 5,000 less than last year, huh?

MR. MATSUI: Yes, it was.

COUNCILMEMBER COUCH: Okay. Thank you.

VICE-CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing.

VICE-CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No.

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VICE-CHAIR HOKAMA: Mr. Carroll?

COUNCILMEMBER CARROLL: No.

VICE-CHAIR HOKAMA: Mr. Mateo?

COUNCILMEMBER MATEO: No.

VICE-CHAIR HOKAMA: Members, if you move down and again, the Staff did handouts on attachments for your consideration and review regarding the Waiehu Golf Course. One of the sheets is the projection of rounds of golf and revenues. You also have a breakdown by category of type of users, whether it be weekday, weekend, holiday, twilight, military, weekend, student, monthly card, resident card as part of the information that is to your, for your review and comment in helping you arrive at your decisions. You'll see there is some adjustments, Members, under charges for current services, green fees, golf. So either Mr. Baz or Mr. Matsui, will you please go over those areas that is being proposed for adjustment, please.

MR. BAZ: Thank you, Mr. Chair. The Department requested these changes to the non-Maui County Hawaii resident with Hawaii Driver License or Hawaii State identification card rate changes for the weekdays and weekends and holidays. They feel that the...and maybe the Deputy Director can go through this, but they feel that the reduction in rates will prompt a higher number of rounds being played, and we have increased revenue for the golf fund, specifically, in anticipation of this change and their projections.

VICE-CHAIR HOKAMA: Thank you, Mr. Baz. Mr. Matsui, comments regarding the proposals, please?

MR. MATSUI: You know, this came about essentially to respond to the, what's happening with the other golf courses, the other private courses on the island. And right now at \$35 per round for the in-State people, but non-Maui County residents, it's \$35 plus the cart, so it's like \$45. There's places, other places that's 35 or \$40 so, you know, we're not competitive with them. Dropping it down would make us more competitive. We also tracked like the last several years in that category and we've been steadily losing and getting less and less over the years. So, you know, we're looking at we can drop the rates, but if we go back to what the levels of 2009, which we're approaching now, getting back to, we're gonna recoup that cost.

VICE-CHAIR HOKAMA: Okay. Thank you. Before I ask Mr. White for his first question, do you believe this is basically a issue of rate versus quality of or value of what is provided from the course? And again, I just bring this up 'cause we're well aware, you know, there's other public courses such as Pebble Beach that charges \$600 and people apparently pay \$600 to play for a Pebble Beach experience, so, you know, besides just a rate issue, is...was part of the reason of lost revenue is a issue also of value of what the golfer gets in return for what they pay?

MR. MATSUI: You know, over the last many years, we've been, the number of rounds played at the golf course has been slowly decreasing, and part of it is, is the economy, but the other part was

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the condition of the course. And I think as Council people, you've gotten the complaints and the numbers has, was showing that it was decreasing. And we're looking at what's happening now and it seemed, looks like in December, 2011, there was a turnaround. Now all of a sudden, it's going back up. So our projections we're looking, we're basing on 2010 numbers, and eventually if we can get back to 2009 numbers, it would be a lot better. The other chart that we sent out to you, one was the revenues and one was rounds of golf. So if you look at the rounds of golf, you can see that it's been decreasing, but in 2010, effective the 2011 Fiscal Year, the Council did increase the rates. For the retirees, went from \$3 to \$5 on the weekdays and weekends was \$5 to \$7. So if you look at total revenue, even though 2011 was less than 2010 as far as total rounds, we got more revenues, so with the new rates and with the increasing in rounds, we expecting more money to come in this year.

VICE-CHAIR HOKAMA: Okay. Thank you. And again, you know, obviously if the value and quality is being upped, then you know, we need to recognize the efforts of your Department and your people at the golf course. So thank you very much for that comment. Mr. White, any questions on the proposal of rate adjustments at Waiehu Golf Course?

COUNCILMEMBER WHITE: Yeah. Thank you, Chair. I think the question that I would have is if we are reducing the rate for the residents from...or the non-Maui State residents, from 35 to 25, wouldn't we for the same reasons be looking at reducing the non-resident rate because they can play at the other non-resort courses as well? I know we've talked about giving you guys a flexible rate, so you can move it as the, you know, you can do something different on the weekdays and then on the weekends or if you see something changing, you can change the rates. But I realize after discussing it with the Chair, the, we don't have that flexibility. But it seems if we feel we're going to generate more money by reducing this and being more competitive with the off-island Hawaii residents, then we maybe shouldn't be looking at reducing the non-resident number. What do you think would be the effect if we took that down to 45 or 35?

VICE-CHAIR HOKAMA: Mr. Matsui?

MR. MATSUI: Thank you. When we looked at the Hawaii resident, but non-Maui resident fee, we were comparing it to the kamaaina rates that the other private courses charge. And pretty much the kamaaina rates would, are the same people that are State residents. If they're non-State residents, they would be paying the normal tourist rate which is really high. So like, you know --

COUNCILMEMBER WHITE: So what is the rate for non-residents at Pukalani, for instance?

MR. MATSUI: Yeah, I'm not sure. For, I think it's like \$38 for, \$38.

COUNCILMEMBER WHITE: Does that include the cart?

MR. MATSUI: That includes the cart, yeah.

VICE-CHAIR HOKAMA: Forty-two, I believe, 42 or 45, Pukalani.

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COUNCILMEMBER WHITE: But you're saying that's for non-residents? Not Hawaii residents?

MR. MATSUI: Hawaii residents, yes.

VICE-CHAIR HOKAMA: That's Hawaii residents.

COUNCILMEMBER WHITE: Okay, what I'm asking is for if somebody is from the mainland or from Asia or Europe, what would they pay at Pukalani and Elleair?

MR. MATSUI: Yeah, I'm not...I can't answer that. I'm not sure. Maybe some of the other Council men who golf can give you that number.

VICE-CHAIR HOKAMA: I wouldn't know 'cause I never pay non-resident fee.

COUNCILMEMBER WHITE: Yeah, the challenge I have is that my recollection from earlier conversations was that we had a problem with the non-resident rate because of the rates at the other golf courses, so anyway, maybe we can...looks like our golfing staff member is whisper in the Chair's ear.

VICE-CHAIR HOKAMA: Thank you, Mr. White. There's, of course, a range depending on course, but again, depending whether you playing a private, open for the public course versus a resort course, so I would say the type of, Pukalani's type of course, the non-resident rate is between 80 to \$100. Most resorts, including Lanai, you're looking at \$150 or more. And again, each course is doing the same thing that Mr. Matsui has done for our course because of again, impact of airlines and charges for excess baggage, which a golf club is, it is making impacts on the amount of golfers that the whole island is competing for or the whole County is competing for. So Mr. Matsui is correct, it is very competitive such as Kahili at Waikapu. They've been very aggressive in making for short periods special rates. So sometime for the non-resident, it goes down to like \$80 so that they're very competitive with the Wailea's or the Makena's or the Kaanapali's. So again, it's a, and again, people like Waikapu changes it within weeks depending upon competition, time of year, amount of visitors. So Mr. Matsui is quite correct in that, you know, the flexibility, your point on flexibility to remain competitive is of importance to Mr. Matsui and his ability to run their program.

COUNCILMEMBER WHITE: Are we able to give them a range of rates?

VICE-CHAIR HOKAMA: I would believe that the Committee may consider. I don't see anything, I cannot recall anything in the Code that forbids us from providing a range, but we can have Corp. Counsel and Mr. Baz review that option for the Committee if you so desire, we can --

COUNCILMEMBER WHITE: I'd like to do that.

VICE-CHAIR HOKAMA: --research that.

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COUNCILMEMBER WHITE: Just because I think the non-resident revenues are significant and I'd hate to think that we're not availing ourselves of the biggest amount we can get by being flexible and competitive.

VICE-CHAIR HOKAMA: Okay. We will forward a request, a written request for that additional information and the ability of the Committee to propose such a rate to Council.

COUNCILMEMBER WHITE: Okay. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Mr. Matsui, beyond that discussion, we're not looking at any of our other rates, yeah, just those two in particular? We haven't considered any of the other rates as far as changes, one way or the other?

MR. MATSUI: No, we're not changing any of the other rates.

COUNCILMEMBER VICTORINO: Okay. And as far as the rental of the carts, that's still privatized through this contract, right?

MR. MATSUI: Yes.

COUNCILMEMBER VICTORINO: So these rates we charge are strictly what we get, not what the carts, these are not inclusive of carts, right?

MR. MATSUI: No, it's not inclusive of the carts.

COUNCILMEMBER VICTORINO: Okay. Thank you. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Great minds think alike. Mr. White, asked the exact questions I was, so thank you.

VICE-CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. When was that course like in top, top, tip shape? Are the numbers, I just want to see where the numbers correlate to those years if it's on our graphs that you sent, that you gave us. Is there...do you have any idea?

MR. HOKAMA: Mr. Matsui?

COUNCILMEMBER COCHRAN: I mean is it way prior to 2001?

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MR. MATSUI: Yeah, as I understand your question, you're asking like when in the past ten years was the course the best, in the best shape?

COUNCILMEMBER COCHRAN: Yeah, well just so I can see, I mean, did it matter? Were there more plays? Were there more rounds? Were there more green fees? I mean, we're just trying to see because I know we're in a big process to redo and bring up this course to par, and hopefully the numbers we're soaking into it are gonna come out in revenues and plays and, you know, average out these numbers here.

MR. MATSUI: Okay. I think if you go back in the rate history, 2005, if you look at the chart, had the highest...well, no not, but in the recent past, 92,000 rounds and there was a rate change at the end of 2005. And so 2006 saw a higher rate and if you look at total revenues--where is that?--looking at the different, the other chart, 2006 you had less, little less play from 92,000 to 88,500. But you collected like \$200,000 more in revenue from the rate change. So I would guess that you have a little bit of less play when you raise the rates, but then overall, you know, the amount of revenues you generate is a lot more. And then there's other factors like, you know, one was the quality of the course and then the economy. So you kinda gotta look at, you know, that whole picture. There's no one factor.

COUNCILMEMBER COCHRAN: Right. Thank you. So I'm just curious how, what's the top fees we've charged at the prime, you know, prime condition and all that? I mean, I'm just trying to see where the potential for the fees that we can charge in the end will be, because I know we're, again, trying to bring our course up to par, where maybe we can boost up cost and want people to come and play because it's in such a beautiful area. I mean, I don't blame golfers who wanting to play along the ocean side.

MR. MATSUI: Well, to answer your question, the rates are the highest it's ever been. But it's still...

COUNCILMEMBER COCHRAN: The \$35?

MR. MATSUI: Pardon me?

COUNCILMEMBER COCHRAN: The 35?

MR. MATSUI: Well, there's 35 and then, there's different categories, 55 for non-residents.

COUNCILMEMBER COCHRAN: Okay. So this is the highest it's been?

MR. MATSUI: That's the highest.

COUNCILMEMBER COCHRAN: And the course isn't in great shape?

MR. MATSUI: Yes. Well, it's --

COUNCILMEMBER COCHRAN: I mean, it's improving --

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MR. MATSUI: -- up there. Yes, it is.

COUNCILMEMBER COCHRAN: --I mean, don't get me wrong. I know everyone's working very hard on it, so I commend you folks for that, but, okay, just trying to...

MR. MATSUI: But, yeah, one of the, in the USGA study, that was one of the recommendations was we look at the fee structure, but they said first, get the course in shape, then you look at the fees. So, we're still in phase one, getting the course in shape. And we're just doing some small tweaking of the fees where we see that we can have an advantage in revenues.

COUNCILMEMBER COCHRAN: Thank you, Mr. Matsui. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Mr. Chair, this is a difficult one for me. Everybody knows how I feel about it and at the risk of irritating the golfer at home, I'm not a golfer. You know, I look at 2011 'cause we had some pretty good figures for 2011, and it shows that the total revenue we got was eight thirty-six five seventy-five.

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: Then I look at the Budget and I look at what we spent and well, at least what the Budget was, and it's, you know, in the 2 million plus. And we're looking at the same thing pretty much in 2013, because even with the changes, we gonna take in nine hundred ninety-six one one one. So we still gonna be in the deficit position. And we've been in this deficit position since I got here. You know, I wish everybody all the best of, we want to be optimistic that the changes we're making are gonna turn this around, but I don't see it in the near future. And I'm sorry, you know, I'll support the changes that are recommended, but I just don't think that, I don't feel good about it.

VICE-CHAIR HOKAMA: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Pass.

VICE-CHAIR HOKAMA: Mr. Mateo?

COUNCILMEMBER MATEO: Pass.

VICE-CHAIR HOKAMA: Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I agree with the sentiment from Ms. Baisa, but the reality is that this is the only park operation where we charge fees and the fees significantly offset the cost of operations. And I went back and did a calculation of what it cost us in personnel and materials in all the other parks, and in none of the other parks do we charge...and

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the rest of the parks operation, we don't charge the benefit load or the Debt Service on the facilities. But because the golf course is a special fund, it's charged with the depreciation on the building, it's charged with all the personnel load. So if...I went back and I took out the benefit load and I took out the depreciation and made, tried to make the two numbers as comparable as I could, I don't remember what the number was, but my recollection is that the cost to operate, the net cost to operate the golf course is about a half of what it cost to operate the other parks per acre. So I think this is a horse that we try to beat up every time we get near the corral, and at some point, we gotta just let this damn horse out of the corral and quit kicking it around, because this is a, this is actually the cheapest park we've got because we charge. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Prior to, I would say, maybe, gosh, Mr. Kawano was with us yet so, in the '90's, yeah, for you Members to understand, we made an agreement with the MIL. Before, the County did charge for facilities, just like Aloha Stadium charges the University of Hawaii to play football there, and we reached an agreement where we allow the MIL and we waived the fees for War Memorial facilities. And the agreement was that the MIL would be able to get gate fee revenue and concession revenues, and the agreement was that it would be utilized to support the funding of all Maui County schools for athletic purposes and their programs, whether it be on Hana, Molokai, King Kekaulike. It was to support all Maui schools to travel because of our unique County situation of sister islands, to provide our athletic youth in education, the ability to have a competitive, some competitive level, more level of competitive ability to travel and interact within the islands to athletic competition. And that was part of the agreement, why we waived and allowed the MIL to do so. And that's why we have a letter forwarded from this Committee, I guess via Parks, that we would like the MIL to give us a ten-year financial review in numbers of what has been collected by the MIL, how they have utilized those funds to achieve the mission that we have agreed to, which was to provide the ability of all our student athletes to travel to each other's school for competitive purposes, and how they are currently utilizing this, whether it's by each school or by the league in totality. But I think it's only fair for the people of this County to know how the MIL has provided and what they doing with the money they collect that we have waived for almost 15 years. So I just want to make sure that the people know not only golf was a revenue generator. Okay. We also give licenses for Wailuku Tennis Court to a club, to utilize a concession ability program. Okay. We have an agreement. So again, we allow another entity the ability to collect revenue from County park facilities. I think if you folks would like to find ways of how we can offset through commercial concession agreements that our sister City and County of Honolulu uses for some of their facilities, then let us look and go forward and execute pouring rights agreements and put out those proposals so if X, Y and Z company wants to provide brand A coca cola, a cola, generic, pay the County X amount and you will have the privilege of being the only provider of cola on all County facilities. The City and County does that and I can tell you they bring in millions of concession pouring rights revenues to support their program. We might want to consider that as a way to offset General Fund subsidies and support for certain recreational facilities. But please be aware, Members, we have collected revenue from athletic facilities besides the golf course. Mr. Victorino?

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COUNCILMEMBER VICTORINO: Chair and I would like to ask Mr. Matsui if I'm correct, do we not now charge the MIL for the usage of the fields nights, especially for football, baseball, soccer when they use night facilities? Do we not charge a fee for that?

VICE-CHAIR HOKAMA: Parks Department, please?

MS. ALMEIDA: Hi. We do charge when it qualifies as what we call a Type II(R), which would be a County co-sponsored activity that generates revenue and we easily define that as a gate.

COUNCILMEMBER VICTORINO: Yeah.

MS. ALMEIDA: So at Maehara, at the football stadium, if they're collecting a gate fee to enter, then they do have a permit fee as well.

COUNCILMEMBER VICTORINO: Okay. So I just wanted that cleared.

VICE-CHAIR HOKAMA: Thank you very much, Mr. Victorino.

COUNCILMEMBER VICTORINO: Because that happened, that's happening right now.

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER VICTORINO: We also charge when we have other activities at Iron Maehara Stadium and the War Memorial if there is gate and that would fall under Type II, whatever the event might be, is that not correct?

MS. ALMEIDA: There are occasions where it's not County co-sponsored and the fee is significantly higher, but yes. If we charge gate, there is a fee.

COUNCILMEMBER VICTORINO: Whether it's County or not --

MS. ALMEIDA: Correct.

COUNCILMEMBER VICTORINO: --suppose we use those and they fall under the categories, there are fees that are being charged, whether they're athletic or other events, but mostly...I'll stay with athletics so I...

VICE-CHAIR HOKAMA: Right, right, right. Let's just stay there.

COUNCILMEMBER VICTORINO: Let's stay with athletics for now.

MS. ALMEIDA: Yes, that's correct. If there's a gate charge, there's a fee assessed.

COUNCILMEMBER VICTORINO: Are we not charging softball, men's leagues and other leagues, a fee for uses of the fees...I mean, the fields...fees, excuse me. I apologize.

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MS. ALMEIDA: It depends on whether it's a...it depends on the use. So if it's a tournament, there may be a fee associated and if it's a County-facilitated league, there may be no fees. So if the County's putting it together and running it as a recreational program, then there's no charge.

COUNCILMEMBER VICTORINO: But if it's other organizations, which many of the leagues are run by other organizations, there is a fee that is equated with that usage?

MS. ALMEIDA: Typically, yes, especially if they're not...

COUNCILMEMBER VICTORINO: Just, you know, to put that...there's a lot of things out there --

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER VICTORINO: --that we don't discuss and we always seem to pick on golf and we say we don't charge for other areas --

VICE-CHAIR HOKAMA: Right, right.

COUNCILMEMBER VICTORINO: --but we are.

VICE-CHAIR HOKAMA: Yes, we are.

COUNCILMEMBER VICTORINO: The last two-three years, we vocated [*sic*]...we sat here, Ms. Baisa and I've sat here for a number of years okaying these fees so, you know, how much I'm not gonna get into, but athletics and I just using our usage of our fields and also the gyms if there is monies collected to enter the gym, is that not correct?

MS. ALMEIDA: Yes, that's correct.

COUNCILMEMBER VICTORINO: Okay. Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Okay. And again maybe the subject matter Committee under Mr. White might want to take it up after Budget as a complete review of all facilities and maybe come up with some future recommendations to Budget Committee.

COUNCILMEMBER VICTORINO: I think the time has come, Mr. Chair. Maybe that would be a good request.

VICE-CHAIR HOKAMA: Okay. Thank you. Mr. White?

COUNCILMEMBER WHITE: Chairman, may we request the Department to provide us with a schedule of revenues that they get? Or maybe there's one that's already available to us somewhere, but I haven't seen the revenues by activity or by park. If these such...

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VICE-CHAIR HOKAMA: We can forward that request so to allow the Department time to gather that information and data.

COUNCILMEMBER WHITE: Okay. Thank you.

VICE-CHAIR HOKAMA: Okay. Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: I think I had a senior moment, Chair, but the last time Parks was here --

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: --I asked them a question and they said they would go check it out and that they could give it to us and I don't believe we've received it. And I was wanting to know how many local golfers use the golf course...individuals, not how many rounds, but how many individuals? And they said they could look it up, but I don't believe we've received it.

VICE-CHAIR HOKAMA: Okay.

COUNCILMEMBER BAISA: I'd like to add that to the request.

VICE-CHAIR HOKAMA: Thank you. We'll follow up on your request --

COUNCILMEMBER BAISA: Thank you.

VICE-CHAIR HOKAMA: --with the Department also. Thank you. Okay. Members, anything else on this area of Waiehu Golf Course fee adjustments? If not, I'd like to...I believe that's everything in Parks, Staff? Thank you very much, Parks Department, we appreciate the, your participation with us this afternoon and your responses to the questions. Thank you, Mr. Matsui. Next will be the Department of Planning and so we'll ask Mr. Spence and Deputy Chouteau...

UNIDENTIFIED SPEAKER: Mr. Chair?

VICE-CHAIR HOKAMA: Yes?

UNIDENTIFIED SPEAKER: Excuse me. Just to clarify, those were the only proposed changes --

VICE-CHAIR HOKAMA: Yes.

UNIDENTIFIED SPEAKER: --to the Parks fees.

VICE CHAIR HOKAMA: Yes.

UNIDENTIFIED SPEAKER: Now, the Council could also propose changes to other Parks fees that aren't being proposed by the Mayor, just to clarify.

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VICE-CHAIR HOKAMA: Yeah. Thank you. Then the Chair will ask the Committee members at this time, is there any other, since we have Parks, is there any area that you would like to consider for potential adjustment under Parks, under fee...rate fees and assessments under Parks? Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. One of the things that was brought up at last night's hearing in West Maui was that it cost us significantly more money to open up facilities and operate them than we are charging, so the question of whether or not Department has taken another look at the or whether it's worth us taking another look at the fee structure for various facilities.

VICE-CHAIR HOKAMA: Mr. Matsui, you have any thoughts at this time? Again, whether it be community centers, which is also under your Department's jurisdiction or other facilities under your jurisdiction, gymnasiums, tennis courts, aquatic pools?

COUNCILMEMBER WHITE: Community centers.

VICE-CHAIR HOKAMA: Community centers, yeah, I mentioned that. Mr. Matsui, any thoughts you can share with the Committee regarding consideration of rate or fee adjustments?

MR. MATSUI: We haven't really looked at it from that standpoint. You know, I guess philosophically you could look at it like you really want to recoup all of the cost? 'Cause, you know, like you said, at the golf course, we do depreciation, you know. We don't depreciate our buildings, you know. So, you know, I know we're way underfunded as far as getting revenues back. You know, our total from last year I think was 240,000 or so that we got from the permit fees. So, you know, we got a ways to go if we want to get closer to, you know, our...recouping our cost.

COUNCILMEMBER WHITE: Do you recall what you made off of the stadiums and the MIL gates?

MR. MATSUI: The number we get is just, you know, when we collect the fees, it goes to Finance and the General Fund, so we get one lump sum. But we would have to go back and track each...so it'll take while.

COUNCILMEMBER WHITE: Okay. Thank you. Thank you, Chair.

VICE-CHAIR HOKAMA: Mr. Baz, any comments?

MR. BAZ: Thank you, Mr. Chair. I also just like to make sure that, you know, something like this is discussed, because it is such a large issue of impact to the community, that the Mayor has some involvement in discussion like that before, you know, we make any recommendations. The parks are a integral part of our community, one that we support very much through this Administration and one that we feel does benefit real property tax owners. So making it a completely fee-based system where we're recovering the costs, something like water or wastewater, isn't necessarily something that we'd like to move forward heavily on.

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VICE-CHAIR HOKAMA: Okay. Thank you, Mr. Baz. Any other questions or proposals you would like the Chair or the Department to comment on, Members, regarding under the Parks Department at this time?

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: In rentals of facilities, is there, there's a type of deposit that people put down and is that just strictly for cleaning though or does that go to any repair of breakage of a piece of equipment or anything?

VICE-CHAIR HOKAMA: Okay. Department, please?

MS. ALMEIDA: Yes. That would be for cleanings most of the time, but yes, if there's damage to the facility like equipments broken or doors broken, the deposit can be withheld for that as well.

COUNCILMEMBER COCHRAN: And in your estimate, it's been sufficient, the amount of deposit that we're charging for any incidents that have occurred or do you feel the need to up that cost...price?

MS. ALMEIDA: The range of type of activities that we host under our different categories are so vastly different, it's hard to tell. In the community centers, it seems somewhat adequate, but on the large-scale facilities, where a lot of wear and tear can occur after one large event, it just depends what happens.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you, Chair.

VICE-CHAIR HOKAMA: Besides custodial, is there any other type of deposit or fee considerations, whether it be a key deposit fee or anything, Department?

MS. ALMEIDA: Yes, Chair. There is also a key deposit of \$50 when keys are issued.

VICE-CHAIR HOKAMA: Okay. And has there been any problems or issues regarding that component of the program?

MS. ALMEIDA: When the keys are not returned, at times, we have re-keyed as necessary and withheld the deposit.

VICE-CHAIR HOKAMA: Okay. And did it take care of the cost to re-key and do the requirements to provide security for that facility later?

MS. ALMEIDA: That I would need to verify with our Maintenance Division.

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VICE-CHAIR HOKAMA: Okay. Thank you. We would appreciate that. Any other questions or considerations of adjustments? Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah. When we look at all of these rates and fees, you know, Pat, what I'd like from the Department is what is the actual cost per--what do you call those--per--I had a senior moment, thank you, yikes!--per community center. You know, what is a community center really cost us to operate? And you going over like, whoa, but you know, I think it's time we look at, what does a community center cost to operate? And we have both non-air...a/c and a/c. And I know if you're talking such as Lahaina or South Maui, those a/c's run at night, they're pretty expensive. So what are we paying? I mean, some kind of cost estimation because we need to start seeing when we do these Budgets, what it's costing us and do we need to have more revenue. You know, because we're the only County in the entire State and as far as I know, because I have seen LA, Philly, Las Vegas, I don't find community centers in. You have parties or something, you use pavilions, you use schools, you use gyms or you go to what I call a commercial center of whatever it might be.

VICE-CHAIR HOKAMA: Yeah, yeah, yeah.

COUNCILMEMBER VICTORINO: We are very fortunate, Mr. Chair, so we've gotta make our public aware that this is a true benefit, and the taxpayers...and I'm talking real property, has borne a lot of this. And we heard last night, a whole bunch of people upset about that area, and I bet you they don't get a chance to use our community centers very often if at all. But the employees does, so I'm happy to say that, but I really would like to see something of that, too, Mr. --

VICE-CHAIR HOKAMA: Sure.

COUNCILMEMBER VICTORINO: --okay.

VICE-CHAIR HOKAMA: And again, I believe Council did some preliminary with the Department, and so if you look at Page 22 of your rates and fees, Members, you will see that by different types of capacities and type of facilities, you will see a variation of fees and deposits for the various types of facilities. Because previous Councils had the same concern you had, Mr. Victorino and therefore, you don't see a blanket rate or fee for everything. It is broken down by types of facilities, capacity of facilities and general locations, because we know that Lanai is little bit different from the Molokai versus the Kahului requirements and facility capabilities so we appreciate that.

COUNCILMEMBER VICTORINO: Yeah, but I'd like to see the cost to operate.

VICE-CHAIR HOKAMA: Sure. Okay.

COUNCILMEMBER VICTORINO: This tells you what we charge and that's fine --

VICE-CHAIR HOKAMA: Yes.

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COUNCILMEMBER VICTORINO: --and I know we went through this two years ago, extensive changes in this area. I remember sitting here doing that. But now I think it's time to look for, you know, the actual cost and do we have to in the future. And if the Mayor wants to get involved, Mr. Baz, by all means, you know. I mean, I think it's time. We're talking about all these other efficiencies. We're talking about all these other changes. Well, maybe this is one of those changes we need to look at --

VICE-CHAIR HOKAMA: Sure.

COUNCILMEMBER VICTORINO: --and look at soon.

VICE-CHAIR HOKAMA: Yeah.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Okay. Thank you. And again, Mr. Matsui, you know, I'm just going back to the existing Ordinance and so under Page 19, we do make mention under the stadium component under rental that the league was provided with a five-year lease for about \$1,477.66 per month, but that agreement was for the period of August 1, 1999 to June 30, 2003. So here we are almost ten years later and we don't seem to have a revised agreement or extension of terms. So if you could please maybe follow up on that so that the County knows exactly what is the status with the MIL. And this is according to County Code, Chapter 3.40 and the old Ordinance at that time was Ordinance 1069. Okay. Anything else for Parks, Members? If not...

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: So you're...a lot of these figures have been here for a good decade without changes, you think?

VICE-CHAIR HOKAMA: Not the one in your rates and fees. The one that I just talked to you about was the agreement with the MIL --

COUNCILMEMBER COCHRAN: Oh. Oh.

VICE-CHAIR HOKAMA: --and again, that was again a, for a, the contract agreement that we, that I was part of, that ran from 1999 to 2003. So, what happened from 2003 to now?

COUNCILMEMBER COCHRAN: Okay.

VICE-CHAIR HOKAMA: Okay. 'Cause there was terms and agreements of what monies would be used for, what the County would provide in lieu of in return of what the league would provide to all of our youth, student athletes throughout the County. So again, I...something, I think we should at least be given a current status of.

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COUNCILMEMBER COCHRAN: Okay. Thank you. Maybe I missed this, but the football stadium I'm looking at this and hypothetically, the...like that Aerosmith concert that occurred there, they were charged like \$2,500 for deposit and just the fee for an activity?

VICE-CHAIR HOKAMA: Department, if you could respond?

COUNCILMEMBER COCHRAN: Because I know they made a ton of money.

MS. ALMEIDA: In that specific example, the applicant was the Maui Arts and Cultural Center, which is a nonprofit entity, which qualified under the Type 4 category.

COUNCILMEMBER COCHRAN: So even less?

MS. ALMEIDA: Yes.

COUNCILMEMBER COCHRAN: How was the shape of the course, the stadium after that big shindig? Fifteen hundred bucks cover it?

VICE-CHAIR HOKAMA: I think you made your point.

COUNCILMEMBER COCHRAN: Anyways, thank you.

VICE-CHAIR HOKAMA: I think you made your point, Ms. Cochran and I'm sure our Parks will review it to see if there's appropriate adjustments we need to consider what then will qualify for nonprofit or County-sponsored activities.

COUNCILMEMBER COCHRAN: Thank you, Chair.

MR. BAZ: Mr. Chair?

VICE-CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you. If I might, this discussion is very important and I think that, I'd be happy to assist the Recreation Committee, subject matter Committee as well as the Department, in looking at the costs of the per community center items and further discussion outside of Budget.

VICE-CHAIR HOKAMA: Thank you, Mr. Baz, we appreciate the, your participation in this. So, Members, if anything else, I'd like to move to Planning Department?

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR HOKAMA: Okay. Mr. Matsui and...thank you very much for your presence, we appreciate your assistance to the Committee's review this afternoon. Okay. Members, we'll

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take a recess 'til 3:30, so that we can bring Planning Department forward and have Mr. Matsui folks leave and I believe Mr. Pontanilla wants the chair back, so we'll be in recess. . . .(gavel). . .

RECESS: 3:27 p.m.

RECONVENE: 3:35 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee is now reconvened.

DEPARTMENT OF PLANNING

CHAIR PONTANILLA: Members, we got the Planning Department. We do have Mr. Spence, as well as Ms. Chouteau, in regards to the rates and fees for the Planning Department. Mr. Baz or Mr. Spence?

MR. BAZ: Thank you, Mr. Chair. Starting on Page 25 of the Ramseyer version of the rates and fees, there are, there's an addition to a type of permit, a Geothermal Development Permit. Department can describe that, as well as Page 26, there was a revised page sent out to add Short-Term Rental Home Permit to the rates and fees pursuant to the Council's adoption of the Short-Term Vacation Rental Bill as...and they've proposed that to be equivalent to the bed and breakfast and there's some other rates and fees from there. So, Mr. Chair, I guess we could start off with Page 25.

CHAIR PONTANILLA: Okay. Mr. Spence, you got any comments?

MR. SPENCE: Yes. Mr. Chairman, really what we're proposing is just two new permit fees because we have two new kinds of permits. Geothermal Development which we don't expect a whole lot of these, but you know, we just adopted Administrative Rules for processing permits and we know that we're gonna receive at least one application, gosh, probably within a month or so. The other, the Short-Term Rental Home Permit, the Committee is well aware that the Short-Term Rental Bill has passed first reading before the full Council and we expect that, you know, it is going to be passed and so we need to establish a fee for that as well.

CHAIR PONTANILLA: Okay. Thank you. Mr. Mateo, questions? We'll take the Geothermal Development Permit first. No? Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No, thank you.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: No, thank you.

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CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Just so I know that we're reading the page right, all of these are types, are called Type A's and it's based on total valuation depending on what the value is, plus possibly shoreline setback variance? Is that how that works? Is that how we're reading this?

MR. SPENCE: Yes, under Table A, Fee Development Schedule where everything is basically valued, the fees are based on total valuation. So we would expect, for instance, the Geothermal Development Permit to, you know, it's pretty expensive kind of undertaking, so it's going to fall towards the end of the page where it says \$1 million --

COUNCILMEMBER COUCH: And up.

MR. SPENCE: --and up. Yeah.

COUNCILMEMBER COUCH: Okay. That's why I just wanted to make sure that we're reading it right. Thanks.

CHAIR PONTANILLA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: No, thank you. I was trying to find the numbers, so. They're are.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: No, Mr. Couch asked the question. Thank you.

CHAIR PONTANILLA: Mr. Carroll?

COUNCILMEMBER CARROLL: Pass.

CHAIR PONTANILLA: Thank you. So looking at the bottom of the page on 25, \$1,000,001 and up, so the permit fee will be \$2,475 for the first million and \$11 for each additional \$5,000 in valuation or a fraction thereof to a maximum of \$4,950. So in other words, the first \$2,475 is like given already, that they need to pay? Any additional would be based on additional of \$5,000 going forward in valuation?

MR. SPENCE: I'm sorry, Mr. Chairman. I didn't quite catch that.

CHAIR PONTANILLA: Okay. On the bottom on...

MR. BAZ: Mr. Chair, I think I can explain.

CHAIR PONTANILLA: Sure.

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MR. BAZ: Yeah, the fee for \$1 million and up value of the permitted activity starts off at \$2,475, so that's the minimum fee that would be charged and then additional fee, additional \$11 per \$5,000 of value for a maximum permit application fee of \$4,950.

CHAIR PONTANILLA: So the maximum would be the minimum fee plus the additional \$5,000 in valuation?

MR. BAZ: Correct...\$11 per \$5,000 in valuation --

CHAIR PONTANILLA: Yeah. Correct.

MR. BAZ: And so a total, and then a total maximum of \$4,950.

CHAIR PONTANILLA: \$4,950.

MR. BAZ: Yeah.

CHAIR PONTANILLA: Okay. We'll go to short-term...any more questions, Members, on that?

COUNCILMEMBER COCHRAN: Just, Chair, real quick.

CHAIR PONTANILLA: Member Cochran.

COUNCILMEMBER COCHRAN: Did, are these numbers based off of say, Hawaii Island or where did these numbers get pulled from or decided upon?

MR. SPENCE: These figures, I mean, this...the Geothermal Permit would not, is not based on anything from the Big Island. It's, this falls just under the standard table that we have for our rates and fees. The, my understanding is these have not changed since 2004.

COUNCILMEMBER COCHRAN: Eleven dollars on 5,000 seems a little cheap.

MR. BAZ: And Mr. Chair, if I might, the Planning Department had...Administration last year had proposed a rate fee structure based on the Zucker Study that was presented a number of years ago that we were working towards, and because of the request of the Committee last year to not discuss it during Committee session, but other than that, that did not pass last year. We're hoping that there'd be some discussion on it that can happen later.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Okay. Page 26?

COUNCILMEMBER COUCH: Wait, wait, one more.

CHAIR PONTANILLA: Mr. Couch?

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COUNCILMEMBER COUCH: Thank you. Any thoughts to, I know you, we had the Zucker Study and we're just basically, you put the cost recovery numbers out there. What's the nexus for these numbers, if there is any? If not, any chance of just bumping these up until we get the whole fee study done?

CHAIR PONTANILLA: Department or Mr. Baz?

MR. SPENCE: I'm not aware that there's any nexus to the fees. This is something that we've had, like I said, since like 2004, these haven't changed. So there's not, based on cost or...and I'm not sure where they came from before 2004.

COUNCILMEMBER COUCH: Okay. Has there been any discussion of possibly increasing these a little bit? I know you submitted the whole big proposal that significantly increases everything...possibly working our way up. I mean, it is kind of low, especially if its been since 2004.

MR. BAZ: Mr. Chair --

CHAIR PONTANILLA: Go ahead.

MR. BAZ: --if the Council, this Committee feels that these fees need to be revised, then the Committee has the power to change any of these fees.

CHAIR PONTANILLA: Yeah, understood.

COUNCILMEMBER COUCH: So I guess we look towards your recommendations on whether or not we want to bump these up or leave them the same?

CHAIR PONTANILLA: Yeah, it would be all nine of us making the decision, so.

COUNCILMEMBER COUCH: Yeah.

CHAIR PONTANILLA: Yeah. We'll do our recommendation.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Yeah. Anything else on Geothermal? Okay. Page 26, Short-Term Rentals?

MR. SPENCE: Mr. Chairman, you can see that Short-term Rentals Home Permit is, this is a new application type that we would have. We're lumping it, proposing right now to lump it in with Bed and Breakfast Home Permits, you know, under the same rates, application fee of \$400. If a public hearing is required, say if it's in the Agricultural district or if there are a number of neighbors complaining and it needs to be, to go to the Planning Commission or other

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circumstances, there would be an additional 550 and then there would be other fees applicable, depending on the number of years that the permit is approved for.

CHAIR PONTANILLA: Okay. Mr. Mateo?

COUNCILMEMBER MATEO: Just a comment, Mr. Chairman. I still see these two things as very different and my preference honestly is to leave B&B as is and I think it's fair. But the Short-Term Rentals, it's not the same as a B&B and I think it should be higher. You know, there is no owner there. There is nobody for immediate contact because they can live miles away from their unit, so I see it as different and I think my preference would be to see that the Short-Term Permit costs a little more than the Bed and Breakfast units.

MR. SPENCE: Chair Mateo, it's certainly within the Council's purview to do so and I understand that point of view.

CHAIR PONTANILLA: Okay. Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Well, Chairman, I think we'll be developing our own fee proposals, so I'm like Mr. Mateo. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: I tend to agree with Mr. Mateo, just haven't figured out what the number would be, if he had a suggestion I would be willing to entertain it.

CHAIR PONTANILLA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I concur with my fellow Members who would like to see this separated out so that's where I'd like to head, too.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: Chair, I...for now, I would say that it's okay to leave it alone. We ought to try to consider working on a tiered rate, as was suggested. You know, there's vacation rentals and there's vacation rentals. We have homes that rent for lots of big bucks a night and we have homes that run or rent for 90 bucks a night. So maybe that should be a factor in determining,

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you know, what these people have to pay, but for now, we have to have something. So I'd say, okay, it's a beginning point, but we can look at it later.

CHAIR PONTANILLA: Okay. Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Pass.

CHAIR PONTANILLA: Okay.

MR. BAZ: Mr. Chair, if I just might note --

CHAIR PONTANILLA: Yes?

MR. BAZ: --we put this in for discussion purposes, knowing full well that the Council was in the midst of approving this and discussing it, and so we appreciate the discussion and we look forward to recommendations as well.

CHAIR PONTANILLA: Okay. Mr. Spence, as far as the fees themselves, you know, we look at cost recovery, yeah, to do all of these permits, like the application fee of \$400. Would that cover the cost for redoing the processing of the application...cover your cost actually?

MR. SPENCE: That's and you're...Mr. Chairman, you're referring to the Bed and Breakfast Permits?

CHAIR PONTANILLA: Yeah.

MR. SPENCE: Yeah, it does not cover costs. I'm not, oh, we do have that, those figures in front of us if you give us just a moment.

CHAIR PONTANILLA: Yeah, we were talking about fees earlier. You know, we should be covering the cost to provide these fees.

MR. SPENCE: Okay. Mr. Chairman, the administrative cost and according to the study that we did, Bed and Breakfast Permit costs about \$2,500 to process, that's in staff time and all that, so. So at \$400, you know, that's a discount to the applicant.

CHAIR PONTANILLA: So about approximately \$2,500 to cover your cost then to process?

MR. SPENCE: For an administrative decision, that is not when we go to the Planning Commission.

CHAIR PONTANILLA: Yeah.

MR. SPENCE: It has additional cost.

CHAIR PONTANILLA: So if you go to like say, a public hearing required, then, how much more would be added?

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MR. SPENCE: About 500 more.

CHAIR PONTANILLA: Okay. And the rest of them?

MR. SPENCE: Well, that's a whole...I mean, we're happy to go through this. Is it, is a whole discussion for, I believe, it's Planning Committee that we're going through all this.

CHAIR PONTANILLA: Okay. So when is that thing scheduled?

MR. SPENCE: I don't know. You can ask Mr. Couch.

CHAIR PONTANILLA: We gotta do this Budget.

VICE-CHAIR HOKAMA: Mr. Chairman?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: I know, Mr. Couch, you know, we're ...*(inaudible)*... in his Committee and it's in our, you know, before Council for second reading, but I hope as part of the calculations of what Mr. Spence is sharing again, we need to Budget in enforcement --

MR. SPENCE: Yeah.

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: --because both sides, you know, the question always came down, enforcement, enforcement. So I hope part of the fee consideration is also enforcement that helps pay...the permit fee structure, it takes in account part of the enforcement cost, so that we can have that confidence and integrity in the program. So I would appreciate that would be part of the fee proposal consideration. Thank you.

CHAIR PONTANILLA: Okay. Mr. Spence, you heard that? Mr. Couch, you had a question? No? No. Okay. Fine. Members, any more questions regarding the Bed and Breakfast Permits and the fees that is being proposed?

MR. SPENCE: Mr. Chairman?

CHAIR PONTANILLA: Yes?

MR. SPENCE: If I could comment just...

CHAIR PONTANILLA: Sure.

MR. SPENCE: And I, I do understand...

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CHAIR PONTANILLA: I'm sorry. Short-term rentals, yeah you're...go ahead, Mr. Spence.

MR. SPENCE: I do understand the Committee's concerns, especially when it comes to the short-term rentals because enforcement was a huge part of the discussion. The, I also know that the bed and breakfast permit fees were, as I recall, were intentionally kept fairly low to encourage people to apply. Because these are typically homeowners, I mean, as the Committee has talked about, these people live in their homes, so they're, you know, they're supplementing their income, et cetera, et cetera, so they are two different things. So maybe one should be higher than, you know, than the other, I mean, in recognition of that pretty big difference.

CHAIR PONTANILLA: Okay.

MR. SPENCE: Yeah, we don't want to discourage people from applying, especially for the bed and breakfast, you know. We're trying to keep those things low and that's what I was trying to get at.

CHAIR PONTANILLA: Okay. No, understood. Yeah. But you know, we were talking earlier about recovering cost in regards to the work that we do. You know, somebody gotta pay for this, you know --

MR. SPENCE: Yeah.

CHAIR PONTANILLA: --the regular taxpayers again. Any more questions, Members? Okay. That's all you got, right?

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Yeah?

MR. BAZ: Sorry, Page 27.

CHAIR PONTANILLA: Yeah, I'm sorry, Page 27, Government Fees?

MR. BAZ: Yeah, exception to fees, there's two changes requested.

MS. MCLEAN: The first change would be for after-the-fact permits, rather than a mandatory after-the-fact assessment fee starting at 10 percent, there'd still be the flat \$1,000, but then it would be discretionary of whether to have an additional valuation percentage added to that \$1,000, rather than it having to be 10 percent as the low point. And then the other amendment would be allowing County agencies to waive their application fees, except for the cost associated with having to do notices for public hearing items.

CHAIR PONTANILLA: Okay. Mr. Mateo, either one of them, questions?

COUNCILMEMBER MATEO: No.

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CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: What is the highest amount charged for an after-the-fact permit? I mean, 50 percent seems really big if you've gone and built something, but what's the reality is, what may have been charged under this previously?

MS. MCLEAN: Well, the \$1,000 fee we feel is appropriate regardless, so that's a flat fee for any after-the-fact permit and then, it's...what is levied on top of that, I don't recall us going to 50 percent with anything. There have been occasions where we accept 10 percent.

COUNCILMEMBER WHITE: What's the highest dollar amount that you've...

MS. MCLEAN: Yeah, I --

COUNCILMEMBER WHITE: Just off the top of your head?

MS. MCLEAN: The only one that I recall was doing 10 percent and it was a valuation of roughly \$50,000 or I think it was \$48,000, so it was \$4,800, plus the 1,000.

COUNCILMEMBER WHITE: Okay. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Mr. Hokama:

VICE-CHAIR HOKAMA: Regarding after-the-fact, I can understand the minimal fee, but I would prefer to go, that the Director can go up to 200 percent of project valuation. This should be a deterrent.

CHAIR PONTANILLA: Yeah, exactly.

VICE-CHAIR HOKAMA: You know, right now, there's a lot of people say, it's still worthwhile to do it after-the-fact, because I can do it and not go through the whole process. So it's not hindering or deterring...well, it's putting illegal work until you get the permit. So why aren't we making it punitive instead of affordable to do after-the-facts? So for me, I would rather go \$1,000 plus up to 200 percent of the project valuation. You know, if you want to do after-the-fact, fine, you're going to pay for it and it's going to be painful. It's a penalty. It should be one penalty for this type of action. And so, you know, I rather go the other way and allow it to go up to 200 percent of the total valuation because then they gonna really think, is it worth the money to do something illegally and then come in and ask for a permit afterwards. You know, that's my take on it. And regarding Government Fees, does this still mean that the Federal and the State would still be required to file and pay a permit for development fee?

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MS. MCLEAN: Yes.

VICE-CHAIR HOKAMA: Okay. Thank you for that clarification.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I guess when I asked Corp. Counsel if we could do that 200 percent, if we can change that 50 percent, 200, is there a rational nexus or on that?

MR. HANANO: I'd have to look into that. I think there is a cap.

MR. BAZ: Mr. Chair, I think the Planning Director might have some comments regarding that in prior discussion with Corporation Counsels.

MR. SPENCE: Mr. Chairman, we've had this discussion with Deputy Corporation Counsel Michael Hopper before on the after-the-fact fees. And the after-the-fact fees were not supposed to be punitive. We have, they're actually supposed to be recovering their administrative cost, so perhaps we could go, you know, along that direction of what it actually costs to process the permits, but enforcement, that falls under a whole other thing where we're gonna, where we can as a deterrent to, you know, along those lines. That's where the penalty comes in is in enforcement, not...it's not supposed to come in at the fee level.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Aren't we the ones that set policy?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER COUCH: So if we want to say it's a punitive, then it can be punitive?

CHAIR PONTANILLA: Yeah.

MR. SPENCE: Yes, you can say that if you like.

COUNCILMEMBER COUCH: Okay. But my question, I guess, again to Corp. Counsel is Section 13-10 of our Charter says that Council shall by ordinance provide for the punishment of violations of any provisions of this Charter and may provide for punishment of violations of ordinance and rules having the force and effect, but no penalties shall exceed the amount of \$1,000 or one years imprisonment or both. So, how can we do that 1,000 plus up to however we want to go, because it says we can't do it more than 1,000?

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CHAIR PONTANILLA: Corporation Counsel?

MR. HANANO: I would have to look into that and get back to you.

COUNCILMEMBER COUCH: Hence, Mr. Chair, my request for a Charter amendment to erase that \$1,000 number.

CHAIR PONTANILLA: To make it higher, yeah, great.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Thank you. Corporation Counsel, in regards to all of the questions regarding Rates and Fees, hopefully we can get that particular information prior to our deliberation, so that we can get the true numbers, not only for Rates and Fees, but the other questions that we had previously asked, so I would appreciate that. Member Cochran?

COUNCILMEMBER COCHRAN: No, not right...

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Mr. Chair, I want to raise another look at this. And the reason I do is because, you know, many of us do not build our own home, and we buy old homes that have been around for a long time. And really, when you buy this house or you inherit this house, say from your parents or your grandmother or whatever, you really have no way of knowing, was this done with a permit or wasn't it done without a permit. So I'm kinda concerned that you're gonna penalize people who really didn't intend to make trouble, along with the troublemakers, so I think it's something to think about that, you know, a lot of people innocently will inherit or buy a home and really not know that they've acquired an asset with problems. You know, if I inherit my mother's house, which I did, and I want to give it to somebody or sell it or whatever, and any of this surfaces, I'm gonna be in big trouble. I don't know what she did with a permit or what she didn't.

CHAIR PONTANILLA: Thank you. Mr. Carroll? Pretty good point. Mr. Spence, how do you determine a building that was either given to you or bought with so-called illegal construction done to it?

MR. SPENCE: Mr. Chairman, that, that's...this is one of the dilemmas of enforcement, certainly is the sentiments of Councilmember Baisa. The, some of the question is easier for DSA, for Public Works, because they, they're gonna deal with building permits. But with regards to SMA permits or those kinds of things or Special Uses that fall under the Planning Department, we really look at the circumstance. They're, you know, I've seen things come across my desk with where the minimum \$1,000 is required, and then I've seen really blatant violations of our Coastal Zone Management laws, where people purposely built things out over the water or poured concrete into the ocean. Those things, you know, those are the things you really want to go after

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and discourage. So the, certainly the penalties are higher and the fees would reflect what we can charge as well.

COUNCILMEMBER BAISA: So you have some discretion?

MR. SPENCE: Yes, we do.

COUNCILMEMBER BAISA: After you investigate and you kinda see?

MR. SPENCE: And that's why it starts at a minimum of \$1,000.

COUNCILMEMBER BAISA: Okay. I think a \$1,000 probably we could live with, but it gets into thousands of dollars --

MR. SPENCE: Yeah.

COUNCILMEMBER BAISA: --and that's not good. Thank you.

CHAIR PONTANILLA: Thank you. And Mr. Spence, you determine that, right?

MR. SPENCE: That's correct.

CHAIR PONTANILLA: Yeah.

MS. MCLEAN: Mr. Chair, if I may? It's important to make the distinction between fees and fines. What we're talking about here in the Department's Budget are application fees. So if someone is applying for one of those permits, those are the fees. If it's after-the-fact, we can do the up to 50 percent of the valuation. That's different from fines. If there was a violation on that property under our rules, there's a valuation of the fines, that you can have daily fines that accumulate every day until the violation is corrected. Those are fines. So that's different from application fees. The fines are what can really be significant, and oftentimes we end up discussing it with the applicant and settling on an amount to correct the violation, which is separate from processing and issuing permits.

COUNCILMEMBER BAISA: That's better because, you know, if this is black and white, we have a problem because there will be many, many people who get hurt. Thank you.

CHAIR PONTANILLA: Thank you. Let me ask you this question. If a home is being sold and you had illegal construction on 'em, the person or the realty company that's selling this home, do they need to look at, you know, if the home was built legally? In other words, you know, I'm gonna sell you something, I want to make sure that what I buying is all legal.

MS. MCLEAN: We encourage them to. The Director and I have both spoken to the condominium associations, to the realtors' associations and we really encourage the realtors to do some of the research for their clients. And we tell them come into the Planning Department and find out.

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We'll look stuff up for you. That doesn't trigger enforcement with us. So they can come in and ask their questions. We can tell them what we have in our files and then they can say, ooh, well, that must mean that this cottage isn't permitted or something. That doesn't trigger enforcement with us. That's just for them to gain that information for themselves or for their clients, so we do encourage people to come in and find out.

CHAIR PONTANILLA: Okay. Thank you. But on the side you note down, right?

MS. MCLEAN: No, we don't.

CHAIR PONTANILLA: Really?

MS. MCLEAN: No, we don't. That doesn't trigger enforcement with us. It would, for example, if they went down to Building Permits and divulged all of this, that could...I'm not saying it would absolutely, but it could trigger enforcement from the building inspectors, but it wouldn't trigger enforcement with Planning.

CHAIR PONTANILLA: So you wouldn't even pass that information to the building inspectors?

MS. MCLEAN: We have plenty of other things to follow up on without creating new ones.

CHAIR PONTANILLA: Jesus. I cannot believe that one. Mr. Hokama?

VICE-CHAIR HOKAMA: Gee, if you're not gonna even pass it to RPT, then how do we get good assessments and valuations, you know? But my point is I believe in Ms. Cochran's Committee and that we just adopted, Chairman, with some arguments on the last Council meeting, I believe Mr. Goode did mention that part of the adoption of the new Building Code, he made some clarification on things that wouldn't need to go through building permit requirements regarding some of the concerns Ms. Baisa had. I believe he did say that, again, there was adjustments in the brand new, revised Building and Housing Code that may address and again, maybe after Budget again, the subject-matter Committee can ask Mr. Goode for additional clarification, but that was my recollection in Committee discussions. So help us out here, was that a violation part, because if my memory serves me right, it was a issue in the Lahaina Historic District whereby the end result is the County made the person or entity tear down the structure. Okay. So was that part of a violation enforcement or was that part of an after-the-fact permit for work done in a National Historic District without a permit? I don't know if you... any of you two, the Deputy and the Director, remember this, but my recollection was that the County forced the structure to be brought down. Okay. So that's pretty extreme.

MR. SPENCE: Yeah, if...I don't remember the exact case. If we required somebody to remove a structure that I assume could not be made lawful through permitting or whatever, there would be no permitting fees because there was nothing to permit. We, instead, make them remove it. Whether there was violations, I'd be happy to look up, you know, what we charged them for fines, if any.

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VICE-CHAIR HOKAMA: Okay. I think some, and again, some of these things that we, you're asking us to consider a revision is because people doing things backwards. Okay. Which means they made a conscious decision that, I know the process, I just don't care. I'm gonna do it anyway and go in afterwards 'cause what can they do? They just gonna charge me \$1,000 more.

MR. SPENCE: Yeah.

VICE-CHAIR HOKAMA: Okay.

MR. SPENCE: Well, in some cases, I mean, we do look at these things on a case-by-case basis. We would much rather get people to comply with the law than to just, you know...

VICE-CHAIR HOKAMA: And that is if they get caught, 'cause normally if they say, nobody catches me, I've saved on my permit fees and I got the job done.

MR. SPENCE: Well, but sometimes it's, you know, as the case was pointed out, you inherit a house, you know, your aunty, you know, or your uncle added on a bedroom and now you're stuck with the fees. Do you want to punish that new person or do you just want compliance with the law and get, have them get the after-the-fact permits and stuff? There's, it...it's...enforcement spans the gamut, I mean the entire spectrum of things where you are very correct in saying that some people, they just try to get away with everything. That's where you want to come down harder in enforcement. But you also have people who just walk into something and honestly didn't know they needed a permit to, you know, remodel something or pour a driveway or whatever the case may be. And those you just more want compliance.

VICE-CHAIR HOKAMA: Thank you.

MR. SPENCE: Those aren't harming.

VICE-CHAIR HOKAMA: I would agree with that point, again, you know, must be, deal with a lot of old structures and old houses. So I know Ms. Baisa's point very well, you know, and most of that is unintentional and done years before the Code changed.

MR. SPENCE: Yeah.

VICE-CHAIR HOKAMA: Okay. But I'm more concerned about those who currently, attitude is, catch me if you can and ha-ha, good for you if I can get away with it.

MR. SPENCE: We share the same concern.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Members, any more questions? Okay. That was the last item for Planning. So, thank you, Bill. Thank you, Michele.

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MR. SPENCE: Thank you.

CHAIR PONTANILLA: Okay. Next Department? They're not here. Public Works.

MR. BAZ: Mr. Chair, he's right upstairs, so if you could take, maybe, a two-minute break?

CHAIR PONTANILLA: Oh. Okay. We'll take a short recess, maybe, five minutes? Reconvene at 4:15. Meeting in recess. . . .(gavel). . .

RECESS: 4:10 p.m.

RECONVENE: 4:16 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Members, we do have the Planning, not Planning, but Public Works Director over here, and starting on Page 10 is the fees for a plumbing permit. Mr. Goode, you get any comments to make?

DEPARTMENT OF PUBLIC WORKS

MR. GOODE: Thank you, Mr. Chair. Thank you, Mr. Chair. Good afternoon, Members. For our Department, the one...the only area that we're looking at for changes and fees are our plumbing fees. So when, I think actually was in Committee recently where we changed the Plumbing Code, to update to the new code, and it was during that process that our supervisor looked at, you know, the existing fees and found that they're the same fees we've had in place since 1994. They're also probably the least expensive fees Statewide and certainly nationally. So we thought, well, let's take a good hard look at this and do some comparisons and see what makes sense. And so there's some changes were made to some of the categories, but in general, all the fees have been roughly doubled or tripled. And that sounds like a lot and we, I went back and forth with them extensively on this and even talked to some plumbing contractors. In fact, one of the largest plumbing contractors here on Maui said, not a problem. Because a...say a typical single-family home, they charge by the fixture where they estimate, could be \$1,000 a fixture roughly, so you looking at \$10,000, \$12,000 in plumbing work on a new single-family home and we're charging about \$150 for a permit. And yet our inspectors, we not only receiving the permit and processing it, we make three or four inspections for 150 bucks. So needless to say, is that we generate not enough revenue to come close to covering our cost. And even with these changes, we still won't be covering all our cost, but we're getting closer. So after working with the industry, working with our group doing some comparisons, we came up with this. And we thought that, you know, since 1994, it is really time to come up to speed on these costs. So in general, we generate, I think, last year maybe \$70,000 on about 1,500 permits. So you can see the average cost per permit is like 50 bucks. 'Cause we obviously process _____ small permits, this would roughly triple those numbers. But for a supervisor or clerk and five inspectors, I think it is, we're still not gonna meet our cost, but our intent is not to meet our cost, but to charge a reasonable amount that the industry can absorb and get up-to-date. That's it, Mr. Chair.

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CHAIR PONTANILLA: Okay. Good. On Page 10, Mr. Mateo, questions? Page 10.

COUNCILMEMBER MATEO: Chairman, thank you. I guess as Mr. Goode indicated that the changes really haven't...the last time was 1994?

MR. GOODE: Correct.

COUNCILMEMBER MATEO: Yeah, we both were 12 years old, so you know I think it's appropriate for us to take a look at it once again. You know, but when I look at all these numbers, I keep worrying about nickel-and-diming our way through the process, so I don't know if, you know, charging by individual piece is wise or just increase the, you know, a cost of a permit by that amount that it could normally be. So if we looking at a \$1,000, then tack that on to a permit. It just seems to continue, you know, \$2 here, \$5 there, this is nickel-and-diming, and I think we should look at some other process and what that process is, Mr. Goode, I have no idea. Thank you, Chair.

MR. BAZ: Mr. Chair, if I might have a comment.

CHAIR PONTANILLA: Okay.

MR. BAZ: I had the exact same question, Chairman Mateo, in looking at this and thinking, gosh, there's gotta be a better way to do this. And after much discussion with the Director and his staff, we decided to leave it like this for a couple of different reasons. You know, there is a certain amount of fixed cost that we have for a permit and looking at what those are, and then there's certain amount of cost per fixture that is basically what this nickel-and-diming charges are. And you would think that the difference in the fixtures, the number of fixtures per permit would make a big difference in the cost and it does for a, to a certain extent. And where it hits the most is in large, like hotels or something like that, where there's a significant amount of permits, excuse me, a significant amount of fixtures on one permit. The other area that was brought up was that the Water Department does their water flow rates, excuse me, their water flow calculations based on fixture count, but the Water Department doesn't have the ability to go and measure the, to count the fixtures once the building is actually going up. So this is actually another way to control that the number of fixtures that they're approved for is actual. So having a per fixture charge keeps that structure in as well. But, yeah, Mr. Chair, I had exactly the same question.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: It seems like we're nickel-and-diming on the individual fixture and individual connections and so forth, but it seems like the, you know, if we're doing three inspections that the residential or non-residential based cost per permit seems low, that maybe that should go up to, you know, 150 or \$200 just because of the time involved in doing the inspections and so forth, but it's just a thought. Thank you.

CHAIR PONTANILLA: Mr. Victorino?

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COUNCILMEMBER VICTORINO: Thank you, Mr. Chair. And again, Mr. Goode, you had mentioned that this doesn't get us to where we should be, but gets us closer to being there, right?

MR. GOODE: Right.

COUNCILMEMBER VICTORINO: Okay. And my question is had we, you know, I know you've talked to the industry and obviously, you know, you want to help the industry, too, because they're still trying to grapple [*sic*] and come out of it, but do you feel that if we had a, just a set, instead of per fixture and all that, I mean, kinda like if it's a house and you know, a single-family house, three bedroom, two bath, \$500, \$1,000, you know, and just to cover what I would call our actual cost or what it cost our inspectors to go out there? You know, maybe if it cost five hours, you pay \$45 an hour. Five hours, that's how much you pay. Would that maybe better or you think this is a better way of doing it? Because I think we discussed this one time, you know, I just...kinda like a, like a, I don't know. You know, there's a lot of things that you pay per the hour, you know. If you have somebody come out, you have a fixed fee and then per hour they come out and if they take three hours, then fine. So if you get everything done right, three hours, you're done. If you don't, you keep coming back, it costs you more so and also, it really tries to create efficiency by the person that's building or the person that's doing what they need to do for the construction, so. That would be my only question. Is this the only methodology or have you guys thought of something like that?

MR. GOODE: Well, we certainly have looked at, you know, trying like, okay, by a square foot or something like that --

COUNCILMEMBER VICTORINO: Oh.

MR. GOODE: --and, you know, some of the reasons that Mr. Baz mentioned, it actually, it helps to, you know, for Water Supply and their fixture account --

COUNCILMEMBER VICTORINO: Yeah.

MR. GOODE: --process. And, yeah, there's a lot of fees on here, but --

COUNCILMEMBER VICTORINO: Yeah, I mean...

MR. GOODE: --it's strange, you know, you talk to the industry, you talk to our clerks that handle all this, and it's really...the system isn't broken, it's...so why fix it? And so we went through that whole iteration as part of developing this, too. And believe it or not, everybody seemed to like it and that's what the other counties do and it's done nationally all over the place. And sometimes, all you're doing is you're just putting in say one new fixture in your house, well, you don't want to pay a whole lot for that. You just want to get a permit and in and out. And as it relates to, you know, hours on the job, most of the plumbers out there are really good, know our guys, know what they're supposed to be looking for. They don't want to spend a lot of time with our inspectors, either. You know, they want to have a nice clean job, come in, you know, get

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inspected and hopefully...and move on. So if we had to account for our hours and then charge, you know, write a bill up, we'd be there 15 minutes longer than we expected, there's another nightmare of paperwork we want to avoid. So interestingly enough, you know, it does feel like it is, you know, a lot of individual fees --

COUNCILMEMBER VICTORINO: Right.

MR. GOODE: --it's really not broken.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: And I was surprised myself, yeah.

COUNCILMEMBER VICTORINO: Okay. And if it's not broken, then we've all said not to change what's not broken, but and if that's what they all feel and that's the people that do the work every day then I, I'm all for this. And I'll, you know, wait to see how this all works out over the next few years and what we bring in. But again, we just trying to get a, closer to what the cost of doing business is and almost everybody, when they put a bill out, whether they're a plumber, whether they're a carpenter, they charge you for the hours they work and of course, for whatever material, but the hours they work so. It just seems like a lot of work here, but anyhow, if that is what they all feel good about, Mr. Chair, I can accept that. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, is this, are you open to questions on anything in the blue, which is being the --

CHAIR PONTANILLA: Yeah, the, from 10 to whatever is being removed, whatever is being proposed up to Page 13.

VICE-CHAIR HOKAMA: Okay. Thank you, Chairman. So Mr., Director Goode, on...let me start with Page 12 first. I notice you approaching work without permits or work that has been concealed that requires inspection in a slightly different manner than how, I guess, Planning has approached it, so. Is this an area of concern within the construction component of your Department, 'cause for you, you looking at double the fees or \$500, then when plumbing work that has been concealed without required inspection and then regarding and the requirement of a hold harmless agreement, so does this mean we are putting the licensed plumber...the license of the plumbing contractor on the line then? And if that is sufficient to satisfy plumbing work, wouldn't it be easier to just have that licensed plumber sign off in advance and then avoid this inspection requirement since I'm sure he doesn't want to lose his license as a way of expediting working, finalizing construction?

MR. GOODE: The main, Mr. Chair, Mr. Hokama, what we're trying to do in this section is really mimic the Electrical Code section and the Building Code section has a lot of it. So previously we had all three sections kinda having different fees for concealed work or work without permit.

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This gives it, it gives everybody exactly the same, so it's a lot easier for the Administrator, overall, of DSA, to handle and for each of the sections to handle in the same. We do a lot of these hold harmless. Basically if someone does work without a permit or continues on with work without getting inspections and they conceal work, you know, you can seal it and then open it up. That's one of the options.

VICE-CHAIR HOKAMA: Right.

MR. GOODE: They say, okay, we'll open it up, so we can see it and close it. Now if that is determined that they don't want to do that for whatever reason, then we say, okay, we have a process for that. You're gonna have to hold us harmless, plumber's gonna have to sign off on that and owner acknowledge it, and get...and have a fine associated with that, which basically covers our processing. We do send it to Corp. Counsel for review.

VICE-CHAIR HOKAMA: Right.

MR. GOODE: And so this is really a, again a process to mimic the other two sections so they're all on the same page.

VICE-CHAIR HOKAMA: Okay. Okay. And I just want to bring up one point. You know, I mean, I see this as maybe for the individual homeowner, you know, maybe, you know, they want to close out the drywall and mud it sooner than later than have it exposed with the pipe, you know, tube piping for the inspections, and so I can see where maybe you want to double it or \$500, whichever is greater. Then you may have a company, as maybe a company like on Lanai, that is putting in big water lines and closing the trenches before inspection, and yet a \$500 fine is nothing for a multi-billion dollar corporation. So is this adequate?

MR. GOODE: I'd have to look into that one a little bit more.

VICE-CHAIR HOKAMA: I, you know, I give you the two extremes. For the homeowner, you know, you gonna say, well, that's...I don't want to pay \$500 more, but for a big company, you gonna say, what is \$500, you know we...you know, I pay my, we pay our accountant more than that per, you know, or our attorney \$500 an hour, so what's the big deal for a \$500 penalty? You know, close the trench and we'll pay the penalty kinda mentality. So I just bring that up that, you know, it may be dependent upon the scope of work, you might want to consider some --

MR. GOODE: We'll look at that.

VICE-CHAIR HOKAMA: --recommendations to us. The other one I want to ask you about is on Page 13, Mr. Goode, under Miscellaneous, whereby an inspection of an installation not specified in the Code, was there any concern about exposure to the County regarding this area whereby our inspectors giving an approval for something that is not specified and should something go wrong, are we on the hook for something?

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MR. GOODE: You know, I don't know. I'd have to work with, talk to Corp. Counsel about this and understand more about exactly what it's referring to. We do have a type of inspection called the miscellaneous inspection. I don't know if this is referring to that, which is actually a \$60 fee. That's when we go in for let's say someone wants to condominiumize a property, so we go in to see, okay, what's there, does it match the building permits, the plumbing, the electrical permits for that structure? Or someone wants to get a liquor license, they do a miscellaneous or if someone wants to have a preschool in a structure, we do a miscellaneous inspection. I don't know if this is that same miscellaneous inspection. It seems odd that we would be reviewing something that's not covered to the Code.

VICE-CHAIR HOKAMA: Yeah, that's why --

MR. GOODE: So I --

VICE-CHAIR HOKAMA: --I bring up the question.

MR. GOODE: --I'm not certain.

VICE-CHAIR HOKAMA: I mean, what wouldn't be in the Code that, you know, you would need that requirements...

MR. GOODE: We could certainly look into that and get back to you.

VICE-CHAIR HOKAMA: And thanks, thank you. And my last one very quickly is under Exemptions, number four and five, I can understand, you know, certified nonprofits like 501(c)(3)'s that are doing a service, but why would you exempt adult residential care homes or daycare centers that are being run for profit?

MR. GOODE: Good question. I have to get back to you.

VICE-CHAIR HOKAMA: Thank you very much, Mr. Goode. Thank you, Chairman.

CHAIR PONTANILLA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I just, just one that I would want to take a look at would be the return checks shall be assessed a \$25 service fee. Council Chair Mateo was complaining to me the other day about his high fees for his bounced checks, so I just wondering if we should make that like 45?

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: I was just wondering if it should be 45?

CHAIR PONTANILLA: I know it was your check, so.

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COUNCILMEMBER COUCH: Yeah, I know.

CHAIR PONTANILLA: Okay. Department?

COUNCILMEMBER COUCH: You know, 25 is pretty low. They're around 35 now, I think, somewhere around there, just might as well get it in. It costs us money to process that so are you okay with it being 45 or something like that?

MR. GOODE: Yeah, well, I guess if there's a maximum allowed by law or...I'd have to defer to Finance Department.

COUNCILMEMBER COUCH: 'Cause we'll start losing money on a \$25 fee, my thought.

MR. GOODE: I'm certainly open to it.

COUNCILMEMBER COUCH: Okay. Thanks.

CHAIR PONTANILLA: Okay. That's it? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. Thank you, Director Goode, and all the work, you know, we all did with the update of the Codes. And so I noticed the gray water portion added in here. I was just...would reclaimed water usage be in the Water Department's purview, then? I mean, not that we have reclaimed use in homes at this point, but.

MR. GOODE: Probably in DEM's.

COUNCILMEMBER COCHRAN: Sorry?

MR. GOODE: I think it's in DEM's fees.

COUNCILMEMBER COCHRAN: Oh, Environmental Management. Okay. Yeah. Okay. Just so long as it's in there and being, you know, there's a fee structure for it. And other than that, Chair, no pressing questions.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. Nothing but I do want to say, I second the motion on Riki's inquiry about NPO's. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Pass.

CHAIR PONTANILLA: Mr. Goode, in regards to plumbing work, have we ever come across where, you know, pre-fab homes with plumbing work already installed and what do we do?

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MR. GOODE: Mr. Chair, the...there's a process in, I think it's in what, HUD, HUD Type III homes, is that they're certified that they're built within certain specifications. Then it basically trumps our Building, Plumbing, Electrical Codes and inspections. I mean there is one company here on Maui --

CHAIR PONTANILLA: Yeah.

MR. GOODE: --that provides those, and so we still have a Plumbing Permit for those 'cause they have to bring the waterline from the water meter --

CHAIR PONTANILLA: Right.

MR. GOODE: --to the home and hook up and probably a backflow preventer, so we would permit those, but everything once it hits inside the home would be handled through that HUD certification process.

CHAIR PONTANILLA: Okay. Thank you. Member Mateo? I know I said Page 10, but you know, all three pages if you want more questions.

COUNCILMEMBER MATEO: No, I'm fine.

CHAIR PONTANILLA: Same thing with you, Mr. White?

COUNCILMEMBER WHITE: No questions.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Chairman, just one quick question. Do we have a, Mr. Goode, a estimation of what type of potential revenues you may be able to receive from, if all of this gets approved?

MR. GOODE: Yeah, from 70,000 now to about 210,000, 200,000.

COUNCILMEMBER COCHRAN: Nice.

VICE-CHAIR HOKAMA: And would this go into one of our special funds within the Department, planning permit fees component fund or would this just be thrown back into General Fund?

MR. GOODE: I believe it's General...actually it states General here at the top of the page, so.

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VICE-CHAIR HOKAMA: Yeah. But...and again, I just bring it up because we do have sections in the Code that then divert it to another fund. So again, you know, to help, you know, we had that component that goes to your...staff some of your positions from permit fees?

MR. GOODE: Yeah, we have the Building Permit Revolving Fund.

VICE-CHAIR HOKAMA: Right. So I don't if some of this may eventually be diverted to take care of again, permitting and review and expediting approvals. So again, if you can check, you know, I don't need a response at this time, but if you folks could check these, I would appreciate that. Thank you.

CHAIR PONTANILLA: Thank you. Any more questions for Mr. Goode? Thank you, again, Dave.

MR. GOODE: Okay. Thank you.

CHAIR PONTANILLA: Okay. Next up is the Public Transit Fares, Page 28, okay, and we have the experts coming. Mr. Baz, you want to start?

DEPARTMENT OF TRANSPORTATION

MR. BAZ: Thank you, Mr. Chair. The proposed changes to the fix, excuse me, the routes are on Page 28 of the Ramseyer version for everybody to follow, and I'll leave it to the Director to describe the changes.

CHAIR PONTANILLA: Director Winer?

MS. JOHNSON-WINER: Yes. Mr. Chair and Members, you'll see the changes that we have proposed to make are basically, you know, they're there for you to read. But one of the things I wanted to preface all your questions was to just add that we tried to take into consideration what you had suggested to us last time during the last Budget cycle, which was to try to become a little bit more sustainable and self sufficient. So essentially, we made changes in the fixed route fares. We made changes in the paratransit, some amendments. We made changes also on the daily pass rates, and I believe you will also see some fare reductions for the passes for seniors and students. And that basically is it. Thank you.

CHAIR PONTANILLA: Mr. Mateo? Questions?

COUNCILMEMBER MATEO: Chairman, can we talk or discuss everything listed other than just the rates at this point? Is advertising fair game?

CHAIR PONTANILLA: Advertising is, yeah.

COUNCILMEMBER MATEO: Thank you. I guess this is an item that was discussed quite a while ago, and I see now that it's with this \$25 rate. The issue still is...\$25 is a small amount of money to pay for advertising in the bus. Nonprofit organizations get it free. Twenty-five dollars

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is not that much. Can I get your comment on fairness across the board and everybody pays a fee?

MS. JOHNSON-WINER: Yeah and one of the items because we had not...actually I think this is a remnant from last year if I'm not mistaken. It is actually in Budget Chair Pontanilla's Committee and I have spoken with him, so what we as a Department have actually looked at is a totally different strategy. We think that the fare is really not reflective of what other programs are doing, so what we would like to do is propose some alterations and changes within that discussion. It's difficult to do here because this was a proposal that the legislative side really hadn't matched, so we're stuck still in the hole, I guess, the pigeon hole of charging nothing to our nonprofits, letting them advertise for no charge because we have not moved forward with the actual legislative matters.

COUNCILMEMBER MATEO: Thank you. And Ms....I guess in looking at the rates, especially the students with valid ID rate, have -- how are you preparing for the DOE's reduction in providing bus transportation for a whole stack of kids in, throughout the County, really?

MS. JOHNSON-WINER: And that is something that we did meet previously with the Department of Education providers. There were two gentlemen who we met with from the Department. They're not with, you know, I guess Mr. Oshiro's staff or anything, but they basically told us this was coming. It is leaving us completely unprepared, because as you know, last time when we actually had some of the services that were already discontinued from the DOE, which were the students with special needs that were going on community outreach, we finally were able to address that through our human services transportation. But we are ill prepared for any onslaught of large numbers of students trying to get on our public transportation, mostly because right now where stops are, are not necessarily where the children will need to go, and we're looking at some of the areas. We are also visiting with the neighbor islands to see how they've chosen to address this. But right now, this system that we have in place, even if we were asked to accommodate by providing additional vehicles, we could not do that and we made that known. Therefore we encouraged the State to really work on this and not adversely impact our entire operation, which this would really do, not just in Maui County, but throughout the entire State. This is nothing more than cost shifting and burden shifting onto the backs of the County, which I think is very unfair.

COUNCILMEMBER MATEO: Thank you, Madam Director. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. The general boarding pass at \$45, does that apply to the commuters as well?

MS. JOHNSON-WINER: Yes, it is.

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COUNCILMEMBER WHITE: Okay. And with respect to the students with valid ID, it includes both the fixed routes and the paratransit routes. I'm assuming that you need to be, you need to have some certification of need before you can use the paratransit route, is that correct?

MS. JOHNSON-WINER: Yes, there's an entire process and our specialist, Darren Konno, goes through the, not only the site visit, the medical review, but there's a whole set of criteria through ADA that has to certify that they're eligible.

COUNCILMEMBER WHITE: Okay. Thank you. And the last item, the Loop and Village Routes are being...Loop and Villager Routes are being deleted. They were at a charge of \$20. Does that mean that those monthly passes will go to the General Boarding rate?

MS. JOHNSON-WINER: Yes, they would either go to the Daily rate or they would go to the General Boarding options.

COUNCILMEMBER WHITE: Okay.

MS. JOHNSON-WINER: We had very limited sales of those passes and to try...even as it is, there's still a large number of passes to monitor, but that will help cut down on a little bit of the duplication of many of those passes and particularly for those individuals that sales were very slow in those areas.

COUNCILMEMBER WHITE: Yeah. Well, that makes sense because, you know, the General Boarding will allow them to go wherever they want, correct?

MS. JOHNSON-WINER: Yes.

COUNCILMEMBER WHITE: Okay. Thank you. That's all I had, Chair.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair. And paraphrasing Mr. Couch, all great minds think alike, all my questions. When did that start? Fixed routes daily, again because of the large number of visitors that had been heavily using our bus system and again, I hate to use this word, resident and non-resident, but has any consideration been done there? Because again, I understand, you know, on a daily basis, you know, there are some people not gonna buy monthly passes, but, you know, they use it four, five times a week...I mean, a month. You know, that comes close to should I buy a pass or shouldn't I buy a pass? But non-residents, those coming off the boat, coming off wherever, I sure like to see them pay a little bit more of a fair share, you know, and that's my whole take on this, Mr. Chair. I think \$5 is still not enough for our non-residents because they taking advantage. Some of them use this to go all over the place, and I'd like to see them pay a little bit more and not to, you know, I no like offend Mr. White or the hotel industry, but this is taking space that a lot of times our buses are so full right in Lahaina especially, South Maui, same thing. Our residents can't use 'em. Our residents are stuck. They can't get to work. So again, has thought been given for that in, you know, where

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residents get preferential and our visitors pay a little bit more just because...we need to look at it?

MS. JOHNSON-WINER: Well, that was one of the reasons why we actually did what we did with the rate. We...you cannot because of FTA rules and --

COUNCILMEMBER VICTORINO: Okay.

MS. JOHNSON-WINER: --you know, discrimination. We tried to explore every --

COUNCILMEMBER VICTORINO: Okay.

MS. JOHNSON-WINER: --possibility to include a higher rate for non-resident individuals, whether they're off the cruise ship or whether they're just visiting, but because that was impossible, also to really implement and enforce, we felt that at least by making it more attractive for the monthly passes, the brunt of the individuals who are local, who regularly rely on the bus system and many of our seniors and students --

COUNCILMEMBER VICTORINO: Right.

MS. JOHNSON-WINER: --that's why you see the cost reduction there. They would be utilizing the system at least five days a week, so we tried to work the numbers. And we felt that there're still gonna be those local individuals that are going to access the system maybe once in awhile. Five dollars is all day, so they can travel anywhere on the island. If we have in our areas like Lahaina and also on cruise ship days in Central, we have a large number of cruise ship passengers, as well as regular visitors that don't want to avail themselves of tours. We felt that because that was approaching on some of our runs, maybe as much as 40 percent, sometimes more, that if we captured that revenue from the off-island visitors, it was still far better than just getting \$2. Because if, you know, if we ran the numbers, we really lost tremendously on the \$2, and many of our regular riders even told us, oh, it's not enough and they buy daily passes. Some of them buy monthly, of course, but they kept telling us, \$2 is too cheap, why don't you make it at least \$5? So that's why we put that out for your consideration. But we tried to look at it. I even tried to work with the State Representative McKelvey on this very issue about charging a different rate and we decided that this might be one of the ways to approach it. And of course, just like the \$2 fare, we won't really know how successful it is in gathering revenue until it's actually implemented. But so far we have not had too many complaints about...you know, people understand why we're trying to do this. We're not trying to hurt local people, but with gas prices rising \$5 and of course on Mr. Hokama's island, you know, \$5 is less than a gallon of gas, you know, for one gallon, so we're trying to really, you know, not gouge anyone. But it...I totally understand what you're saying and if I had my way, it would be exactly what you're saying.

COUNCILMEMBER VICTORINO: Well, and again, you clarified the part about being Federally subsidized and, you know, not discriminating, so the public understands this. It's not a matter of we having a lot of choices. It's that we've got to comply to these Federal rules and so that they know that what we're trying to do is trying to make everybody pay in a fair and equitable manner

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and pay...and have the visitors, you know, help. Because if they're jumping...all day pass, you know how much a taxi cost? You know, it's almost a hundred something bucks to go to Lahaina...one way. So I mean, five bucks? Oh, I mean, and I'm not saying, you know, but if they want to come in to this side, they don't have to catch a taxi or even SpeediShuttle is what, \$65...one way? You know, I mean, I, I've really tried to look into this and see where we can maximize our revenues so that our bus system doesn't tax the local people, but since it is what it is, thank you and at least you explained it to the public and I'm appreciative to that. Thank you very much. Thank you, Chair.

MS. JOHNSON-WINER: Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, just on the parameters, and I know the proposal as presented by the Department of Transportation, but would that also include fuel taxes or you prefer to take fuel taxes at another time of the Committee's review?

CHAIR PONTANILLA: We'll take it another time.

VICE-CHAIR HOKAMA: Okay. Fine. Thank you for your direction, Chairman. Maybe you can help me, Director. When you say, \$25 per card per month for advertising, what are we talking about a card? You know, is it like a one-foot by two-foot cards? That's the dimensions, or...

MS. JOHNSON-WINER: Yeah, we actually do have...it's a rack card that goes in the upper portion. There's little receptacles where those cards go. And they're about, you know, and I'm not great at measurements. Marc could tell you exactly what it is, but basically it's a card that we review. The nonprofits are the only ones using it currently, but one of the things that we would like to propose is that we have received or I'll let you know that we've received proposals to actually have outside entities do the advertising, which is now being done on Oahu, and they have actually proposed putting in and installing video equipment at their own expense. It would have to, of course, go out to bid, but they're...they would be doing it and then we would get a portion of those revenues, but they would be monitoring it, doing everything, as long as it met our, you know, our criteria as far as, you know, not being risqué or you know --

VICE-CHAIR HOKAMA: Right, right, right, right.

MS. JOHNSON-WINER: --certain morality-driven clients or advertising.

VICE-CHAIR HOKAMA: Sure, sure.

MS. JOHNSON-WINER: We would have no issue with that. So that is one of the things that we would like to speak with the Council about --

VICE-CHAIR HOKAMA: Sure. Thank you.

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MS. JOHNSON-WINER: --to at least have an outside entity do that.

VICE-CHAIR HOKAMA: Okay. Well, what do you currently anticipate is the maximum amount of cards per bus?

MS. JOHNSON-WINER: I, you know, if I'm using, if we're using the card system, I think we have placement for ten positions on our buses.

VICE-CHAIR HOKAMA: So if you had ten businesses that would pay the County \$25 per card per month and you had ten nonprofits asking you for free space, what is your Department's approach?

MS. JOHNSON-WINER: Well that would be per vehicle, too, that they're in, so you'd be multiplying the \$25 'cause they have one card in each vehicle, and if we're assuming, we have 20 buses, you know, at the \$25 that would be the monthly charge.

VICE-CHAIR HOKAMA: Right.

MS. JOHNSON-WINER: The nonprofits currently have an arrangement where because there is no revenue-generating advertising going on in the buses, they're allowed to put in their nonprofit advertising at no charge.

VICE-CHAIR HOKAMA: I understand. No, I understand. I just was asking, you know, what...how would the Department approach it if there was enough business entities willing to pay the amount for all 20 buses at \$25 per card per month and they exceed, you know, they can max you out all ten spaces, what happens to a nonprofit request for advertising?

MS. JOHNSON-WINER: That is one of the things that I would look at during our discussion with the Council in the actual legislative measures that are contained as to if you wanted to keep two spaces or, you know, maybe certain spaces on every single bus available for nonprofits. I have no issue with that and if you're still doing video advertising, which would not require the cards, then that would enable still some kind of nonprofit advertisement to continue.

VICE-CHAIR HOKAMA: Okay. Well, I'm hoping that, you know, people know that because you have a lot of potential customers...you know, I mean, you get them for Lahaina to Wailuku and they're going to be staring at your, you know, business opportunity, you know. It's like a captured person for one hour, but and I appreciate you folks at least thinking of various opportunities to defray the cost of the total operations, and I'm willing to support this and at least give it a try for a year --

MS. JOHNSON-WINER: Right.

VICE-CHAIR HOKAMA: --because it's an annual review. So I appreciate the efforts that you've put forth to this proposal. Thank you.

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MS. JOHNSON-WINER: Thank you very much.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you. Ms. Winer, what have you guys done to actually go out and solicit to get the \$25? Have you, you just have it there? Have you let businesses know?

MS. JOHNSON-WINER: It's not in existence yet. It's a placeholder.

COUNCILMEMBER COUCH: Oh, placeholder. Okay.

MS. JOHNSON-WINER: 'Cause in order for us to actually begin charging that, we had to have within the Ordinance all of the rules and regulations established, and that is still in...Chair Pontanilla and myself have visited about it. We would like to try to implement it, but right now, it seemed like almost a non-technical, you know, kind of operation, and of course, anything that we do, it requires our staff to go out and fully implement it. If we can engage through a pilot project another organization to come in and if they're willing to do the advertisement, then I think this might be a moot point.

COUNCILMEMBER COUCH: Okay. And how many nonprofits are using your service at this point?

MS. JOHNSON-WINER: I think we have almost all of our spaces are filled.

COUNCILMEMBER COUCH: Oh, wow.

MS. JOHNSON-WINER: You know, so our buses, we get a regular supply in. Sometimes people will change their advertisements, but we have...I'd say we have a good percentage of those spaces already filled.

COUNCILMEMBER COUCH: Oh, good. All right. Thank you, Mr. Chair.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And aloha, thank you for being here, Director --

MS. JOHNSON-WINER: Aloha.

COUNCILMEMBER COCHRAN: --Directors. And just a little on the same lines of questioning in regards to the advertising cards, and is that...does your Department create these cards or did the companies and groups?

MS. JOHNSON-WINER: No, the department that we receive them from. Sometimes it's from, you know, their art department, other times it's just straight, somebody gets it from the printer. It depends on the organization, but they do their own cards according to our specifications and then we just simply place them in the busses.

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COUNCILMEMBER COCHRAN: Okay. 'Cause I know that can be costly. You know ...*(inaudible)*...

MS. JOHNSON-WINER: We don't --

COUNCILMEMBER COCHRAN: Okay.

MS. JOHNSON-WINER: --we don't have to do that, thankfully.

COUNCILMEMBER COCHRAN: And also, you know, certain routes will be more popular and more populated, I guess, with ridership, so that could...I mean, I don't know what the Haiku to...you know, I mean, maybe one versus the Lahaina to Kahului route would be more, I guess, exposure for their advertisement if there's gonna be adjustments in...you know what I mean, it's like you want primetime location sorta advertising. Is it just the set rate, no matter what the route is and how much it runs and what have you?

MS. JOHNSON-WINER: The proposal, I believe, that's before Chair Pontanilla is a flat rate based on just being placed in a number of buses with this very simplistic card setup. The proposals that we have been receiving from outside entities--list a video advertising or something more sophisticated--would actually do what you're saying. It would look at the specific routes and then develop a rate structure that they would then market to outside entities to at least give them an idea of how many people would be on those particular runs at any given time.

COUNCILMEMBER COCHRAN: Right. And also currently are, do we the County sorta advertise and put in plugs for ourselves of different programs or say, you know, the three-can plans coming up for our recycling, conserve water or prevent forest, you know, prevent fires and things?

MS. JOHNSON-WINER: Any department and I think perhaps it was Water Department, I'm not sure if Water has done it, but I think we've got at least maybe one set of rack cards from one department. I could be wrong, but any department is certainly eligible for the County to turn in anything or special events. I can say, specifically, that we have done special events advertising and it's usually just placed right when you first come into the bus, separate from the cards and it's usually targeted to a message or a special event that's coming up that we want the riders to know about --

COUNCILMEMBER COCHRAN: Excellent.

MS. JOHNSON-WINER: -- or any schedule changes, too.

COUNCILMEMBER COCHRAN: Oh. Good. I mean, I figure it's County and we should take advantage, too, of advertising our things. And I'm noticing, so the one-way fare is completely taken out? So if somebody just wanted to hop on this bus to just get to one, you know, one way, then they're just paying the \$5 rate at this point versus the \$1?

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MS. JOHNSON-WINER: They're paying \$5, yes, that's correct.

COUNCILMEMBER COCHRAN: Oh. Okay. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Yes. Thank you very much, Chair. Chair, I ran back and forth for many years trying to find money to operate transit, and as a new executive director, I used to try to get money wherever I could get it. And I'd go to the State and I'd go to County. And at one point, I was told by one of the State officials that the proper place for me to be looking for money was at the County because Constitutionally, it is the purview of the County to provide mass transit. And I don't know if that still holds today, but I think Corp. Counsel might want to check that out for us, because, you know, while we're grumbling about the State not doing its share, if it's...if it is true, that it's our kuleana, we're stuck with it. So I think it's something that, you know, we would all benefit from. It's been a long time since I checked that out. When I did check, it was true. And I have a feeling it hasn't been changed. We don't do too many Constitutional amendments and if we do, it's really...we haven't had a Con-Con for a long time. So I think it's something we ought to check out. That's one thing. The second thing I find very interesting is this statement that we cannot discriminate between residents and non-residents. We're discriminating between seniors and kids and everybody else. I don't get it. It doesn't follow for me. I'm 54. I can't get the senior rate, you know. It doesn't follow, but if that's the law, that's the law.

MS. JOHNSON-WINER: I find the answer to...I know, I asked the same, identical question and usually it's a class of passengers. And you know, because of the fact that under...and I'm not sure if it's right to travel or whatever, if we had a specific rate for people, all people regardless where they come from over the age of 55, that's fine. If we have a special rate for students, if we have a special rate for, you know, any other class of individuals, we could do that. But it goes across all spectrum and regardless of where those people actually reside. And that was the explanation that was given to me.

COUNCILMEMBER BAISA: I don't know. It really is strange. It does sound like discrimination to me, but you know, other people make rules and we have to live with them. But Chair, I think it might be a good thing to check out that Constitutional thing, because this is going to become a major, major issue. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. The idea behind our bus system is not only to have our local people be able to not use their cars and people that don't have cars, to be able to use the system for whatever they want to use it for. The other part is to where we have visitors coming inside to keep less cars on the road and that's one of the major things actually. We want visitors to use the bus system. When we went to Portland, they had a free system over there and unless you changed, then you had to buy a card. When we went to Chicago back in 2006, they had an interesting system over there. And I've noticed the other places we go that when you

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have conventions or what, usually they offer, the convention offers to sell you a one-, two- or three-day bus pass. And this is so the people won't be renting cars and going around, so it's better for everyone. And that's one thing that I don't think that Maui County has pursued _____ships coming inside or some other ones coming inside. And I don't know if they are allowed with a surcharge that say it's a \$5 pass, but if the, we allow the let's say, the ship to, you know, sell those passes, if we allow them to do that, if they would pay a surcharge. They charge the people \$10 for a \$5 one and they actually give the County back some of that profit. And I believe that is legal because they're just charging a surcharge on the passengers for the convenience of getting this pass. I have no idea if we could do it or not, but that and other things are options that might be available to help to defray the cost from out-of-town visitors and still help us reach our goal of reducing traffic in Maui County. I think that we can't lock ourselves into anything. I would hope that we could look at some of the other cities that have, actually give free transportation in some cases, because it's so important to try to reduce the traffic load. Maui traffic load is nothing...cars compared to some of the other places. Portland was a prime example how there's very, very, very few cars in the downtown area. And Chicago is a huge problem. There's no place to park over there and so they're dependent on public transportation. How much of it is subsidized and the different ways they're doing it, I am not aware. But I feel that's the track that Maui County needs to take if we're going to have the ultimate goal of supplying dependable transportation for our residents and having transportation available for people to come from other places to reduce the traffic load on Maui so we don't end up like Honolulu. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions for Ms. Winer at this time? Seeing none, Jo Anne, thank you very much.

MS. JOHNSON-WINER: Thank you very much.

CHAIR PONTANILLA: And we'll take your proposal into consideration.

MS. JOHNSON-WINER: All right. Appreciate it.

CHAIR PONTANILLA: Thank you.

MS. JOHNSON-WINER: Thank you very much for the time.

CHAIR PONTANILLA: Members, you want to continue on or you want to take a break or just finish up?

COUNCILMEMBER VICTORINO: Let's finish up.

CHAIR PONTANILLA: Okay. Good. Next up is the Water Department...on Page 39. Okay. Mr. Taylor?

DEPARTMENT OF WATER SUPPLY

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MR. TAYLOR: Thank you, Mr. Chair. The proposed rates in front of you represent a fundamental shift in how we're charging for water. We're not just raising rates or lowering rates. We're fundamentally changing the structure of how we charge to deliver service. We had a long discussion on this on February 14th at the Water Resources Committee, where most of you were in attendance. I want to thank Member Victorino for allowing us the time to have a long presentation, a lot of discussion with the Members, with our consultant here. There's no way we can...as you all remember, there's no way we can get into that level of detail today, so I'm just gonna hit a couple of high points of what we're trying to do. We used a lot of that conversation of what we talked about to fine tune our proposal, but it's basically the exact example we used to show the Water Resources Committee of what we were going to propose. In summary, water rates have always had two parts: service charge, which is fixed, it's exactly the same every month no matter how much water you use, and a consumption charge, which goes up the more water you use. So we can call this the fixed portion and the variable portion. In the same way, our costs have a fixed portion and a variable portion. Even if no one uses any water, we have to pay Debt Service; we have to pay salary; we have to do maintenance. If people use more water, we have more electricity, more chemicals. So those are the fixed and variable portions of our expenses. Right now, the existing rate structure does not allow us to promote conservation, because the fixed portion of the bill does not cover enough of the fixed costs that we have to operate. So we can't really promote conservation, because we need the high water usage to cover our revenue and cost needs. So the proposed rate structure takes all of this into account. It promotes conservation while it stabilizes revenue to cover more of the fixed costs. Currently we're bringing in under the current rate structure, the fixed charge covers 58 percent of the fixed costs. That would be going up to 66 percent of the fixed costs. In future years, we're probably be bumping that up so that that fixed monthly charge would cover more and more of the fixed costs. We'd wait to see how customers are reacting to the structure and to fine tune as we go in future years. In addition, we're proposing to add a new 5/8 inch non-residential category...I'm sorry, non-commercial category, essentially adding a fourth tier to residential usage. The reason for this is the top 6 percent of residential customers use 23 percent of the water of that cost. There's about 1200 residential customers, which is 4 percent of the 30,000 residential customers. So 4 percent of the people use three times as much as the average. So creating this fourth block will send a strong conservation message to those people. So as a whole, this is a cost of service basis for rate design, covers more of our fixed costs, it...people are paying for water that they're using. It's got these ideas of equity. The bottom line is when you look at the customers, the 25 percent that are using the least water, residential customers, will basically get a lifeline rate. They'll only be paying about 50 percent of what it costs to serve them. The top 30 percent of users are going to be paying about 140 percent of what it costs to serve them, and everybody in between is going to be paying their actual cost of service. So that will be a strong conservation message to get the high users down. We're still taking care of the lower users. A lot of those can't afford to pay more, so we are going to continue to subsidize them with that lifeline rate. So again, this is a major shift in the way we have the rate structure. We're expecting that in July to move to monthly billing. We'll get feedback from customers, how they're relating to this, and come next year, we'll make appropriate modifications to fine tune the response that we're looking for. So thank you, Mr. Chair, and again, I want to thank the Members of the Water Resources Committee for the time they gave us and Member Victorino for the time he gave us to do this in Committee. There's really just no way we could've come close to getting into the

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details of this in Budget and Finance, so we very much appreciate your time during that Committee meeting. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Mateo? Questions?

COUNCILMEMBER MATEO: I'll yield to Mr. Victorino.

CHAIR PONTANILLA: He might not have any questions. I don't know. Mr. Victorino? It was done in your Committee.

COUNCILMEMBER VICTORINO: No, no. You know, again, those who have been on the Water Resources Committee, we've been preparing for this. And I think...I want to thank Mr. Taylor and his staff for coming down and preparing us and getting us really in tune to what we would be looking for. I'll let other Committee Members ask and I'll wait to the end if there's any more questions that I have, I'll ask at that point, Mr. Chair, so.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. The question I have is under General Water Consumers, that is everyone who is non-residential and non-agricultural?

MR. TAYLOR: That's correct.

COUNCILMEMBER WHITE: Okay. I appreciate the fourth tier for a simple reason. I had my...I asked your staff, who kindly put together a comparison of the 544 residential users and compared that with a 544-room Wailea Marriott. And the interesting thing is...you know, during that meeting we talked a lot about conservation. And of course the hotels were concerned about the rate increase, because, you know, they've implemented all kinds of conservation measures already, and if they can't squeeze more, you know, squeeze down too much more, they'll be paying a significantly higher amount of money. The, what I like about the way you structured this, is that for example, for a hotel, we go through the first 5,000 gallons in the first hour of every month, and so 90...almost 100 percent of our water is paid for at the top rate. But if you go and look at the 544 users in Maui Meadows, they're paying only 63 percent of their water at the top rate. So I think what you've done here makes it a little fairer. I don't know what the, what that does to the balance, but to put it in perspective, the hotel on a per person, you look at the average hotel occupancy is around 2.1 percent or 2.1 people, average home site is or household size is three people. So using that as the basis, average resident on a per person basis in Maui Meadows is using 13,500 gallons per month versus the average guest at the hotel is about 3,600 gallons per month. So while the hotel's using much less, they're paying a higher rate on the majority of their usage. So I think this fourth tier will catch the people that are using more, and as long as you, as long as my colleagues don't apply this fourth tier to the commercial

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users as well, I think this has a sense of fairness to it that I'm reasonably comfortable with it at first blush. So thank you.

MR. TAYLOR: And Mr. Chair, if I may just add something --

CHAIR PONTANILLA: Sure.

MR. TAYLOR: --to what Mr. White said. Eighty-nine percent of usage in the commercial customers is already in the third block. So that's why we didn't need to add a fourth block to the general --

COUNCILMEMBER WHITE: Right.

MR. TAYLOR: --is 89 percent of that usage, as you said, is already in the third block.

COUNCILMEMBER WHITE: Yeah, if you were to put the 544 households in Maui Meadows together, they're using 22 million gallons a month compared to the hotel, 544 rooms using about 4 million...41...4,000,100...4,100,000 gallons a month. So while we go through the first 5,000 gallons in the first hour, the 544 residences go through the first 5,000 gallons in ten minutes, so. Anyway, I say again, I think what you did is reasonable and appreciate that.

CHAIR PONTANILLA: Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, kinda taking Mr. White's direction, I'm looking at the agricultural rates. So Department, you know, where you start off with the 175 and then, if you go over 15,000, we drop it to 110. What is your comments you can share with us why you would retain that middle tier at that, at the current level of 320, please?

MR. TAYLOR: Sure. If you look, the first and second tiers, 175 and 320, are identical to the general and the customer cost --

VICE-CHAIR HOKAMA: Right. Right.

MR. TAYLOR: --175, 320.

VICE-CHAIR HOKAMA: Right. Right.

MR. TAYLOR: What this is doing is acknowledging that many farmers have a house. So it's basically putting the first two tiers in agricultural rates, exactly the same as residences assuming that that's where their first water is going. Everything beyond that usage is probably going for agriculture, so that's why the rate drops.

VICE-CHAIR HOKAMA: Isn't that an assumption that you believe that on every agricultural lot that using water has a house on it?

MR. TAYLOR: There...it is an assumption and...

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VICE-CHAIR HOKAMA: And I bring up Molokai-Lanai because basically, for and I'll let Mr. -- and again, I apologize, I'll let Mr. Mateo speak for Molokai. Okay. But for Lanai, you know, all our people do agriculture, even the residential community, so they already paying that residential or the normal tier proposal under their home and yet, you know, when they farming which is outside on old plantation land, you know, there's no structure. There's just, if anything, maybe a shed for equipment or whatnot, but...and again, I know, Lanai is under Lanai Water Company. But as the example, you know, why wouldn't I want to give a true farmer, a true ag user a different rate than the 320 for that middle tier that doesn't have a house on the land?

MR. TAYLOR: This is something that's...this isn't something new we created and it's been done this way for many, many, many years. I think it's just a practical answer of when you have 35,000 or so customers, to try to check up on everybody about exactly what they're doing on their land and try to customize rates for the very few people that are not normal...not doing normal things, it just becomes a practical issue. I mean, we certainly hear you, if we could somehow automatically adjust people's rates to their specific circumstances, I think we would all like to do that. I think part of setting rates when you have 35,000 customers, realistically we're going to have to make some assumptions and some people are going to be a little lucky and some are probably going to be, end up being a little unlucky.

VICE-CHAIR HOKAMA: So maybe I would like you to...and it doesn't need to be now and maybe during this Budget session, but maybe it makes sense for us to review the Ordinances or whatnot to maybe give you some authority of flexibility to take into account unique situations that within parameters, you will have a ability to make some minor adjustments within parameters that Council would consider and permit, but address those unique situations. Because, you know, we've all heard the horror stories that you may be sympathetic, but you have no authority as a Director to make adjustments because it is not permitted by law or by or under the old semi-autonomous version under the Board. But again, you know, people, we all understand the uniqueness of our County and how we all do different things differently in different regions. So I just ask you to think about it and maybe that way we can make, bring a little bit more fairness to those unique, special situations. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Mr. Couch?

MR. TAYLOR: Mr. Hokama, the Budget Chair is quickly running some math here. The total value of that first bunch of water is, let me see, \$40.

MR. BAZ: Yeah, it's \$40.75 for those two first blocks of usage, and if it was based on, if all of it was based on the rate of, you know, the one, the block over 15,000, would be \$16.50. So you're talking about a difference of \$23.25, basically of, that the agricultural land is paying in those first two categories.

VICE-CHAIR HOKAMA: Yeah. And I appreciate the, that comment. Again, you know, Council is, you know, trying to bring adjustment to scores of years of, you know, non-adjustment to many

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things, and, you know, there's inequities currently that we trying to address as fairly as possible. So thank you for your comments, gentlemen. I appreciate it.

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Taylor, the only question I have and if you've discussed it in the Committee, that's, I understand. How is, how are these rates encouraging commercial users to conserve?

MR. TAYLOR: We are still increasing the fixed portion of the bill, so basically if you don't use any water, you're still paying more. So although it may not be encouraging them to conserve, it's making sure that if they don't, we're still recovering a reasonable amount of money from them to pay fixed costs. And their -- that's also being increased, that their tier is being increased somewhat.

COUNCILMEMBER COUCH: Okay. All right. Thank you.

CHAIR PONTANILLA: Ms. Cochran?

MR. TAYLOR: It is a balance between urging conservation and balancing that with a stable fixed revenue. So it's trying to do both and those two things tend to fight each other, so it's a balance point between them.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, Directors, for being here. So a lot of the questions about the tiered rate structure has been addressed. And I'm looking at the equipments, equipment changes and charges per hour, I guess. And maybe I'm nitpicking a little on equipment, but I'm just curious to figure how this is figured. I see you're getting under chain saws a 36 inch and just -- because we just don't use that anymore, there's no need? And I'm cross-referencing machinery and equipment that you're asking for in your operations program right now to look at what's being asked for. Oh, on Page 42?

UNIDENTIFIED SPEAKER: We're on page thirty ____.

COUNCILMEMBER COCHRAN: Oh, sorry. Chair, I thought we were gonna just jump through --

CHAIR PONTANILLA: No, we're taking the rates...

COUNCILMEMBER COCHRAN: --and ask questions via --

CHAIR PONTANILLA: Most questions gonna be on the rates, first.

COUNCILMEMBER COCHRAN: Oh. Okay. No.

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CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: I've had the opportunity to sit in the Water Resources Committee, so I'm pretty okay with the rates. I just want to say that, you know, even though it is five cents more, I'm sure we're gonna hear from our ag community that five cents here and five cents there and it's a strain for them. But you know, I really understand what Mr. Taylor's trying to do. We have tremendous water infrastructure that has to be handled and we have to catch up. We waited too long and so now we don't really have a choice but to do what we have to do. So I'm going to hope for the best and I'll be supporting the proposal. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I, too, will be supporting this proposal. I think this is about the best that we can really do, a fair, across-the-board thing that has a good, positive effect on our water resources. You will always be able to find something that you'd like to change or you'd like to tweak here and there or you'd like to give a break to somebody or you'd like to charge somebody more. But I think this is fair. I think it's something that we've talked about a long time, not only in this Committee, but I've been active with Water for many, many years and I think this is appropriate. I think this is a time to implement it and I hope that we can pass this out as is. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions regarding this water rates? Mr. Victorino?

COUNCILMEMBER VICTORINO: It's really a question and a comment. Mr. Taylor, how long ago did we take out the fuel...not fuel charge, electric charge? Remember? For many years, we had a separate surcharge for electricity?

MR. TAYLOR: I don't recall.

COUNCILMEMBER VICTORINO: Yeah. I don't recall when we took it out, but there was, you remember, it was \$.95, electronic, electricity charge on each of the higher rates, we used to put that in there.

MR. TAYLOR: I don't recall how long ago that was.

COUNCILMEMBER VICTORINO: Yeah. Okay. I just was curious if you remember when we took it out. I know when I first came, it was here and I just don't remember what year we took it out. Okay. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Any more questions on the water rates that's being proposed? Okay. Let's go, let's see, Ms. Cochran, you had a question on Page what, 42?

COUNCILMEMBER COCHRAN: I was looking at 42.

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CHAIR PONTANILLA: Go.

COUNCILMEMBER COCHRAN: 'Cause I was just kinda cross-referencing what's being asked in proposed machinery and equipment detail and looking at different types of saws you're looking for, and trying to relay it to usage and what we charge per hour for the use of these new saws that we're gonna be, you folks are asking for. And wondering, I notice the 36 inch is being deleted out and so I guess because I'm not too savvy with equipment and chain saws, whatever, I was checking out the target saw and road saw and their costs. And then just, you know what I mean, just trying to...kinda compare to what we are charging per hour to use these pieces of equipment. So if there's anything you can give, shed more light on the deletion of that 36 inch and then addition of the 14-inch Target All-Purpose, which I believe you're asking for a brand new one of those.

CHAIR PONTANILLA: Mr. Taylor, before you answer that. This is all in regards to overtime work?

MR. TAYLOR: It's not just overtime work. It's work that is done for a particular customer. It can be straight-time work.

CHAIR PONTANILLA: Okay. Okay.

MR. TAYLOR: So in general, Member Cochran, you're right in saying we're getting rid of equipment. The things that we're getting rid of, there's no point having cost for. A 36-inch chain saw, I don't recall ever in my life seeing a 36-inch chain saw. I'm sure somebody makes one. That's a long chain saw, so probably we don't have any, which is probably why it's being taken off. That would be a, almost a pretty dangerous piece of equipment to use, to have a 36-inch chain saw. I mean, you're talking about cutting down big trees in the forest, so that's why we're getting, I'm sure, getting rid of it. And as we add equipment, we add costs. The staff looks at how much we're actually paying for things, depreciation comes up with the cost. They also look at how much it costs to rent certain things that we rent. So staff looks at what it actually costs us to support this equipment, and we're not making a profit on this. It's just trying to pass that actual cost on, you know, to the customers who are requesting those services.

COUNCILMEMBER COCHRAN: Thank you. And just curious about the pipe locator at \$3,800, is that, there's no section in here for a charge on use of this piece of equipment that you're looking to get in your Budget?

MR. TAYLOR: Usually when...this work is fieldwork. When a customer is doing a connection, customer wants a connection, you have to go out, dig up the road, tap a pipe, hook it up. We usually know where those things are. So a pipe locator, we have to have them around, but it's not necessarily something that we're going to charge the customer. We may have one anyway, when we have to locate a pipe, but they wouldn't be charged, you know, because we're using that.

COUNCILMEMBER COCHRAN: Okay. Thank you. And I guess I just need to commend you folks in keeping these kinda aged dump trucks, 1990 dump trucks and '91 vehicles going. So I see

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there's, you know, pricing that you're putting towards these vehicles, which are quite commendable if they're still going, so thank you for that.

CHAIR PONTANILLA: Thank you. Should use da kine porcelain tubes with copper wire as a metal detector. Ms. Baisa, you got any questions regarding --

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: --water rights? Mr. Carroll? Mr. Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Mr. White? Mr. Hokama?

VICE-CHAIR HOKAMA: None.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: None, sir.

CHAIR PONTANILLA: Okay. Any part, well, any parts of the areas that we were talking about in regards to water, so anybody got any questions? Seeing none...

COUNCILMEMBER COCHRAN: The, Page 50, Tenant Deposit? That's another addition.

CHAIR PONTANILLA: Page 50? Okay.

COUNCILMEMBER COCHRAN: Yeah, is that right?

CHAIR PONTANILLA: I don't know, go ahead.

COUNCILMEMBER COCHRAN: Just wanted to know what that was and a little explanation on that new addition into this?

MR. TAYLOR: On, as far as which line on Page 50, Member Cochran?

COUNCILMEMBER COCHRAN: Just the description of what Tenant Deposit is? Oh, on Page 50, the very last --

MR. TAYLOR: Oh, I see.

COUNCILMEMBER COCHRAN: --title.

MR. TAYLOR: Paul, do you want to explain this? Deputy will explain that.

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COUNCILMEMBER COCHRAN: Okay.

CHAIR PONTANILLA: Okay. Member Cochran?

COUNCILMEMBER COCHRAN: Oh, they're looking up the --

CHAIR PONTANILLA: Oh, I see. Okay.

COUNCILMEMBER COCHRAN: --item.

MR. MEYER: This is to take into account of a problem we've had in the past, and basically it involves where a landlord has a water meter, but they're actually transferring the obligation to pay for that service to their tenant. And we've had problems in the past where tenants get behind in the water bill and then move out and leaving more than a month or two's unpaid water service, and that's a serious burden on the landlord as well. Where we don't have a record with a particular tenant or landlord, we can ask for and get up to a two-month deposit. This is simply a rate provision to provide for that. And it takes a kind of a situation where it works a hardship on the landlord and works a hardship on the Department when we have uncollectible amounts. This allows us to take a deposit. And if after a year of paying on time, we usually allow those deposits to lapse, in other words, to be used up as a credit --

COUNCILMEMBER COCHRAN: Okay.

MR. MEYER: --if people pay on time.

COUNCILMEMBER COCHRAN: Okay. Very needed. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Just a quick one on Page 41. Gentlemen, this is regarding patching, your hot mix-cold mix per ton adjustments. We all know that asphalt is, you know, impacted by fuel costs and cost of diesel and, but not so...gentlemen, are we pretty good with this number in your estimation?

MR. TAYLOR: It's based on real costs like the other numbers. It's based on what we've been paying. How we do this is we cold patch when we do repairs. When we reach a critical mass, we lump them together, put it out to bid. So it is what it is. You know if oil goes up, if oil doubles during the course of this Fiscal Year, we're going to be losing money on this, but there's really just no way to know.

VICE-CHAIR HOKAMA: Do you need some type of flexibility in the range that you could consider for this material?

MR. TAYLOR: Flexibility's always nice...

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VICE-CHAIR HOKAMA: You know, the utility always gives us all fuel adjustment component, so is there something that might say, again, you know, adjustment component depending on cost or something, fuel cost or whatever it be?

MR. TAYLOR: I think when...if you were to get a bill for your costs, I think even if this adjusted a significant amount, I think when you add up all the other costs, I don't think it's worth the hassle of trying to administer it. Some points it's going to be a little higher than we're charging, probably others a little lower. I think the, you know, if we're going to have a serious discussion about fuel surcharges on the core bill based on our electric costs, I mean, then you'd be talking about millions of dollars one way or another. This is not going to add up to, I think, a significant amount.

VICE-CHAIR HOKAMA: Okay.

MR. TAYLOR: So I don't think it's really worth the trouble.

VICE-CHAIR HOKAMA: That's fine. No, again, that's the purpose of the question to hear what your position would be. And just for general understanding, how much can you do with a ton of mix, you know, 100 linear feet, two feet wide? I mean, I have no clue what a ton of material is able to do for your Department's requirements.

MR. TAYLOR: Boy, when I was a field engineer, I knew the answer to that. I used to have a really good sense of how many tons fit in a ten-yard dump truck, but I honestly don't remember my rules of thumb any more. Deputy thinks two yards to the ton, so...of cold, so it's about the same.

VICE-CHAIR HOKAMA: Two cubic yards?

MR. TAYLOR: Two cubic yards. If you figure, dump trucks about, you know, eight to ten cubic yards.

VICE-CHAIR HOKAMA: Right.

MR. TAYLOR: So you can do a pretty good road patch, you know, half the size of the --

VICE-CHAIR HOKAMA: One-fourth of the dump truck?

MR. TAYLOR: --bay down here, you know, where the truck...something like that, if it's a couple of inches thick, something like that.

VICE-CHAIR HOKAMA: Okay. Thanks. So I just needed a sense of, you know, what it can do for a ton of material. Thank you, gentlemen.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to the water section in Appendix B? Seeing none, thank you, Dave. Chair was gonna take up Special Purpose Revenue Funds, but I think when we review the grants, we'll review the Special Revenue Funds. These

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are like the Open Space Fund, Affordable Housing, so we can do that when we do the grants. Grants is going to be two days, so we'll take it then.

COUNCIL MEMBERS VOICED NO OBJECTIONS. (excused: DC)

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: Okay. Members, this is all for tonight. So the Budget and Finance Committee meeting for August, April, not August, Jesus, April the 12th is now adjourned. . . .(gavel). . .

ADJOURN: 5:39 p.m.

APPROVED:


JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:120412:jb

Transcribed by: Joanne Bista

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CERTIFICATE

I, Joanne Bista, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 7th day of May, 2012, in Kahului, Hawaii


Joanne Bista