

BOARD OF WATER SUPPLY
COUNTY OF MAUI

REGULAR MEETING
MINUTES OF MAY 24, 2012

The regular meeting of the Maui County Board of Water Supply was held at the Department of Liquor Control office conference room, 2145 Kaohu Street, Room 108, Wailuku, Maui, on Thursday, May 24, 2012.

CALL TO ORDER

The meeting was called to order by Chair Kevin Boteilho at 9:05 a.m.

ATTENDANCE

Members present: Kevin Boteilho, Chair
Patricia Eason
Donald Gerbig
Robert Joslin
William Kamai
James Rust
Michael Suzuki

Excused: John Hoxie, Jr.

Staff present: Paul Meyer, Deputy Director
James Giroux, Deputy Corporation Counsel
Pamela Pogue, Water Resources and Planning Program
Manager
Gaye Hayashida, Commission Support Clerk

Others: Mary Blaine Johnston, Deputy Corporation Counsel
Jack R. Naiditch, attorney representing David and Patricia
Chevalier
David Chevalier, appellant
Ralph Masuda, Castle and Cooke, LLC
Krisopher Baptist, Castle and Cooke, LLC
Tonya McDade, court reporter

ANNOUNCEMENTS

None.

APPROVAL OF THE MINUTES

Chair Boteilho stated that Director Taylor has asked that the minutes of April 26, 2012 be corrected with the following:

Page 5, paragraph 2, change "State Land Use Commission" to "CWRM (Commission on Water Resource Management)".

Page 5, paragraph 5, change "County Planning Commission" to "planning commissions".

Being that there were no further corrections, the chair asked for the approval of the minutes with corrections.

Motion: Member Rust moved to accept the minutes with changes/corrections

Second: Member Eason

Discussion: None

Vote: Unanimous. Motion passed. The minutes of April 26, 2012 were approved with the corrections.

TESTIMONY FROM THE PUBLIC

None.

RESOLUTION

Resolution No. 12-03, a resolution commending Ted Yamamura for his service to the Board of Water Supply

At this time Chair Boteilho read the resolution into the record.

"Board of Water Supply, County of Maui, Resolution No. 3 (2012). Whereas, Ted Yamamura of Wailuku, Maui, Hawaii was appointed to the Board of Water Supply of the County of Maui on April 1, 2008 and until his resignation on May 1, 2012; and

Whereas, during the time of his service as a Board Member, the said Ted Yamamura greatly influenced and helped to shape the Board of Water Supply's recommendations to the Director, the Mayor and the County Council regarding the Water Use and Development Plans for Central Maui and Lana'i; and

Whereas, during the time of his service as a Board Member, the said Ted Yamamura contributed his knowledge and skills to help the Board of Water Supply

settle appeals brought before them; and

Whereas, the said Ted Yamamura has unselfishly and with dedication devoted, without compensation, his time and energy into matters dealing with the Board of Water Supply, all in the interest of the people of the County of Maui; and

Whereas, during the time of his service as a Board Member, the said Ted Yamamura has contributed generously of his knowledge and skills to make decisions for the Board of Water Supply that will influence its direction and operation for the years ahead; and

Whereas, the said Ted Yamamura's interest in the Board of Water Supply and the Department of Water Supply has been greatly appreciated by his fellow Board Members; now, therefore,

Be it resolved by the Board of Water Supply of the County of Maui that it does hereby congratulate, commend, and thank the said Ted Yamamura for the four years and one month of faithful and outstanding service he has rendered as a member of the Board of Water Supply; and

Be it further resolved that the members of the Board of Water Supply extend to Ted Yamamura our sincere Aloha and Best Wishes for his continued success and much happiness in his future endeavors; and

Be it further resolved that certified copies of this Resolution be transmitted to the said Ted Yamamura, to the Mayor and to the Maui County Council of the County of Maui."

Motion: Member Kamai moved to accept Resolution No. 12-03.

Second: Member Rust

Discussion: None.

Vote: Unanimous. Motion carried. Resolution No. 3 (2012) has been accepted by the Board

APPEALS

Appeal No. 11-01, an appeal by David and Patricia Chevalier, Motion to Dismiss Appeal

The Board heard the Department's request to dismiss Appeal No. 11-01 and the appellant's response and opposition to the Department's motion to dismiss.

UNFINISHED BUSINESS

None.

OTHER BUSINESS

Discussion and possible action regarding the Board's Recommendation Letter to the Maui County Council on A Proposed Bill Establishing a Lana'i Water Advisory Committee To Monitor the Implementation of the Lana'i Water Use and Development Plan and to Advise the Lana'i Planning Commission

Motion: Member Rust moved to accept the draft letter

Second: Member Gerbig

Discussion: Member Gerbig asked if they should mention in the letter that this would require additional ordinances in order to create this committee. He acknowledged that the letter is a broad brush and wondered if they should be more specific.

Chair Boteilho asked if there any thoughts on this from the other members.

Member Rust asked the chair to call for the question.

Vote: Unanimous. Motion carried. The Board's recommendation letter was accepted as written. (Note: Staff will finalize the draft on the Board's letterhead.)

Discussion and possible action on appointing an investigative committee to testify before the council on the Board's Recommendation in opposition to the establishment of a Lana'i Water Advisory Committee to Advise the Lana'i Planning Commission

Chair Boteilho asked for volunteers and Member Gerbig said he would volunteer to give testimony on this matter before the county council.

Motion: Member Joslin moved to appoint Member Gerbig for this investigative committee (a committee of one).

Second: Member Eason

Discussion: None.

Vote: Unanimous. Motion carried. Member Gerbig has been selected for this committee to give testimony before the county council in the matter of the Board's opposition to the establishment of a Lana'i Water Advisory Committee.

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

1. Appeal No. 11-01, Findings of Fact, Conclusions of Law, Decision and Order
2. Presentation by the director regarding Water System Management and Optimization Update as presented to the Council's Water Resources Committee on March 13, 2012
3. Proposed 2013 Water Rates
4. Number of Photovoltaic systems installed for the Water Department

COMMUNICATIONS

None.

DIRECTOR'S REPORT

Deputy Director Meyer reminded the Board that there will be a power point presentation at the next board meeting and a more thorough discussion on CIP plans, evaluation of system capacity and system efficiency. Also, they will have a report on the department's long term projections of rates and debt coverage.

The preliminary results of the financial audit of the Department of Water Supply have been received and it is "as clean as it gets". There were no recommendations for improvements in controls or process and there were only 2 adjustments. Both of those related to numbers that only the Finance Department could generate. One was an adjustment to the carrying value of our short-term investments which are managed by Finance. The second one was the calculation of the amount of post-retirement medical benefits.

He apologized to the board members for distributing copies of the department's March 31st financial summary so late. The Board should have received it prior to the meeting but the Fiscal Division was extremely busy with the new computer system and they could not send it out before this meeting. He said that if any of the board members have any questions on these numbers they could give him a call.

Member Gerbig asked about the water rates. He saw it in the newspaper but it has not come up on the board's agenda. He asked if the Board is still part of that process to review and approve the rates.

The deputy responded by saying that it is his understanding that the county council is responsible for the water rates.

The department commissioned SAIC to do a study on the water rates and based on this study they made their recommendation to the Council's Water Resources Committee which has accepted the recommendations. This will be made available to the Board at the next meeting.

There will be a 4% across the board rate increase for the county. Even with this increase Maui County will still have the cheapest water in the state.

Member Gerbig asked for a list of solar panels that have been or will be installed at the Water Department's facilities.

Deputy Director Meyer stated that the department had planned a department sponsored installation of photo-voltaic (pv) panels in 3 places and even a wind powered project but the administration decided to centralize these projects so they hired Doug McLeod as the Energy Commissioner to handle the negotiations for all the pv projects. In his opinion, Mr. McLeod did a very good job in getting very competitive responses.

The County is starting to implement it right now i.e., picking sites and installing panels. The Water Department's largest project will be at Kamole in Makawao. These will be owned by the company doing the installation on a turn key basis. They will maintain it and guarantee the rates to the county for 20 years. After the 20 years are over the County has a purchase option for the pv panels or have the panels "de-installed".

Member Kamai noted that after 20 years these turn into "ghost towns".

The deputy informed the Board that the department will soon be issuing an environmental assessment (EA) on the Waikamoi Flume Project. Copies will be distributed to the Board. And soon they will be ready to issue an EA on the rehabilitation and bringing online Hamakuapoko wells 1 and 2. These wells will serve as backups to the Pookela Well. This will allow the department to resume issuing a larger number of meters for Upcountry. At this time, they do not know if either or both of these EA's will be challenged.

The department has made considerable progress in assessing the system reliability in how much water can be delivered and what improvements should be made. They have 4 engineers working on this most of the time over the last month and a half.

Chair Boteilho asked what is the situation of the Upcountry water.

Deputy Director Meyer replied that unfortunately we are getting towards the dry season. Right now the reservoirs are pretty full and they are starting to draw from them. But they haven't started pumping Pookela Well yet.

They are repairing the pipeline from the #1 intake for the Piiholo Water Treatment Plant. That's the most important water source for the Upcountry surface water system. Once it is repaired this should bring them back online and it will top off the Piiholo Reservoir.

DIVISION REPORTS

April 2012 Division Reports

There was no discussion on this matter.

ADJOURNMENT

There being no further business the meeting was adjourned at 11:25 a.m.

Prepared by:

Gaye Hayashida
Commission Support Clerk

Approved by:

Paul Meyer
Deputy Director