

**COST OF GOVERNMENT COMMISSION
MINUTES
Kalana O Maui Building, 9th Floor, Mayor's Conference Room
Monday, July 7, 2014**

PRESENT: Tina Gomes, Chair
Yuki Lei Sugimura, Vice Chair (11:15 a.m.)
Garrett Evans, Member
Kent Hiranaga, Member (Excused at 1:00 p.m.)
Gabriel Hoeffken, Member
Stanford Lantias, Member
Gayle Long, Member
Dale Thompson, Member
John Watling, Member (10:15 a.m.)

STAFF: Gary Murai, Deputy Corporation Counsel
Gina Gormley, Technical Writer for the Commission

OTHER: Lance Taguchi, County Auditor
Camille Sakamoto, Administrative Officer, Office of the County Auditor
Linden Joesting, Deputy Corporation Counsel
Dave Taylor, Director, Department of Water Supply

I. CALL MEETING TO ORDER

Chair Gomes called the meeting to order at 10:04 a.m. Chair Gomes amended Item IX.B. of the Agenda to reflect the date of July 8, 2014, and not July 2, 2014.

II. ROLL CALL

III. PUBLIC TESTIMONY

There was no public testimony.

IV. REVIEW AND APPROVE JUNE 12, 2014 MEETING MINUTES

Commissioner Long moved that the June 12, 2014 and June 17, 2014 minutes be approved, and Commissioner Evans seconded the motion. The motion passed without objection. Commissioner Sugimura and Watling were excused.

The June 12, 2014 Executive Session minutes were approved without objection.

V. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED

There was no correspondence received.

VI. COUNTY AUDITOR'S UPDATE

County Auditor Lance Taguchi stated that he transmitted the Fiscal Year ("FY") 2015 proposed audits. A letter was sent to Council Chair Gladys Baisa and the Office of the Mayor listing the financial audits for FY 2014 audits. In the payroll audits, the financial audits revealed many internal control problems. Payroll is the largest expenditure and therefore, it needs to be looked at to make sure there are controls in place.

Regarding the road repaving and improvement maintenance practices, he stated that it needs to be looked at to see how they are doing and how things are determined.

County Auditor Taguchi stated that his office is currently recruiting for a person to fill the second senior analyst. He hopes to fill this position in the next few months.

VII. DISCUSSION WITH DAVE TAYLOR, DIRECTOR, DEPARTMENT OF WATER SUPPLY, REGARDING THE PIPE REPLACEMENT PROGRAM

Dave Taylor, Director of the Department of Water Supply, appeared before the Commission and made a presentation regarding the pipe replacement program. Currently, there are 750 miles of pipeline.

Chair Gomes asked Director Taylor if there is a pipe replacement manager. According to Director Taylor, there are six divisions. The field operation division repairs small pipelines. Large projects are done by outside contractors which are led by the capitol improvement engineering division.

Chair Gomes asked Director Taylor what is the estimated water lost between the source and meter. According to Director Taylor, in central Maui, twenty percent (20%) of the water is not getting to the meters either because of leakage, inaccurate meters, or water is being stolen. Director Taylor explained that the numbers are approximately twenty percent (20%) off. The industry standard is ten percent (10%).

To remedy this situation, the Maui County Council has authorized 1 million dollars and two leak detector positions.

Director Taylor explained that most of the pipe is ductile iron pipe which is metal based. Corrosion is an electro-chemical reaction; it occurs where the chemical reaction is happening so there is not equal wear across the pipes. Therefore, only those portions that have corrosion need to be repaired, not the entire pipe.

The plan is to buy a few dozen remote sensors which will be placed on the meter boxes, valves, or anywhere that has access to the pipes. It will record data for 24 hours. The sensors will pinpoint the location of the leak. As a result, those areas that have leaks will be fixed instead of the entire pipe. This will resolve the issue of unaccounted water. Director Taylor believes the solution will more than likely entail spot repairs rather than

replacing miles of pipe. When this project is over, the two additional positions will transfer to the regular pipefitter positions.

According to Director Taylor, this is not a pipe detection problem; this is a leak detection problem.

The life of a ductile iron pipe could be a 100 years but certain sections of that pipe may only last ten years.

Chair Gomes recessed the meeting at 11:30 a.m. and reconvened the meeting at 11:40 a.m.

VIII. DISCUSS IDEAS FOR 2014-2015 ANNUAL REPORT

A. Review and Discuss Recommendations for Future Investigations by the Commission

Chair Gomes first asked that the Commission be prepared to form its temporary investigative groups (TIGs).

First, Commissioner Hiranaga expanded on his request that the Commission investigate multiple-island planning commissions. He explained that Lanai and Molokai each have their own planning commissions, but the work done by those commissions is minimal. A representative from Molokai and Lanai on the Maui Planning Commission would be more cost effective. Commissioner Hiranaga suggested that the Commission investigate whether the County can minimize its costs by abolishing these commissions, making them advisory only, or amending their rules.

Second, Commissioner Evans suggested that the Commission investigate the Biennial Budget. Commissioner Hiranaga suggested that the budget process be streamlined and condensed.

Third, Commissioner Long suggested that the Commission investigate the Grants Review Process. She explained there needs to be a process in evaluating the agency to determine the money is being used wisely. Deputy Corporation Counsel recommends the Commission obtain an understanding of the County's grant making system first before looking for potential problems.

B. Establish Temporary Investigative Groups

Commissioner Hiranaga moved to create a TIG focusing on the Multi-Island Planning Commissions and to rename it the TIG Review of the County Planning Commissions, and Commissioner Watling seconded. The following commissioners will comprise this TIG: Commissioner Hiranaga (Chair), Commissioner Lantias, Commissioner Sugimura, and Commissioner Watling. The scope would be to review the cost benefit of a single commission versus multi-island commissions. This motion passed unanimously.

Commissioner Long moved to create a TIG called the Grant Review Process, and Commissioner Evans seconded. The following commissioners will comprise this TIG: Commissioner Evans (Chair), Commissioner Hoeffken, Commissioner Long, and Commissioner Thompson. The scope of the investigative review is to determine what the scope of the committee work will be. The authority will be to make recommendations to the rest of the committee as to modifying the breadth of the scope and the extent of their powers. Motion passed unanimously.

Chair Gomes informed the TIGs to be prepared to meet and have a report at the next scheduled meeting.

Deputy Corporation Counsel Linden Joesting informed the TIGs they can meet as many times as they want outside of a duly noticed Sunshine Law meeting as long as they meet a total of three times. The Commission cannot take action on a report of an investigative committee until the meeting after the report is presented.

IX. DISCUSSION OF PROPOSED RESOLUTION ENTITLED, "PROPOSING AN AMENDMENT TO REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, TO CLARIFY THE DUTIES OF THE COST OF GOVERNMENT COMMISSION (COMMITTEE REPORT NO. 14-66)

Chair Gomes explained that there was a subsequent PIA Committee meeting on June 5, 2014, in which Chair Hokama submitted a second proposed resolution to limit the scope of the Commission's duties. A copy of the proposed resolution entitled, "PROPOSING AN AMENDMENT TO THE REVISED CHARTER OF THE COUNTY OF MAUI (1983), AS AMENDED, TO CLARIFY THE DUTIES OF THE COST OF GOVERNMENT COMMISSION," was distributed to the COGC. Chair Gomes added that the proposed resolution was not distributed to PIA Committee members prior to the meeting, so PIA Committee members had limited opportunity to review the proposal. Nonetheless, the proposed resolution was passed out of the PIA Committee and passed first reading at the County Council's June 20, 2014 meeting.

The resolution is up for second reading on July 8, 2014. Chair Gomes will testify on her own behalf and encouraged other commissioners to testify against the resolution. If the resolution passes second reading and the charter amendment goes on the ballot, Chair Gomes' intention is to campaign against it and to educate the public.

X. REVIEW AND DISCUSS COMMISSION "HOUSEKEEPING" ITEMS

A. Attendance Policy:

Chair Gomes reminded the commissioners to look at their attendance policy.

B. Participation in Commission Matters:

Chair Gomes encouraged commissioners to participate in Commission matters because it reflects on the Commission. The County Council wants to see the support and not just a one-man team. Chair Gomes asked the commissioners to be mindful as to what is being discussed and shared.

- C. Proper Communication Etiquette with Others Outside of the Commission:
Chair Gomes reminded the commissioners to be cautious and mindful of conversations they have outside of the Commission. Chair Gomes reminded the commissioners not to speak on behalf of the Commission when speaking outside of the Commission.
- D. Refreshment Sign-up Sheet for Commission Meetings:
Chair Gomes is grateful for the coffee maker. Chair Gomes encouraged commissioners to sign up to bring refreshments.
- E. Mileage Reimbursement:
The Commission deferred this item.

XI. DISCUSS PROCUREMENT DECISION BY COUNCIL CHAIR GLADYS BAISA REGARDING INDEPENDENT CONSULTANT TO ASSIST COMMISSION IN FISCAL YEAR 2015

Deputy Corporation Counsel Gary Murai clarified this was a discussion about the powers and authority of the Commission with regard to decisions such as hiring and selection.

County Auditor Taguchi explained that the Commission is not a county agency and therefore, does not have any procurement authority. The State of Hawaii does not have a Chief Procurement Officer other than the Finance Director for the administration and the Council Chair for the County. The Chief Procurement Officer for the Office of the County Auditor is the Maui County Council Chair. County Auditor Taguchi explained that the Council Chair had to delegate procurement authority to him to be able to procure anything. County Auditor Taguchi explained that he is limited to under \$25,000.00.

Regarding the procurement decision by Council Chair Baisa in the selection of an independent consultant to assist the commission in Fiscal Year 2014-2015, County Auditor Taguchi sent a memo to Council Chair Baisa informing her of his recommendation. He also informed her that there was a difference of opinion between himself and Chair Gomes in their recommendation. Council Chair Baisa approved County Auditor Taguchi's recommendation.

Ultimately, Council Chair Baisa makes the final decision. The consultant that was selected was the lowest bidder that met all of the qualifications.

XII. DETERMINE NEXT MEETING DATE, TIME, AND AGENDA

The next meeting is scheduled for August 14, 2014, in the Mayor's Conference Room, at 1:30 p.m.

XII. ADJOURNMENT

Commissioner Long moved and Commissioner Evans seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 1:10 p.m.