

County of Maui Water
Supply

BOARD OF WATER SUPPLY

COUNTY OF MAUI

REGULAR BOARD MEETING

Thursday, January 23, 2003

9:00 a.m.

Kahului Shopping Center

Kaahumanu Avenue

Kahului, Maui, Hawaii

Reported by: Katherine Eismann, RDR, CRR, CSR #439

APPEARANCES

Chairperson: MICHAEL NOBRIGA

Vice Chairperson: CLARK HASHIMOTO

Board Members: KENT HIRANAGA

JONATHAN STARR

GINNY PARSONS

MICHAEL VICTORINO

Corp Counsel: EDWARD KUSHI

Acting Director: GEORGE TENGAN

Deputy Director: JEFFREY T. PEARSON

Board Secretary: CATHY HOWARD

Engineering: HERBERT KOGASAKA

Staff: ELLEN KRAFTSOW

HOLLY PERDIDO

HERB CHANG

PAUL SEITZ

(Thursday, January 23, 2003, 9:00 a.m.)

CHAIRMAN NOBRIGA: Good morning. Call the Water

Supply Meeting to order this morning, Thursday, January 23rd.

It is 9:00 a.m. We are at Kahului Shopping Center, 65 West

Kaahumanu Avenue Unit 29.

In attendance today is board members Jonathan Starr, Kent Hiranaga, Clark Hashimoto, Mike Victorino, and Virginia Parsons, myself, Michael Nobriga. Also in attendance is Acting Director George Tengan, Deputy Director Jeffrey Pearson, Board Secretary, Cathy Howard, Corporation Counsel, Ed Kushi, Junior, other members of the department and members of the public. Aloha.

(Chorus of Alohas.)

MR. STARR: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Starr.

MR. STARR: Before we proceed, I have a point of

order regarding our agenda today, and I'd like --

CHAIRMAN NOBRIGA: Please speak your point,

Mr. Starr.

MR. STARR: I'd like to have an understanding

whether the items that we are to be discussing are all within

our purview under the new charter change. And I specifically

would like to have a clarification, by corporation counsel,

because it seems to me that many of these items, especially

operational and small -- small type items, regarding people

getting meters or having to make system improvement and that

sort of thing, are really outside the purview of this board,

which is now advisory. And, as I understand it, our job is to set policy.

So, I think we should have a clarification to make sure that our agenda items are, in fact -- are, in fact, legal items for us to deal with, and if we do deal with them, if even our dealing with them would have any impact on really whether they fall under the director or possibly even the council or administration rather than this body.

CHAIRMAN NOBRIGA: So noted Mr. Starr. Items on the agenda are items that was under the board, as you know, and due to the nature of our new assignments, I have listed on

the agenda, because I thought it was our purview to refer them to the appropriate bodies.

MR. STARR: Okay. I appreciate that. At some point though, could we still get a clarification from Corp Counsel, so we can know how to act?

CHAIRMAN NOBRIGA: We will notice that at a subsequent meeting.

Approval of the agenda, I have testimony to be given by Sally Reisbeck on the minutes. Sally.

MS. REISBECK: Thank you, Mr. Chairman. Good

morning. Chairman Nobriga and members of the board. My name is Sally Reisbeck. I live in Wailuku. I asked to testify about the minutes of December 4th, 2002, because I have questions about some of the actions that were taken on December 4th.

I tried to -- intended to provide you with written testimony, but the electric company came to the house and turned off the electricity while I was in the middle. So, I will be more informal, but I would like the opportunity to present written testimony later.

I have concerns about December 4th, which is the

last day you had authority over Board of Water Supply money,
and I also have some questions.

On that date, you asked for an informal reading on
how much uncommitted cash the Water Department had and were
told about 26 million, less about nine million already planned
for, leaving in the vicinity of \$16 million.

Then in two executive session, without any public
input, you transferred money to three projects, first buying
the Kaanapali Water System for about \$8 million, buying land,
but as far as I could tell from the minutes, apparently, not
water, from Wailuku Business or Wailuku Agribusiness, the

watershed lands above Wailuku and Waiehu, and buying the old Crest building in Wailuku in one other for \$3 million.

This, I presume, provided justification for outgoing Mayor James Kimo Apana placing \$330,000 of county money, formerly Board of Water Supply money, into escrow, on December 20th, as a deposit on the purchase of the two buildings from a hui consisting of Warren Unemori Engineering, Arisumi Brothers, Fong Construction, Robert Ohata, and C. Earl Stoner, Junior.

The contract called, as usual, for forfeit of the deposit if the buyer did not complete the transition within 30

days of opening escrow. Thirty days from December 20th would be January 19th.

On January 10th, it became apparent that the new mayor and new council had not been told about this transaction by the outgoing mayor, by the sellers, or by this board.

I have to depart from written testimony here because of the electric company. My concern about this, and I called it fishy -- a fishy transaction, in a letter to the editor, is that if the sellers truly intended this to go forward, as to buying those two buildings in Wailuku, I think

they would have checked -- being experienced people, they would have checked it out with the new mayor and with the new council, since those were the bodies that would have to complete the transaction.

Since they did not do so and since the contract calls for forfeiting the deposit, possibly several days ago, I have very severe questions about this. When I looked into your minutes from December 4th, I saw that these were approved -- this purchase, particularly, was approved in executive session with never a mention of what particular property it was intended for.

And my question is this. First of all, did you intend the mayor to purchase the Crest building? Did you understand that there was a possibility the deposit could be forfeited if the new mayor and the council did not go forward with it? Was there a reason that nothing from this board informed the new mayor and the council about the transaction? And, basically, what was your role in providing this money which may ultimately go to this hui of local businessmen?

I would ask you, since it takes only five people to vote to go into executive session, I believe it only takes five people to make executive session minutes public. And you

can ask Mr. Kushi about that. Also, I would appreciate it very much, from the point of view of the public, if you did make those minutes public, at least the part of them relating to the negotiations for office space, which is the way it was described in your minutes.

I believe, and this is a fine point. I can't say.

But I did look up the Sunshine Law again to see if there was anything new in the Sunshine Law. And I did see some case law that dealt with when executive session minutes -- the matter can be made public by any member of the board if certain requirements are met. So, I would urge all of you or any one

of you to discover whether that situation applies here and
make those minutes public.

And finally, I would like to say that when the
board become advisory, I really thought, well, now they are
taking so much power away from the board, what will its role
be? And this was long before I knew anything about these
transactions. And I thought to myself, this board has a
wealth of knowledge of the past history of water in Maui
County.

Unfortunately, you lost Mr. Nakamura who had a

great deal of knowledge. However, Mr. Nobriga still has a great knowledge of the history, and I am sure others of you do, too.

The other thing is that you advise the department, you advise the council, and you advise the major on matters involving water. The only way advisory boards can have influence is if they are trusted. If their advice is trusted and if their integrity as operating for the public welfare is trusted by the people they advise.

So, I have lost my trust in former Mayor Apana because of this transaction. I would like to know that your

role in it was more trustworthy than it would have seemed to
be.

CHAIRMAN NOBRIGA: Thank you, Miss Reisbeck.

MR. STARR: Mr. Chair.

CHAIRMAN NOBRIGA: A motion is in order to receive
the minutes of regular meeting November 27 --

MR. STARR: Mr. Chair.

CHAIRMAN NOBRIGA: -- December 4, December 17 with
corrections.

MR. STARR: Mr. Chair.

MR. VICTORINO: Move.

MS. PARSONS: Second.

CHAIRMAN NOBRIGA: There has been a move. Is

there a second?

MS. PARSONS: Second.

CHAIRMAN NOBRIGA: Yes, Mr. Starr.

MR. STARR: I had a question for the testifier.

CHAIRMAN NOBRIGA: There was nothing to question

the testifier on.

MR. STARR: So you won't allow me to question the

testifier?

CHAIRMAN NOBRIGA: No, I will not.

MR. STARR: Thank you.

CHAIRMAN NOBRIGA: All those in favor signify by
saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Oppose nay.

MR. STARR: Nay.

CHAIRMAN NOBRIGA: One nay. Thank you.

Testimony has been requested by Mr. Naiditch.

MR. DAVIDGE: Davidge.

CHAIRMAN NOBRIGA: What?

MR. DAVIDGE: Davidge.

CHAIRMAN NOBRIGA: Oh, Davidge. I am sorry. That his item be moved up on the agenda to accommodate a flight to Honolulu. Is there any objections?

MR. VICTORINO: None.

CHAIRMAN NOBRIGA: Hearing none, we will take up Mr. Davidge's matter at this time.

Mr. Davidge, I am sorry. What item are you on?

MR. DAVIDGE: C.

CHAIRMAN NOBRIGA: 02-35. Okay. Mr. Davidge.

MR. DAVIDGE: Yeah, my request is fairly simple.

I asked for a building permit for a wood storage at my residence where I process wood. The wood that I have that's in the yard is getting damaged. It's a small structure onto the side of my shop.

The Building Department approved the plans, but the Water Board didn't sign off, because they had issues of fire protection. Since we have built the original structures, we have a new fire department four minutes from my shop, who is adequately set up to handle any fire with their pump trucks.

We also have probably one of the only fire lines

in the area that's coming out of Henry Rice half million tank.

We have got a four-inch line with a three-inch stand pipe, and

we could replace that with a four-inch stand pipe. I really

need the space to store my wood so it doesn't get damaged.

The tents and the tarps aren't working.

CHAIRMAN NOBRIGA: Thank you. Any questions for

Mr. Davidge? None. Thank you.

This item, because we have no powers on this item,

this matter should be referred to the director.

MR. STARR: Point of order, Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Starr.

MR. STARR: How come you asked the board members if they had any questions for this testifier, however, when I wanted to question the previous testifier, you would not allow me the floor?

CHAIRMAN NOBRIGA: Because this matter is on the agenda. This communication 02-35.

MR. STARR: Oh.

MR. DAVIDGE: So, this will go to the Water Board, David Craddick, or --

CHAIRMAN NOBRIGA: There is no -- there is no --

we are the board. We have no jurisdiction on your matter

anymore.

MR. DAVIDGE: Okay.

CHAIRMAN NOBRIGA: So, the matter is referred to

Acting Director George Tengan. Is there are any objections?

MR. HIRANAGA: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Hiranaga.

MR. HIRANAGA: I guess I am not clear, and I guess

similar to Mr. Starr's question of what the role of the new

Board of Water Supply is. Because when I look at the

amendment to the Charter, it says that Board of Water Supply

shall act as adviser to the director, the Department of Water Supply, the mayor and council in all matters concerning the county's water system.

So, this is a matter that concerns the county's water system. So, my question is, although we may not have the final decision ability, should we not make recommendations regarding these matters to the director, and whether he follows that recommendation is his decision.

But, I think, you know, if there's still a public hearing, public testimony, questioning by the board, I still think that's an integral part of the process. I, too, am a

little confused as to where -- what the role of the Board of Water Supply is. Thank you.

CHAIRMAN NOBRIGA: Thank you. Mr. Kushi, could you kindly summarize the current powers and duties and functions of the Board of Water Supply as provided for in the new charter amendment that is passed?

CORPORATION COUNSEL KUSHI: Yes, Mr. Chair. I will try my best. I thought I did it before. However, to summarize, the new charter amendment converts this board to an advisory capacity entity. The board is still delegated the duty to advise the department, the mayor, and the council on

all water issues.

Specific -- as to specific items, your previous authority to overrule department decisions has been deleted.

However, you still have an important budgetary function, which

I think we'll go into today.

As board members have previously stated, there may be questions as far as the agenda items for today's meeting.

However, because this is the first really meaty meeting of the new year, I believe staff wanted to put all the existing items on your agenda. We can go one by one and go over it

whether -- what can you do about it.

I tend to agree with Mr. Hiranaga, in that even though your decision in a recommendation may have no weight on the director, you still have the authority to hear it. Now, I want to make this also clear, that there is still -- the rule still exists. And remember, we passed that rule about appeals of director decisions.

If someone feels affected by a decision by the director, they still have the right to appeal. They have got to pay a fee now. Remember, we talked about that fee. Okay. They can appeal it to you. Your decision will be a

recommendation. And if the director -- whatever the director does, that applicant or person has all the rights to pursue further judicial appeals. But you still have that authority unless the rules change.

CHAIRMAN NOBRIGA: Thank you, Mr. Kushi.

Staff recommendation, the staff recommends that this request to approve the addition to the existing farm shed should be denied. There is a standing agreement authorizing waiver for subdivision water systems which runs with the land between the Board of Water Supply and the original subdivider also the applicant.

This water is not available to the mill and subdivision at this time. The provisions of this agreement prohibits the approval of the subject applicant for building permit. The subdivision is on the priority list. Water meters will be available in accordance with the provisions of the water meter rule for Upcountry water systems. Water system improvements for the subdivision have not yet been installed.

Does this body wish to make a different recommendation?

MR. DAVIDGE: Can I say something?

CHAIRMAN NOBRIGA: Mr. Naiditch.

MR. DAVIDGE: Davidge. The only usage would be for fire. There is no water to this wood storage at all. And I think that we have got more than adequate fire protection.

You know, I have been down and talked to the fire chief, and, you know, I mean, that's new since this agreement was written, the new fire station. And like he says, we handle everything up here with pumpers, because nobody has stand pipes. But we do. We have a three-inch line -- a four-inch line to a three-inch stand pipe. We can screw that out and put in a

four-inch stand pipe. And that's coming out of Henry Rice's half million tank, because it was required when the subdivision was put in. So, that's the only water use this building has is fire protection.

CHAIRMAN NOBRIGA: Mr. Hashimoto.

MR. HASHIMOTO: Can you get a written statement by the chief?

MR. DAVIDGE: Sure. I will go back and talk to him and see if he will put that in writing. But like I say, that fire department didn't even exist when this agreement was written, but I get a lot of damage to my wood. I really have

got to get it under cover.

CHAIRMAN NOBRIGA: Do you want to defer this to
the next meeting?

MR. HASHIMOTO: I think if he can get a letter
from the chief saying that fire protection is adequate, then
there is no reason why we should deny it.

MR. DAVIDGE: Because this little bit of
structure, I mean, if it's adequate for everything else I have
there, then this little bit is not going to make or break
putting a fire out there.

MR. VICTORINO: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Victorino.

MR. VICTORINO: I move we defer this matter until the necessary documentation is produced by Mr. Davidge here from the chief of the fire department regarding the water, the flood -- I mean, the adequate fire protection. Excuse me.

Thank you.

MR. DAVIDGE: Cool.

MR. VICTORINO: Yeah, we need that, and then with that in our hand, we could probably make a decision on that point.

MR. HASHIMOTO: Second.

MR. DAVIDGE: Okay.

CHAIRMAN NOBRIGA: It's been moved and seconded to defer this to our meeting in February where documentation from Mr. Davidge will be provided and a recommendation can be obtained.

Any further discussion? All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion is carried.

MR. DAVIDGE: Thank you.

CHAIRMAN NOBRIGA: Thank you, Mr. Davidge.

Going back to the Director's Report, Director's Report 03-01, development of Kupaa Well number 1. Mr. Tengan.

MR. TENGAN: Thank you, Mr. Chair. I will refer this matter to Herb Kogasaka.

MR. KOGASAKA: The staff recommends transferring funds for the -- back up a little bit.

The bid -- the low bid came in at \$1,614,520. Budgeted was \$925,000. We also have, within the pipeline

project, budgeted \$700,000. We would like to suggest that we be able to transfer the funds for the well development project. The pipeline project is not at a stage where we can go to bid at this time. I have got excess for the year. But the staff underestimated the project, and we missed one of the components of the project. So, it's an oversight on our part, and --

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: Herb, am I correct in saying your statements basically are saying that we originally put aside 700,000, or we thought this project was cost us 700,000?

MR. KOGASAKA: No.

CHAIRMAN NOBRIGA: 925.

MR. KOGASAKA: We have set aside 925.

MR. VICTORINO: 925,000, and we are short 700,000.

MR. KOGASAKA: We never covered the cost difference. The 700,000 was originally earmarked for a pipeline connecting the well to the system. We are not at a stage to go to a bid right now, but we would like to amend the budget to utilize that funds to complete the project because of an oversight on our part.

MR. VICTORINO: What was that oversight? What

component did you miss that made that differential?

MR. KOGASAKA: Well, actually, there's a pump in the tank section, and one of the sections got left out.

MR. VICTORINO: That wasn't put in originally?

MR. KOGASAKA: It wasn't included in our estimate, and it got caught when the consultant's estimate came in, which was during the time of the bidding.

MR. VICTORINO: I see.

MR. KOGASAKA: So, we decided to proceed with the bidding and try to see what kind of bids we get.

MR. VICTORINO: Mr. Chairman, may I make a

recommendation beyond just this? When something of this nature occurs, and there's an oversight or a mistake, that some kind of clarification is made to us and -- you know, because I was trying to look for some sort of -- other than the original 925,000, some sort of informational means for me to understand and even the general public to understand what the difference, why the difference, and what was the oversight. I think that's important that we know and that can be presented to us or, you know, in the future, please.

CHAIRMAN NOBRIGA: And is there a -- there is a

recommended transfer from, to, yeah?

MR. KOGASAKA: George.

MR. TENGAN: Mr. Chair, staff is recommending that we take the \$700,000 for, I believe, the transmission line portion and apply that \$700,000 to the 925 we already have in the budget to fund this project.

CHAIRMAN NOBRIGA: Thank you, Mr. Tengan.

Mr. Starr.

MR. STARR: Yeah, I'd like to comment on this. I have a little bit of concern over whether in fact this project is really the wisest expenditure of funds. And I think I want

to be sure that the board members and also that the public are aware that this is a pumping capacity in the North Waihee area below Makamakaole in an area where we have heard from our hydrological consultant, John Mink, numerous times, including, in very strong wording, in the EMPLAN EIS that was accepted a few months ago by the board, that the section of North Waihee, between Iao and Makamakaole, has a maximum allowable yield of four million gallons a day. That we should not pump more than that.

Now, we have our pumping report here which we get regularly. And for the 12 month moving average and also the

past yearly monthly average, both of those numbers are right at five million gallons a day, which means that we are already extracting a million gallons a day too much, more than we can sustainably do it or more than we are suppose to be taking from that segment of North Waihee aquifer.

And I question the real necessity of putting another well in there, since we are already exceeding the yield by a million gallons a day, and we are ending up with a, you know, a very large cluster of wells in one area. And those wells already could pump -- what we have got now could

pump six or more, but we only can take four.

It seems that it would make a lot more sense to spend our money adding pumping capacity outside of this segment of North Waihee where we are already a million gallons over what we are able to take out of there.

In fact, I believe we are going to have to reduce what we are pumping out of there. And, so, my belief is we are looking at spending a million six plus more for electricity on something that's not going to increase the amount of water going into Central Maui at all.

So, I do have some questions about this, and I

think that some thought should be given over where we are going to be putting our wells at this juncture before we spend a lot of money here.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Mr. Kogasaka.

MR. KOGASAKA: The program, the next section we have already contracted for to do the consideration for exploratory well at the Camp Maluhia site and beyond, and this is a section beyond Makamakaole Stream.

This system, if it develops -- do the exploratory well, and then if it develops that to a point where we can do

a production well in that area, that would have to tie into the Kupaa well station, which would consist of a tank, and then the next section, which in the design portion would be the transmission line to the system.

And it -- it's -- that section beyond would be contingent upon having all this system. The Kupaa well is presently -- the well -- the production well is there. It's not outfitted, and that's part of the bid that was received. But it's all tied into one system.

CHAIRMAN NOBRIGA: Yes, Mr. Tengan.

MR. TENGAN: Mr. Chair, if you recall discussions

on the Iao aquifer, the State Water Commission was suggesting that we spread the pumping. By having a well in this location here, we would be able to pretty much accomplish the same task there.

And to put in pumping capacity to the exact amount of the so-called sustainable yield, in my view, by adding another well would help us to manage the system better, in that, you know, we are providing for capacity greater than what the aquifer can produce. So that in case one well goes down, we have another well available and in addition to the

spreading the pumping.

MR. STARR: Mr. Chair.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: Yeah, I would just like to say that I think that's the right answer. And with that, I am happy to support it. But I just wanted to be clear that this is not going to really be adding new water. It's just going to be able to give us redundancy and spread out the pumping and able to access the four million gallons that we can take out of there in a better fashion. I don't want anyone to believe that this is going to add water into the system.

CHAIRMAN NOBRIGA: Thanks, Mr. Starr. Any other

questions?

MR. HIRANAGA: Mr. Chair.

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: Just wanted to echo what Member

Victorino mentioned about explaining underestimation and

providing us some type of itemization as to why it was

underestimated.

And also, because of the change of the role of the

board, I'd like to suggest that once these recommendations are

passed by the board, that we receive some type of feedback,

maybe the following meeting, as to what the final decision by the director was, rather than recommendations just disappearing into, you know, a black hole, and find out whether he agrees or disagrees. Thank you.

CHAIRMAN NOBRIGA: Thank you, Mr. Hiranaga.

MR. HIRANAGA: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Hiranaga.

MR. HIRANAGA: Also, I am not especially fond about finding money elsewhere in the budget to fund things. I -- again, this is a new process, but to -- a justification that you are finding money elsewhere in the budget for this

purpose to fund it is not exactly what I believe to be the correct process.

MR. VICTORINO: Mr. Chair.

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: I feel I will echo his sentiment, especially when you defer a project that's been on the waiting list for a long time, the pipeline. Once you start taking money from Peter to pay Paul, one day there is no more money to get Peter back on the list.

So, I would be really skeptical on doing things

like this in the future. I will support it, because, like

Mr. Starr said, this will, you know, spread the usage and is something that's necessary.

But I think we better -- better to understand what we are trying to do, and maybe, in the future, avoid such big differentiations in our proposals versus the actual bids that come in if that's possible, George.

Okay. And if nothing else, Mr. Chair, I'd like to move that we recommend this project, I guess, to the appropriate party. Would that be to the director, or to the mayor, or to the council?

CHAIRMAN NOBRIGA: A motion is in order to approve the recommendations to shift \$700,000 out of transmission budgets to this project, Kupaa well number one.

MR. VICTORINO: So moved.

MR. STARR: Mr. Chair, I believe the motion should be to approve the recommendation to recommend that they shift it.

CHAIRMAN NOBRIGA: So noted, Mr. Starr. Is there a second?

MR. HASHIMOTO: Second.

CHAIRMAN NOBRIGA: Okay. It's been moved by

Mr. Victorino. Seconded by Mr. Hashimoto. Any further discussion? All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: The motion is carried.

MR. VICTORINO: Now, do we recommend this project

itself or --

CHAIRMAN NOBRIGA: No, no, no.

MR. VICTORINO: Okay. I am confused yet, so

excuse me.

CHAIRMAN NOBRIGA: Going into old business.

Trying to get some kind of an -- old business was listed, so that we have some point of -- from where we transferred from items we had over to a more appropriate body.

Taking up communication 02-30 is an old request from Mr. and Mrs. Hanks for water meter in their home in Muolea, which is Hana District, yeah. Is anybody here representing those?

MR. HALL: I am not representing them. I had something to say.

CHAIRMAN NOBRIGA: Mr. Isaac Hall.

MR. HALL: I am really here on another matter.

But my name is Isaac Hall, and I believe I submitted a letter on behalf of the Danas, and there's been a letter on behalf of the Buhls.

To cut to the quick, they actually asked for meters on the same line, and the board determined that the line was inadequate for their meters. And basically, their position is, if you are going to grant the Hanks a meter, you got to give them a meter. And if you are not going to give the Hanks a meter, that's fair play. Thank you.

CHAIRMAN NOBRIGA: Thank you, Mr. Hall. Because of an existing agreement already with the Hanks, the communication is to be referred to the director for conclusion.

MR. VICTORINO: So moved.

CHAIRMAN NOBRIGA: Thank you. Is there a second?

MR. HASHIMOTO: Second.

MS. PARSONS: Second.

CHAIRMAN NOBRIGA: Moved and seconded. Any discussion? Mr. Hiranaga.

MR. HIRANAGA: Just clarification. Is the

director going to come back to us with a recommendation or is he going to make a determination without input from the board?

CHAIRMAN NOBRIGA: It's my position, if the director wants us involved, he will ask us for our efforts and also come up with his own recommendation that we can mull over.

During our discussions and tribulations in this matter, there has been a lot of information that we didn't have. That's why we kept referring and deferring it.

MR. HIRANAGA: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Hiranaga.

MR. HIRANAGA: Personally, I don't agree with that premise that he will agenda items to us that he feels he would like our input. I think this board provides public -- the opportunity for public input and public scrutiny, especially if the process is being televised by Akaku.

So, in my opinion, all matters affecting the water system should come before us for input and a recommendation. Whether the director agrees with that recommendation is his responsibility, but I don't believe that, in my opinion, the director should determine what he wants us to review or not to

review.

CHAIRMAN NOBRIGA: Do you have a different --

Mr. Starr.

MR. STARR: Mr. Chair, I support -- I support you in this. My belief is that, at this point, this is an administrative matter, and that this board is out of the loop in terms of administrative matters. That that is up to the director.

You know, my own feeling is that our role should be in looking at -- looking at policy and in advising on the broader issues. And in a specific case where the director

wants public input or if there's a situation where a

broader -- a broader segment of the public wants to have an

ability to have input into an issue, that's where -- that's

where we should act, but not when something is basically

administrative.

So, I support this being put or left under the

director's purview where I actually think that it legally now

lays.

MR. VICTORINO: Mr. Chair.

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: Both Mr. Hiranaga and Mr. Starr

bring up good points. And I think as time evolves, we will have a better sense in where we belong in this whole equation. At this point, I think we can sit here all day and go back and forth what should and shouldn't be.

And I don't want to spend my whole day trying to determine what Mr. Tengan, the administration, or the council will be doing and what our role will be. I guess time will tell us that. Time will give us that effort and the ability to figure out what we need to know.

At this point, I agree with Mr. Nobriga, the Chair, that most of these things should be referred to the

adequate bodies. And I will support that motion, and I think -- didn't we make a motion? No, we haven't made a motion.

I make a motion that this be referred to the -- okay. So, I make a motion that this matter be referred to the director.

MS. PARSONS: I will second.

CHAIRMAN NOBRIGA: Moved and seconded. Any further discussion? All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion is carried.

Communication 02-32, the letter from Hugh Starr
requesting to amend the department rules by amending the
definition of subdivision.

I was going to recommend that we refer it to the
County Council. But Mr. Starr, since you are is here, please.

MR. HUGH STARR: Thank you, Chairman Nobriga,
Members of the Board. My name is Hugh Starr. I am as much in
the dark as you all are about what's going on here. If --

maybe just for the benefit of the other board members, just a quick review.

There are some -- and I think this is especially relevant now with the changes in the Water Board's powers, that there are inconsistencies in the county codes with respect to -- well, let me put it this way.

In the Subdivision Chapter, Chapter 18, they do allow waivers for subdivisions of three lots or less from certain improvements. In addition, you can build three houses on a lot before any subdivision requirements come into play. In other words, the fourth residence on a single lot has to

comply -- requires you to comply with subdivision, whereas up to three houses it does not.

However, in the water rules, there is, under the definition of subdivision, the inclusion of condominiums. And the purpose of my proposal is to bring that definition more in line with the other provisions of the county code which allow for waivers of certain requirements.

In this case, as you all know, most lots have ohanas on them. In the ag areas, the code does allow two farm dwellings. However, if you go to condominiumize those, under the water rules, you have to comply with the -- with their

subdivision requirements.

And what I am requesting is that the first two dwellings be waived from that requirement if you are doing a condominium, because a condominium does not determine density. It's strictly a form of ownership, just like a marriage, tenants by the entirety, or a partnership.

So, what I would hope is that this board might consider passing this to the council with a recommendation to amend the definition of subdivision to exempt two-unit condominiums from the definition of subdivision. Thank you.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr. Any

questions for Mr. Starr?

Now, the chair recommends that we refer this to the County Council as they take up the issue of rules and rule making.

MR. VICTORINO: So move.

CHAIRMAN NOBRIGA: Moved. Is there a second?

MS. PARSONS: Second.

CHAIRMAN NOBRIGA: Moved and seconded. Any discussion? Mr. Hiranaga. Mr. Starr.

MR. STARR: Yeah, just a question again from Corp

Counsel. At this point, do all of the Water Department rules get made by the council or is it still -- I guess they do, but I -- I am asking for confirmation.

CORPORATION COUNSEL KUSHI: Mr. Chairman, Member

Starr, in my opinion, in my review of the differences in the charter amendment, the answer is no. Your rules, as established now, still control the department.

If changes are to be made, it won't be made by you. It will be made by the department. Under Chapter 91, I believe 92, the rule making changes that the department may follow, the council would change the rules, in essence, change

the rules if it affects rates, charges, fees. That would have to go to the council.

But something like subdivisions, which are not specifically in the charter, as far as the council oversight, would have go through the department.

MR. STARR: With that in mind, I would be voting nay on sending it to the council, but I would prefer to send it to the director with this. And if he wants, I guess we could have a hearing on it for his assistance.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Mr. Hiranaga.

MR. HIRANAGA: I guess I am a little confused

because of this memo from Brian Moto to Dain Kane dated

December 4. It says that status of board's rules by expressly

providing that such rules shall continue to have -- have the

force and effect of law in that they may be amended or

repealed by ordinance. It would appear to me that by

ordinance, is that not by County Council versus the director?

Clarification.

CHAIRMAN NOBRIGA: Mr. Kushi, I think is one for

you.

CORPORATION COUNSEL KUSHI: Mr. Chairman, Member

Hiranaga. If you refer to Mr. Moto's memo, I believe the intent behind that was -- I don't have it before me. But I believe he wanted to say that unless amended by ordinance, your rules still apply.

And I believe the intent was that they were proposing an ordinance, to be reviewed by the council, to carry over your rules. And I believe that was read by the council, and I believe that ordinance is still pending or it may be denied. But I don't think that conflicts from what my statements were five minutes ago.

MR. HIRANAGA: So, what you are saying --

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: So, what you are saying is there is an amendment before the council to give the rule making authority to the director of the Department of Water Supply?

CORPORATION COUNSEL KUSHI: I believe that's the intent of that proposed ordinance or to carry forward until something else is done.

MR. HIRANAGA: Okay. Thank you.

CHAIRMAN NOBRIGA: Yes, Miss Parsons.

MS. PARSONS: Thank you, Council Member Nobriga.

As I am looking at this, it would be my suggestion that we refer this matter to the director. And if he so feels that it needs to be taken further to council, because it is discussing condominiums and subdivisions, which is probably a land use issue as well, and they could maybe coordinate the rules. I think that that's what we should do.

I would think that you -- your input, as a director, sir, should probably be whether or not, at any time, now or in the future, when you condominiumize, what type of density limits should it create, whether it's numbers of fixtures, whether it's numbers of households, whether it's

numbers of septic tanks, whatever it might be.

But, I think this is an issue where you take it back to council, if you feel that -- you put your rules together, take it to council, and see if they can't coordinate with land use.

MR. VICTORINO: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Victorino.

MR. VICTORINO: In light of what Corp Counsel Kushi has brought up, I would like to withdraw my motion.

Will you withdraw your second?

MS. PARSONS: I will withdraw my second.

MR. VICTORINO: And change that to refer this matter to the director for his consideration.

CHAIRMAN NOBRIGA: I will allow it, but also submit an amendment. But that's okay. You can do it that way. Is there a second to the new motion?

MR. HASHIMOTO: Second.

CHAIRMAN NOBRIGA: It's been moved by Victorino, seconded by Hashimoto, that we refer this to the director's office. Any further discussion?

Mr. Hiranaga.

MR. HIRANAGA: I guess I have a really difficult philosophical difference with the Board of Water Supply not providing a recommendation, regarding such matter, or if the director determines what his recommendation would be for such a request, that there is no discussion by the board.

Because, you know, Hugh has been working on this for a long time. And I agree that in an ag subdivision, I see no basis for this requirement, because an ag subdivision limits dwellings to one house of any size and one thousand-square-foot ohana. So, because you condominiumize a two-acre lot or a 10-acre lot, it does not change the density

for that particular property. So, all they are doing is providing a different form of ownership. It doesn't provide additional dwellings to be built.

But, I think that, you know, it just seems like all of this is just going to disappear without -- we are going to lose touch of what's happening with the Department of Water Supply very quickly. And, I don't know. I have been on this board for two years, and I feel, at this point, I have a feeling of where the department is. And when these matters get deferred, we are just not going to be aware of what's happening with the department anymore. Thank you.

CHAIRMAN NOBRIGA: Yes, Mr. Victorino.

MR. VICTORINO: To echo Member Hiranaga's concerns, I would like to turn to Acting Director Tengan and make this request.

On these matters that we are referring to you, could we ask that if not the next meeting, the meeting thereafter, some resolution and some response to these requests be made to us, so that we are not lost in the loop.

I agree. I don't want to be a part of your administrative process. But yet on the other side, this is

the area where people come in and give public testimony. If they come in and do so, then we should know that if we refer it to you, that some resolution is made to these people on this situation, and that the public can feel they can come to us if something needs to be taken in a public forum. So, can I ask Mr. Tengan for that commitment?

MR. TENGAN: Mr. Chair, I won't promise that I will come back with a resolution. However, I will be glad to report back to the board the status of the request.

With regard to Mr. Hiranaga's concern about rule making here, I would be glad to come to the board with a

suggested rule change for the board's input and to put it up to public hearing before it's sent out to the council.

MR. VICTORINO: Mr. Chair, that's a satisfactory answer, and I accept that, and I thank Acting Director Tengan for his response.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: Yes, Mr. Chair and Board Members and the Director, I think that, you know, here we are getting a little bit to the crux of the issue about what the board is supposed to do. And the people certainly have spoken. The public has spoken, in that what was happening before was not

satisfactory, where the board and the administration of the department were separate entities and very often in conflict.

And I really don't think that, you know, a lot of -- although we did a lot of good things, and I think that all of the works that needed to be done were getting done.

And I think where we are getting to is a good place, where we can function, really, as a team. And that is, I think, what has been asked or demanded of us by the voters to do, is to work with the director, and work with the council, and work with the mayor in a team function, so that we can do what a board or a commission does best, which is interact with the

public on issues of policy or when the public feels aggrieved.

And I -- I believe that, you know, that's

something that the director would want us to do and will want us to do, and we will be doing as an extension of his administration and functioning in that way.

But, when it's an administrative thing, we should be out of the way and let the director do what he needs to do.

And, you know, this is a case where if it's a policy issue,

perhaps he would come to us and say please hold public

hearings on this, so that the public can interact through the

board, and then he can make his call based on what happens at that kind of hearing. So, I think we are moving in the right direction with this.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Appreciate that. Any further comment?

MR. VICTORINO: Call for the question.

CHAIRMAN NOBRIGA: The question has been called for. All those in favor of closing discussion, please signify by sigh aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: The motion on the floor is to refer the matter to the director. All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion is carried. Now take a five-minute recess. Bathroom break.

(Recess, 9:56 a.m. Resumed, 10:04 a.m.)

CHAIRMAN NOBRIGA: We convene the meeting of the

Board of Water Supply. Our next item for discussion and deliberation is Communication 02-31 and Communication 03-02, which are letters from the esteemed Isaac Davis Hall.

MR. HALL: Oh, boy. Esteemed Mr. DePonte.

CHAIRMAN NOBRIGA: You are all concerned now, CIP projects. Have the CIP projects, there wouldn't be any questions, yeah?

MR. HALL: There wouldn't be any what?

CHAIRMAN NOBRIGA: If we went ahead with our capital improvement projects in those areas, there wouldn't be any problems.

MR. HALL: Oh, correct.

CHAIRMAN NOBRIGA: Mr. Hall, please.

MR. HALL: I guess this is a matter that we first brought before the board in February of 2001 or '2 -- '1. And came before the board after that, and there was supposed to have been a staff report presented to you on the status of a capital improvement project to provide adequate fire flow to the Upper Kula system.

And that was not forthcoming, so, we continued to write letters to try to get that staff report done, and we

made inquiries and nothing ever happened. And, so, I guess it got put back on your agenda. That's the first part of this. What happened to that capital improvement project, and why hasn't it gone forward? Because when we were before you before, we thought that there was going to be some action and movement on that.

CHAIRMAN NOBRIGA: Yes.

MR. HALL: And the second part of the letter has to do with the letter that Mr. DePonte, my client, received, which he's on the Upcountry priority list, and he's been informed --

CHAIRMAN NOBRIGA: Excuse me. The TV would request that you speak into that big microphone.

MR. HALL: I am sorry. Yes.

CHAIRMAN NOBRIGA: The big top. Thank you.

MR. HALL: Yeah. Good morning, Mr. Nobriga and Members of the Board of Water Supply. My name is Isaac Hall.

I am representing the DePontes this mornings, and I have spoken about -- already about the first aspect of our request which is the status of improvements to the Upper Kula waterline and how we have made numerous inquiries already.

And we were promised, we thought, a staff report on the status

of that and have tried to do everything we can to get the staff to come forward with a staff report on that and have been unable to do that.

And we are glad that you placed this matter back on the agenda, so perhaps you can help us get the staff report to tell you why nothing has happened on the capital improvements for the Upcountry or the -- not the Upcountry, but for the Upper Kula system.

And the second aspect of our request has to do with a letter that got sent to the DePontes. They are on the priority list. They were told to hook up. And the last time

we were here, I think some of you were on the board and remember that when Mr. Craddick was the director, that if the DePontes were forced to hook up, they were told that they could cut across and not go around the curve in the road. And we wanted to make sure that that was confirmed that that was true.

Because we thought it was unfair that in the past, they were told that they were going to have to take a very circuitous route to hook up, which would have benefited lots and lots of other people who would not have had to pay, and

they would have to pay to benefit other people, which we felt was unfair.

Mr. DePonte is here himself, and he is much more esteemed than I am and can explain the situation even better.

CHAIRMAN NOBRIGA: Very good. Mr. DePonte, you have the floor, the seat, and the microphone.

MR. DePONTE: Mr. Chair and fellow members. I have brought this before you way back now, but this subdivision goes back to the 1940s when the subdivision was put in place.

A lot of times we get turned to the position that

it was never zoned that or it was in an interim zone. They use that as a good excuse to duck out on doing what's suppose to be done, what is fair. What I feel, several things that happened on this thing here is that it's been rural zoned since back then.

A system -- a water system was put in. If it was inadequate when the department accepted the water system, it accepted the responsibilities of that system, responsibilities of providing us with adequate fire protection.

The house that was on my property previous to the house that we have on it burned to the ground. Now the people

that owned that property did not go to the Water Department and sue them, because this is good old folks, and that's the way it was.

You have been presented with the fact now that there is inadequate fire protection there. I found out this after I purchased my house in 1992, and I went up to the engineering department to find out what it would be to -- you know, if I had to subdivide. If I decided, in the future, to subdivide this property for my children, would what would I have to do? What would -- to make my subdivision -- get my subdivision to go through.

What was stated is I would have to cut across this one property, you know, improve the line to make it an adequate fire protection for the community in that area. I didn't have the funds at the time. It was something like 50,000. We put all our money into our land to purchase the property.

So, we were not -- you know, we didn't have the funds, so we couldn't do it at that time. But still when I looked -- when I looked at the project, when I looked at that area that they were talking about, there was a full fire

hydrant at the bottom of this on that road, which is not

fire -- it's not adequate fire protection. It's a deception.

Sheep eye.

The county has been noted. We told them already

that this is wrong. People are using that as a -- for their

insurance policy, fire protection insurance policy all up and

down that road. We have demanded that the county at least

look at it. We have waited for staff reports here. We have

not gotten it.

I am frustrated. I really don't want to see a

fire and somebody get killed or something, because there would

be a lawsuit there, because we have brought it to the attention of the county. We want steps taken towards getting this resolved and finished, not only for me, so I can get my subdivision, because I still have to provide something in front of my lot, which I feel is fair.

But not, what is it, 700 feet away from my property, then it goes 500 feet across another property, and to have another wrench thrown in, oh, let's change it. Let's give you another 1400 feet around a corner that is going to be cutting back and forth across a federal road, you know, state government, federal road.

What one of the engineers told me was it was like an engineering suicide, you know, going back and forth across that road and trying to stop traffic. This is traffic going to the crater. So, what they demanded from us later on was to service everybody down the line, and yet they still have not taken care of their fire protection period. So, we need that.

I have copies here of another incident that our money, in this department, is getting wasted on some other objects. They designed something that was in 1970 -- designed in 1970, finally put it in, in 2002, the line, and that line is not adequate. And the reasoning is because it's interim

not business. Ching store and Fong store, what was that?

That was there forever as far as I remember as a kid, and it's

not business? Are we designing the line for what, two houses

in that area?

I think the matter should be brought up to the

department that, look, I mean, if you are going to waste the

money, at least waste it on something else, you know, not to

just throw in an eight-inch line or whatever line just to

supply yesterday's thing, 1970's stuff. Take that money and

put it someplace else if you cannot put it up to standards for

today.

Because when we build, we got to build it to the standards of today. If I put in any line, you guys are going to ask me to put it in today's standards. How come this went through, and it was not? This is on record, and it's there. This is a letter that came to the department stating to another client that I have -- because I do land surveying, and I do get clients that have this. And I watch people's dreams go down the tubes because of this. Wasteful.

I am asking you guys to look at this seriously. I have asked you before to look at it seriously. I understand

there is a new change in the administration, and I hope it's to the best. I am very much hoping, and I think it will. You are in an advisory committee, and this is where the public input can come in and give it to -- you know, provide it to the director. And I hope the director will look at it and use the public as, you know, getting things done, getting things done in the right direction.

Because we have spoken, because the next election comes around, maybe something going to change again. And I cannot stress that it's -- we the public, we want something more. And I have seen too many of these dreams down the

tubes. That's my spiel. Any questions?

CHAIRMAN NOBRIGA: Before I open it up to the body, I want to clarify. What I am hearing is that you are requesting reports from the department; one, concerning the status of our capital improvement projects to upgrade the line in your area to insure adequate fire flow; and, two, you are requesting a verification of subdivision improvement requirements -- subdivision improvement requirements including the alignment?

MR. HALL: Yes.

CHAIRMAN NOBRIGA: Is there a third issue that I

missed? Two basically, huh?

MR. DePONTE: Yeah, the two basically. The subdivision is not in yet. It's in case I do a subdivision in the future, but I have requested water meters.

CHAIRMAN NOBRIGA: Okay. Members, who was first?

Parsons.

MS. PARSONS: I believe that in the last budget, we approved about \$8 million for upgrading fire flow in that budget. And I have one of the books here that has a lot of the lists of -- it's been around since like 1992 of the

improvements that need to be done.

Could we get a copy of what you feel you have used that expenditure for in the -- over the next year and which -- and which projects you feel are in priority? Because that -- this may be one of those --

CHAIRMAN NOBRIGA: Excuse me, Miss Parsons. Can we ask questions of the testifier first, and then we will go into deliberations and actions with the department.

MS. PARSONS: Okay.

CHAIRMAN NOBRIGA: Please.

MS. PARSONS: Then Mr. DePonte, maybe what we need

to do is see what the next -- the next projects are that are coming up, because it's hard for us to -- to judge. I am in agreement with you that I think we need to -- this is a concern. This is a very big concern of mine, especially Upcountry.

MR. HALL: If I may respond, the last time we were here, which was six months, eight months ago, Howard Nakamura was on the board. He asked David Craddick. It was confirmed at the time that there was capital improvement money generally for a project such as this one. And they were -- the director then, Mr. Craddick, was supposed to have looked into why money

could not have been spent on this particular project.

The money -- he confirmed already. We have gotten to the point where it's confirmed that there is money generally there for a project of this nature. And the staff is supposed to come back and say why they couldn't spend it on it. And, so, the questions you are asking now were asked at the last time we were here and nothing happened. That's why we are frustrated.

CHAIRMAN NOBRIGA: Thank you. Mr. Starr.

MR. STARR: Yeah, I have some discussion of a more general nature, not questions for the testifier. Can I move

on to that or --

CHAIRMAN NOBRIGA: No, let's ask questions first.

Mr. Hiranaga.

MR. HIRANAGA: Mr. DePonte, is it your belief that the County of Maui has a legal duty to provide fire protection to all dwellings on this island?

MR. HALL: Wait. I know you are asking that to Mr. DePonte, but that's a legal question. Maybe I better answer it. I think I set it out in the letter that once the county endeavors to put in a system or, in this case, it

accepted the system, and provide fire flow, it has to do so in an adequate fashion.

And I believe that's black letter law. In other words, you don't have a duty -- and I think your rules reflect this. You don't have a duty to supply people beyond your system. But the people that you have already elected to serve, you have to serve them adequately.

You have already elected to serve Mr. DePonte, so you do have a legal duty to serve him adequately, yes. So, and to the extent that the department has admitted for 10 -- over 10 years that there's inadequate fire flow in this

system, as I said in the letter, I think the department -- the board could be liable if there's a fire up there, and you can't put it out, because of the -- and it can't be put out because of the inadequate fire flow that you have known about for the last 10 years.

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: Can I direct a question to the director regarding this subject?

CHAIRMAN NOBRIGA: I would prefer not to.

MR. HIRANAGA: So, Mr. Hall, is it your belief then that this responsibility for an existing system, pipe

replacement or whatever, to bring the fire system up to county code, county standard, should be tempered based upon the physical constraints -- fiscal constraints of the county in determining which systems of this county would be best served by the funds available?

MR. HALL: I don't think it has anything to do with liability. I think to the extent that you have got systems out there that are your systems that are incapable of providing adequate fire flow, you are faced with liability.

How you deal with that liability is what you are talking about. You are saying, well, we are liable here, we

are liable there, we are liable here. We have only got X amount of money, so we are going to prioritize. It's like a triage system. Which one are we going to deal with first.

But it doesn't mean that you are not liable in four or five different areas. You are going to have to decide which one you are going to try and eliminate the liability in first. We are just asking you to deal with this situation.

CHAIRMAN NOBRIGA: Thank you, Mr. Hall.

MR. HIRANAGA: Thank you.

CHAIRMAN NOBRIGA: Any other questions?

Miss Parsons.

MS. PARSONS: Mr. DePonte, did you say that the subdivision was built in the 1940s?

MR. DePONTE: It was done in the 1940's. Yes, that's correct.

MS. PARSONS: Would it be your contention that maybe in prioritizing what needs to be serviced first, might be the older areas before the newer areas?

MR. DePONTE: After looking at the past board and the decisions that have been made, the priority has been where the money was at, basically, where we shipped the water to.

That is kind of what I saw. I am coming from the public, the frustrated public.

I think the Planning Department, you know, when they do planning, if you are going to zone this at whatever zoning they plan on zoning it, it should be meant that the funds are going to be available to bring it up to par, which, you know, this section might be one section. Keokea might be another section.

I see a lot of wasted money on this, and I have said on that, I will give you an example. Right on this system, it goes from a eight-inch to a two,

two-and-a-half-inch pipe. That pipe is corroded. It's galvanized. It's wasting county money today. As we speak, it's wasting -- I am going to say tonight. When they start pumping uphill, when they start pumping water uphill to the tank, it's restricted, and already they have been advised -- the engineering department has been advised to upgrade that line to something better, because it's holding back the pump, and it's wear and tear on our county pump.

So, how they deal with that now, with the new administration, the new director, I am really looking forward to that.

MR. HALL: If I could just add something, too. I think they said yes. But if I could add, it's not a matter of supply, because there's a tank up at the top. It's a matter of coming down to the tank, you go into an eight-inch line, and you go into a two-and-a-half-inch line, and back to an eight-inch line. So, it's the two-and-a-half-inch line that renders it inadequate, the fact that there is a two-and-a-half-inch line that hasn't been replaced with a bigger line. So, it really has to do with a proper sized line.

CHAIRMAN NOBRIGA: Okay. Any other questions?

Okay. The board will be discussing capital improvement projects for 2003-2004 before we adjourn, so, is there any other questions you guys want to ask of anybody in the room? Mr. Starr. Mr. Hiranaga.

MR. HIRANAGA: Just one comment. Being on the board for two years, I, too, don't understand how pipe replacement or capital improvement funding is prioritized. And I am hoping that the money is spent to benefit the most number of people possible. So, for every dollar you spend, it's spent to help 10 people versus two people.

But it should be prioritized so that at some point, you know when your system will be improved to adequacy versus not ever knowing. But I, too, I think we have asked for that in the past and not really gotten a very concise answer.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: There are a lot of issues at stake here. I'd like to start out by saying I'd like to see that line get improved, but we should face the fact that I believe it's about 25 -- about a quarter to a third of our lines are inadequate for fire flow right now.

And as I understand it, every year we are actually moving -- we are actually ending up with more lines inadequate, because we are not replacing old lines as fast as areas get developed, and the requirements for water increase. So, you know, that's a problem, number one.

You know, I don't think we should be prioritizing it on a squeaky-wheel-gets-the-grease basis though. You know, if someone goes and buys a piece of land where it's inadequate, and then, you know, comes in, that shouldn't be -- to us so they can subdivide, that shouldn't be the criteria. You know, it has to be a fair, you know, a fair basis.

Now, at the last water convention, National Water Convention, I attended a seminar specifically on this issue, which was, you know, the responsibility of a water system to provide fire flow and to, you know, upgrade CIP. And in talking to a number of people with -- in different water systems around the country, we were one of the few places where there was not anywhere near the funding needed to bring all the lines up to fire flow standards.

The rates should be at a point and the ability to replace pipe should be at a point where most of the lines

should be up to fire flow standards. And that's pretty much the standard throughout the United States.

Now, we can't come anywhere close to being able to afford to do that right now, nor do we have the personnel in the department to run -- plan, and run, and engineer the jobs and oversee them to get the work out.

So, this takes us to a much larger issue, which I know we are going to get to later, is that we are -- you know, we don't have the money to do what we need to do, and that's the basis for this problem and problems throughout the system.

So, you know, I look forward to having that

discussion later, but that has -- you know, the CIP discussion has to lead to a larger discussion which is about rates. And I hope that that goes into an agenda in the very near future, where we can help to advise the director and, in turn the council, on what a necessary rate structure is that will allow us to, over a finite period of time, bring our lines up to fire flow standards where they should be.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr. For this matter, I would like to urge that the director and the department respond to Mr. Hall's letter for Mr. DePonte, answering the two critical questions of; one, the status of

the capital improvement projects to his area, in the current and foreseeable future of capital improvements; and, two, that we have a verification of the subdivision improvement requirements verified which include alignment. Is there any objection? So ordered. Thank you.

MR. HALL: Thank you.

CHAIRMAN NOBRIGA: Communication 02-40, letter from Dorothy Uwekoolani, an appeal for water. This is not the first time we have had a request from Mrs. Uwekoolani.

MRS. UWEKOOLANI: Yes. Good morning. I have just -- I am Mrs. Uwekoolani.

CHAIRMAN NOBRIGA: Good morning.

MS. UWEKOOLANI: Good morning. Thanks for hanging in there. I am just maybe going to ask that the board would honor your previous director's permission in granting of us to have our water meter in 1974. And from that point on, it's been moratorium, and inadequacy, and this and that. But everybody else has received water meters.

And here is a copy from Mr. Kaiama again stating that we can have a water meter on that parcel that we have never received a meter on. And I have signed anything for any

kind of inadequacy or -- anyway, I would just ask that you would honor that request or, you know, that we were told that we could have a water meter, and we have been hauling water, and we have horses, and I think we should have water.

CHAIRMAN NOBRIGA: Thank you, ma'am.

MS. UWEKOOLANI: Yes.

CHAIRMAN NOBRIGA: Any questions for

Mrs. Uwekoolani? Is there any questions from the director or other persons from the department?

MS. UWEKOOLANI: Does anybody want to see this letter?

CHAIRMAN NOBRIGA: We have it.

MR. HASHIMOTO: We have it.

CHAIRMAN NOBRIGA: We have it in our file. Thank
you.

I think, George, you are working on this project,
Mr. Tengan.

MR. TENGAN: Yes, Mrs. Uwekoolani has been placed
on a priority list, and I guess we are going to take it from
there. I need to look into the matter a little more, because
I am somewhat familiar with the -- with this situation, but I
am not entirely clear on the situation.

CHAIRMAN NOBRIGA: Thank you. Is there anything else for us, the board? Can we defer this to the next meeting, so we get a report from George and make a recommendation at that time?

MR. VICTORINO: So moved.

MS. UWEKOOLANI: And I also would like to mention that every reason that we have been told to wait, or it's going to be a moratorium, and during that time somebody else gets a water meter. And every reason that we have been denied the water meter, someone else has gotten one for the very same reason within six months to a year.

CHAIRMAN NOBRIGA: Thank you. Motion to defer to our next meeting in February on the floor. All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion carries. The next --

MS. UWEKOOLANI: Thank you.

CHAIRMAN NOBRIGA: Next item 502-41, a letter from Mr. William F. Crockett concerning a petition to the Maui

County Board of Water Supply to waive additional water meter
and waterline construction requirements for R & H Subdivision.

Good morning.

MS. BLAIR: Good morning.

CHAIRMAN NOBRIGA: Will you please identify
yourself and speak into that nice black microphone.

MS. BLAIR: I am Leslie Blair, and I am
representing the Hughes Family Trust. And we have -- we have
a property that has been in my family for I am going to say
probably 12 years. Since that time, my parents passed away.
My mom passed away in '97.

And my sister and I cannot sell the house that my parents lived in. It's on 13 acres. During their lives, they sold off two acres to a lady who was on the water meter list. But when she -- she was able to sell her two acres, on a cash basis, to Mr. Rossberg, and we can't -- we can't sell, because we have the cloudy title, because right now the title says Hughes Family Trust slash Rossberg slash Sears.

And the only way we can sell my parents' house and the 11 acres would be to put John's house and his two acres in. So, we are kind of betwixt and between. We do have a temporary approval from Maui County. However, we need a water

meter. But because of the water meter situation, we are stuck.

And I have had this house empty now since '97, and I have been putting money into it, you know, my sister and I every month, and it's going down the hill. We need to try to sell it. So, what we need from you is some kind of a letter. We don't want to build anymore. We are not trying to subdivide to build.

Basically, Mr. Rossberg ended up buying my parents' ohana, for lack of a better word, and our -- everything says unspecified two acres. However, it is a

specified. It is a fenced-off, two-acre home, and two acres.

And we need you to -- to let us try to sell this other house
and 11 acres.

But my understanding is we have to do the water
meter. And again, with the water meter problems the way they
are, and Mrs. Bohannon, who originally bought the two acres
from my parents, was on the water meter list. But I guess
every so many years, they change. And when Mrs. Bohannon
moved to Mexico and sold the house to Dr. Rossberg, never
mentioned to Dr. Rossberg about the water meter list. So, we

are now like 285 on the list, and we are not on the first hundred. This will be another three, four years. And meanwhile, I have an empty house that is going down and down and down.

MR. CROCKETT: Gordon Crockett. I would like to clarify one point that Miss Blair made. The request to you is not for an additional water meter. There is one water meter. All they are asking for is the ability to subdivide the property. And the property, for practical purposes, was subdivided many years ago when the undivided interest in the property was sold by the Hugheses to Mrs. Bohannon, the person

who has been mentioned, who in turn sold that undivided interest to the Rossbergs.

Now, Mrs. Bohannon built a house there. The Hugheses built a house on the property. And again, the point I want to make is they are not asking for an additional meter. The way this got started, we went to the planning director and asked for a subdivision. And he gave us a preliminary subdivision approval.

But one of the conditions was that we had to satisfy Water Board requirements that the Water Department had.

So, then the surveyor referenced this matter back to the director, and the director said, yes, we will give you the subdivision approval. The Planning Department -- I am sorry -- that the Public Works Department wants, but you have to put in these very substantial improvements. And, so, the request really is to get a waiver from you for those improvements.

Now, the improvements were recently put in along that road, the water improvements.

MS. BLAIR: Well, it wasn't -- Herb Chang, he would know.

MR. CROCKETT: Well, anyway, the fact is that --

MS. BLAIR: I don't know what was done, but they
did do a line, a fix.

MR. CROCKETT: So, I want to make it clear. They
are not asking for another water meter. And finally, whatever
arrangement can be worked out, they are willing to sign an
agreement that would bar them from --

MS. BLAIR: Whatever.

MR. CROCKETT: -- whatever horrible thing you
think they might do up there. But they would be willing to

sign an agreement along that line. The terms would have to come from the Water Board.

CHAIRMAN NOBRIGA: Thank you for the clarification, Mr. Crockett. Are you done? So far? Okay. Thank you. Question from the board. Mrs. Parsons.

MS. PARSONS: I just want to clarify this. As far as you know, the Department of Water Supply has recently provided some improvements in that area, is that correct?

MS. BLAIR: My understanding it was a temporary fix.

MR. CROCKETT: Yeah, but it's a permanent line. I

mean, it's not a temporary line. It's a permanent line, isn't it?

MS. PARSONS: So, it's been recently.

MR. CROCKETT: Yes.

MS. BLAIR: Within the last few years.

MS. PARSONS: And it runs in this same area where your lot is, is that correct?

MR. CROCKETT: It runs right next to the road.

Runs right down the road.

MS. PARSONS: So, we have been in there. We have put in an inadequate line, whatever it was. It is not up to

what you were requested for. I want to make that clear.

That's one of the issues that we have here.

We have been in there. We have repaired, we have upgraded that area, but we didn't upgrade it to standard, that we knew we needed to do in '92, because we are on the list for that road in '92. Okay.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: Yeah, I am still a little bit confused about what the request is. I would like to be clear. The last thing I heard -- I heard several different things. The last I heard was that what you are asking for is a waiver of

requirements to allow a subdivision without an additional

meter to be put in. Is that right, Mr. Counsel?

MR. CROCKETT: Yeah, the petition reads this way.

Without the installation of an additional water meter and

without --

MR. STARR: Can you use the microphone?

MR. CROCKETT: It says the petition request to you

is that they want the partition approved, subdivision

approved, but without the installation of an additional water

meter and without the construction of the new water lines and

the other improvements shown in the Craddick September 5,
2002, letter to Mr. Lee.

MR. STARR: My second question to you then is if
this were -- if this were approved by the director, then what
would happen would be that there would be two or more parcels
with separate dwellings on each, all sharing one water meter,
is that correct?

MR. CROCKETT: Yeah, that's correct. But if you
are referring to the rule that deals with that subject matter,
the rule is not absolute.

MR. STARR: My understanding is it's very absolute

that separate TMKs, you know, especially when they have houses on them, must each have their own meter. So, I -- you know, I would not be recommending for this simply for that reason. I hope, though, that, you know, the number comes down on the list quickly.

CHAIRMAN NOBRIGA: Any other questions?

MS. PARSONS: I have a question.

CHAIRMAN NOBRIGA: Are you done, Mr. Starr?

MR. STARR: Yes.

CHAIRMAN NOBRIGA: Thank you. Miss Parsons.

MS. PARSONS: You said that earlier that someone

had put their name on the list years ago. For your lot?

MS. BLAIR: No, for his lot. Noni Bohannon owned his little house. She's the one that bought it from my parents, the little ohana and two acres.

MS. PARSONS: So, who has the actual meter right now?

MS. BLAIR: I have the actual meter, but I can't sell. We cannot sell this 11 acres, remaining 11 acres and house, that's 12 years old at this point, because it's an unclear title. And we can't -- and the bank won't finance it. It's not a clear title.

MS. PARSONS: So, there was a name on the list, because I have looked over the TMKs quite closely on the list. And if the name was on there, it stays in the position it was on, from what I can see, without being knocked down to 288. Wherever it was originally should be where it's back onto, because we put that into effect last year or earlier this year. So, if the original person --

MS. BLAIR: I understand that that list was removed.

MS. PARSONS: No.

MS. BLAIR: That's what we were told.

MS. PARSONS: We put it back together. Original list, from the day one, went back into the order that it started out in. So, whatever that was, and we can look the TMK up on your -- on your parcel to see where it falls on the list.

But would you be willing, at that point -- if you could do the subdivision, and we could put together this waiver issue, would you be willing to purchase the water meter?

MS. BLAIR: Oh, yes.

CHAIRMAN NOBRIGA: Any other questions for the
petitioners?

MR. HIRANAGA: Yes.

CHAIRMAN NOBRIGA: Yes, Mr. Hiranaga.

MR. HIRANAGA: Because you own an undivided fee
interest, why do you say there's a cloud on the title?

MS. BLAIR: Well, because right now the bank won't
finance, because it's not just Hughes Family Trust. It's also
John Rossberg and his wife.

MR. HIRANAGA: That's not a cloud on title.
That's just the position of the bank on not funding an

undivided fee interest.

MS. BLAIR: Right. And so for lack -- I don't know anybody with that kind of cash that wants to pay for the 11 acres and my parents' house. It's -- I am not talking a little cottage here. It's been sitting empty, and we are trying to get it so that a bank will finance, so I can actually put this thing on the market and sell it now.

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: Personally, I agree with Mr. Starr. I am uncomfortable with granting a waiver of the subdivision requirements. But, on a related matter, something like this

could have been resolved if the property was condominiumized and the property was not required to get a second meter. And that goes back to what Hugh Starr has been trying to accomplish for several years.

So, I understand that the waiver was granted once for a condominiumized property, and now they are being required to pay a second meter, and they may want to explore that avenue.

MR. CROCKETT: Well, there are problems with that.

And again, whether you say if it's not a technical cloud on

the title, the fact of the matter is, it's not marketable.

And there's a very serious reduction in the marketability of the property. And the fact that Mrs. Blair has told you that the banks won't finance it is an indication that right now that title is just not marketable. And they have tried to market it in that fashion, and they just can't.

MR. HIRANAGA: Thank you.

CHAIRMAN NOBRIGA: I would recommend that we allow staff to put together something for us, because there is no staff report in this book. Please, the floor is open.

Yes, Miss Parsons.

MS. PARSONS: I think since we have done some infrastructure improvements in that area, and we didn't bring it up to standard, one of the things that I would like to request from the department in the future -- and I know that everything is by a case-by-case basis, but you know I don't like three lane Haleakala highways. And it's a situation where if we are going to go in and improve an area, and it's a known area, for instance, fire flow issue, we should have improved it to at least the six inches that we needed to do rather than four. And that's just my request, my personal request.

I can understand that I think this is a cleaner split if they subdivide rather than to go through a condominium issue. They have got -- they have already done a grant, and I guess they have deeded a grant. If they are willing to purchase a water meter, and they are on the list, I see no reason why we can't recommend that if all of that is in line, that the department -- the director review it, and if he's in agreement, that they be allowed to have their subdivision, and they purchase their water meter or agree to purchase the water meter to get their subdivision approval. I can't see holding them up.

Because these -- you know, not everybody is independently wealthy here, and you can't hang on from month to month to month. And this is an issue that as far as I am concerned, we are at fault. You don't go in and put a four inch when you should have put six inch. So, why hold them up on account of the department. I'd like to see us move ahead.

MR. CROCKETT: I don't want to get in a long discussion about titles to property, but the so-called condominium solution is really not a solution for these two people, groups of people. There are a lot of problems in

trying to take that route. But at the end of the day, what you are talking about is whether you create something that somebody over here wants to buy.

And it's really kind of a fiction that you are dealing with when you are talking about putting a condominium up out in Kula on a 14-acre piece of land. The house that Mrs. Blair is talking about is a very large house, and it's a relatively small market to begin with for people that might be interested in the market.

And then to have to explain to the interested purchasers, you are not really buying a house. You are not

buying a piece of land. You are buying an apartment. And people kind of look at you and say what are you doing? You are selling me an apartment out in Kula in the middle of a pasture.

It really doesn't make any sense, and it's really a fiction that has been used really to get around these subdivision rules. And it seems to me that by suggesting that approach, you really are not helping people really solve their problems.

Finally, one of the key elements here in this situation is that both those houses, when they were built,

they were not built under the covers. Building permits were applied for, and building permits were given by the County of Maui for both houses. Moreover, at that time, there was some question about the position of the department. So, in order to get the building permits, they signed fire flow agreements with the department.

So, you have to take those facts into account that the building permits were given by the county to build the houses. And in that process, they signed the agreement with the department to enable them to get the building permits.

All we are talking about is just permitting them

to legally subdivide the property, so that the titles can be cleaned up, so that they can have a marketable title that they can offer to somebody to buy Ms. Blair-Hughes' house.

CHAIRMAN NOBRIGA: The motion is in order to assign this to staff for research, recommendation, or take up the matter of the waiver.

MR. VICTORINO: Which one?

CHAIRMAN NOBRIGA: I would prefer to go back to staff.

MR. VICTORINO: I so move that part of the motion.

MR. HASHIMOTO: Second.

CHAIRMAN NOBRIGA: Any discussion? All those in favor signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion carries.

MR. CROCKETT: Thank you.

CHAIRMAN NOBRIGA: Communication 02-42, letter from Jack Naiditch I understand has been withdrawn, as Mr. Naiditch no longer represents the Smith Development

system.

Communication 02-44, letter of resignation from Howard Nakamura. Although Mr. Nakamura did add tremendous, unbelievable wealth of knowledge and background to this body, it is with a heavy heart that we receive this letter of resignation. And I would like to ask this body to accept the letter and ask that a resolution commending him for his service be forwarded to us and to the County Council.

MR. VICTORINO: So move.

MR. HASHIMOTO: Second.

CHAIRMAN NOBRIGA: Thank you. All those in favor

signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion is carried.

Communication 03-01, letter from Wayne Nastri, United States

Environmental Protection Agency, commending David Craddick.

It has been received and a motion is in order to file.

MR. VICTORINO: So move.

MR. HASHIMOTO: Second.

CHAIRMAN NOBRIGA: Moved and seconded. All those

in favors signify by saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: Motion is carried. Other

business, review, discussion, possible recommendation

regarding fiscal year 2003-2004 operating and CIP budgets. We

will stand in recess for five minutes.

MR. VICTORINO: Thank you, Mr. Chair.

(Recess, 10:53 a.m. Resumed 11:02 a.m.)

CHAIRMAN NOBRIGA: Back in session. Call the

meeting back to order. Budget for fiscal year 2003-2004
operating and CIP budgets.

It's my understanding that the budgets already
have to go up yet to the mayor. But, Ellie? Somebody want to
make a presentation? Holly? Nothing?

MS. PERDIDO: I will just answer questions,
basically. We had to get it up in a few weeks, so --

CHAIRMAN NOBRIGA: So, we review it, and I guess
we can make amendments.

MR. HIRANAGA: At the next meeting.

MS. PERDIDO: Actually, you didn't get it today.

You just got five changes today.

MS. PARSONS: I have a question.

CHAIRMAN NOBRIGA: Yes, Miss Parsons.

MS. PARSONS: John had put in the budget for eight million. Was that specifically for fire flow or was that for all capital improvements?

CHAIRMAN NOBRIGA: I cannot answer you that,

Miss Parsons.

MS. PARSONS: John, do you remember?

MR. STARR: That was basically whatever was needed

to upgrade the system, so that it maintains the level -- the level of quality that it is today.

MS. PARSONS: It wasn't specific.

MR. STARR: So, certainly, a lot of it is for that. You know, that's why it's so much more than we had been putting in in the past, is the intention was to bring it up and maintain it at a reasonable level. That was the -- that's the Brown & Caldwell model which we should review when we have a chance.

I want to add something to that, which is that, you know, I really thought that that's a wonderful tool. I

always felt that it didn't quite go far enough though, because there was another module that we could have obtained which would take the recommended input of money into the system, you know, over the years, and it changes each year, and turn that into a rate structure.

And if we had done that or if we do that in the future, that would give us an -- or, you know, give the department a tool to justify a rate structure that would fund these improvements.

CHAIRMAN NOBRIGA: Thank you. You have a

follow-up question.

MS. PARSONS: One more. When we are doing this -- for instance, this is dated '93. And we are coming -- we are into the tenth year on this. Do we get an update? An updated version of what has been taken care of in this model? This is the -- specifically, the fire flow. But remember, we have gotten this one, \$65 million worth of fire flow issue. Do we get an updated version?

MS. PERDIDO: That one actually when we put together the CIP, I only found out about that one after, when Dave told me he thought I had used that, but it has almost all

the same stuff in it. So, what I could do is print out -- the database has from '94 through the future unscheduled. And the whole printout is about 50 pages.

MS. PARSONS: That would be good.

MS. PERDIDO: Yeah, okay.

CHAIRMAN NOBRIGA: Okay. So, Holly, would you please walk us through this process? Appreciate it very much.

MR. STARR: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Starr.

MR. STARR: I have a real quick question before we start, just so we understand where we are at. This is a CIP

budget, but is there another operating budget which we haven't received yet?

MS. PERDIDO: It's in your packet.

MR. STARR: Where is it?

MS. PARSONS: I didn't get one.

MR. VICTORINO: Yes, you did.

MR. TENGAN: It's on page 101 in your packet.

CHAIRMAN NOBRIGA: What?

MR. TENGAN: Page 101 in your packet.

MS. PERDIDO: This year's budget is a totally different format. I haven't had a chance to put it into the

format that the board has had in the past. We had to get this budget done by last Wednesday, and we usually don't do a budget until March or get you a preliminary.

So, what we have done is if you look in here, on page 99 on, this is what we have submitted up to the mayor's office to the budget director. Basically, I kind of threw this front page together just so you guys will be more familiar with the format. I did not give this upstairs yet. It's kind of a cash flow projection and our proposed budget.

If you notice, we didn't -- I did not put on that

we are going to -- we are only going to be transferring four million. I know Jonathan wanted eight million transferred this year plus a bond issue. But, in speaking with the director and the division head for engineering, we feel like the bond issue -- we are not going to issue the bond this year.

Next year, there's another proposed bond issue for land purchase. But this year, the funds we have and what they are able to spend would not justify issuing a bond this year.

MR. VICTORINO: Holly, just for clarification, you are saying this year, 2003-2004. When you say the word this

year, that's what you are referring to, right?

MS. PERDIDO: Yes, 2003, this current fiscal year,
2002 to 2003.

MR. VICTORINO: Is that what we are talking about
this year, and anything you talk about next year would be
2003-2004?

MS. PERDIDO: Right. Looking over just my cash
flow, this is strictly a quickly put together cash flow for
you guys to kind of see where we are at. Next year, with the
revenues and expenses of what we have, we are only showing
transferring about \$2 million. And I know that's far below

the eight million that we want to be transferring.

CHAIRMAN NOBRIGA: Mr. Starr, yes.

MR. STARR: I think we should be very clear, and I think that, you know, we should make it very clear, both to the public and to the administration, that this means that this year, our system is going to deteriorate to the extent of \$4 million. And next year, it's going to deteriorate to the extent of \$6 million.

That means that that much more of the system will have inadequate fire protection. That means that the aging of the pipes and the loss of water and the loss of time for

having to repair and replace pipes after breakages will increase, and our system is basically going to become \$10 million more decrepit over the next year, which is the wrong direction.

And if the fact that our engineering personnel cannot do the projects fast enough, to me, that's incompetence. And I understand that there's been a change, and I hope that we are going to be seeing a new can-do attitude and a new type of competence in the department. And with that should be the willingness and the ability to do

what's necessary to fix up the system and not to say, well, you know, we don't -- we aren't able to get the job done, so we are going to let it deteriorate.

That's not the way this should start out by going backwards to the tune of \$10 million worth of -- worth of system deterioration. I definitely will make it clear that I am going to be very vocal on this point, and I really hope that the department changes their tune and steps up to the plate here.

MS. PARSONS: It's not 10. It's 12.

MR. STARR: It's six and -- well, they cut the

eight million from this current year, from eight to four, and then next year, they cut it to two.

MS. PARSONS: So, another six.

MR. STARR: So, six and four. I see a \$10 million step backwards here, and that's not the way to go.

MS. PARSONS: I thought we were going to increase a certain amount, too.

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: Clarification, Holly. You are stating now for budgetary reasons or the inability to get these projects done because of lack of staff or engineering

abilities? What is the specific reason that we are talking from eight to four, and then next year going down to two million?

And if, George, you are the one to answer the question, I just want to know, because Mr. Starr brought up a number of points. I want to know specifically what is the reason the department is cutting back these upgrades or these capital improvements when we want eight million to be put in there. Now you are going to four and two. Grant you all the negative things that will occur is all apparent, but what is the reasoning for that?

MR. TENGAN: Partly it's because of a lack of revenues. Another part would be the ability of our engineering division to get the work out, get the projects done. Not to make any excuses for them, but they are shorthanded. One of the engineers has been on maternity leave for about, gee, four or five months now. We haven't been able -- you know, we cannot replace her. It's not a vacant position.

And as you know, Herb Kogasaka has been serving in two roles, one to head the CIP program and also to service the

engineering division. Much of his time has been spent in preparing staff reports, meeting with staff and discussing issues. So, you know, that has tied him up a lot. There was a third reason now. I kind of forget. As soon as I think about it, I will mention it again.

MR. VICTORINO: The reason I am bringing this up to you, as the acting director and, hopefully, in the near future, as the director, is the fact that once we start taking the money away from these capital improvements, if it's only money or financial reasons, then we need to look at rate increases and stuff.

I think we need the bond issuance, whatever.

However, if you are talking in the area of personnel, then maybe the need there is -- and maybe you have got to take the lead in that one -- is to get the necessary personnel in there and barring, you know, no replacement of people that are on maternity or whatever reason. But we need to get the people in there to get these projects done.

Because, again, like Mr. Starr has stated,

Miss Parsons and all of us agree, the more we wait, the worse the problem gets. And are we going to be like what you saw on Oahu? Replacing 30-inch water mains and closing down

highways. We don't want to become that far behind in our systems.

So, it's important that the monies be there. I mean, that is key. And once you start taking the monies out, if it's personnel reasons, then I really question that. But if it's budgetary reasons, then let's make it known to the new administration and the council that, hey, we have got to make sure, whether it's bond issuance or whatever, we need to take care of it now. We cannot wait any longer.

MR. TENGAN: Mr. Victorino, I just remembered the third reason, and it concerns bond issues.

MR. VICTORINO: Yes.

MR. TENGAN: The inability to get projects out right now, if you go ahead with a bond issue, then those funds become subject to charge, which is a penalty for not using the money that you get from issuing these bonds. So, that would be another reason, although it's a minor reason, but that's another reason.

And on personnel, on February 4th, we will be having a permanent engineering program manager. Just to give you some background on this person, he worked several years on

the Big Island in the engineering department, and he later transferred to HECO, the parent company for the -- for ALCO.

And he served as manager for a major department there managing 120 people.

So, I am confident that he's an accomplished manager and, hopefully, well, this will free Herb Kogasaka to work on the CIP. And, so, I anticipate that we will be getting more out in terms of CIP.

MR. VICTORINO: Mr. Tengan, on that last -- the third reason, would you state it that there's a penalty if you bond issuance and not use it or monies put aside? What kind

of percentage, just so that the public understands what that means?

MR. TENGAN: I guess Holly is more familiar with that, so I will let her answer that.

MR. VICTORINO: Okay. Holly.

MS. PERDIDO: I don't have the quite percentage, but it was my understanding, and this is what I was told by the treasurer, that an arbitrage -- it's basically, if you don't spend the money down in the allotted time, then you will have to pay back the interest above the amount that you get on the bond.

So, in essence, it's a -- it's not really a penalty. It's a penalty, because you have to pay back some of the interest you earned on the money that was above the bond issue. And I think that's, in simpler terms, how I understand it.

This year, we will have to -- we will be having an arbitrage penalty, and I have it listed in the director -- or in the budget here. And that's based on the '98 bond fund.

MR. VICTORINO: So, but that is when we go out for a bond issuance. If we are setting monies aside in our budget, like the eight million for capital improvement, we are

not paying any penalty or arbitrage on that, right?

MS. PERDIDO: Only --

MR. VICTORINO: When you go for bonding?

MS. PERDIDO: Correct. If you go for bond issue,
and you don't spend it in the allotted amount of time.

MR. VICTORINO: I just wanted that clear, because
again, we are talking budgetary issues at this point, and the
bonding is part of it but not the part we are really
discussing at this juncture.

MS. PERDIDO: And at the same point, you have to

think also on our debt coverage also. We are getting down lower. If we issue a \$5 million bond, our debt coverage ratio is pretty much to the point where we can't go any further.

MR. VICTORINO: In other words, maximize our debt level.

MS. PERDIDO: That's right.

CHAIRMAN NOBRIGA: Miss Parsons, do you have a question?

MS. PARSONS: So, if I am understanding you right, Mr. Tengan, we have a personnel issue that we need maybe to have addressed by the administration and by council, and we

have a rate issues that needs to be addressed. Is that correct?

MR. TENGAN: Yes. And I have already gone public with my preference or desire to go through with the rate increase this year.

MS. PARSONS: My concern, and maybe Mr. Nobriga, you can answer this for me, having Mr. Hall earlier with the issue up in Kula and having this known that we have this problem, and they mentioned the insurance, how much liability do we have if the insurance companies start cancelling people because of the two-inch fire hydrants from a fire standpoint?

MR. VICTORINO: Mr. Nobriga, would you kind of like me to clarify that as far as the insurance standpoint is concerned?

CHAIRMAN NOBRIGA: Not really, because I am going through the budget. But it's a good question though. If you can do it like real fast, then please do it real fast.

MR. VICTORINO: Okay. On the insurance aspect, on the insurance aspect, the companies will not cancel policy because there's a two-inch pipe. They will not cancel a policy instead of six-inch, you know, inadequate fire flow. What will happen is they will charge an exorbitant rate to

that customer.

So, there is a penalty that is paid by the customer, but to -- just to arbitrarily decide to cancel, they won't do that, but they will rate-wise increase it tremendously because of the inadequate fire flow.

CHAIRMAN NOBRIGA: Thank you, Mr. Victorino. Back to the budget now.

MS. PARSONS: Yeah.

CHAIRMAN NOBRIGA: Mr. Starr.

MS. PARSONS: That's for the budget.

MR. STARR: I don't quite know how to do this, but

I really think that it's time for us to make a very clear statement that we will -- we do not want -- and, you know, I, for one, just as a citizen, will not tolerate a substandard system.

And what we are being told is that, you know, there is not the ability in the department to do the projects to bring them up to standard. Now, we do have a new start here, so now is the time for the department to make a different statement, which is that they are going to do what's necessary to bring this system up to standard, so that there

is fire flow, and so that the aging of our pipes and the rest of our infrastructure goes forward not backwards.

And I am not hearing that. And I would feel a lot better if I were hearing that, because this is a new start here. It's, you know, a new administration. It's a new system of government. It's a new director and a new deputy director. And I would really feel a lot more confident if I were hearing, from the director and deputy, that they were going to do whatever is necessary to start moving our system forward and not letting it slip further back, as had been occurring in the past few years under a different director and

different governance. And I am challenging the director here.

CHAIRMAN NOBRIGA: Thank you. Mr. Hiranaga.

MR. HIRANAGA: Two questions. What is this

deadline of Wednesday? I didn't quite understand what
deadline you were talking about.

MS. PERDIDO: That was our department's -- that
was our department's deadline to get the budget up to the
budget director's office.

MR. HIRANAGA: The preliminary budget?

MS. PERDIDO: What you have here is what we had to
send up.

MR. HIRANAGA: But it's not the final budget.

MS. PERDIDO: No, no. There's many steps to this
point.

MR. HIRANAGA: So, they wanted to see a draft.

MS. PERDIDO: Correct, correct.

MR. HIRANAGA: My other statement is my
understanding of a budget is if the department and the board
believes that capital replacement fund is an important issue,
and we should be expending approximately \$8 million a year for
this fund, that the proposed budget should reflect an

\$8 million amount.

Now, if you are unable to accomplish that, then there's reasons for it, which is either -- you know, and inadequate staffing, vacancies. But to me, then you have to explain the variance. So, you budgeted eight million, which is what's recommended, but you only spent two million.

So, why weren't you able to spend the additional six million? Then you explain because of staffing. But by budgeting two million, it doesn't become a variance issue.

MS. PERDIDO: It's not really a budgeting of two million. If you look at your CIP program, the budget that

goes with it, they are proposing a \$24 million CIP budget.

The two million is what we are going to transfer over for additional funds for this -- for the CIP program.

MR. HIRANAGA: For the replacement program.

MS. PERDIDO: For the replacement program.

MR. HIRANAGA: Right.

MS. PERDIDO: If you look at the sheets that go with it on the CIP budget, that kind of will tell you what our estimated beginning cash balance is for that fund, projects that didn't get out in this year's budget, and what they are proposing to do for next year's budget.

MR. VICTORINO: What page is that, Holly? You are showing me a different one.

MS. PERDIDO: Ellen will talk a little bit for a minute.

MR. HIRANAGA: So, you are saying, are you planning to spend two million next fiscal year or six?

MS. PERDIDO: We are transferring two million over to the reserve fund. It's a transfer from the general -- the revenue -- the operating fund over to the CIP reserve fund.

As of our ending cash balances that we are projecting for July

'03, we are saying will be about 13.9 million. We are

estimating the cash to be about that amount.

With encumbrances, then it drops down to about 11 million. With the additional two million, that will give 13 million available for CIP for next fiscal year for capital reserve projects, not for water system development fee or the other projects.

MR. HIRANAGA: Thirteen million for pipeline replacement or just CIP in general?

MS. PERDIDO: It's CIP that's funded out of the revenue fund that we transfer over, which the majority is

pipeline replacement, or you can look at the CIP budget for that. It is not any expansion projects. Does that make a little more sense?

MR. HIRANAGA: A little.

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: I understand what you are saying,

Holly, but I think echoing Mr. Hiranaga and Mr. Starr's statements, the eight million that we want to transfer I think really was for earmarking replacement and improvements of the present system in the areas where they are most negligible, where they are deteriorating very quickly.

It's not a matter of how much money you have total in the -- that eight million is earmarked for that specific purpose. And that's what we are trying to say, not only to you but to the new administration and the council, that that has to be done, because we are falling further and further behind.

And unless the money is earmarked and specifically, whether it's done or not, but it's earmarked for that, and we know that's where that money is going to be spent to do, not for something that may not fall into that area.

Now, the other parts of the capital improvement may fall

somewhat into that area and may not, the pipe replacements, et cetera, et cetera, et cetera. This is line pipe replacement, and I think this is what we are trying to say, if I am correct, Mr. Starr. That is what we are echoing right now.

MR. STARR: Yeah, most of it is pipeline replacement. You know, I wish we had that Brown & Caldwell model with us, because there are actually two numbers there. And one number is how much we are supposed to be putting into -- putting into it every year. And we are already -- even before we put this eight million in last year, we were already, I believe, six million behind in what the Brown &

Caldwell said we needed to be putting in.

Now, there's a second number, which is how much we should be spending. And that, you know, we should be following that in terms of how much pipe we should be replacing. It's almost exactly like a reserve fund, or a reserve -- or a, you know, a reserve that a condominium would have. And you -- a prudent manager of a condominium, or almost any kind of facility, has a reserve study done.

And it says, you know, when the roof is going to need to be replaced, and when the place is going to need to be

painted, and, you know, all these different things. And then, you know, it has how much you spend each year to do it, and how much you have to put into it, so that the fund is not going to tank at a certain time, nor should it be too much so that you end up with sky high amounts of money in the bank or debt taken that you can't spend. And I really think we are moving the wrong way here. We should be using that.

CHAIRMAN NOBRIGA: Thank you. Mr. Victorino again.

MR. VICTORINO: And one additional comment. What Mr. Hall was referring to as far as the liability, when you

become negligible and allow these systems to deteriorate or not be improved -- not only for fire flow but other things, but let's use the fire flow as an issue -- and a house was to burn down, the insurance of that property would cover, but they would, in turn, look for legal action against the County of Maui for inadequate fire flow.

So, if we willfully, with the knowledge, let this continue to slide or not improve what we need to improve, we could be going to court. And I say we, the department could be going to court just specifically on these kinds of issues, and we don't want that.

CHAIRMAN NOBRIGA: Miss Parsons.

MS. PARSONS: I don't believe you even have to have a fire for this issue. I think Mr. Hall made it perfectly clear that it's our obligation to bring the fire flow up to standard. But you just described to us earlier, you know, exorbitant rates could be considered a damage. No insurance could be considered a damage. Not being able to sell a parcel could be considered a damage.

And any time you have something like that, you are liable for a lawsuit. I don't think we can afford to ignore this. I think we have to send a very clear message that the

eight million for pipe replacement, which is what we all agreed upon at the budget hearing, should be in this budget without a doubt.

And if it's not, for reasons that we can't perform the duties, then we need to put the personnel on to perform the duties. And if we need rate increases to justify it, then we need to bring this forward. But this should be a priority. This can't be buried anymore. This has been buried since 1993. It can't afford to be buried anymore. You heard it today. I mean, this is very, very serious.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: Yeah, I just have one more comment on this point. And my term is nearing an end on this board, and over the past four years, the one really painful thing that I have experienced, at almost every meeting, is people coming to us and saying that we want to be able to build our house, or, you know, do our family subdivision, and we can't, because the system is inadequate, and we don't have fire flow protection where we are.

And we hear that one meeting -- in the last, you know, 48 months, we have not had one meeting where we didn't

hear that. And it's really painful for us to say wait on line. And that's what we have to do, you know, as fair arbitrators. But it's really horrible and painful, and we are making the community suffer.

And this is the reason why they are suffering is because, in the past, we have not been able to build and maintain an adequate system in regards to fire flow. And, you know, we need to at least make the statement, and I would certainly feel a lot better going off the board with that statement having been made, that from now on, every effort will be made to provide the kind of decent system that is the

expectation of people in the United States of America.

We are not, you know, a third-world backwater, and we deserve to have the kind of system that is common in our nation, which is where there's at a minimum fire flow everywhere where there is urban and rural at a bare minimum.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

MR. TENGAN: Mr. Chair.

CHAIRMAN NOBRIGA: Yes, Mr. Tengan.

MR. TENGAN: Is it the desire of the board to transfer \$8 million from the general water revenue funds over to the CIP reserve fund?

MS. PARSONS: Yes.

MR. VICTORINO: Yes.

CHAIRMAN NOBRIGA: I don't know. Actually, I

think the board wants -- yes, please make a motion.

Mr. Starr.

MR. VICTORINO: Go ahead.

MR. STARR: Yeah, I'd like to move that a

recommendation be made to transfer funds into the reserve

according to the Brown & Caldwell model, which this year is

approximately -- would be \$8 million, and to go ahead and do

what's necessary to make sure it gets spent out in bringing

the system up to standard.

CHAIRMAN NOBRIGA: Is there a second?

MS. PARSONS: I second.

CHAIRMAN NOBRIGA: There is a second. I am asking

to make a motion to clarify that the expenditure is for

pipeline replacement or for CIP in general?

MR. STARR: It's for maintaining items that would

maintain the system in -- let me rephrase this.

It would be expenditures including but not limited

to pipeline replacement which would keep the system in

adequate shape and improve areas where it's substandard.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Discussion. Since you are ready to vote on that motion --

MR. HIRANAGA: Did we have a second?

CHAIRMAN NOBRIGA: There was a second from

Miss Parsons. I would have to ask the perky board secretary
to please help me read back the motion.

You would defer to the court reporter.

We will have the perky new court reporter to help
us remember the motion.

THE REPORTER: "MR. STARR: Yeah, I'd like to move

that a recommendation be made to transfer funds into the reserve according to the Brown & Caldwell model, which this year is approximately -- would be \$8 million, and to go ahead and do what's necessary to make sure it gets spent out in bringing the system up to standard."

CHAIRMAN NOBRIGA: Thank you. You understand? I wish I did. Any discussion? Ready to vote? Yes, Holly.

MS. PERDIDO: Where are we going to get this money, at least six million of it?

CHAIRMAN NOBRIGA: Mr. Starr.

MS. PERDIDO: Bond issue, is that --

MR. STARR: I would assume that we would have to get it this year from a bond issue. I, for one, intend to go to the administration and the council, and I am sure that the director -- he's already stated that he will be there a few steps ahead of me requesting a rate increase that will allow us to expend these funds.

CHAIRMAN NOBRIGA: Thank you. Since you are ready to vote, all those in favor signify by -- sorry. I guess you are not ready to vote. Mr. Hiranaga.

MR. HIRANAGA: Holly, it's my belief that when you

do a budget to meet certain goals of the entity, and if there's insufficient funds, that you notify us that there's insufficient funds, and that we work together to find those funds.

So, it's not that we have this much, so this is our budget. I think it works the other way. This is what we want to accomplish. This is how much up it's going to cost. We are deficient in funds, so then we need to try and locate those funds.

MS. PERDIDO: Okay.

CHAIRMAN NOBRIGA: Mr. Tengan.

MR. TENGAN: Mr. Chair, our budgetary requirements that we -- is that we send up a balanced budget to the council. So, I would suggest that we put in a proposed bond issue for those amounts.

CHAIRMAN NOBRIGA: Does this body wish to amend the motion to include that provision?

MR. STARR: Yeah, can I amend my own motion here?

CHAIRMAN NOBRIGA: Yes.

MR. STARR: Okay. I move that a bond issuance to cover this expense also be added -- be recommended to be added.

CHAIRMAN NOBRIGA: Thank you. Is there a second?

MS. PARSONS: I will second.

CHAIRMAN NOBRIGA: Thank you. Any discussion on the amendment? Mr. Hiranaga.

MR. HIRANAGA: I guess my preference would be -- my preference would be to have the first motion be presented as is, and then as far as identifying sources of funds, that that be a second motion. Because I don't think -- I don't want them to be dependent upon each other.

MS. PARSONS: Right.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: I am willing to withdraw my amendment.

MS. PARSONS: Withdraw the second.

MR. STARR: I am in favor of that.

CHAIRMAN NOBRIGA: Thank you.

MR. STARR: So, call the question on the first.

CHAIRMAN NOBRIGA: Call the question on the first

motion, which is to recommend the budget be adjusted to add

additional revenues for items for system improvement as

covered in the Brown & Caldwell model to be equal or more than

\$8 million. Yeah.

MR. STARR: Yeah.

CHAIRMAN NOBRIGA: All those in favor signify by
saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: We need to have the revenue
source so we create a balanced budget. Any recommendations?

Mr. Starr.

MR. STARR: Yeah, I have two related
recommendations, and I'd like to put that in the form of a

motion, which is that a bonding be used to balance out this expenditure. And along with that, I would add that the Brown & Caldwell model be extended with another module, whether by Brown & Caldwell or another outside consultant, to tell us how much of a rate increase is necessary to pay for it, and that we utilize that in our -- in an attempt to justify a correction in the rate structure.

CHAIRMAN NOBRIGA: It has been moved. Is there a second?

MS. PARSONS: I will second, and then I have got discussion.

CHAIRMAN NOBRIGA: There is a second. For

discussion, Miss Parsons.

MS. PARSONS: When I am looking this over, did you have to give them -- you gave them 2003-2004. Did you have to go beyond that? Do we need to address that we feel that this should be an annual budgetary item?

MR. TENGAN: As far as the amounts or budget requirements for going beyond the year 2004, I believe we gave them some out year figures for the CIP requirements.

CHAIRMAN NOBRIGA: Any further discussion?

MS. PARSONS: I would just suggest that we make

part of the motion to be that this is an annual amount that needs to be put into the budget, and I don't know what the goal figures were on the survey. You may know.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: While I agree with that in principle, I think that the budget is, at this point, an annual process, so I don't think we can -- you know, we can do -- we can really do that, though it would make a lot more sense to have a five-year process. Maybe someone has a better idea.

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: I think what we are trying to

accomplish here is all well and said. The challenge we face now -- and, Holly, I want that identified also -- with the budget is how our debt services will be changed, because there is a factor there. And when you mentioned earlier we would be reaching our maximum, there may be an inability to continue bonding issuance for things of this nature or rate increases or whatever.

So, I don't want to hamper future budgetary items.

I think the board is sending the message out that replacement of our water lines are utmost and foremost in our minds.

Instead of buying additional or new subdivisions or new piping, we want replacement of what is existing, so that it will be adequate for the protection and the drinking purposes of our citizens. And I think that's the message we want sent.

And beyond that, I think we will take this year, and, Ginny, next year will be another budget, because, hey, things will change, and we will still keep this as a premise.

However, I think we can do that on an annual basis. So, I would like to just stick with this. But the debt service is very important that that be identified, because this is where we will get into real hot water if we can't make sure we are

doing it the right way and proper way, Jonathan.

CHAIRMAN NOBRIGA: Mr. Starr.

MR. STARR: I agree with that. That was the second part of the motion, which is to look for a rate increase to pay for it will obviate the concern about debt service, because that will cancel it out.

In other words, the income we would be deriving specifically for this sinking fund -- sinking fund will, at that point, cover the debt service and cover the -- pay into it, and then all that has to be done is we need the mechanism to spend the money if it needs more people, more engineers,

whatever.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Miss Parsons.

MS. PARSONS: I think the point that I was just trying to get across was this was just not a one-time budgetary improvement. And that when you have liability, like we know that we have liability out here, probably should be part of the budget, and it should be going -- the funds maybe should be applied against the liability, so that they can see that we have a longer period of time than just one year.

And that may help in the consideration of the rate increases, because you wouldn't just do a rate increase for one year. But if you have an ongoing issue that you know you have for replacement, I think they are going to be more willing to look at that in the overall.

CHAIRMAN NOBRIGA: Thank you, Miss Parsons. Any further discussion? Forgive me if I paraphrase this wrong, but action will be taken on a motion to use a proposed bond as an additional income source in order to balance the 2004 budget, in addition to reviewing rate increases, as an alternative for income.

MR. STARR: Yeah, there was some wording to extend
the model for justification.

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: Is it alternative? Is it an
alternative or a combination?

MR. STARR: In combination. One, the bond is how
we are going to immediately initially pay for it, but rate
increases.

CHAIRMAN NOBRIGA: I stand corrected then. So, we
are taking action on a motion to direct --

MR. STARR: Recommend.

CHAIRMAN NOBRIGA: -- recommend the fiscal --

amend the budget by using a proposed bond, as well as rate --

a rate increase for additional income to balance our objective

of increasing pipeline -- not pipeline replacements but CIP.

MR. STARR: Yes, and that the model be extended to
provide justification.

CHAIRMAN NOBRIGA: The model be extended. Thank
you. All those in favor of that motion please signify by
saying aye.

(Chorus of ayes.)

CHAIRMAN NOBRIGA: Opposed nay.

(Silence.)

CHAIRMAN NOBRIGA: That motion carries.

Thank you, ladies and gentlemen. Would you like

for Miss Kraftsow to give us an overview of the CIP project?

She really did a lot of good work. I want to go through this.

Maybe we should take it to the February meeting.

MR. STARR: Mr. Chair, I'd like to suggest,

because, you know, it looks good. I can see a lot of work

goes into it, and I would like to go through it and also

provide the public an opportunity.

So, my suggestion is perhaps a separate workshop, as has been done in the past, to go through it, and get a presentation, and do that a little bit more of an informal setting as a workshop not just a board meeting.

CHAIRMAN NOBRIGA: I will schedule one for early next month. Yes, Mr. Hiranaga.

MR. HIRANAGA: Holly, could you just brief us on the time line for the budget? Like when does it have to be finalized for approval by the council?

MS. PERDIDO: I am not sure of all the dates for that. I am pretty sure they told us. Jeff, you were there.

March 15th is when it has to go to council.

MR. PEARSON: It goes to print. It goes to print on March 1, council on March 15th.

MS. PERDIDO: March 1, and then March 15th it goes before council. So, in between when we got it up to them and now, the mayor will be going through it. And I think they will go out to public hearings at that time. But it's going to be the whole county not just water department.

MR. HIRANAGA: So, when does our recommendation need to be completed?

MS. PERDIDO: Is it by March 1?

MR. TENGAN: I am not sure. I would have to check into that. I guess we can get the board's recommendations up to the budget officer as quickly as possible.

CHAIRMAN NOBRIGA: Would you feel comfortable in making preliminary? No sense, huh. Should actually take the time to go through it first, yeah. I will schedule one.

Yes, Mr. Starr.

MR. STARR: Yeah, just that -- and I am sure this is something that would be done anyway. That, you know, the administration budget people as well as the council budget people should be invited to the workshop to participate if

they wish.

CHAIRMAN NOBRIGA: Very good. So, we are going to defer action on item eight to a workshop to be scheduled in early February. Item nine, division reports are included in our packets.

Yes, Mr. Hiranaga.

MR. HIRANAGA: Question, number of services by meter size. I notice that in November, there were the 23 5/8th-inch meters issued in Makawao and 17 additional 5/8th-inch meters issued in Makawao, and I am just curious

where those 40 meters went.

CHAIRMAN NOBRIGA: Mr. Kogasaka, would you be able to answer that question now?

MS. PERDIDO: Could you repeat that?

MR. HIRANAGA: Looking at the division report, I notice that a number of services provided there were 23 5/8th-inch meters issued in Makawao in November and 17 additional meters -- 5/8th-inch meters in Makawao issued in December. So, I was just curious who those 40 meters were issued to? Is it just individuals or a subdivision or --

MS. PERDIDO: Yeah, I'd have to check where

exactly. I am not sure who or -- I'd have to check that out where the 40 meters were.

MR. HIRANAGA: Yeah, it just seems to be a large and unusual amount.

CHAIRMAN NOBRIGA: Thank you, Mr. Hiranaga. Any further questions? I do want the body to know that there is written testimony on the budget item number eight submitted by Ulupalakua Ranch by their manager Anthony Durso. No further business, at this time, the meeting will stand adjourned.

(Recess, 11:54 a.m.)

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