



**BOARD OF WATER SUPPLY**  
**COUNTY OF MAUI**  
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**Board of Water Supply**  
**Rules Committee**

Minutes of December 2, 2004, Meeting

Held at the Kahului Shopping Center  
65 West Kaahumanu Avenue, Unit 29  
Kahului, Maui, Hawaii

Present: Sally Raisbeck, Ralph Johansen  
Holly Perdido, Fiscal Officer

Absent: Kenneth Okamura, Michael Victorino (alternate), and Michele McLean (alternate)

CALL TO ORDER by Sally Raisbeck at 1:00 p.m.

APPROVAL OF MINUTES: None.

PUBLIC TESTIMONY: None.

UNFINISHED BUSINESS:

**Review and discussion of Title 16, Chapter 7, (1997) Rules for Charges for Water Service, and Title 16, Chapter 108, (1993) Rules for Water System Development Fees. The discussion will focus on understanding the process, not the amount of rates or fees, which are being considered by the Water Rates Stakeholders Committee.**

Sally asked Holly how many people were in her Department, what people were assigned to, what problems, especially any problems that she had experienced in handling the incoming rates or the people's objections, or the water system development fee. Holly answered that currently there are 30 personnel budgeted in the Fiscal Division. There are 7 Meter Readers, which include the supervising meter readers who do all the meter reading and locking for delinquent accounts, and handle any meter questions. There are 3 Customer Service Representative IIs. They handle all the new installations, transfers, and anything dealing with new meters. Engineering deals with them quite a bit. There are 2 Cashiers who handle the payments and prepare lists for the Meter Readers for locking for delinquent accounts.

Ralph asked how many locks were done per week. Holly said that she doesn't have a number per week. It is done when the meter readers are up to date with the readings. Holly said that she only would have a rough estimate. Ralph asked what the procedure was from the time an account becomes delinquent. Holly stated that the system sends out final notices, and she did not have the exact days available; after 30 days, a delinquent notice is sent out from the system, after that there are a certain amount of days to pay, and if it is not paid, it becomes a delinquent account. Holly said that it depends if there is staff available to lock, then they try to lock before the next bill comes out. She said that a lot of times it goes past that because of the lack of staffing to lock.

Ralph asked if it would be better for her department if the rules contained written procedures. Holly said that she didn't think they would want the rules to be that detailed. Ralph asked what was done regarding hardship cases. Holly answered that if someone has hardship, they can ask for a payment plan. Ralph asked what the negotiating procedure was for hardships was. Holly explained the payment plans. Holly also explained that the Honolulu Board of Water Supply does the billing.

Holly went back to details of staff, there are 3 Pre-Audit Clerks who look over the readings and check for accuracy. They fill out service requests for re-checks if they need to, if the meter is inaccessible. They were doing fire line billing. They send inactive accounts to collection.

Sally asked about large bills due to major leaks. Holly said that in 1997 the Board was very adamant about not granting adjustments for any kind of leak on the customer's side of the meter. Holly said that there is a difference if it's at the meter coupling, if it's on the Department's side of the meter, or if air gets in the line, the Department does adjustments for those special circumstances. The Pre-Audit clerks send out notices of high consumption letting the customer know to check for leaks.

Holly said that there is one Customer Relations Assistant. She does a little bit of everything; helps on all the investigations on complaints or letters received, she does the Maui Ranch Estates billings for the Federal loan that they got. We have to bill the 82 customers and collect the money and then do the loan payment. She helps the Accountant II and Accountant III.

Sally asked about the general fund and the Water Department finances. Holly explained that there are separate funds: revenue fund, water system development fee fund, and a source and storage fund.

Holly stated that she has an Assistant that she will be hiring soon, and an Accountant III, Accountant II, Accountant I, and two Account Clerks, and they all handle the accounting area. There is a Purchasing Specialist and a Buyer who handle the Department's purchasing. There are two Store Keepers at the Baseyard.

Sally asked if there was anything in the rules that conflicts with the way that the County does things. Are there any County procedures that are different from what the Water Department procedures are? Holly said that they are beginning to be able to meld the two. She stated that the miscellaneous fees that are charged for jobbing (service lateral and meter installations) were a problem, because they are not in the rules. They are now turned in with the budget with rates and fees to the Budget Office and they go into the budget ordinance.

Holly said that charges for the meters by size of the meters are in the rules, as well as Water System Development Fees. Section 16-7-7, Temporary Meter Charges, is one that instead of a deposit, there is a flat fee of \$375.00. New Installation of Meter charges are in the ordinance, based on how much it costs to do it.

Holly said that the Department and the County charged differently for NSF checks, but now they are charging the same amount.

Ralph asked how one service that is running lines under the street coordinates with another, so that the maintenance and repairs, or whatever, for new installations are coordinated. Holly stated that it would be a question for operations, but she believed that they do try to communicate with Public Works on the timing.

Sally asked about the 1% per month service charge for late payments. Holly said that it was not being done now, because the billing is through Honolulu, but it is something they would like to get going.

Sally asked about Section 16-7-4(d), wanting to know what it meant. Holly said that the rates for General or Ag is not allowed for the Non-Potable meter. Sally also said that the rule stated that if water from a non-potable meter was used for general usage, the meter would be removed. She also said that if you provide water service to other lots from your lot, even if the meter is registering the amount correctly, the meter will be removed. Holly clarified that it is against the rules to provide water service to lots other than the one the meter is registered to.

Holly said that a deposit of \$100 was taken for tenants, and a meter can be held in a tenants name if the owner does not want to be responsible. Commercial and other customers are charged a deposit using another scale, based on that type usage, which will be refunded after one year.

Sally asked about the fire service rates. Holly said that this is what the County of Maui pays the Water Department for all the hydrants. There are private systems that have detector check meters on their property that they pay for. These meters are not to be used, they are for fire protection only. If they are used for other than fire, there is a charge. If there is a sprinkler test, and they notify the Department before and after, there is no charge.

Sally asked how the Department handles the agriculture rate. Holly said that the biggest problem is in the definitions, 16-7-3. Agricultural consumers are those actively engaged in crop production, stock raising, or dairy farming, to derive farm income on County zoned or State designated agriculture land. Holly said that there needs to be a definition of these items. Holly stated that there are people coming in that have horse stables, and she felt that it was more a leasing business, they are renting out stalls for horses, but then if they were actively raising, breeding, and selling horses, that would possibly be stock raising.

Holly said that initially the ag customer comes in with an ag application, their Excise Tax and a G-45, and they have to go to the Planning Department and it has to be zoned ag. An inspector is sent out to check it. If the inspector approves it, then they are approved for ag rates. Holly said that the G-45s are not the best way to go because they have had some who have turned the G-45s with zero income for the last five years, and they say it takes koa trees ten years, but they want ag rates. On this same property there are three big houses and a swimming pool. If they are zoned ag, and they have three houses, swimming pool, whatever, should they get ag rates? This is a problem.

Every year the Department checks to make sure they have copies of everything that comes in. If the renewals are not in on time, they are taken off the ag rates. The Customer Relations person asked if they could re-inspect some this year, and after checking, some were removed from ag rates. Sally asked how many people are getting ag rates. Holly said 500 or 600, mostly Upcountry.

Holly stated that regarding Section 16-108-8b, the Department still has problems when meters are removed due to delinquency, a new owner requests a meter, as long as it was removed within the 36-month period, the new owner could pay the balance of the outstanding bill plus the service charge, as if the meter was never removed. If the meter is removed for NRP (Non-responsible party), if they have a meter and no one came in to sign up for it, someone will do a closing bill, it's called an NRP, and the meter is removed. Holly asked if it should be considered a delinquent account, because that is how they are treating it now. She wanted to know if the definition of delinquency would include NRP.

Holly said that under Section 16-108-5d there is a credit for any water system development fee paid in the past. If the applicant has had the meter removed due to a delinquent account and comes back into the Department to get it replaced after the 36-month period, they will get a credit for any water system development fee they have paid in the past.

Sally wanted to know if the water system development fee covers the cost of new development. Holly was not sure and stated that the computation was complicated. Sally asked if there was talk of having to increase the fee. Holly said that it had just been increased in 2002.

Sally asked at what point the Department gets the money. Holly stated that when the engineer and the applicant or the applicant brings the application over to the Fiscal Division, the fee is paid.

Holly said that the exception is reservations; the money is paid when they take the reservations. Reservation monies are treated the same as the water system development fee, they are deposited directly into the water system development fund at the time of the reservation. Planning keeps a record of all the reservations to insure water availability.

Ralph asked, "If you buy a property, there is a delinquent water bill, and there is no lien on the property that reflects the unpaid water bill, how do the new owners get notice?" Holly said that they have that problem quite a bit, and they try to go after the old owners until the closing bill, because it is the responsibility of the old owners. Sally said she did not know how difficult it is to put a lien on a property, but wondered if the Department could do that. Holly said that if the Department could do that, it would have to be added to the rules. That would also add to staff responsibilities. Ralph said that they would have to find out if this is one of the real estate disclosure requirements. Holly asked when would be the time to put the lien on the property, because at the time of locking it would be too early, and at the time of removing the meter it may be too late.

Sally restated that Holly felt the committee should discuss the Credits and Accounts section with engineering.

Holly went over Payment Plans criteria, the bill is supposed to exceed 2% of the premises real property assessed value, Section 16-108-10. Holly said that there were a few exceptions that the Director or the Mayor had allowed, but very few. Sally asked if bi-monthly meant every two months, and Holly stated yes. Holly stated that if the meter is removed Upcountry, they still have the 36 months in which to get the meter back without paying the fee or being put on the list.

Sally asked if the Exceptions From The Rule, Section 108-8, were used frequently, and if so, are they used consistently, and uniformly. Holly said that "a" and "b" would be determined by Engineering. Temporary meters are dealt with as consistently as possible. If there are any questions, they are sent to Corporation Council.

Sally wanted to know the rationale for the half fee for accessory buildings. Holly said that Engineering would be the ones to ask that. Sally wanted to know who would determine what size water meter would be required for a particular application. Holly said that they go through the fixture count and come up with the size. Sally asked if it was written down anywhere. Holly said Engineering would know what section, but that it is probably in the general rules. Engineering would also be the ones to make the decision if an upgrade is needed. Holly left the meeting to return to work.

Sally asked for Ralph's approval, in Chapter 7, where it says Purpose, "The purpose of this chapter is to establish the rates and charges for the furnishing of water service to the Board of Water Supply consumers" to change that to Department of Water Supply consumers. Ralph agreed. At the bottom of that page, it says the Board may add a 1% per month service charge, that would have to be the Department. On "c", the third line, on the next page it should be changed from Board to Department. And meter service charges for use of Department of Water Supply. That was all in Chapter 7.

Sally said that in Chapter 8, she hadn't yet circled all the references to the Board. Ralph said that there was one in the Purpose section, Board's water system in the middle of that section, and then on the next page, third paragraph, "and then accepted by the Board of Water Supply, dedicated water system improvements." Ralph said also in the second paragraph under Credit, dedicated to the Board of Water Supply. Sally stated that all of those types of things could be changed to Department. Ralph stated, under 108-5f, "In accordance with the Rules of the Board" it's going to be Department. Ralph said that they would also have to change 108-8 "d" and "e."

Sally said there is nothing about waivers under Chapter 7, and asked Ralph if he thought there should be. Ralph said that he would have to look at it, and they could take it up next time. Sally said that she would ask Herb Chang to be there at the next meeting, and they would go over Chapter 7 and Chapter 108. She would make sure, from the index, that any references to the Board that they have a change for are noted.

Sally asked if Ralph wanted to meet on December 9<sup>th</sup> at 1:00 p.m. Ralph said that he would let her know.

ADJOURN: Meeting was adjourned at approximately 3:00 p.m.

*Minutes were taken from audiotape by Cathy Howard.*