

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 12, 2007

Council Chamber, 8th Floor

CONVENE: 9:07 a.m.

PRESENT: Councilmember Joseph Pontanilla, Chair (in 2:21)
Councilmember G. Riki Hokama, Vice-Chair
Councilmember Michelle Anderson, Member
Councilmember Gladys C. Baisa, Member
Councilmember Jo Anne Johnson, Member (in 12:05)
Councilmember Danny A. Mateo, Member
Councilmember Bill Kauakea Medeiros, Member
Councilmember Michael J. Molina, Member
Councilmember Michael P. Victorino, Member

STAFF: Lance Taguchi, Legislative Analyst
Gayle Revels, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Leinaala Kihm, Executive Assistant to Councilmember Medeiros

ADMIN.: Frederick Pablo, Budget Director, Office of the Mayor
Kalbert L. Young, Director, Department of Finance
Vanessa A. Medeiros, Director, Department of Housing and Human Concerns
Robin Tanaka, Administrator, Kaunoha Senior Services Division, Department of
Housing and Human Concerns
Jeffrey K. Eng, Director, Department of Water Supply
Wendy Taomoto, Civil Engineer, Engineering Division, Department of Water
Supply
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the
Corporation Counsel

OTHERS: **Item 1:** Jocelyn Perreira
Lisa Hamilton
John Blumer-Buell
Shay Smith
Others (5)

PRESS: Ilima Loomis, *The Maui News*

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VICE-CHAIR HOKAMA: . . .(*gavel*). . . The Council's Budget and Finance Committee meeting for today shall come to order. Present are Mr. Mateo, Ms. Anderson, Ms. Baisa, Mr. Medeiros --

COUNCILMEMBER MEDEIROS: Good morning.

VICE-CHAIR HOKAMA: --Mr. Molina --

COUNCILMEMBER MOLINA: Good morning.

VICE-CHAIR HOKAMA: --and Mr. Victorino.

COUNCILMEMBER VICTORINO: Good morning, Chair.

VICE-CHAIR HOKAMA: Chairman Pontanilla is excused and we are awaiting the presence of Ms. Johnson. Members, before starting today's meeting, we shall have public testimony on items relating to the Fiscal Year 2008 Budget proposal. The Chair will be taking public testimony at this time. You have, when your name is called you have three minutes, and you will be timed by our Staff when. . .and they will indicate when your three minutes are up, and the Chair will ask you to conclude your comments. First this morning, we have Ms. Jocelyn Perreira.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. PERREIRA: Good morning, Council Chair --

VICE-CHAIR HOKAMA: Good morning.

MS. PERREIRA: --Hokama, Council Members. My name is Jocelyn Perreira. I'm the Executive Director, Tri-Isle Main Street Program Coordinator. Our Board of Directors have asked that we put on record a notation to you folks regarding the appropriation that was listed in error in the government binder versus what our actual request was. And, and we added to that a copy of what we sent to the Planning Department back in January so that notes that we have not changed one iota.

The reason why I'm here today though is to talk about Capital Improvement Projects. And we are hopeful that. . .in our packet we listed capital improvement projects for each of our small towns. And we are

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hopeful that will help you to see the kinds of needed projects that's needed. One of the projects I want to focus on today though is the Wailuku municipal parking lot and the importance of having that for Wailuku's success. I also have in your packet a copy of a *Viewpoint* that we did to *Maui News* that shows a clearer reflection of evolving Wailuku and how successful it is becoming in laying, by laying the foundation for solid economic revitalization. And that, that justifies putting that kind of money in an improvement of that scale and magnitude for Wailuku.

So if you look at the, the *Viewpoint* it shows you, many, many projects that have come online since the, since 2000. There have been only seven vacant properties in town and of those there are all development plans. Other projects in the works that have just been completed is Lokelani project, that's not noted here; Uptown Chevron Mart and Carwash; Hart's Corner; Unemori's building on Market that's coming up; Chris Hart and Partners on Market; Deborah Daniels, CPA on Central. We've had consultations with Maui Medical Group; Dr. Greg Parks; Betsill Brothers building; Cecil Morten(?) on the corner of Main and Church; Ralph Kato on Market Street; CPA Ron Kawahara. We've also had administrative, provided administrative assistance so you'll see Wailuku McDonalds greatly improved and looking much better of a fit in a historic small town.

Also, district project improvements outside and in surrounding Wailuku that will add to the critical mass of projects like Hale Mua; Puunani; Kehalani - Phases I through IV. We are developing a critical mass that is making Wailuku town all the more significant. We have provided consultations, given them statistical information to help them make a decision to reinvest into the town, provided project design reviews on every single one of these projects, and assisted them with action requests. Additionally, our Structure and Design Committees, our Wailuku Revitalization Committee, our Property Owners Committees a while back had hired Jackie Harp to see if we could be facilitated in getting grant fundings to, to try to make this happen as a public, private partnership. And I have in your packet the municipal parking lot. I have, Mr. Ron Kawahara was the Chair of our Property Owners in the Tamanaha . . .

MR. TAGUCHI: Three minutes.

MS. PERREIRA: I have one more minute after three?

VICE-CHAIR HOKAMA: That is Mr. Pontanilla's grace. I don't give a minute, you need to conclude.

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MS. PERREIRA: Oh. I'm sorry, I prepared this knowing I had four minutes. May I have my additional minute?

VICE-CHAIR HOKAMA: No.

MS. PERREIRA: Okay.

VICE-CHAIR HOKAMA: You can conclude.

MS. PERREIRA: So, if you take a look at what I gave you and in the valuations that there will be, because of these improvements, a return on the County's investment. There is also an executive summary. And we also need the mini-park next to the Iao Theatre. Thank you very much for your time, attention, and we're happy to provide you with more detailed information if you need.

VICE-CHAIR HOKAMA: Members, questions for the testifier on comments presented? Mr. Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you very much, Mr. Chairman. Good morning, Ms. Perreira.

MS. PERREIRA: Good morning.

COUNCILMEMBER MOLINA: And thank you for the organizations service to the community. I know you guys have provided some savings for the County through the volunteers that participate through your agency. My question relates to, I guess, the, the handout that you gave us. And there was a, it was mentioned here that as it relates to the proposed parking structure that if action is not taken Wailuku town is in danger of falling into a growing crisis of traffic, congestion, and loss of commerce, along with other things. Can you just give us a brief explanation of that? What you folks, why I guess your agency feels this way?

MS. PERREIRA: Yeah. Thank you very much, Councilmember Molina. I believe that statement in the executive summary was taken by then Maui Redevelopment Agency Chair Clyde Kono. When they looked at what the actual conditions were and of course we're part in parcel of this because we supply them with a lot of the information. And it was the, their letter dated December 2, 2003 that made note of that. That if action was not taken that's what was going to be the result, it was going to significantly

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delay the outstanding momentum that has been put forth and, and the work done to try to move this project forward.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. I believe, Ms., Ms. Anderson next.

COUNCILMEMBER ANDERSON: Thank you, Chair. Good morning, Jocelyn.

MS. PERREIRA: Good morning.

COUNCILMEMBER ANDERSON: You made a statement that, at the end that we need the small park next to Iao.

MS. PERREIRA: Yes.

COUNCILMEMBER ANDERSON: Who says we don't?

MS. PERREIRA: Well, you know, like --

COUNCILMEMBER ANDERSON: How is it threatened?

MS. PERREIRA: --no, like in every town you have a handful or one or two that for whatever the reason they are not supportive of something. Maybe it's something that is conflicting with their own, you know, how they want to conduct their business or what have you. So you expect to have that, you have that in every community. But what we feel very confident about is not only in our own surveys over the years that even brought this to the forefront when, when the County made the decision to acquire the theatre.

But County has done separate surveys through the Maui Redevelopment Agency, through the Growth by Design workshop that we facilitated the MRA with. The Office of Economic Development sent out surveys and what we had found when we did our surveys was like 83 percent in support of this, but when the Office of Economic Development folks did it they got an even higher, they got 95 percent. So, it's just that sometimes people become so used to utilizing that property for their own purpose, when an improvement is going to happen it's very difficult for them to give up or be inconvenienced while the necessary improvement is being made.

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COUNCILMEMBER ANDERSON: So people are currently using that lot for parking?

MS. PERREIRA: There are some individuals who are using it. I will say way, way back because this spans many Administrations of support in, in, in us trying to move this forward. And every time we have a change in Administration it's like a, you know, you gotta re-educate all over again. But I know during the Apana Administration everybody was told very clearly about this project very extensively. And the reason for that is because Federal dollars are a part of that project. We are now in Phase III of three phases. Phase I, so you know where, and I'm talking about the place where we have the police --

COUNCILMEMBER ANDERSON: Yeah.

MS. PERREIRA: --substation and where we have the public restrooms that everybody worked so hard to get. So, you know, once they got that, it's like, you know, you want to halt the project, and yet it's so important especially because in Wailuku all of these vacant lots that you have in and around Wailuku will eventually be built upon. The lot that has, is next to the Iao Theatre is the only, it will be the only green open space left in the heart of Wailuku town. And so a passive park and a gathering place is so essential for the town, and that's why we are and have always supported that and put that forward.

COUNCILMEMBER ANDERSON: Thank you, Jocelyn.

VICE-CHAIR HOKAMA: Thank you, Ms. Anderson. Mr. Victorino.

COUNCILMEMBER VICTORINO: Yes. Thank you, Ms. Perreira, for being here today again and all the good work you've done --

MS. PERREIRA: Thank you, sir.

COUNCILMEMBER VICTORINO: --keeping this in the forefront. I have, and I think you're familiar, there's been a number of different presentations done as far as the parking and the redevelopment of this, this municipal park. But I've also heard from many of my colleagues that no one has ever brought a complete plan laid out for the municipal parking lot to this Council. And is that correct as. . . I mean a plan that's --

MS. PERREIRA: Yeah.

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COUNCILMEMBER VICTORINO: --ready to go, not conceptual --

MS. PERREIRA: Yeah.

COUNCILMEMBER VICTORINO: --and all that? Has a plan ever been brought forth to the Council for us to review and put, put forth?

MS. PERREIRA: Thank you for that question, 'cause that's a very, very important question. The answer to that is kind of yes and no. Yes, there has been good conceptual drawings and plans that have been brought forth to the Council and frankly that's what's kept the, the issue alive. Was because there were good thoughts and ideas by people very knowledgeable as to what the needs were and, and what would look well for Wailuku. The County a while back then hired a consulting firm through the. . .I believe it was through the Planning Department. And they came up with three schemes, they hired somebody else from the mainland and they came up with three renditions, Options A, B, and C.

Now, for many of us, none of the above was okay. And for the Council I believe they had some problems with that as well, and the Council asked them to please go back and please include the Council's vision in, in a rendition that would be something that would be a common vision that we all could have a buy into. So, part of the plans that would be acceptable has been out there, has it been presented to you in a formal, formal way that has included what was requested previously from the Council? No. You don't have a copy yet, I know our group has, because we've met with some of the Council Members and our professionals did do their conceptual rendering that included the vision of what the Council wanted to see which was a civic presence on the property.

And we knew from our own research and studies and our, our grant writer that we needed an economic development component. So our people have been hard at work to keep drawing this. But now have you as a Council gotten something? Not yet, not something that you have seen and said, yeah, we like this, this is the concepts that we all agree and we all can buy into. And that's why Wailuku Main Street if you look at the MR..., the minutes of the Maui Redevelopment Agency consistently every single month we have said we need to get all of the important stakeholders in one room to get a common vision and find out. . .you know the Administration has a goal and vision but an important piece of this goal and vision is the Council's vision because it is a County-owned property.

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So I think, I know, I know the Maui Redevelopment Agency was prepared to come before you with a PowerPoint presentation 'cause we, we also loaned some assistance to that preparation. And I think that probably that should happen sooner than later when once they overcome their challenges to get the input from the Council so that we have a clear direction that we all agree and we're all going to. Because this is not a project that, that cannot be done. This is a project that I believe the Council has expressed will to do it and we are grateful for that. And I think the Administration wants to do it so it's just a question of getting everybody together, saying this is the plan, more or less, that we want to go by and then proceed from there.

COUNCILMEMBER VICTORINO: Okay. Thank you, Ms. Perreira. And, and keep me informed and whatever I can do to assist you and the, the rest I think is very important. This has been long, long overdue --

MS. PERREIRA: Yes.

COUNCILMEMBER VICTORINO: --and I think, you know, we've talked about this and we've seen this in Wailuku town for many years. And I'd like to see this come to fruition already. I think we have support but we need something that, like you say, everybody can buy into.

MS. PERREIRA: Yeah.

COUNCILMEMBER VICTORINO: That's very important. This can't be my plan, your plan, it gotta be our plan. And once our --

MS. PERREIRA: That's right.

COUNCILMEMBER VICTORINO: --plan gets out there I think it'll work. Thank you, Mr. Chair.

MS. PERREIRA: Thank you, sir.

VICE-CHAIR HOKAMA: Thank you. Further questions for Ms. Perreira, Members? Having none. Ms. Perreira, thank you so much for your testimony.

MS. PERREIRA: Thank you, Council Chair Hokama.

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VICE-CHAIR HOKAMA: Next is Ms. Lisa Hamilton.

MS. HAMILTON: Good morning, everyone. Nice to see you, I don't get into town very often. So, I got into town more actually because I'm coming to the GPAC meetings since I'm your advisor from the Hana district, one of four. My name is Lisa Hamilton and I live in the Hana district in the East Maui south coast on the Kaupo side of Kipahulu. That's where the earthquake damage has been greatest. I am in town following last night's GPAC meeting and I thank you for this chance to bring your report from the outlying district here.

The belt road around East Maui is a major tourist attraction and a major contributor to the tourist economic engine for Maui County. Maintaining, let alone upgrading the Piilani-Hana highway is expensive. The money to pay for it has to come from somewhere but I don't know what's in here. And I want to know where, where it's coming from in this present situation where we have 10 miles of road that are going to be worked on as a, as a result of the earthquake. One possibly solution over the longer term is to find a way to raise funds and inform tourists about road conditions with, with something of a toll road around East Maui. This would require the cooperation and agreement with the State and with Maui County. But I think this is an idea that should be explored in various ways so we can be better informed.

The current Administration has what they call administrative closure of the road. The problem with this is that it closes the road to the people who we need to help us. The County and public employees are excluded. The road crew can't come in, the mailman, I haven't gotten mail in my box for six months. The Police Department from Hana can't come through, but the road is physically open. So I'm not clear on what administrative closure does. So from about 10 miles from the west side of Manawainui Gulch all the way to the Kipahulu, where the road is closed administratively with a barrier which is one-foot wide, you can drive through both sides. So on both, anybody coming around under the sea cliffs is exposed to whatever the danger still remains after six months.

We were told when the Mayor came to Kaupo in March that the road, the work would begin on Manawainui within a few weeks which makes some sense logistically, bring equipment and personnel and material. But we are told that repair of the area on the other side of the damaged area would happen maybe two years from now when they finally get over there. The problem is that the real danger exists under the sea cliffs, and from the

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perspective of the people who live in the area and depend on work in Kipahulu this delay is becoming really untenable. Six months already. The sea cliffs may be furthest away but shouldn't they be stabilized first not last? Anyone who's lived for any length of time understands that there's an inherent danger of, from falling rock, that's the life of living on the side of a volcano.

MR. TAGUCHI: Three minutes.

MS. HAMILTON: We've all heard of someone who's been hurt or injured. But today it's different, we have a picture of that's been taken from a helicopter right after the earthquake and it says there's a huge boulder that's primed to fall. It's still there and I'm asking you with, with designated funds in the current Budget would it be possible to remove this, these individual rocks that have been identified. I hope you agree that we need better understanding of this whole situation which is a very difficult one for us and for you as well. And I thank you for your attention.

VICE-CHAIR HOKAMA: Thank you, Ms. Hamilton. Members, any questions for Ms. Hamilton on her testimony this morning? Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Thank you, Ms. Hamilton, for coming all the way over to testify.

MS. HAMILTON: You're welcome.

COUNCILMEMBER MEDEIROS: And thank you also for your work on the GPAC.

MS. HAMILTON: And you're welcome also.

COUNCILMEMBER MEDEIROS: I talked to the Water Department about any kind of need to have them in Kaupo. And . . .

MS. HAMILTON: The what Department?

COUNCILMEMBER MEDEIROS: The Water Department.

MS. HAMILTON: Water.

COUNCILMEMBER MEDEIROS: Water. Okay. And they're sending their crew from Upcountry anytime there's a need for the Water Department.

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Public Works, as far as the highways, is sending their Makawao district staff to do any work necessary there. And the police is also sending people from Central Maui instead of Hana.

MS. HAMILTON: Yeah. I understand that.

COUNCILMEMBER MEDEIROS: Right. And the mail is still going to Ulupalakua. Is that where you're picking up your mail?

MS. HAMILTON: We have an arrangement with a friend in Kipahulu and kindly enough it, our mail is left there. We have to find someone to pick us up at the barrier to go and get the mail but we, we do have a way of getting mail.

COUNCILMEMBER MEDEIROS: Okay. Because the contract for the mail is through Haiku and Hana. And because of the barricade that contractor cannot drive beyond the barrier in Kaupo.

MS. HAMILTON: I'm aware. I understand. Yes.

COUNCILMEMBER MEDEIROS: So. I know the Mayor is, the Administration is working, you know, on a plan to try and help the people of Kaupo and Kipahulu. And I think it's important for you to, you know, stay on top of it as you have. But thank you for your testimony this morning.

MS. HAMILTON: Thank you.

VICE-CHAIR HOKAMA: Thank you, Mr. Medeiros. Members, any other questions for Ms. Hamilton? Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. Hi, Lisa.

MS. HAMILTON: Yes. Hi, yourself.

COUNCILMEMBER ANDERSON: I'm really sorry for the hardship you guys are suffering. You know, it's confusing to me why there can't be more immediate response. Folks --

MS. HAMILTON: Yeah. Yeah.

COUNCILMEMBER ANDERSON: --on the, folks on the Waianae coast on Oahu had a rock fall incident just recently.

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MS. HAMILTON: Yeah.

COUNCILMEMBER ANDERSON: And the very next day they had people up there on the cliffs forcing down the loose boulders.

MS. HAMILTON: Good point.

COUNCILMEMBER ANDERSON: And so why can't we get that here?

MS. HAMILTON: I'd like to know.

COUNCILMEMBER ANDERSON: Me, too. Thank you.

VICE-CHAIR HOKAMA: Thank you. Further questions for Ms. Hamilton? Members? Having none. Ms. Hamilton, thank you very much for your testimony this morning.

MS. HAMILTON: Thank you for letting me speak.

VICE-CHAIR HOKAMA: Next, we have Mr. John Blumer-Buell.

MR. BLUMER-BUELL: Good morning, Council Members. And my name is John Blumer-Buell. On the first item I'm going to be speaking on behalf of Hui Laulima and Lehua Cosma regarding dialysis in Hana. This is a follow-up to our pretty good meeting in Hana. First point, and I got this from Lehua this morning, two things came through last night, I got a letter which my wife read me over the phone this morning regarding the property in Wakiu that we're asking for. And I called Lehua about that and she gave me some things to say to you.

So first, Liberty Medical has determined that the room available at the Hana Community Center may be too small for what they want to do. Now that's not all bad because now they want to do a four, a four-station thing which would be outstanding. Secondly, Hui Laulima renews our request for a long-term lease on the old doctor's house in Wakiu which is tax map key 1-3-06-4. The County has not had information on this and I had to go back to the State archives. Yesterday I got a letter from the State archives, Executive Order 309, which was issued in 1929, gives the Board of Supervisors, you guys, the power over this building.

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And I'm asking you to please oversee this process and I've been working with Lei from Bill Medeiros' office. Tomorrow I will get her all this information and she can follow up, we'll follow up with the Mayor as well. The third thing you asked for financial follow-up on the dialysis situation. Julie Oliveira, the Executive Director of Hui No Ke Ola Pono will submit the financials very quickly. And so that's the follow-up on dialysis.

The second issue, I'm speaking for myself. And I am asking you to please as a legislative body to oversee the current road problems in Kipahulu to Kaupo. And here is one of the things that. . .I haven't taken this on a cause but two days ago I got a call from Linda Domen from Kaupo Store, and people were in the, in the void of information that's out there. There's a lot of questions, and she called me because she knew I was involved in this preservation plan for all the bridges in East Maui,

Published in 2001, and I was part of the 2002 process with Pahihi Bridge. And the question I have is Pahihi Bridge was scheduled for replacement in 2002, and most people believe there was no earthquake damage to Pahihi Bridge and the hearsay is why are, why is the County going after the FEMA money if it really wasn't earthquake damage? And again in the absence of hard information people are starting to feel that the reason this whole project is held up is because the County is going after --

MR. TAGUCHI: Three minutes.

MR. BLUMER-BUELL: --FEMA money. And I don't know what's true, I think this road situation should be permanently on Mr. Medeiros' and Mr. Victorino's Public Works Committee. These two reports, these are, I've been working on this for 10 years, this stuff was, should have been ongoing. And final point is I believe we have at least a 30-to-50 million dollar long-term liability for East Maui and from, in the State part of the road probably \$100 million liability. So this is a, this is a big ticket item.

And last point, Mr. Chair. The County has, has this photograph in Kaupo. They've identified a rock and they call it prime to fall. Well, they've identified a number of these rocks primed to fall. So let's just knock down these rocks that are primed to fall and reopen the road. You know, I think it's. . .and so let's, you know, we need your help to oversee the Administration. And this is not a shot at the Mayor Tavares. It is a shot at the former, previous Administration, because there's been a question about why they sought FEMA funds all along. So --

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VICE-CHAIR HOKAMA: Thank you.

MR. BLUMER-BUELL: --we look forward to your oversight. Thank you.

COUNCILMEMBER VICTORINO: Chair.

VICE-CHAIR HOKAMA: Just a minute. Mr. Blumer-Buell, do you have the ability to share that documentation you've shown us this morning?

MR. BLUMER-BUELL: Yes. These are the, these are maps that Mayor Tavares showed at her meeting with the Kaupo community and it . . .

VICE-CHAIR HOKAMA: The only reason why is, I'm asking you is that since you've made it part of your testimony I would like to have it, have us have at least a copy as part of the records.

MR. BLUMER-BUELL: Okay. Yes. Answer is yes.

VICE-CHAIR HOKAMA: If you can please work with our Staff.

MR. BLUMER-BUELL: Okay.

VICE-CHAIR HOKAMA: And I would like to have at least a copy for the Committee's records, please. Questions for the gentleman? Mr. Victorino.

COUNCILMEMBER VICTORINO: Yes. John, thank you for being here. I do appreciate you coming in from Hana and presenting this to us. I think you raised a lot of valid points that till now I did not really understand. And I thank you for that. The other part and I agree with my colleague, Ms. Anderson. I will see, along with Mr. Medeiros, what the State can do as far as rock abatement. If they can do it in Oahu I agree they can do it here. There's no question that can be done. And instead of just leaving it there and saying hey, we can't use the road because the potential of this rock falling.

There got guys down there in Honolulu right now doing it on the North Shore of, in Haleiwa. And if they can do it there they can do it here. So, I will see along with Mr. Medeiros, get a letter out to them and ask them if they can get them guys up here to do the same work they're doing down there. They're available, nobody, now we know they're available. Let's

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get this thing taken care of so that you folks can use that road. And we'll follow up on the other areas that you have mentioned. Thank you very much for that information. I do appreciate it.

MR. BLUMER-BUELL: And the, you know the community really wants to help, there's really a, you know, Linda Domen just called me because she's throwing up her hands and was calling me as kind of an act of desperation. So I said I'd do what I could, you know.

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, John.

VICE-CHAIR HOKAMA: Further questions for the gentlemen? Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Thank you, John, for being out here and for being on top of things and for your deep knowledge and you know the history of things in that area and in East Maui. I, I think some of the Members are thinking that, you know, what we saw on TV and them knocking down the rocks on Oahu is what we should be doing out there. But I just want to be sure our Members understand that, that's not a State highway. That's a County highway and the County is responsible for that. And what they saw on Oahu was State operations. So, if we can do the same that'd be terrific. But, we can't call the State crew to come do County work. And I just wanted to be sure everybody is clear on that, unless we hire them.

But certainly we want to put this, you know, on our Committee, on the Public Works and Facilities Committee as a priority to see if we can do something more now than later. And I think by you testifying this morning and presenting us with the latest updates it certainly, you know, enlightens the Council on where we stand. I just want to ask you on the dialysis portion of your testimony. Again, thank you for the work you guys are doing with Hui Laulima and Lehua Cosma who spearheads that Committee. You did say that Liberty Medical, which is a partner in trying to put dialysis in Hana, wants to do a four-station dialysis center. And for a four-station we would need the property that the County oversees in Wakiu, the doctor's house as we call it? Is that correct?

MR. BLUMER-BUELL: That's, that's the preference of the, of Hui Laulima and I think there's, you know, there's maybe other ideas that I wanted to give you today's update. And I did say, I asked Lehua, do you think we should

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continue to have. . .(end of tape 1A at 9:38 a.m.). . .we're renewing that and I think, I'm hoping that the Council can oversee whatever happens with that house, so it's really, benefits the community.

COUNCILMEMBER MEDEIROS: Okay. Thank you. And will Hui No Ke Ola Pono be a partner in the dialysis operations?

MR. BLUMER-BUELL: Absolutely. The, you know, it's really a good group of people that's come together behind it. There's no question, there's very broad-based community support which you've seen. Liberty Dialysis has been helpful over the years. Dr. Steve Moser before he passed away was just instrumental in bringing together the medical community, the community and, you know, unfortunately he passed on. I think we'd have dialysis already if he were still with us.

But it is a good group and so it involves Liberty and at this point Hui No Ke Ola Pono, and you know the unfortunate thing is that it, it doesn't involve the, the Hana Health. And once again we're seeing the problem of, of people having privatized that against the wishes of the community. Briefly, I noted, I watched part of a Budget hearing the other day. There's \$60,000 for another bus for Hana to bring people out to the doctor. And I thought, you know, that's fantastic, people love MEO, but there's another \$60,000 that we're having to spend as a result of no cooperation from the Hana Health Center, it's not right.

COUNCILMEMBER MEDEIROS: John. Was there an application by Hui Laulima and your group to request space at the Hana Health, as it is called now, in order for the community to have dialysis there which seemed to be the correct fit. And that's the facility that should house a dialysis center. Did Hui Laulima apply for space there?

MR. BLUMER-BUELL: More than, I'd say about, I presented you folks with a petition the last time I was here. Between 250 and 300 people and it could be everybody in the community if we worked at it wrote the former Hana Community Health Center Board asking for a community meeting to discuss dialysis. They flatly refused to meet with the community. And it's just not right. The community put together the very plan that enabled Hana Health to be in its current position. And yet they've, its been stolen from the community. Dialysis was a part of the Community Plan, we have our, we have people in Hana that are willing to build a dialysis center for free on the Health Center site if we can get it back. And they won't talk to us, you know.

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COUNCILMEMBER MEDEIROS: Thanks, John. And thanks for coming out again to testify and your work with Hui Laulima and the dialysis. And thanks for your work on GPAC. Thank you, Chair.

MR. BLUMER-BUELL: Thanks, Bill.

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

COUNCILMEMBER BAISA: Thank you. Thank you, Chair. Good morning, Mr. Buell.

MR. BLUMER-BUELL: Good morning.

COUNCILMEMBER BAISA: And also I'd like to thank Lisa for coming out from Hana. I regret I couldn't be at GPAC last night. I wasn't even at Council. I had, had a pretty bad day yesterday. But I'm back and excited and ready to rumble. Thank you for coming this morning and bringing us some very interesting things and important things to, to work on. It bothers me and I know that the Mayor and Administration are doing as much as they can, but I really am concerned about this idea of those rocks that can be primed to fall, that probably could be made to fall if we were to get the help we need.

And I respect the idea that it's State people that are doing that work on Oahu but we are also part of the State. And we do a lot for the State. As I've been sitting here through the Budget process I have heard our Chair mention over and over how we are paying for things that the State should be paying for. I think it's time to collect. I think that we should demand that they come and help us get this done. And even if we have to pay we should spend the money 'cause we're disrupting peoples lives. We're disrupting their economics and later on we're going to have a bigger problem. So I think, you know, we gotta push on this one, and if that's what it would take to get that crew over here to get those rocks off there and open the road then maybe it should a big push for us.

The other thing was about the, the bus for Hana dialysis. I totally agree with you, you know, dialysis patients are very frail to begin with. And that trip in and out, plus the four hours on the machine has got to be adding to their demise earlier. Because it's such a stress, you know, it's a two-hour trip out, four hours on the machine and another two hours back. And I think that we are, all need to get together and I'm really glad to hear

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that the control over that facility that you want is in, in this body. Because that means that maybe we can help make it happen.

And I'm very sure that MEO would not have a problem if they were relieved of, you know, bringing patients in from Hana. Because there is much need in the community and their efforts can be turned to some other need. There's lots and lots of it that we can never meet. So, again, thank you very much for your coming here and always coming prepared with, with the right documentation. Thank you.

MR. BLUMER-BUELL: Thanks very much. And we will follow up with all the documentation. The Executive Order 309 is sitting in Hana and I'll fax it over to you tomorrow.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. That, that was my question. Are you going to get us that Executive Order?

MR. BLUMER-BUELL: Yeah.

COUNCILMEMBER ANDERSON: You've got a copy of it, that's great.

MR. BLUMER-BUELL: I, I made the request from the State archives about a week ago and it arrived in yesterday's mail. So my wife read it to me over the phone this morning.

COUNCILMEMBER ANDERSON: Hana is lucky to have you, John. Because you know how to reach out and find documentation that is valuable.

MR. BLUMER-BUELL: I just wish I, it would amount to more than it does sometimes.

COUNCILMEMBER ANDERSON: Well, we'll try. You know, interesting that a citizen is the one that finds out who really has authority over this and finds the 1929 documentation that says the County has the authority. Do, do we know yet. . I know when we were in Hana, you couldn't tell us what the use of that, of the doctor's house currently is. There's a, a lease, I think it's a month-to-month lease for a dollar a year or something, or a dollar a month.

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MR. BLUMER-BUELL: It's, it's just, you know, the, the only characterization I've seen is a, is a former CDBG grant that the Hana Community Health Center had applied. They talked about their two leases, one lease with the State and the other the doctor's house in Wakiu. So it's just month to month.

COUNCILMEMBER ANDERSON: But I mean you don't know, since we met in Hana, have you, and the issue came up publicly, has anyone come forward to inform you or your group who, who or what purpose that house is serving right now?

MR. BLUMER-BUELL: They, they, the Hana Health doesn't talk to the community. And we've, we have tried. I mean, the, the evidence is in the petitions.

COUNCILMEMBER ANDERSON: Have you peeked in the window?

MR. BLUMER-BUELL: It's in, it's in 10 years of writing to the Health Center and you'll be surprised if you look at some of the people, the very people the community entrusted to be on the board didn't trust the community. That's what's so sad about it.

COUNCILMEMBER ANDERSON: But has anyone gone and peeked in the window?

MR. BLUMER-BUELL: I haven't. But, you know, it's getting occasional use, they're bringing in contract nurses and so forth. And there's people staying there occasionally. You know, so I wouldn't want to, I couldn't tell you for sure --

COUNCILMEMBER ANDERSON: Yeah.

MR. BLUMER-BUELL: --what it's being used for.

COUNCILMEMBER ANDERSON: Okay. And then the other thing on the road. Well, I'm just going to say that, you know, what has been intimated regarding FEMA is that the previous Administration called in FEMA, and they expended Federal funds to bring in Thanksgiving dinners and whatever. And that now we're hooked into FEMA to substantiate that use. Is that your understanding of why we're waiting for FEMA to solve the problem?

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MR. BLUMER-BUELL: Well, just, just, just the, the idea that we're waiting for FEMA is news to me. And again in the absence of information flowing from the Administration and the County Council to the communities there's all kinds of things out there. The perception is and I'm not saying it's true that the, that the last Administration took advantage of the handout from FEMA on Pahihi bridge when it had been scheduled for replacement five or six years before that. Now there's been lots of stuff in the newspaper, people testified that had gone under the bridge before and after the earthquake, no change.

So, and if, you know, so, you know, that, I don't think it's right to go after FEMA funds if it's not really in their jurisdiction. And if we're waiting, hoping to get FEMA funds to deal with the whole road situation that Tom Morrow was trying to deal with when he was in the County Council. This is nothing new, Tom for a short time arrived at a Hana Community Association meeting one night, he drove the Huelo way, he had a big rock fall into the trunk of his car. And two people, Mr. San Miguel, a teacher at Hana School, and a National Park ranger were both killed in the last 10 years.

COUNCILMEMBER ANDERSON: John.

MR. BLUMER-BUELL: And, and we just put it, it just keeps getting put off and off and off. Now we, the County has identified specific rocks, let's just knock those down and open the road. And, you know, the idea that we're, that somehow there's a deal being worked out with FEMA to repair 10 miles of road, you know, is, what is the County's policy? Are we willing to take money that's not really, you know, that's just a handout? I'd rather see it go to New Orleans if we don't deserve it. You know.

COUNCILMEMBER ANDERSON: Well, we'll try to find out about that. Currently in the Budget there's 500,000 allocated for 2009 for design. And then, in 2011, 2010, 50,000 for land acquisition, then 2011, 5.5 million for the construction with 4 million of that from Federal. Of course this is all projected, it's not in this year's Budget, it starts in '09. So, I would like to have an understanding. You said that there's a potential \$100 million liability. What, what did you mean about that?

MR. BLUMER-BUELL: When I said \$100 million I was talking about the, the State responsibilities from Hana town all the way to Huelo. We have 50-to-60 bridges in there, they've already been doing rock fall mitigation. Those bridges are in a similar condition as the, the County's bridges. The

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County has 14 bridges on the Kaupo side of Hana that they're responsible for. So we've seen the cost of those bridges. Papahawahawa was supposed to be the first bridge replaced five years ago and nothing has been done. I don't know if it's on contract, it was estimated to cost a million. It's gone up to two or three. Every one of these bridges is not going to cost a million any more, it's going to be two, three, four times that much.

So, in talking about the State bridges I'm just putting a \$2 million estimate on each bridge. And, and the same thing with the County, the thing that's sad is that we've had people, the community, and the Alliance for Heritage of East Maui brought over bridge experts that have shown us how to repair these bridges for less money and have them be stronger. And the County has not done anything. So, we have, we have a long-term prospect of bridge preservation for less money and this is why I'm asking this item be put for long-term consideration in Mr. Medeiros' and Mr. Victorino's Committee so that we can look at this ongoing. We've, we've been, the community has been dealing with this for, for more than 10 years. And we have been heard to some extent but nothing has been done.

COUNCILMEMBER ANDERSON: Thank you, John. We appreciate you coming and bringing this information.

MR. BLUMER-BUELL: Thanks very much.

VICE-CHAIR HOKAMA: Further questions for the gentleman? Having none. Mr. Blumer-Buell, thank you for your testimony. Was there anyone else wishing to provide testimony on today's meeting on the Fiscal Year 2008 Budget proposal? Having none. Members, with no objections testimony will be closed for today's meeting.

COUNCILMEMBERS VOICED NO OBJECTIONS

VICE-CHAIR HOKAMA: So ordered.

...END OF PUBLIC TESTIMONY...

ITEM NO. 1: FY 2008 Budget (C.C. No. 07-29)

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VICE-CHAIR HOKAMA: Members, we will be taking up the Capital Improvement Projects being proposed by Departments. This morning we will start with the Department of Housing and Human Concerns. . . .(gavel). . . Let's get order back in this Chambers. We'll be taking up Department of Housing and Human Concerns. The first project, Members, is on Page 24-3 of your program budget. The project is Kaunoa Senior Center, Woodshop Demolition and Parking Improvements, 35,000. We have Director Medeiros here and Mr. Tanaka to provide comment and responses to your questions. Director, any comments regarding the project?

MS. MEDEIROS: We have no comments.

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

MR. TANAKA: Not at this time. Thank you.

VICE-CHAIR HOKAMA: This is under the standing Committee's parameters of policy. Mr. Mateo.

COUNCILMEMBER MATEO: Chairman, thank you very much. And I'm just going to go, the very first project is the, the wood, the woodshop building at Kaunoa. And, Madam Director, the 35,000 being, being requested for construction, this was just to demolish and to add the parking improvements and the pole lighting, yeah? That \$35,000 is a set value that you're indicating that the project will be done and is there a timetable for a completion of this project?

MS. MEDEIROS: Yes. In addition to that there's also fencing, security fencing.

COUNCILMEMBER MATEO: And all of that will be taken care of by this request?

MS. MEDEIROS: Yes.

COUNCILMEMBER MATEO: The 35,000?

MS. MEDEIROS: Yes.

COUNCILMEMBER MATEO: Okay. Thank you. The, if we can move on to the next one.

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VICE-CHAIR HOKAMA: We're going to take this project one at a time, Mr. Mateo.

COUNCILMEMBER MATEO: Okay. Then that's it for me.

VICE-CHAIR HOKAMA: Ms. Anderson, questions on the . . .

COUNCILMEMBER ANDERSON: Not on this, no.

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

COUNCILMEMBER BAISA: No questions.

VICE-CHAIR HOKAMA: Mr. Medeiros.

COUNCILMEMBER MEDEIROS: No questions, Chair.

VICE-CHAIR HOKAMA: Mr. Molina.

COUNCILMEMBER MOLINA: No questions.

VICE-CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: No questions at this time, thank you.

VICE-CHAIR HOKAMA: The Chair is going to ask where did you get your estimate from? Did you, did Public Works assist the Department?

MS. MEDEIROS: I'll ask Mr. Tanaka to answer that.

VICE-CHAIR HOKAMA: Mr. Tanaka.

MR. TANAKA: No. This was based on some previous experience that we have with demolition. We're thinking of a cost about 15,000, maybe 20,000 to demolish the current building. There may be some things that we're not aware of, you know, with regard toward asbestos and so forth. We're going to probably have to have someone go in there and do some testing. With regard to the paving, you know, we're thinking would cost about anywhere from 8 to 10, 8,000, fencing maybe about 2,000 and the light security pole maybe about 5,000 to 7,000. So where we, we, that's how we came out with the estimate of 35,000.

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VICE-CHAIR HOKAMA: Okay. The, the parking you, you are anticipating to do asphalt?

MR. TANAKA: Yes.

VICE-CHAIR HOKAMA: Then we would recommend that you talk to Public Works because we were informed they have received notification of price increases regarding paving.

MR. TANAKA: Thank you for that information, Chairman.

VICE-CHAIR HOKAMA: Any further questions on this specific project, Kaunoa Senior Center, woodshop demolition and parking improvements? Having none, we shall move on to Project 20 on Page 24-4, Office Expansion, Kaunoa Senior Center. Mr. Mateo.

COUNCILMEMBER MATEO: Chairman, thank you very much. And to the Department, based on the preliminary estimates, the preliminary estimates were estimates that were done recently or is this part of the original estimate that indicated originally a need for 185,000 for construction?

MS. MEDEIROS: I'll ask Mr. Tanaka to respond to that.

MR. TANAKA: Yeah. This is a project that was funded in FY 2007. And we had set aside 185,000 for the construction. Since then looking at what the bids are coming in and seeing what the rest of the Departments are experiencing, we decided if we could increase that amount, yeah, by about 90,000.

COUNCILMEMBER MATEO: So, so, Mr. Tanaka, the 90,000 increase it is just your assumption that this is what would take to complete this project because you don't actually know? This is a calculated guess?

MR. TANAKA: Definitely. Yeah. It's kind of unpredictable as far as the construction climate. Yeah. So, we may be overcautious maybe, but I didn't want to under estimate that bid that we may receive, yeah, when we open bids probably in October of 2007.

COUNCILMEMBER MATEO: Thank you. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

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COUNCILMEMBER ANDERSON: No questions.

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

COUNCILMEMBER BAISA: No questions.

VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: No questions, Chair.

VICE-CHAIR HOKAMA: Mr. Molina.

COUNCILMEMBER MOLINA: No questions.

VICE-CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: No. My questions have been answered.
Thank you.

VICE-CHAIR HOKAMA: Thank you. All your existing funds have been
encumbered, Department?

MS. MEDEIROS: I'll ask Mr. Tanaka to respond.

MR. TANAKA: When you mean encumbered, the, we entered into a design
contract with the State.

VICE-CHAIR HOKAMA: Okay. The construction funds are still
unencumbered?

MR. TANAKA: Yes.

VICE-CHAIR HOKAMA: Okay. Thank you for that. No further questions,
Members. We shall move to Page 29-7. That's the Lanai district, Lanai
Senior Center. Mr. Mateo.

COUNCILMEMBER MATEO: Chairman, just for clarification. The, under the
description it indicates that funding is for continuing design and
renovations. Renovations is considered part of design or is renovations
actual construction?

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VICE-CHAIR HOKAMA: You asking my opinion or you asking the Department?

COUNCILMEMBER MATEO: I'm asking the Department because the funding source falls under design so I just needed to get a --

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER MATEO: --clarification.

VICE-CHAIR HOKAMA: Department.

MS. MEDEIROS: Yes. Originally the, the request was for renovations. Since the time that we put the request in and in discussions with the Mayor's office, there's been discussion about rather than pouring a lot of money into renovation of the facility into looking at possibly a whole new facility. So this additional money in design is actually, it's actually looking at a new facility more so than a renovation.

COUNCILMEMBER MATEO: Okay. So the actual description then should be that the term "renovation" should be actually omitted off of the description itself, because it is a total design concept. Yeah?

MS. MEDEIROS: Correct.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Excuse me. Thank you, Chair. It says that the Department has obtained a 25-year lease from Castle and Cooke for the site. How long is that lease left? When was it, when was it obtained?

VICE-CHAIR HOKAMA: Department.

MS. MEDEIROS: I'll ask Mr. Tanaka to respond.

MR. TANAKA: The lease will expire December 31, 2031.

VICE-CHAIR HOKAMA: It's a new lease, Ms. Anderson.

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COUNCILMEMBER ANDERSON: Okay. So the 85,000 was appropriated last year for design of that --

MS. MEDEIROS: Correct.

COUNCILMEMBER ANDERSON: --site?

MS. MEDEIROS: In the previous Administration they were looking more towards a renovation. In the current Administration we're looking beyond the renovation and again more into a new facility.

COUNCILMEMBER ANDERSON: And so has any of that 85,000 been expended?

MR. TANAKA: We currently entered into a contract; however, we instructed the architect to hold off doing anything at this point.

COUNCILMEMBER ANDERSON: Good. So, does that mean that you're going to be using the total 175 to look at designing a new building?

MS. MEDEIROS: Correct.

COUNCILMEMBER ANDERSON: Okay. Thank you.

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

COUNCILMEMBER BAISA: I am very excited to hear that you're planning a new building. I have memories of wonderful times in that Lanai Senior Center. But it is not adequate anymore to meet the needs of the seniors, particularly those with ADA problems. And you know many seniors have those challenges. The kitchen is, in my opinion, too small. Bathrooms need to be bigger. So I'm very supportive and I'm very happy that you're talking about a new facility.

MS. MEDEIROS: Thank you.

VICE-CHAIR HOKAMA: Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. I just want to add my comments to that. That, you know, having been there and experienced the use of that facility, I, I certainly support the work that is planned to expand that facility. Thank you, Chair.

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VICE-CHAIR HOKAMA: Thank you. Mr. Molina.

COUNCILMEMBER MOLINA: No questions.

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

COUNCILMEMBER VICTORINO: Only one comment. I'm very happy to see this come forward and get done. I think the seniors of Lanai City deserve this. But, kind of going to miss the old building 'cause got a lot of good memories in there, too. Yeah. So it's like the change in life, you know, you gotta give up something for something good. And the people in Lanai deserve that, so I'll miss it but I understand it. Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Thank you. I would ask, request the Department, one, you need to notify the, the Lanai Senior Organization of your change in direction, because it was anticipated with the current year's funding improvements and/or repairs and renovation would be starting this year. Okay. And during our discussion of a new lease, Ms. Director, there was talk about relocating to another site. The seniors chose to stay there in that building. Okay. They made the choice, Members. It's a historic building for us, it was our original library for the community.

And so I would support the Department's needs provided that they explain to the community that there is going to be no improvements to their roof which badly needs it, the electrical wiring which needs it, and it's not going to happen for a longer time. You need to make a determination of whether or not there's some improvements for the short term that need to be done prior to a new facility. And again, whether or not the seniors will support a new facility. Okay. No further questions? Having none. Are there any other projects under Department of Housing and Human Concerns, Staff?

MR. TAGUCHI: That concludes the projects in the Fiscal 2008 Budget.

VICE-CHAIR HOKAMA: Okay. Thank you. We thank, Director Medeiros and Mr. Tanaka for their presence. The Chair will be calling up Director Young. We shall go through the Departments [*sic*] of Finance one project. And that, Staff, can you support the Committee with a page reference please?

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MR. TAGUCHI: There's one project on Page 26-12, Renovations and Improvements for 85,000. Once again, Page 26-12 --

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

MR. TAGUCHI: --of your program, Program Budget.

VICE-CHAIR HOKAMA: Okay. This comes under Budget and Finance. Since we don't have Mr. Pontanilla right now the Chair will start with Mr. Victorino. Any questions for Director Young regarding this project?

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair. Mr. Young, this is for that, that, the first, the second floor build-out, right that's, that we have talked about?

MR. YOUNG: Correct. Correct, Mr. Victorino.

COUNCILMEMBER VICTORINO: Okay. And this will enable your Department to build out and have more workable space as far as their billing and all the other areas of finance that you are involved in?

MR. YOUNG: Correct. That's the intention.

COUNCILMEMBER VICTORINO: That's the intention?

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: Okay. How much less of the lobby will we have as far as overall?

MR. YOUNG: Currently, laterally speaking when you walk into the second floor lobby there's from the glass wall that we're looking to move to the glass exterior wall of the building is approximately 18 feet. And the move, this renovation plan would move the Finance Department's wall out about nine feet.

COUNCILMEMBER VICTORINO: Nine feet towards?

MR. YOUNG: Towards that other glass wall. Meaning that the, the walkway path will be about nine feet. Currently when you walk into the second floor lobby the entrance area, the entrance door where the sliding doors are if you're familiar.

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COUNCILMEMBER VICTORINO: Yes.

MR. YOUNG: Is actually about, about ten feet. So this renovation will simply move the Finance Department's wall to be in line with the wall, in line with that walkway area that extends from the glass sliding door entrance all the way, shooting all the way back to the glass doors that are on the other side of the, of the second floor by the snack shop.

COUNCILMEMBER VICTORINO: And you are intending to move that information center from that corner back there up front right? That was the intent right?

MR. YOUNG: Yes. Right now the preliminary thought is to move the information booth which is currently at the rear of the lobby up to the front of the lobby so that it's, it's more, one, more visible to patrons when they walk in. But two, that it allows the information booth to have a greater sphere of view in the lobby.

COUNCILMEMBER VICTORINO: Okay. And then the snack shop in the back. Will that be affected?

MR. YOUNG: They will not, they will, the snack shop will not be affected.

COUNCILMEMBER VICTORINO: They will not be affected?

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: So overall it's just to make more space for you folks, use up what I call like space in our lobby that's not being tenanted at this time, not being used. And that way you folks have more room, the information center moves up. It's more friendly, user-friendly for our public?

MR. YOUNG: Yes. Yes. We believe that this design will not in any way hamper any of the utility of the existing lobby. Because there's a lot of like open dead space or not fully utilized space. This move will also conform to ADA requirements because there is ample space to maintain in the lobby and the thoroughfare to the elevators.

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COUNCILMEMBER VICTORINO: Good. Thank you, Mr. Young, I think this is long overdue. I think something that going to be helpful for all, including the public. Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Thank you. Director Young, do you have some kind of rendering or a conceptual sketch that you could share with the Committee so that, you know, they can have a, maybe some kind of visual understanding of the changes you're proposing for the second floor?

MR. YOUNG: I have basically my rough markup that I would be happy to provide to the Committee if copies can be made. Or if the Committee wants I can make copies and submit it to the Committee at a later date?

VICE-CHAIR HOKAMA: We'll have the Staff take care of it now.

MR. YOUNG: Then what I'll be providing to the Committee now is also a . . .as part of the estimation for the cost for this project the Department of Finance solicited the expertise of the Department of Public Works to provide a estimate of how much the work would, would entail cost-wise. . . .(end of tape 1B at 10:08 a.m.). . .

VICE-CHAIR HOKAMA: Mr. Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. Good morning, Mr. Young. You have a security system, entrance system there. Will this construction impact that as well?

MR. YOUNG: The entrance door to the Department of Finance has, has a electronic security lock on it. The plans do not call for the entrance door to the Department of Finance to change. So it shouldn't impact the security system.

COUNCILMEMBER MOLINA: And work itself will occur during normal business hours or just after?

MR. YOUNG: We haven't planned out the schedule for the work yet, but because this is actually moving a wall that, you know, encompasses the Department the work would probably have to occur after hours or on the weekend.

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

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VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. And how long do you project this project will take once you start it? How long will it impact the community, the public?

MR. YOUNG: This, well, this work depending on how it's phased or it's progressed could actually be accomplished in, by my estimates in the course of five working days of construction. The, there's some unknown factors such as the footing of the current wall could have interior concrete as the supporting base. If that is the case then the work would be far more substantial, you know, to break down or chip down and grind down that. But to actually construct the, the actual walls itself we don't anticipate that, that construction will be quite as, in, in current-day construction, to be quite as substantial as when this building was initially built. If, in fact that it was built with concrete to make that footing.

COUNCILMEMBER MEDEIROS: And what provisions do you plan to make while construction is going on to continue servicing the public?

MR. YOUNG: Yeah. Right now that, that wall does not have any, that glass wall that will be moved does not have any utilitarian purpose for the Department of Finance. There's no work stations that are seated up against that wall. It's a glass wall that, I guess when this building was initially constructed, did have some service windows there. But those windows are no longer really being used for personnel services. Nobody mans those windows. Department of Finance is using one of the drop areas for that service window as a payment drop slot. And that could easily be relocated to some other locale if it's deemed to still be necessary.

We do have Finance Department staff actually using one of the sliding windows to talk to people or assist them when they're in the lobby. But again that's not a primary function of that, of that wall. So, this, moving out this wall or during the construction I don't foresee any substantial decrease in public access. Those functioning's will, may change once the, once the new wall is constructed. So, this drop box for instance may not be in the same locale or may be have to be accommodated in a different manner. But for by and large the wall currently does not really serve a whole lot of utility purpose.

COUNCILMEMBER MEDEIROS: So, people no longer make refuse collection payments there at that window?

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MR. YOUNG: The drop slot that I referenced earlier. People can pay any County payment through that drop slot. Yeah. But it's not specifically for refuse payments.

COUNCILMEMBER MEDEIROS: Thank you. And thank you, Chair.

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

COUNCILMEMBER BAISA: No comment. Thank you.

VICE-CHAIR HOKAMA: Ms. Anderson.

COUNCILMEMBER ANDERSON: Just so I understand, Director Young. The wall is going to be moved out flush with the wall that is currently against the sliding glass doors that has all the pictures on it? Or is it going to be further out?

MR. YOUNG: It won't be flush with that, it'll be in line with that wall, with that wall. In line with that wall. That, the wall where the pictures are hanging --

COUNCILMEMBER ANDERSON: Yeah.

MR. YOUNG: --on it? That wall is in line with the wall that is on the, the side of the information booth.

COUNCILMEMBER ANDERSON: Right.

MR. YOUNG: So, this, moving this wall out is to make it, make this wall in line with those --

COUNCILMEMBER ANDERSON: With those two walls . . .

MR. YOUNG: --two walls. Yeah.

COUNCILMEMBER ANDERSON: And then, and you said you're not going to change the door so you're going to have a hallway to the door or you're going to bring the door forward?

MR. YOUNG: To the Finance Department?

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COUNCILMEMBER ANDERSON: Yeah.

MR. YOUNG: Yeah. It'll it be, it will be a, a hallway of sorts. That, that, the distance from that, the picture wall that you're just talking about to the Finance Department door is approximately five feet. And the thought is that when we move this wall out, that first section that is right by the Finance Department door now will be the information booth. And they'll have, they'll have a, basically a 90 degree angle of their window. Right now they have a flush flat window, yeah that just looks. It only looks straight out to the, to the sliding door. But by moving the information booth up to the, to the front by where the Finance Department is. . .I don't know if you have a, if you got the handout.

COUNCILMEMBER ANDERSON: No. It's real hard, you know, to describe something like that --

MR. YOUNG: Yeah, I'm trying to . . .

COUNCILMEMBER ANDERSON: --verbally. Here we go.

MR. YOUNG: Okay. So, on this --

COUNCILMEMBER ANDERSON: Geeze.

MR. YOUNG: --I'll wait for another second for all the Members to get a picture of this rendering.

COUNCILMEMBER ANDERSON: Yeah. Orient us around here a little bit, because --

MR. YOUNG: Yeah.

COUNCILMEMBER ANDERSON: --where is the entry?

MR. YOUNG: The, if you look at this picture, the part, this page that has that, the zerox copy, the black triangle.

COUNCILMEMBER ANDERSON: Yeah.

MR. YOUNG: Yeah. If you, if you held that, I guess, in the top right corner. . .this, this is not drawn to scale, by the way.

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VICE-CHAIR HOKAMA: Okay, Members, you know that the bathrooms at the top of the page is face, is the Maalaea side.

MR. YOUNG: Yeah. So the entrance to the second floor from the outside is, is that little, is the corner that's in the top left. And, the double lines when you walk in the lobby, the double lines represent the existing walls. And on this picture you've, you see where we've labeled remove wall. That's the double line. And the intent is to remove that wall and actually construct another wall and that's the single line structures that are drawn off after it. So, right now the preliminary concept is to move the information booth up to the front. And this, your question relative to the hallway is that section between the wall or that wall where the pictures hang and the new information booth will be constructed.

COUNCILMEMBER ANDERSON: Yeah. And, and it's, I mean this is, you said it's not to scale. And in fact there's no, there's no scale on this map. So it's hard to see the amount of feet that are involved here. But the expansion outward into the lobby goes beyond the alignment of the picture wall and the snack bar. And really is actually doing away with the lobby entirely and making it a long hallway. So what is the, the expanse, the expanse between the double wall indicating where the elevators are and where the new wall will be? That hallway area, what will be the expanse? You know?

MR. YOUNG: Yeah. The --

COUNCILMEMBER ANDERSON: Is that nine feet?

MR. YOUNG: This, the whole length between where the, at it's narrowest point in the, in the lobby which is right in front of the current information booth.

COUNCILMEMBER ANDERSON: Yep.

MR. YOUNG: That's, it's just about 18 feet. It's about 18 feet and this . . .

COUNCILMEMBER ANDERSON: You're saying currently?

MR. YOUNG: Currently.

COUNCILMEMBER ANDERSON: Yeah.

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MR. YOUNG: Yeah. So to move this wall out it'd be moving out about nine feet.

COUNCILMEMBER ANDERSON: And then how many square feet of additional office space will you realize out of this renovation for \$85,000?

MR. YOUNG: We're estimating about 350 square feet.

COUNCILMEMBER ANDERSON: And what does that cost per square foot? Do you know?

MR. YOUNG: We're estimating, we, we've put in for a budget of 85,000 for this project, which we confirmed with Public Works that, that could be reasonable. So, 350 feet, 85,000. Yeah, I, it's going to be about \$300 per square feet.

COUNCILMEMBER ANDERSON: Okay. That's pretty pricey for 350 square feet. And, and what will this be utilized for? I mean, you know, I know you guys need the space, but boy I sure hate to see us do away with our lobby.

MR. YOUNG: . . .*(inaudible)*. . .

COUNCILMEMBER ANDERSON: It's welcoming space, you know, and, and now it's just going to be a hallway. So, what is, what is the actual intended use of this 350 square feet?

MR. YOUNG: The space is necessary to accommodate additional staff in the Department for the Accounts Division and for the Procurement Division. But also if you've been down to the Department of Finance recently you'll notice that there's a lot of hard paper storage that, and document storage that has to occur as part of recordkeeping and accessibility. And they're, they're actually stacked up and stored along the existing wall right now and along the perimeter of the interior of the Department. The way this picture depicts you'll notice that there's no offices on the interior of the Department of Finance, that's all cubicle areas. And if you go down there and look through and peer through the glass window that's from the lobby you'll see everybody sitting in cubicles, stacked, piled with paper. So the thought is --

COUNCILMEMBER ANDERSON: Yeah. I understand that.

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MR. YOUNG: --yeah, so the thought is that this additional space could be utilized for, one, for the additional staff that are requested in the Budget, but also to make more efficient the document storage needs.

COUNCILMEMBER ANDERSON: So how much of the space will be used for additional employees and how many?

MR. YOUNG: The, the way that this picture is drawn. See the space between the existing information booth and the new information booth?

COUNCILMEMBER ANDERSON: Yeah.

MR. YOUNG: Yeah. That area is predicted to be open so we could fit as much as three additional cubicles in there. And the, where the current information booth is, the thought is to not, to not remove any of those walls but that's, that space is actually can be, can house an actual, a manager.

COUNCILMEMBER ANDERSON: A manager. Well where will the storage go then?

MR. YOUNG: In, in this area where the, where I just pointed out for the manager, that also is pretty large that it can accommodate storage. But again also in the space that's open where the cubicles that I mentioned, the cubicle space, that also can accommodate storage.

COUNCILMEMBER ANDERSON: And so, excuse me, Chair, just one more question. So the, the office spaces that you have on the top end of this diagram, I know the Director's office is the one to the left. How many square feet is that?

MR. YOUNG: How many square feet is the Director's office? It's about, I think it, I haven't measured it, but I believe it's, it's like in, on order of about 10 or 11 feet by 18 feet.

COUNCILMEMBER ANDERSON: Could you, could you get us the square footage for that office space and then the two larger office spaces on either end? Because, you know, I appreciate the need for more space, truly do. But I also think that there are plenty of office spaces in this building that are excessively large and roomy and spacey. And if we're trying to consolidate in order to provide more work space for our workers maybe

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we need to look at reconfiguring some of these large offices that house one person. And that's just my thought at the moment.

And, you know, I just hate to see us totally destroy the lobby space in this building, when we know we need another building and we're working towards that right now, to accommodate three workers in cubicles. It kind of grates me the wrong way. But I'm still open, I just would like to know what the square footage is of those three offices, those three larger offices. The one that's 10 by 18 that's smaller than these other two offices. So --

MR. YOUNG: Yeah. The office that or --

COUNCILMEMBER ANDERSON: --what square foot . . .

MR. YOUNG: --the room, the room that's in the, just above the dark triangle. I think that's the one you're referencing. That's actually a conference room.

COUNCILMEMBER ANDERSON: A conference room. And then the one in the middle?

MR. YOUNG: The one in the middle is the Deputy Director's office.

COUNCILMEMBER ANDERSON: Which is bigger than the Director's office?

MR. YOUNG: I don't think so. But it's not drawn, this is not drawn to scale.

COUNCILMEMBER ANDERSON: So, if you could get the square footage on those offices that would be helpful. Thank you.

VICE-CHAIR HOKAMA: Thank you. Mr. Mateo. Any further questions on this project for the Director? Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you for the opportunity again. I just, where they, just to follow up on Member Anderson's concerns. And I, I kind of have the same feeling about taking away the lobby area. Because it's their first impression the public gets when they get to the County building and to squeeze them into a hallway immediately seems to be not the right kind of reception. Were there any plans to see if the possibility of expanding in other directions made instead of just in the lobby? I realize that the exterior walls would be pretty hard to expand from. Except that if you just put a door through one of the exterior walls and

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then expand beyond that. It seems doable. I just was wondering if there was other considerations?

VICE-CHAIR HOKAMA: Director.

MR. YOUNG: For a number of years now the Department of Finance has been only looking from the perspective we've had to move people offsite. So that's one way the Department, at the Department level that we've had to look at addressing the space concerns. You know, but that has, the unfortunate disadvantage of that is now we're paying rent, yeah, too. Short of having to do that again at the Department level that's what we came up with on this renovation plan. The Mayor has proposed a willingness to look at expanding the, at least the second floor and maybe some of the additional floors just above it on the front of the building just as you propose. That, I'm not sure if there's funds in the current Budget for design or to examine that, or what it would take to move the facade out. But there is that plan.

COUNCILMEMBER MEDEIROS: Okay. I, I think that would be a good plan. Of course it'll certainly cost more. But, I think that's a good plan in order to keep the lobby the way it is. My other question is because a lot of the current floor space in your offices are taken up by storage, as you mentioned, was there any consideration to store those records at another facility or do those records have to be readily available for reference?

MR. YOUNG: The accessible, the immediate accessibility is an issue which makes it very difficult to store it off site. The post office building was actually about as ideal as it could get from a storage perspective except that now the materials are not accessible.

COUNCILMEMBER MEDEIROS: Right. Okay. Thank you for those responses. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. No further questions? Thank you very much, Director Young. Members, the Committee will stand. . .yes, Ms. Anderson?

COUNCILMEMBER ANDERSON: Just one quick question I forgot to ask, please.

VICE-CHAIR HOKAMA: Proceed.

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COUNCILMEMBER ANDERSON: Where the wall is being expanded out into the lobby, Director Young. Will that also be a glass wall or is it going to be a solid wall with no windows or anything.

MR. YOUNG: We haven't, we haven't gotten down to like the, you know, to that level of the design. The reason why the cost is, we've tried to keep the cost low was that the location of the wall is positioned, of the new wall would be positioned so that there wouldn't have to be any substantial electrical work, you know, to move the light fixtures. That, that's why that line is kind of ideal. But in doing that. . .right now, the Finance Department receives a lot of light from the lobby, yeah, coming in through that glass window. So whether or not that can be maintained or needs to be maintained that's what we would, we would need to determine at the, when it's more fully designed. Because that glass wall, it's not very attractive for people to look into the Department of Finance. There's not really anything to really see and it's kind --

COUNCILMEMBER ANDERSON: I think people --

MR. YOUNG: --a messy structure. But . . .

COUNCILMEMBER ANDERSON: --I think people like to see people at work. And I think having the glass wall gives an open-space feeling into the lobby. And if you're going to put a solid wall right up against a nine foot hallway it's going to be a tunnel feeling and it's going to be very, well, sterile. I guess we could put more pictures on it. It's going to change, drastically change the lobby, so --

MR. YOUNG: I understand, Ms. Anderson.

COUNCILMEMBER ANDERSON: --you know, and so I'm not trying to be the devil's advocate here and I'm not trying to shoot you, your idea down. But it's kind of shocking to me, you know, first off this morning not having heard of this. So, I just need to let it sink in and go down and check it out and really see what the, the benefit, the overall benefits going to be. Because I think that's a big sacrifice for us to make for three cubicles.

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER ANDERSON: Thank you.

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VICE-CHAIR HOKAMA: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. Mr. Young. I certainly understand the need for space. You know, all of us are bursting out of our seams in terms of space in many of the Departments in this building. But I understand and I also share the feelings about the lobby and how important it is to have that welcoming open space down there. And I can imagine that we might need it when we have gatherings or celebrations or, you know, when you want to have a cake celebratory get-together, where are you going put everybody if we have no, no lobby?

But one of the things that maybe, you might want to look at is that space you have. . . I don't know if you've ever had the opportunity to go down to the MEO Fiscal Department. You know, we also have a lot, they also have a lot of space constraints there in trying to stick a lot of people into a little building. And what was built into that office and it wasn't my idea, it was I believe Mr. Medeiros who's now the transportation person for the County who knew about it and had the idea. There is a wall in the Fiscal Department of rolling files and what that took away was all the file cabinets that are on the floor taking up so much space and made more room for, for desks and cubicles.

So you might want to look at that, it might give you an idea. These rolling files are along one file, I mean one wall and they roll backwards and forwards. And MEO is able to store seven years of records in those files. So it, maybe, you know, you want to have somebody who's a space expert look at the space you have and maybe can be used better. But, you know, I do understand that we all need a space to work in.

MR. YOUNG: Yeah. Thank, thank you, Ms. Baisa. We actually have looked at different storage technologies that are more space efficient, one of which is the rolling files. The County has a number of Departments that have used, that are using now that rolling system, I believe Corporation Counsel is one. And we were, Finance was also looking at it. The problem is that although this renovation that's before you today, you know, I've represented that it would net out another three or four offices spaces.

The need for additional office spaces in the Department of Finance far exceeds that amount. And we are also looking at getting a more ergonomic design on the existing cubicles. Because the cubicle technology on the, in the Department of Finance was probably back when this building was built in the 70s. So, there are more space-efficient

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designs that we can, that we're hopeful will, will also garner additional space as well. But we, we just need to make the actual operational flow more efficient and technology such as the rolling filing system, such as more ergonomic design will go a long way to that.

COUNCILMEMBER BAISA: Thank you. You know, I certainly understand that you're trying to make due with what you have. Thank you very much.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. Director Young, didn't, didn't you folks get money appropriated last year to reconfigure some of the office space on this floor? Having to do with, I don't know if it was real property tax or, didn't you reconfigure some office space last year?

VICE-CHAIR HOKAMA: Director.

MR. YOUNG: We, I, to my recollection we don't have any office space renovation. The year prior we did have some office space renovation that was associated with the Department of, Division of Treasury and Risk Managements moved to One Main Plaza.

COUNCILMEMBER ANDERSON: Oh, well then maybe my memory is foggy on this. But there, there's been no renovation within Finance?

MR. YOUNG: Oh. In the two thousand and . . . 2006, as part of the, the move to One Main Plaza for, for Treasury and Risk Management, there was monies that needed to be appropriated for that space for One Main Plaza to be renovated to be made useful. And we also used some funds to renovate that portion of the office where Risk Management and Treasury was formally located and that space is on the diagram –

COUNCILMEMBER ANDERSON: The bottom right corner?

MR. YOUNG: --bottom left, it's the bottom left corner. The one room that's at the very far, the very far left. So opposite of the black triangle, opposite side of the sheet of the black triangle was formally the Treasury, the Treasurer's office. That room has since been taken over by the MIS Division for their computer room, right.

COUNCILMEMBER ANDERSON: Right.

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MR. YOUNG: So, that, I don't know if it was in Finance or Countywide or MIS but their renovations needed to be done for that room. The, the space that's immediately adjacent to that along the length of the page, we used some funds to . . . there was previously only two cubicle like stalls, basically . . . we, we used funds to add an additional wall so we made, where they were two, previously two cubicle stalls we've made it into three.

COUNCILMEMBER ANDERSON: Are those cubicles or rooms?

MR. YOUNG: They're, they're, they're actually stalls. The walls don't go up to the ceiling, but they're fixed. They're not, you know it's not like modular cubicles. They're, they're fixed walls. They don't go up to the ceilings but they, they're, they're fixed to the ground. And there's no doors attached to them.

COUNCILMEMBER ANDERSON: Yeah. Okay. Thank you.

MR. TAGUCHI: Chair Hokama.

VICE-CHAIR HOKAMA: Mr. Taguchi.

MR. TAGUCHI: In, we've recently passed a Budget amendment to the 2007 Budget for an appropriation to the MIS computer room. I believe that was to outfit the computer room to improve its electrical and air conditioning. I think the appropriation, appropriation was approximately \$600,000.

VICE-CHAIR HOKAMA: Thank you for that status comment. Okay. Mr. Young, thank you very much for your presence this morning. Committee shall be in recess till 10:55.

RECESS: 10:37 a.m.
RECONVENE: 10:56 a.m.

VICE-CHAIR HOKAMA: . . .(*gavel*). . . The Budget and Finance Committee for the Council of the County of Maui shall return to order. Members, we are now on the Department of Water Supply's Budget request for CIP for the Year 2008 Fiscal program. And we are going to start on Page 23-18. That's in the East Maui Hana District, Members. And this is regarding Source Development. Director Eng.

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MR. ENG: Hi. Thank you very much, Chairman Hokama. Good morning, Committee Members. This morning, Ms. Wendy Taomoto and I will walk you through the various CIP projects that we have budgeted for Fiscal Year '08. And as Chairman Hokama indicated we'll just walk you through in order of the various spreadsheets we have before us. And this first project is in the Hana district and it is described as Hamoa Well No. 2. And I would like to ask Ms. Taomoto to explain that for you. Thank you.

MS. TAOMOTO: This is a project that's ongoing. This is like our completion phase. The well was drilled and completed in August of 2006. On this request for funding is to construct the, or install the wall pump and modifications to the existing motor control center building. And that's about it. . . .(*end of tape 2A at 11:00 a.m.*) . . .

VICE-CHAIR HOKAMA: We'll start this round with, Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. Eight hundred thousand dollars for a pump?

VICE-CHAIR HOKAMA: Department.

MS. TAOMOTO: Yeah. The pump will probably cost 400,000 or so. I don't, I didn't bring my construction cost estimate. But there's also the motor control and the SCADA and the modification to the existing hollow tile building to install that motor control center. And that will probably cost a couple hundred.

VICE-CHAIR HOKAMA: Ms. Anderson.

COUNCILMEMBER ANDERSON: Would have been nice to see the, the details of how you got to this. This is a backup well, right?

MS. TAOMOTO: This is a redundant, yeah, backup well.

COUNCILMEMBER ANDERSON: So you're not going to be using this well unless the primary well goes down?

MS. TAOMOTO: No. We will be using the well. What we'll do is we'll alternate between the, the Well 1 and Well 2. Because it's practiced to keep the well running. So we'll alternate the pumping.

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COUNCILMEMBER ANDERSON: So this is Well 2?

MS. TAOMOTO: Yes. It's on the same site as the Well 1 and it will pump into the same tank as the existing Well 1. But because Hana has only two wells that it relies on -- one is the Hamoa well and one is the Wakiu well -- if one goes down, you know, Hana is in a critical state. So this one would allow us to have reliability for our source.

COUNCILMEMBER ANDERSON: Okay. And have you done, I see you drilled the well in August '06. Have you done a pump test? And what's the yield?

VICE-CHAIR HOKAMA: Department.

MS. TAOMOTO: Yeah. The pump test was done as before we completed the well and we, because it's a redundant well we just pump tested it so that we know that we can put in the same size pump that exists in Well 1 which is a 300 gpm pump. So it's going to be designed to be identical to Well 1. So it was pump . . .

COUNCILMEMBER ANDERSON: To provide 300 gallons . . .

MS. TAOMOTO: Per minute.

COUNCILMEMBER ANDERSON: And what is that per day, please.

MR. ENG: Mr. Chairman, that would be a little less than half-a-million gallons per day. And if I may add, Ms. Taomoto has prepared some maps of our various CIP projects.

MS. TAOMOTO: It was handed out by Staff right before. And if you look on the bottom right corner of the map I have the corresponding page number to your project sheets, so.

COUNCILMEMBER ANDERSON: Thank you very much for these maps. It's very nice that you're wanting to give us adequate information here instead of us having to ask you to give us these. We appreciate it. So, I just want you to confirm that, that the purpose of this well is for backup only and that you will not be issuing new meters based on this well. Is that correct?

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MR. ENG: Mr. Chair. You know out in Hana we don't have any restriction on meter issuance. There is always that possibility that additional meters as requested could come off of this well. But currently its intent is as a backup.

COUNCILMEMBER ANDERSON: And so of the, what is the total gallons per day available in the Hana area from the two existing wells?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Mr. Chair, I don't have that information handy, but I can report that back to this body.

VICE-CHAIR HOKAMA: Okay. That'll be fine. Ms. Anderson, I'm going to rotate.

COUNCILMEMBER ANDERSON: That's fine, thank you.

VICE-CHAIR HOKAMA: And, and we can always return again.

COUNCILMEMBER ANDERSON: Thank you.

VICE-CHAIR HOKAMA: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. Mr. Eng, is this pump going to be above ground or submerged?

VICE-CHAIR HOKAMA: Department.

MR. ENG: All, all the pumps are down into the well. I believe this. . .if I may ask Ms. Taomoto. Is this a submersible pump or a line shaft type?

MS. TAOMOTO: It would be a line. . .*(inaudible)*. . .

MR. ENG: It'd be a line shaft type pump, which means the motor will be above ground, the pump is obviously in the bottom of the hole there. And those work perfectly fine, they're, they're state of the art, standard in the industry.

COUNCILMEMBER BAISA: Thanks. I was wanting that above ground so we didn't have too many problems with having to dig it out. Thank you.

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VICE-CHAIR HOKAMA: Ah, you heard about our problem on Lanai. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. Department, yeah, ever since we went to the first Hamoa Well and pumped, the water service in Hana has been really good. 'Cause we used to take surface water from Wailua Stream in Kipahulu. And that, thank, thank goodness for the rain in Kipahulu that stream usually never stops flowing. But the service was not always consistent. So, this backup well will be very useful for Hana when we're considering the affordable housing projects that we're trying to do in Hana. So this redundant well will ensure the consistency of service, because right now we just have the Wakiu and the first well that we're dependant on. So, I just want to thank the Department for this project for the Hana area and that certainly, you know, this will be very helpful to the community. Thank you.

MR. ENG: You're welcome.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

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

COUNCILMEMBER MOLINA: No questions.

VICE-CHAIR HOKAMA: Mr. Medeiros, Victorino. Excuse me.

COUNCILMEMBER VICTORINO: I think all the questions have been answered. Thank you very much.

VICE-CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: I think this well is long overdue.

VICE-CHAIR HOKAMA: Thank you. Any further questions for the Director on this project? Okay. Having none. We shall move forward to Page, Members, 24-9. This is the Ulumalu Road Waterline Improvements - Five Corners to Standpipe 52. Department.

MR. ENG: Thank you, Mr. Chair. Again I'd like to ask Ms. Taomoto to give a brief description of this project.

VICE-CHAIR HOKAMA: Thank you.

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MS. TAOMOTO: This project is for waterline replacement. If you turn to your map 24-9, it's located in the vicinity makai of Five Corners. And it's approximately 700 feet long and we're proposing to close the gap between two 12-inch pipes. So the existing pipe that we're going to be replacing is, I believe, a 6-inch cast iron pipe. And we're going to be replacing it with 12-inch. We're doing the design in-house with our survey crew and our engineering design staff. And we're proposing to construct this project using our in-house maintenance or I mean construction field operation staff to save cost.

VICE-CHAIR HOKAMA: Okay. Thank you very much for those comments. Ms. Anderson, questions?

COUNCILMEMBER ANDERSON: Thank you, Chair. Your description says that you're doing this to correct a bottleneck condition. Can you explain that, please?

MS. TAOMOTO: Yeah. That's what I was trying to explain. The pipe from Five Corners down to where we start the project is a 12-inch pipe. And then this project there's a 6-inch pipe, 700 feet, and then following that there's 8-inch pipe. So it like goes 12, 6, 8. So we're trying to replace the 6-inch portion below the 12 with 12-inch. And I believe the reason for the 12-inch is that there are bed and breakfasts in the area that would need to comply with commercial so we're, I believe there's a bed and breakfast in the area.

COUNCILMEMBER ANDERSON: So we're doing this for a bed and breakfast?

MS. TAOMOTO: No, we're not doing it, we're, we're sizing it for the existing uses, the fire protection.

COUNCILMEMBER ANDERSON: So, where, where can you show me on this map, Ms. Taomoto, where that portion of Ulumalu Road is that we've been having problems --

MS. TAOMOTO: Okay.

COUNCILMEMBER ANDERSON: --regarding the road from the water, water improvements?

MS. TAOMOTO: Okay. So, you see where on my --

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COUNCILMEMBER ANDERSON: It's hard for me 'cause –

MS. TAOMOTO: Huh?

COUNCILMEMBER ANDERSON: Go ahead.

MS. TAOMOTO: Okay. --where on my map there's a hatched rectangle?

COUNCILMEMBER ANDERSON: Yeah.

MS. TAOMOTO: If you go to the, towards the bottom of the page there's past Five Corners there's another five corners.

COUNCILMEMBER ANDERSON: Yeah. I see.

VICE-CHAIR HOKAMA: The second.

MS. TAOMOTO: Okay. That's the start of Upper Ulumalu Road. That's where the previous project you're having road erosion control problems begins. And it goes towards the bottom of the page up. But it's going mauka even though you're heading down the page --

COUNCILMEMBER ANDERSON: Yeah.

MS. TAOMOTO: --you're going mauka.

COUNCILMEMBER ANDERSON: Thank you for that. So, are you going to be digging up the roadway for this 12-inch line?

MS. TAOMOTO: Yes.

COUNCILMEMBER ANDERSON: And will you be getting right-of-way easements from the property owners or do you already have it? Or why is it that. . .my concern is that the, the, the County has deemed this road not to be a County road. And nonetheless we went ahead and dug it up and to put in water improvements on Upper Ulumalu Road. And the residents have since been faced with a deteriorated road. So, I don't want to see that happen here.

MS. TAOMOTO: We, this portion, this project the Upper Ulumalu Road in front of you for the waterline replacement is on a County road and is paved. So

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when we dig it up we're going to sawcut the pavement, remove that, dig the trench, put the pipe, and we're going to reconstruct it to the standards which is asphalt road. The, the one you're talking about it was a dirt road when we started and it's still a dirt road.

COUNCILMEMBER ANDERSON: Well, I think it was a little bit more than a dirt road. But, yeah, it was not asphalt.

MS. TAOMOTO: Yeah.

COUNCILMEMBER ANDERSON: So, the County owns the roadway at five corners makai?

MS. TAOMOTO: Yes.

COUNCILMEMBER ANDERSON: Thank you, Chair. Thank you.

VICE-CHAIR HOKAMA: Okay. Thank you. My intent and I'm sorry that I didn't start this with the Hana, first one. But I, I, my practice is normally giving the standing Committee Chair the first opportunity and then I'll go to the district person. So I apologize to Mr. Medeiros. Mr. Molina.

COUNCILMEMBER MOLINA: Thank you, Mr. Chairman. You know, with the controversy with the waterlines on Upper Ulumalu now this particular project is it possible that this can help boost the water pressure of the residents along Upper Ulumalu Road as well? Will that have any effect?

MS. TAOMOTO: No. This wouldn't have, this is makai of where you're talking about. It, it's downstream.

COUNCILMEMBER MOLINA: Uh huh. Okay. So, this, in terms of the road improvements as well. So the road improvements if, if that is the direction which we hope the Administration will take and the Department. Can those be done in conjunction with this project that's, that you currently proposing for Ulumalu Road?

MR. ENG: Mr. Chairman.

VICE-CHAIR HOKAMA: Director.

MR. ENG: I think what you're referencing to, Member Molina, again we, I have to get out to that area to do an inspection to see what kind of

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improvements are needed. And we are going to be looking at doing the, probably the appropriate thing, but they're unrelated. This thing we can do in-house, it's basically a water line replacement. The other project would more entail looking at, investigating the condition of that roadway and seeing what possibly we can do.

COUNCILMEMBER MOLINA: Okay. And last question for, again, just Upper Ulumalu. I'll try to keep it within the scope of this. Booster station, no possibility of a booster station for Upper Ulumalu Road?

MR. ENG: No. We don't have anything planned. And I think that Upper Ulumalu, Maui Ranch Estates area I believe their issue is more, I believe it's additional storage that they may have to address one of these days. But I, I don't know of any need for a booster pump station at this time.

COUNCILMEMBER MOLINA: Okay. Alright. Thank you. Thank you, Chair.

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

COUNCILMEMBER VICTORINO: Nope. Most of the questions have been answered. Thank you.

VICE-CHAIR HOKAMA: Thank you. Mr. Mateo. Thank you. Ms. Baisa.

COUNCILMEMBER BAISA: Just, just a quick question in regards to the project being handled by the Staff of the Water Department. Do you have the Staff to, to spare to do this project? It seems like a very large project.

MR. ENG: Member Chair.

VICE-CHAIR HOKAMA: Department.

MR. ENG: I will, you know, as we kind of discussed, earlier, in recent times, that we want to tackle some of the not-so-large scale construction projects that we think we can do in-house. And this is one of them that we have identified. Again, we'll have to coordinate the scheduling with, you know, what's happening. But we do have, I believe, two dedicated but small construction teams that I think are very appropriate for doing this type of work. So, when we can schedule it we will plan to do this project.

COUNCILMEMBER BAISA: Better to do it in-house if you can but not at the cost of, you know, other things doing without.

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MR. ENG: Certainly.

COUNCILMEMBER BAISA: I'll leave that to you, you're the boss. Thank you.

VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Department, you know, the 12-inch ductile iron waterline. Is that the standard material you're now using? There's no chance of using PVC?

MR. ENG: Ductile iron is industry standard. And that's our preference.

COUNCILMEMBER MEDEIROS: Okay. And then because of the 12-inch line you're adding full size fire hydrants instead of standpipes? Is that correct? Along that line.

MR. ENG: It, it includes fire hydrants. Yes.

COUNCILMEMBER MEDEIROS: Okay. I just want to be sure because the mention of fire protection is in the description which is good, you know, with my having been in the Fire Department. It's always good to go to someplace that has enough water for the firefighting operations. Explain to me what does improved circulation mean.

VICE-CHAIR HOKAMA: Department.

COUNCILMEMBER MEDEIROS: In the description it says this will improve circulation and fire protection. Is that having to do with transmission or just the constant flow of the water?

MS. TAOMOTO: Why, I think all that means is that we have that bottleneck which restricts flow efficiently. So it'll improve the efficiency of the flow of water to that transmission or distribution line.

COUNCILMEMBER MEDEIROS: I see. And my last question which kind of follows up on Member Molina's question about improving possible water pressure. This, the source that feeds this area is it a well or is it a reservoir?

MR. ENG: It would be a well.

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COUNCILMEMBER MEDEIROS: A well.

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: Okay. So no matter what size pipe you put in it all depends on the volume of water that you have in the pipe that determines pressure. Is that correct?

MR. ENG: Well a lot of it, when, in this particular case and most case would be the relative elevation of this site to our closest storage tank.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Further questions on this project, Members? If not, let us move to Page 25-15. This is the Makawao, Pukalani, Kula . . .

COUNCILMEMBER ANDERSON: Chair, excuse me. I did have one more question.

VICE-CHAIR HOKAMA: Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you. Once this 12-inch line is, is installed, how much increased water service would you be able to provide off this line?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Mr. Chair, may, may I ask a question. Is this, how many anticipated new hookups?

COUNCILMEMBER ANDERSON: Well if you know of any that would be good. But what I'm trying to find out is, is how much more water will be available once this is installed? In other words, is this going to increase the capacity of water use in the area?

MR. ENG: I don't think it relates to increasing any capacity in that area. Again it basically is to improve water flow, improve, you know, fire flow requirements, that type of conditions.

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COUNCILMEMBER ANDERSON: And, and it won't reduce pressure in any way?

MR. ENG: No. No.

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

VICE-CHAIR HOKAMA: Thank you, Ms. Anderson. Members, let me direct you to Page 25-15. This is the Kamole Water Treatment Plant Retrofit project. Director.

MR. ENG: Thank you, Mr. Chair. Yes. This is the Kamole Surface Water Treatment Plant located nearby Haliimaile. Our plan for this project is to replace the types of filters that we use to this more state-of-the-art type of membrane filter. It'll allow us to be more efficient, possibly increase productivity, reduce downtime to a certain extent, reduce our need to use various types of more caustic, acidic chemicals. And again the overall efficiency and productivity improvements are what we're trying to achieve at this critical water source Upcountry.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. Mr. Director. The proposal that you have here, will this in any way increase compliance with the Surface Water Treatment Rule?

MR. ENG: Mr. Chair, we are currently in full compliance at this particular plant, in fact, at all of our plants. The newer membranes probably will achieve the same type of water quality as far as the size of the, the pores in the membrane. So it's not really a compliance issue, it's more of an efficiency and, and production issue we're trying to address here.

COUNCILMEMBER ANDERSON: And, and how much will it increase the peak capacity?

MR. ENG: It could increase the capacity by 25-to-50 percent increased production.

COUNCILMEMBER ANDERSON: Really. And that would be, let's just use 50 percent. That would be in an increase of how many gallons per day?

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MR. ENG: Well we're looking at...you know, the Kamole Plant fluctuates widely in its production. A lot of it is based on how much water we can produce at Olinda and Piihola, the higher-elevation plants. So, we'd rather produce water there and drop it down rather produce water at Kamole and pump it up. So it can...a wide range but on average maybe, currently, three-and-a-half to four million gallons per day. And we're thinking we could achieve on average six million gallons per day.

COUNCILMEMBER ANDERSON: And so, this is to work in concert with the larger tank that's being put in? Which I think, what, you know, you get sleep deprived and the old memory cells just don't click.

MR. ENG: Yes. I'm sorry.

COUNCILMEMBER ANDERSON: I think it...

MR. ENG: That would be the clear well.

COUNCILMEMBER ANDERSON: Yeah. The clear well, isn't it three million gallons --

MR. ENG: Yeah.

COUNCILMEMBER ANDERSON: --that we're doing?

MR. ENG: Yes. Yeah. So it's all in conjunction and we have another CIP project at Kamole that's part of this whole improvement effort.

COUNCILMEMBER ANDERSON: So, and this is all excellent. We certainly need more water Upcountry. My concern is that we still have not invited the EPA to come and do a comprehensive performance evaluation of the Upcountry system. We still have not had the Boyle Report peer reviewed and just based on what you're proposing here none of this, in my recollection, was mentioned in the Boyle Report. So I appreciate you thinking outside the box and the report. But before we start making investments and changing and altering the Upcountry system, wouldn't it be wise for us to take advantage of the experts from EPA to come and look at this primarily surface water system to make sure that we're investing our dollars in, in the best direction for improving the system?

MR. ENG: Mr. Chair.

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VICE-CHAIR HOKAMA: Department.

MR. ENG: We are actually working directly with the State Department of Health. And they have reviewed the types of membranes we're planning to utilize, how we're going to be operating the system. And as, you understand, the Department of Health in Hawaii has what they call primacy, they basically take the role of the EPA in the State of Hawaii and in many states. If a Department of Health can prove that they have the staffing, the resources and facilities to take over the EPA's enforcement role within a State then, then they're allowed to do so. So that's why we really are in contact with the, with the Department of Health, Safe Drinking Water branch on this project.

COUNCILMEMBER ANDERSON: Well, you didn't answer my question, Mr. Eng. And, you know, I don't know that I agree with your terminology that the State has, DOH has primacy. Their, their authority is only that authority that EPA gives to them in regards to the regulatory standards and authority that EPA has. So, the question again was are you not intending to go forward with the comprehensive performance evaluation that EPA has offered to us?

MR. ENG: Mr. Chair, we . . .

COUNCILMEMBER ANDERSON: And again, just let me preface that.

VICE-CHAIR HOKAMA: I want you to respond this question and then we need to return back to the project, Director, so respond to the question.

MR. ENG: Certainly. Yes. We had been in communication earlier with the EPA, and we have to continue communication regarding both that peer review for the Boyle Report and, and that comprehensive evaluation that, that you make reference to. And so that's still an ongoing communication and once we can coordinate that with the EPA I don't see a problem of our going forward with those plans.

COUNCILMEMBER ANDERSON: Well that's my concern because Dr. Macler of the EPA is familiar with our situation and, you know, I think that we need to draw on the expertise of the EPA when we start reconfiguring the Upcountry system. That was the whole point of the grant that we got from EPA. So, you know, the Council brought this forward last year, the advisory group Upcountry did. And I just think that, you know, we need to be responsive to the community, we need to responsive to EPA. And

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we need to take their expertise because they do have expertise that DOH does not have, and they offered to bring their scientists here to review the whole system. And you know you're asking for \$1.5 million and I'd like to know if EPA, Dr. Macler has reviewed this and giving you any kind of feedback on it?

MR. ENG: No. He hasn't to my knowledge. And I, again, I, I don't particularly feel that, that's his role to review these type of projects. Again we have to go to the Department of Health for their review and approvals. And, again, they do indeed have primacy, so they have the responsibility to review these type of projects and make certain that we're in full compliance with the EPA. So, we're doing all that we are required to do.

COUNCILMEMBER ANDERSON: Have you sent a letter to Dr. Macler telling him that you're, you are willing to cooperate with the peer review and comprehensive performance evaluation that this body requested during the last Budget?

MR. ENG: No. I haven't sent him a letter. I've just talked to him by phone.

COUNCILMEMBER ANDERSON: Well that's disturbing, Mr. Chair, because for several months now we've been waiting for the Administration to send a letter to Dr. Macler. I was told they would do that, so that he can send it to Washington so they can release the scientists to come here. They're not going to do it unless they know that our Department and Administration is going to cooperate with them. And since we changed Administrations that's what's holding all this up. So, I'm disappointed. I yield. Thank you.

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

COUNCILMEMBER BAISA: No thank you. Member Anderson asked my questions. Thank you.

VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: No further questions, Chair. Thank you.

VICE-CHAIR HOKAMA: Mr. Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. And I'll keep my questions confined to the CIP which is what we're supposed to be

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doing today. So I'll respect your wishes, Mr. Chair. Mr. Director, with regards to the existing filters in place now, how long have they been in place? And I guess they're called polypropylene filters and they're being replaced by polyvinylidene filters. I don't know if the more fancier name means a better filter. But can you tell me how long its been in existence and how can this better enhance our water in Upcountry Maui? 'Cause I know that's been a major concern with regards to the quality and what types of bacterias [*sic*] and garbage and whatever else will these new filters take out?

VICE-CHAIR HOKAMA: Director.

MR. ENG: Thank you, Mr. Chair. I'm not quite certain how many years we've been using these particular membranes. Probably a lot of years, I would think, these are probably the earlier . . .

COUNCILMEMBER MOLINA: So has it probably gone beyond its life, recommended life?

MR. ENG: We think so. You know, because every time they go through the cleaning cycles there's a wear and tear on these types of materials. And that's why this new PDD, PVDF material is probably heavier duty but yet it takes less chemicals, stronger chemicals to, to deal with the cleaning. Currently, we use strong acids, caustics, then we have to neutralize those before we dispose, and now we can just, all we need to use is chlorine, a real common disinfectant. So it, it's going to be cut down on a lot of cleaning costs, you know, downtime on production and again it seems to be the state-of-the-art membrane material right now.

COUNCILMEMBER MOLINA: Do we have these filters at our other treatment plants or is this the first one?

MR. ENG: Yes. We're actually are currently installing them at our Olinda treatment facility.

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

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

COUNCILMEMBER VICTORINO: No. My questions were asked by Member Molina. So, thank you.

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VICE-CHAIR HOKAMA: Thank you. Mr. Mateo

COUNCILMEMBER MATEO: Chairman, if, if Mr. Eng can just give us an idea of what. . .(end of tape 2B at 11:30 a.m.). . .transition to use, to, to, to now use the --what the hell was it? -- the PVDF, excuse me PD, the new filters. What is the cost savings to the County? Because the initial purchase of this filter is considerable, yeah?

MR. ENG: Mr. Chair.

VICE-CHAIR HOKAMA: Department.

MR. ENG: As far as the actual cost, let's say in operating costs, I don't think we've determined that yet. I think they made some assumptions based on down time, chemical cost. I personally believe the benefit we're getting is we're going to be expanding the productivity. So, if we can indeed get another, up to a million-and-a-half gallons per day for \$1.5 million plus all of the other efficiencies, I think there is good benefit and value in that.

COUNCILMEMBER MATEO: The longevity of these filters are greater than the old filters that we're using now?

MR. ENG: Yes. I believe so.

COUNCILMEMBER MATEO: And, the, for the other County systems that could also take advantage of these new systems. You have an idea of how many more of our existing systems could go through this transition?

MR. ENG: Yes. In this '08 Budget we're also planning to do this retrofit at our Lahainaluna treatment facility. So, we do have a lot of interest in this, in this type of membrane. We believe we're going to accrue a lot of benefits.

COUNCILMEMBER MATEO: And, and with the transition than, in all these additional systems that we're going to be including the new filters at. We can also expect the increase in productivity in terms of gallons that can be produced as well?

MR. ENG: Yes.

COUNCILMEMBER MATEO: Thank you.

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VICE-CHAIR HOKAMA: Thank you. Further questions, Members, on this project? Okay. We'll move on to Page 25-16 and just so that you can have a sense of where we are, Members. We have completed 7 of 37 projects that Mr. Pontanilla had, has scheduled for us to review today. So we have 30 more projects to review. Okay. We are on the Kamole Water Treatment Plant Improvements - High lift Pumps Retrofit. The Department.

MR. ENG: Thank you, Mr. Chairman. This project is at the same location, it's described as high lift pumps retrofit. These are the pumps that lift the water from Kamole after its been treated up to our Pookela tank, up to Makawao. The current pumps, we have four of them and they're huge amounts of horsepower. One at 700, another at 600, and two at 400. These are constant speed pumps, so it's sometimes very difficult to balance the amount of pumping with the demand Upcountry. And at times it's not as efficient as it should be.

The other thing is that these pumps are, were installed back in 1976. What we're looking at doing is replacing all four pumps with high efficiency pumps, probably of greater electrical efficiency, and at least one of the pumps will have variable speed, so we can balance the demand Upcountry with the amount we can pump. So, we're looking at greater efficiency, hopefully, hopefully lower electricity cost too just by being more efficient.

VICE-CHAIR HOKAMA: Thank you, Director. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. Director, have you folks looked at any alternative energy sources to run these pumps or any of the pumps?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Well, yes, thank you, Mr. Chair. I've kind of considered some things but the, the horsepower demands for these particular pumps are so great you need something probably that is. . .like for instance about a month ago I met with our Energy Commissioner, we talked about other alternative energy sources for our pumps. And as an example we just looked at a smaller pump of 250 horse power which is your typical 800, 900 foot deep well type of motor. He thought solar panels would be something we could consider. But, with that it's really the amount of land area you would require. For a 250 horsepower motor you need probably at least a half an acre of land for, for the amount of solar panels you would need.

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Again, my interest would be down the road when fuel cells become more cost effective and less expensive. I believe that would be something that I would like to see down the road some hydrogen fuel cells. But again it, they're very expensive but I think they're very, they're, they're a technology that we should consider down the road.

COUNCILMEMBER ANDERSON: But you do expect these pumps to be more efficient?

MR. ENG: Yes. Yes.

COUNCILMEMBER ANDERSON: So we could expect maybe a lower electrical bill?

MR. ENG: We certainly hope so, 'cause that particular plant has, our treatment plant Operations Manager has indicated to me is MECO's highest sole bill account. It's in the order of sometimes up to \$100,000 a month. So, any reduction or efficiency it would be quite beneficial.

VICE-CHAIR HOKAMA: A lot of money. A lot of money.

COUNCILMEMBER ANDERSON: You said 100,000 a month?

MR. ENG: Yeah. He indicated up to that much. Yes.

COUNCILMEMBER ANDERSON: Yikes. What is the source of the funds being used for this?

VICE-CHAIR HOKAMA: Unrestricted water is --

MR. ENG: Yeah. Unrestricted.

COUNCILMEMBER ANDERSON: Yeah. I can, I can see that, very clearly says unrestricted. So, I'm asking what the source of the unrestricted funds are?

MR. ENG: Okay. This would be basically when we went over our rates the other day, our pump revenue funds that we were talking about, of transferring \$3 million into a CIP. So, this would be kind of like an improvement replacement so it does benefit existing customers.

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COUNCILMEMBER ANDERSON: Existing users, so.

MR. ENG: But again, though, if I may point out this is only basically for the design of these pumps.

COUNCILMEMBER ANDERSON: I see that. It's going to be another 1.3 million next year for a total of 1.5 million. And this is from consumer user fees? Correct?

MR. ENG: Yes.

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

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

COUNCILMEMBER BAISA: No. Thank you.

VICE-CHAIR HOKAMA: Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. So, you're, you're backup source of electricity comes from a generator?

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: And the generator is at the site?

MR. ENG: Yes. It is.

COUNCILMEMBER MEDEIROS: And it kicks on automatically?

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: So. On a prolonged power outage from the electrical company there are personnel sent to these sites to monitor --

MR. ENG: Yes. Of course.

COUNCILMEMBER MEDEIROS: --the generator?

MR. ENG: Yeah.

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COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Molina.

COUNCILMEMBER MOLINA: Thank you, Mr. Chair. Mr. Director, you know with the, this technology, the variable speed pump, you know, replacing what you currently have now. Is this something of a relatively new technology? Because I know the intent is to I guess slow the speed or the delivery of the water to prevent overflow. And an additional question to that is how much water have we currently been losing, I guess, with this overflow, or maybe to rephrase that question is how much water can we save with this technology that you're, want to I guess implement as part of your CIP?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Mr. Chair. You know, we haven't quantified what the water loses have been. Again, it can vary from time to time and most of the time there's not a water loss. But, yeah, in regard to your first question about variable speed pumps. Those are actually fairly common, they've been used for many years for just varying your pumpage output. I think though over the years they've become better and more efficient in regards to electricity efficiency. So, but in this case it's definitely the direction we want to go when we want to balance pumping with, with demand.

COUNCILMEMBER MOLINA: And, and this will, you're not going to just isolate it just to this particular treatment plant right? You're going to also implement this, these variable speed pumps in other?

MR. ENG: You know, I don't believe we need variable speed right now in the system. But this was particularly pointed out because we do, most of our water obviously is pumped up to Pookela tank. So this is something that is utilized regularly and, and had a problem and we, we believe we need to address it at this time.

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

VICE-CHAIR HOKAMA: Thank you. Excuse me. Mr. Victorino.

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COUNCILMEMBER VICTORINO: And these changes and efficiency, their life expectancy as you put down here is 15 years. But you stated earlier that the other pumps were in from like the 70s?

MR. ENG: I think, I believe '76.

COUNCILMEMBER VICTORINO: Seventy six. So, you're talking nearly 30 years plus. Yeah. So, is this really as far as 15 years, is this a good investment because the other ones went 30 years, now maybe they went longer than they should have? But is this a good timeframe because again, like other Members have mentioned, when we spend this kind of money we want the maximum life span, the maximum efficiency, maximum output, the whole nine yards. So what, is this 15 years acceptable? Is that what normally is out there? Or are there pumps that if we put in would last us 25 or 30 years? 'Cause these are costly changes.

MR. ENG: I believe this 15-year pump life is, is based more on expected life for this type of equipment. But like any type of equipment you can extend that life with proper maintenance and that's obviously what this, our staff has done at Kamole. But probably the whole timing of this changing of these high lift pumps are, are coordinated with all the improvements we're planning to do with the expansion of the new clear well, changing of the membranes. So it seems to be a more coordinated effort in, in retrofitting the entire plant.

COUNCILMEMBER VICTORINO: Which we can appreciate because I think that's been one of our bones of contention is you do one thing and then two years later try to do something else and deactivate or demobilize what you have already put in place and it's just always was so costly. But, I'm glad to see the coordination, I think that's very important. Again, the last thing is this variable speed, you know, we've talked about it before, I've, you know, had discussions about this with you and others about it.

The overall savings from, from what I was lead to believe can be anywhere from 10-to-15 percent. Now, again, that was all estimates and now nobody will really know until four or five years down the road when we have a sizeable amount of time to watch it. But, I think just the move to have the variable speeds to offset that wasted energy is real crucial especially with Maui Electric and most utilities, cost going only in one way and that is up. So, thank you, I appreciate your efforts in this area.

MR. ENG: Thank you.

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VICE-CHAIR HOKAMA: Mr. Mateo. Further questions on this project? If not, if I can please direct you to Page 25-16, Kokomo tank.

COUNCILMEMBER VICTORINO: Seventeen.

VICE-CHAIR HOKAMA: Excuse me, 25-17, the Kokomo Tank Replacement Project. Mr., Department.

MR. ENG: Thank you, Mr. Chair. I'd like to turn this over to Ms. Taomoto please.

MS. TAOMOTO: This project is an existing project that we are currently in construction. We awarded a contract last Fiscal Year to Goodfellows. This line item is to provide funding for a change order to install the perimeter fencing, security fencing around the tank site. During the bid process the funding for the amount bid was insufficient, and so what we did was we deducted the perimeter fencing from the contract that was eventually executed. And so we're just putting this item back into the contract at the price bid at the time of bid opening. And I have a change order signed by, or up, like a change order holding the price from the bid signed by Goodfellows should this funding get approved.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. What, you know, you're going from 100,000-gallon steel tank to a 500-million-gallon concrete tank. That's quite an upgrade. So where is this source waters for the, for this tank? Is that the Kaupakalua Well?

MS. TAOMOTO: Yeah. This, yeah the Kaupakalua, oh yeah, I have to correct. It's .5, not a 500 million gallon, there's a decimal missing.

COUNCILMEMBER ANDERSON: Well, thank you.

VICE-CHAIR HOKAMA: Five hundred million then we wouldn't need State agriculture. . .*(inaudible)*. . .

MS. TAOMOTO: Point five million gallons.

VICE-CHAIR HOKAMA: Okay. So it's a half million gallons.

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MS. TAOMOTO: Everybody needs to put a decimal. . .(*inaudible*). . .

VICE-CHAIR HOKAMA: Good question, Ms. Anderson.

COUNCILMEMBER ANDERSON: Yeah. I thought maybe they were getting ready for Dr. Thomas' deep well.

VICE-CHAIR HOKAMA: Hopefully.

COUNCILMEMBER ANDERSON: Okay. And so this water is coming from the Kaupakalua Well better known as the Dowling Well?

MS. TAOMOTO: Correct.

COUNCILMEMBER ANDERSON: And how much water is the County getting out of this well currently?

MR. ENG: Mr. Chair, if I could respond. You know, I'm, I'm going to get back to this body, it was requested this information a couple weeks ago. And our engineer who can handle this is on vacation. He'll be back I think the end of next week. So very shortly you'll get my response.

VICE-CHAIR HOKAMA: Director, yeah, we would ask that if you could please flag this out because we'll be going into decision-making faster than you may want to. But the clock is ticking on this Committee, so I just would ask what, as soon as possible to respond to the Members' questions would be very much appreciated. Ms. Anderson.

COUNCILMEMBER ANDERSON: Yeah. I'm concerned with that, Mr. Chair. Because I want to know what the County is getting out of this deal.

VICE-CHAIR HOKAMA: Sure.

COUNCILMEMBER ANDERSON: And here we're investing another \$3.5 million. So, I want to make sure that the County is getting their fair share out of this. So the existing Kokomo tank is that going to be demolished and no longer used?

VICE-CHAIR HOKAMA: Department.

MS. TAOMOTO: It may not get demolished, but it will be put out of service. I mean, it might be left there till we can figure out what to do with it.

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COUNCILMEMBER ANDERSON: You know, the existing tank is right next to Kokomo Road which makes it easily accessible and next to lines and all. And this tank is out in the middle of ag lands presumably. And so, why was the tank placed so far? Is it because it needed to be closer to the Dowling Well?

MS. TAOMOTO: That was, that's one of the reasons is because of the source for this tank, and also another reason is the landowner which is A&B was cooperative in providing, allowing us to, you know, set aside this parcel to construct both the Dowling Well site and the, this Kokomo tank replacement.

COUNCILMEMBER ANDERSON: And so in, in your long range planning is there any other water source that will be feeding into this tank eventually?

MS. TAOMOTO: Not that I know of. But if we were to develop wells further northeast I mean we could, it would, depending on the elevation of the wells. It's not easy to find well sites.

COUNCILMEMBER ANDERSON: What I'm trying to get at is you're building a ½-million-gallon tank. And you haven't been able to tell us yet where the water is coming from except that it's coming from the, the Kaupakalua well and how much, you know, how much water. . .you need to justify why you're doing. I know you're only asking for the fence but you know we seem to get different answers each year and different Administrations, different Directors. So I'm just asking the question again. How do you expect to fill up this tank and how long will it take to fill up the tank? And, and how much more water capacity will be available to service the community?

VICE-CHAIR HOKAMA: Director.

MR. ENG: Mr. Chairman. Thank you. As far as filling the tank it's, really will take a relatively short time. There is adequate source from the Kaupakalua Well to fill it. The really intent of this storage facility was to improve the fire protection and, and, and then make service more adequate for that portion of our community that it serves. It's not intended to increase, you know, water services by no means. We can only do that by improving and increasing our, our source capacity, which we currently are working on.

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COUNCILMEMBER ANDERSON: So currently the, the existing Kokomo tank is being filled from the Kaupakalua Well?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Thank you, Mr. Chair. The location of the existing Kokomo tank by Kailiili road, just looking at the elevations, that could be served by the Pookela tank.

COUNCILMEMBER ANDERSON: It could be?

MR. ENG: Yeah.

COUNCILMEMBER ANDERSON: But who, who is serving it right now?

MR. ENG: I think just looking at the elevation and location it's probably the Pookela tank. Yeah. So it could be Kamole where water being pushed up to Pookela and then dropped down to Kokomo tank.

COUNCILMEMBER ANDERSON: So where is the current Kaupakalua Well water going?

MR. ENG: Okay. Currently, it's going to, to the smaller existing tank and then serving that Haiku community.

COUNCILMEMBER ANDERSON: That was what I was asking about, Director. Where the water is going to fill the existing tank, the existing Kokomo tank? Where is the water coming from to fill that tank?

UNIDENTIFIED SPEAKER: (?): Pookela.

MR. ENG: Yeah. I can confirm it but I think it is the Pookela tank that's dropping water down to fill this small existing Kokomo tank.

VICE-CHAIR HOKAMA: We would ask that you reconfirm that response please --

MR. ENG: I certainly will.

VICE-CHAIR HOKAMA: --Director.

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COUNCILMEMBER ANDERSON: And then, and then also in that same question extend it please, Mr. Director, to where the Kaupakalua is currently, what, what, where is that source going? What tank is that filling? Or what line is that going to?

VICE-CHAIR HOKAMA: Okay. Can you include that in your response?

MR. ENG: Yes. Thank you, Mr. Chair. The Kaupakalua Well does have a, that small, what, 100,000-gallon tank? Or two of them?

MS. TAOMOTO: Two hundred thousand.

MR. ENG: Two hundred thousand tank adjacent to the well. That water does serve that, as you can see that Ulumalu, Haiku area.

COUNCILMEMBER ANDERSON: So there are tanks there at the Kaupakalua Well?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: That would have been nice to have that here. So, anyway, when you, when you figure out how much water that well is delivering you can include that in the questions we just asked.

MR. ENG: Certainly. Certainly.

COUNCILMEMBER ANDERSON: Thank you. Thank you, Chair.

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

COUNCILMEMBER BAISA: No questions in regards to the fence.

VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. Department, so is it now an industry standard to replace steel tanks with concrete?

MR. ENG: Mr. Chair.

VICE-CHAIR HOKAMA: Department.

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MR. ENG: You know, there's a number of different types of tank construction. There can be steel tank, commonly you'll see the steel tank with a glass-fused protection. Concrete is definitely still a very common material. In this case we probably went out for bid and looked at, you know, what was cost effective. But I've had experience with both concrete and the steel, glass-lined steel and they both have good longevity and they both, you know, state-of-the-art types of construction.

COUNCILMEMBER MEDEIROS: My second question is, it says the requesting funding is to install perimeter fencing for security. Are there any Homeland Security funds available for something like that? Being that water sources are one of the targets in terrorism?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Thank you, Mr. Chair. You know, I really don't know right offhand if there is something available in that type of funding. But I can look into that.

COUNCILMEMBER MEDEIROS: Yeah. Would you please, because it would save us a lot of money if we could get funding, you know, from the Federal Government for something like that. Thank you, Department. Thank you, Chair.

VICE-CHAIR HOKAMA: Yeah. That was a good question, Mr. Medeiros. I believe the State has received through the Governor's office a whole chunk of Homeland Federal funds, and it would be very appropriate that the Department at least put in a request to see if it's suitable substitution of funds.

COUNCILMEMBER MEDEIROS: And just to add to that, Chair, if I may. Public Works gets a lot of Homeland Security funds and that's for lightings, you know, and different things so I would say yeah, investigate that further, and if that's available to the Water Department and save the County some money that would really help our taxpayers. Thank you.

VICE-CHAIR HOKAMA: Thank you. Mr. Molina.

COUNCILMEMBER MOLINA: No. No questions.

VICE-CHAIR HOKAMA: Mr. Victorino.

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COUNCILMEMBER VICTORINO: No. All the questions have been answered.
Thank you, Mr. Chair.

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

COUNCILMEMBER MATEO: Chairman, thank you. I really have no questions regarding the fencing. But then again I'm one who don't understand the rational of needing a fence, because if one wants to get in there's nobody there to begin with so they're going to get in anyhow. So this is just a psychological thing perhaps, but the necessity of it I still question. Thank you.

MR. ENG: Mr. Chair.

VICE-CHAIR HOKAMA: Director.

MR. ENG: If I may add to that. Member Mateo, yes, it is a deterrent of sorts, you know, but we could all get through a chain-link fence and even through barbed wire. But at our sites we also have various intrusion alarms too that are tied to our SCADA. And they're on, people on call. So if someone does break in there are alarms set. So, yeah, it's just a visible means of defense, but we have other means.

MS. TAOMOTO: If I can add something? To this particular project the area is leased to a person who has cattle. And so the fencing would protect the facility from the livestock that he has on the lease property. So, there's another, security, plus there's a purpose to keep the animals and cows and whatever he has in that pasture out of our site. Thank you.

VICE-CHAIR HOKAMA: Okay. Thank you very much. Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. One final question on the funding. You want 127,000, 52 of that is unrestricted and 75 of that is lapsed bonds. So I'm a having a hard time, first of all the 3.4 million for the tank is from restricted funds. And you just told us that this is basically for fire protection and current demands and not an expansion of capacity. And it's my understanding that restricted funds come from water source development fees. And so we're supposed to be using that money to expand capacity. So how can we use restricted funds in one year and then unrestricted funds the next year?

VICE-CHAIR HOKAMA: Department.

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MR. ENG: Thank you, Mr. Chair. I'll have to look into that and get back to you on this.

COUNCILMEMBER ANDERSON: And then would you also check in with the lapsed funds --

MR. ENG: Certainly.

COUNCILMEMBER ANDERSON: --and the lapsed bond. I'm not sure what that means, Mr. Chair.

VICE-CHAIR HOKAMA: We'll have the Department respond and then we'll have our Staff also review that question regarding the lapsed bond funds.

COUNCILMEMBER ANDERSON: Thank you, Chair.

VICE-CHAIR HOKAMA: Okay. Thank you. Further questions on this project, Members? If not, let me direct you Page 25-18. This is the Lower Kula Reservoir. Department.

MS. TAOMOTO: Mr. Chair. This project is to construct a 300-million-gallon raw water reservoir. You saw this in a previous budget and we did encumber a contract to do a flora study at the proposed site which is ongoing as we speak. I believe the consultant is out there or is trying to get out there when he can. This request in our '08 Budget for 100,000 is to continue with the environmental studies, and I'm anticipating using this funding to do a fauna study of the animals, insects, thing(?) fauna study.

And if we can't get cooperation from the NRCS to provide archeological study for us then we were proposing to do it, fund it, fund the archeological studies also with this money. But it's my understanding that the NRCS will assist us by providing their in-house archeologist to do the archeological studies necessary.

VICE-CHAIR HOKAMA: Okay. Thank you. How large of a site is this 300-million-gallon proposed reservoir plan to be encompassing? We talking about 10 acres of land, 20 acres of land? Can you give the Committee a understanding of the kind of scope of what 300 million gallons will take?

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MS. TAOMOTO: I'm trying to remember, I can see the map with the numbers but I can't remember the numbers.

VICE-CHAIR HOKAMA: You know what, we, I can wait.

MR. ENG: The entire site probably is in order, you know, 10-to-20 acres I would think. Because it would, it'd be beyond the perimeter of the reservoir and there'd be fencing involved.

VICE-CHAIR HOKAMA: Okay. Thank you. Ms. Anderson, questions on the \$100,000 request?

COUNCILMEMBER ANDERSON: Thank you, Chair. You know, I got a real hard. . .it just boggles the mind that we're spending half a million dollars for an environmental impact statement. And I would venture to guess it's not even an impact statement it's probably just an environmental assessment. And now you want another 100,000? That's \$600,000 for environmental studies. I just cannot fathom the justification for that. Have you already gotten the contract out from last year's appropriation for this?

VICE-CHAIR HOKAMA: Department.

MS. TAOMOTO: No. We did not utilize the funds from last year for an environmental impact statement. We used it to do the flora study which was, twenty-something thousand dollar. . .*(end of tape 3A at 12 noon)*. . .about four hundred-something thousand.

COUNCILMEMBER ANDERSON: You lapsed it already?

MS. TAOMOTO: Lapsed the funds. Yeah. 'Cause that was in the '06 budget.

COUNCILMEMBER ANDERSON: So, the 500,000 is no longer appropriated and now you're just asking for 100,000 to do the archeological and fauna study?

MS. TAOMOTO: Correct.

COUNCILMEMBER ANDERSON: And then, and then who, you know, I don't understand why you're doing this piecemeal, generally an environmental assessment is done in its totality, including all of these studies that are part of the environmental assessment. So, why is it costing us \$100,000 just

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for a flora and archeological study? I would think you could get the whole EA done for that.

MS. TAOMOTO: No. I've consulted with consultants who prepare environmental impact statements and because of the sensitivity of the project or where it's located and the fact that we, it's, you know, it's a forest reserve. We're in the, I think it's called the Waikamoi or Koolau or something like that.

COUNCILMEMBER ANDERSON: This is in the Waikamoi preserve?

MS. TAOMOTO: I believe it's called the Waikamoi forest preserve.

COUNCILMEMBER ANDERSON: Is that part of The Nature Conservancy project?

MS. TAOMOTO: That I'm not sure of the extent of the. . .in any case I was given an estimate of approximately half a million dollars to do an environmental impact statement.

COUNCILMEMBER ANDERSON: I'd like to see who gave you that estimate, what their justification is for the estimate. To me I just think that's outrageous and if you are doing this in such a sensitive area maybe you should reconsider where you're putting it. The other question I had, Mr. Chair, is they're asking for unrestricted funds for these two studies.

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER ANDERSON: And then the previous appropriation was for restricted funds and then the future request is also for \$4 million in restricted funds. So, I don't know how you can mix these apples and oranges, these funds have different intended purposes. So, if you could address that for us, I'd appreciate that too. Thank you, Chair.

VICE-CHAIR HOKAMA: Okay. Thank you. I will share with you, it's not about the water, but regarding consultants. Members, I understand Ms. Anderson's comments but for the Lanai, 65 acres that we own, that we are looking at for affordable project it needs to be reclassified, we need a community plan amendment, we need zoning, and of course we need to do the conceptals(?) to even be considered for a reclassification. You're supporting me, gave me \$100,000 for Lanai to start the work. We have asked three, went to three different various consultants, Oahu, we had(?)

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on Maui. The recommendation even with Castle & Cooke's willingness to participate and cut some costs they've asked me that I should consider asking you for the Lanai 65 acres another \$400,000 to finish consultant work.

COUNCILMEMBER ANDERSON: Unbelievable.

VICE-CHAIR HOKAMA: So, I'm just telling you that what is before you in this project from, from the Department is not so out of whack regarding this point in time regarding construction and consultant work. We don't like it, I don't like it, you don't like it. But I can tell you that, that's the kind of numbers we're getting back on what it would take to move the environmental assessments and requirements forward.

COUNCILMEMBER ANDERSON: Mr. Chair.

VICE-CHAIR HOKAMA: Yes, Ms. Anderson.

COUNCILMEMBER ANDERSON: You know, in that regard, and I'm speaking from knowledge and experience. I worked for the State Office of Environmental Quality Control for three and-a half years, who has the oversight of environmental assessments and environmental impact statements. And I've reviewed and analyzed hundreds of them. And maybe it's time not only do we start our own construction within this County, but we start doing our own environmental impact statements and, and environmental assessments and stop using County taxpayer dollars to support private consultants and private construction firms that are ripping us off.

VICE-CHAIR HOKAMA: Thank you for your comment. It's something we can think about, Members. Ms. Baisa, questions on the Lower Kula Reservoir?

COUNCILMEMBER BAISA: No. But let's have at it.

VICE-CHAIR HOKAMA: Okay. Got it. Mr. Medeiros. We'll allow Ms. Johnson some time to get her place with the, the Budget.

COUNCILMEMBER MEDEIROS: Thank you, Chair. I just have one question. What does raw water mean?

VICE-CHAIR HOKAMA: Department.

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COUNCILMEMBER MEDEIROS: It's in your description.

MR. ENG: Mr. Chair.

COUNCILMEMBER MEDEIROS: Yeah.

MR. ENG: Yeah. That raw water is exactly what it sounds like, it's raw, untreated water.

COUNCILMEMBER MEDEIROS: Okay. Just comes from a well or comes from a water --

MR. ENG: Stream diversion.

COUNCILMEMBER MEDEIROS: --surface source.

MR. ENG: Mostly likely in this case --

COUNCILMEMBER MEDEIROS: So untreated.

MR. ENG: --stream diversion. Untreated. Yes.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you.

VICE-CHAIR HOKAMA: Natural. Mr. Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. Ms. Director, you know, it was mentioned that there's archeological studies that need to be done. Where exactly is this site? I guess is it presumed to be in a culturally sensitive area or is this just normal standard practice when we're looking at providing additional water storage?

MR. ENG: This, Member Molina, is basically in the forest reserve so there is a lot of sensitivity. But again the location of this reservoir is adjacent to our existing pipelines from the diversion. But because of all the various environmental issues that we need to address these are the various requirements. But it's, it's fairly remote area, it has though already been disturbed by our waterlines that were put in many years ago.

COUNCILMEMBER MOLINA: I see. Thank you. Thank you, Chair.

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

COUNCILMEMBER VICTORINO: Yes, Mr. Chair. Although I agree with my colleagues as far as the expense, we have as a society brought this upon ourselves. And so sometimes all these studies that we require is because we've set forth for the protection of our citizens these various studies. I'm not in favor of paying for things that we don't need. But if they're required and they will protect the environment and ensure that the future for our children and grandchildren is preserved, then by all means we need to spend the money. I don't agree with the prices, but the market demands this, even in the mainland. I go to many conferences. This is a subject that comes up time in and time out, the tremendous expense of environmental impact statements, archeological studies. And this is not only in Hawaii, let me say it clearly, it is not only in Hawaii.

But, these are the things we need to do, then all, by all means we need to do it. I'm not happy with the prices, I'm not happy with bids, I'm not happy with a lot of things that are coming down the pipeline. The people of Maui County are being held hostage, that much I'll say. But, do we have a lot of choices on the matter? Maybe. Like you said, Mr. Chair, we should have a construction company, maybe we should have an environmental specialist, hire, do all the things we need to do, keep them in-house and control it that way. Maybe then we can keep the cost down. But, as far as what is in front of us I'm sorry that we gotta do it, but yes, we need to do it. I say there's not much choices. Do you have any other options, Mr. Director?

MR. ENG: No, sir.

COUNCILMEMBER MEDEIROS: Just thought I'd ask the question. 'Cause I supposed to ask the question not just give commentary. Thank you, very much.

VICE-CHAIR HOKAMA: Thank you for that question. Mr. Mateo.

COUNCILMEMBER MATEO: No.

VICE-CHAIR HOKAMA: Thank you. Ms. Johnson, you have a question on this project?

COUNCILMEMBER JOHNSON: No. I don't.

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VICE-CHAIR HOKAMA: This is the Lower Kula Reservoir Project.

COUNCILMEMBER JOHNSON: Yeah. No. I don't, and it's, you know, just from what little I was observing some of it from my office, too. And it's unfortunate but I guess the public once again just has to pony up, so we do whatever we can and maybe it's time for a moratorium bill to slow down development so that we'll free up lots of jobs. Thanks.

VICE-CHAIR HOKAMA: Thank you. We are hoping that this project would also assist our agricultural sector. This is not just about the residential or development sector. This is about also our agricultural component, Members. Questions on this project? Ms. Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. The diversion that's feeding this reservoir, what is that diversion please?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Mr. Chair. There are a number of streams, I can give you the names later. They've been utilized for decades by, by the County for, for the water source. But I'll get back to you on this.

COUNCILMEMBER ANDERSON: Because, I mean this is, this is a new raw water storage reservoir. It's not replacing one. So, I'd like to know, yeah, what stream diversions you're using, who has control of the stream diversions, and how much water you expect to be using from these streams for this tank? And you know one of the requirements of an environmental assessment is to look at alternative sites. And I sure as heck hate to spend \$600,000 on an environmental assessment or environmental impact statement only to find out that an alternative site is better than this one. So did you guys do any preliminary site. . .why did you pick this site?

VICE-CHAIR HOKAMA: Department.

MS. TAOMOTO: We have a study that was done, actually there's two studies. There's an older study done by Ron Caldwell(?) or R.M. Towill (?), and then there's a current study that we just contracted a few years ago with Mink and Yuen. Okuhara) is the primary consultant but the chief person who developed the study was John Mink. And that study recommended and looked at alternative sites. For this particular site that we're doing the environmental studies on, it was selected by the Department staff based on

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the economics of the site. The site that we, we're talking about that we're doing an environmental study on currently and we're proposing to do more on is located adjacent to the Waikamoi Stream and our Waikamoi intake.

The site that was recommended by our consultant is located closer to our water treatment plant, our Piiholo Water Treatment Plant. Because of the engineering and the hydraulics of the system us moving the site closer to the treatment plant would require more improvements to the transmission system, which would mean more cost for construction to make the necessary improvements to utilize the reservoir. So, the staff analyzed the stuff, the, the, all the sites and our recommendation was to put it closer to the Waikamoi intake or Waikamoi Stream and reduce the construction cost.

COUNCILMEMBER ANDERSON: And who owns the land there?

MS. TAOMOTO: State? The State. It's in the forest reserve.

COUNCILMEMBER ANDERSON: It's not in the Waikamoi Preserve? You're going to check on that?

MS. TAOMOTO: I'm going to check on the formal name or the legal name of the forest reserve. Yeah. I'll check on that.

COUNCILMEMBER ANDERSON: Because there is a Waikamoi Forest Preserve right next to the Waikamoi Stream and it is at least managed if not owned by The Nature Conservancy.

MS. TAOMOTO: No. Then it, it is not that. It is the bigger forest reserve that is next to that Waikamoi you're talking about. Isn't it called Koolau?

VICE-CHAIR HOKAMA: We, we would need, we would ask that you please --

MS. TAOMOTO: Yeah.

VICE-CHAIR HOKAMA: --confirm that, the information posed by the question.

COUNCILMEMBER ANDERSON: And then --

VICE-CHAIR HOKAMA: Ms. Anderson.

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COUNCILMEMBER ANDERSON: --and then on your map, Ms. Taomoto, you've got the raw water reservoir. I see. It's going to feed in to the Piiholo Water Treatment Plan.

MS. TAOMOTO: Yes.

COUNCILMEMBER ANDERSON: You know, it'd be interesting to see. . .I'm not trying to tell you how to do your job, but if, you know, maybe the reservoir is better placed where you have it because of the ability to intake more water diversions. But if it wasn't in such a sensitive area and it was closer to the water treatment plant the environmental assessment would probably be a whole lot cheaper. And so maybe you could use those funds for your system improvements. But anyway --

MR. ENG: Mr. Chair, if I may add to that?

VICE-CHAIR HOKAMA: Director.

MR. ENG: If you, since we're looking at the map, yeah, as Ms. Taomoto indicated earlier the other alternative was closer to the water treatment plant.

COUNCILMEMBER ANDERSON: Yep.

MR. ENG: It might be, it might be a little bit less environmentally sensitive; however, that black line is, is a waterline, we would have to change that. That would be significant expense. So I don't . . .

COUNCILMEMBER ANDERSON: That's an existing waterline?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: And why would you have to change it?

MR. ENG: To, just to hydraulics. The ability of water to flow from the source to the new tank and looking at various elevations. So . . .

COUNCILMEMBER ANDERSON: Well isn't it all downhill?

MR. ENG: There's all kinds of terrain over there.

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COUNCILMEMBER ANDERSON: But I mean the reservoir is above where the tank, where the treatment plant is?

MR. ENG: Yes. So currently where we're planning and proposing to develop the new reservoir, yes, they would flow fine.

COUNCILMEMBER ANDERSON: Gravity flow?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: Okay. Thank you.

MR. ENG: Without improving the waterline, too.

VICE-CHAIR HOKAMA: Okay. Thank you. Now, Members, I think we can review one or two more before we break. Let me direct you to Page 25-19, it is the relining of the existing 8.5-million-gallon reservoir in Olinda. It is on page 25-19, \$400,000 consideration. Department.

MR. ENG: Thank you, Mr. Chair. In our recent retrofit of this plant's new membranes, we took down the sedimentation basin and for cleaning, and upon inspection we realized that the line is deteriorated and it's leaking. And therefore we've been losing water. So we felt that this would be an appropriate project to address. The liner is over 30 years old, most likely it probably, which only has an average life of less than half of that. So in the interest of, you know, preserving water source up there in Olinda we'd like to reline this reservoir.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson, questions?

COUNCILMEMBER ANDERSON: Yeah. Just real quick, Mr. Chair. I'd like to have an explanation as to the mixing of...first of all is your prior appropriation encumbered?

VICE-CHAIR HOKAMA: Department.

MR. ENG: You know, if we may get back to you on that, please. I don't want to take up time and . . .

COUNCILMEMBER ANDERSON: Yeah. That would be good. And then in, in getting back to us on whether or not the funds have been encumbered yet,

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could you also give us an explanation and justification for mixing unrestricted funds and restricted funds in the use of this project?

MR. ENG: Yeah. Certainly we will do so.

COUNCILMEMBER ANDERSON: Thank you, Chair. That's all.

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

COUNCILMEMBER BAISA: Of course I think it's a very wise thing to do, to do anything that will help us prevent loss of water. 'Cause we don't have very much and everything we lose we gotta worry about where we're going to get it from. I just have another question. Still trying to understand how the money works here at the County. All of these things that we're talking about doing, is any of the ability to pay for it based on a rate increase or on money that we have?

VICE-CHAIR HOKAMA: Department.

MR. ENG: Thank you, Mr. Chair. In this particular project, let's say we're planning to use funds from this new revenue fund, the \$3 million of revenue funds we would be receiving from the, from the rate increases. Again, it's part of the improvements and capital improvements for, that do benefit existing customers. It's not an expansion project. But, yes, most of our capital projects do, in some direct relationship with, with our rates. If we're funding it through, through bonds, we're paying interest. And that's incorporated in our rates and other sources of, of funding like State revolving loan funds.

COUNCILMEMBER BAISA: I think it's really important that people understand that we have an awful lot of deferred maintenance, construction, and improvements to the water system and that it takes money to do those. And we're at the point now where we better get it done because it appears to me that every day we wait things get worse and worse and more and more expensive. So, we need to do whatever we can that is practical and let's not defer much longer. Because I don't know if we can afford it if we do.

MR. ENG: Thank you.

VICE-CHAIR HOKAMA: Thank you. Ms. Johnson.

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COUNCILMEMBER JOHNSON: Yes. And Councilmember Baisa brings up a really good point because if we, let's say, don't give an 18 percent projected increase which is kind of how you framed your budget. Have you an established set of priorities in terms of projects that you actually will go for assuming that you wouldn't get the full rate increase? Or have you not looked at that yet?

MR. ENG: We do have a priority list of our projects. Again the unfortunate thing is with this rate increase an additional \$3 million of revenue funds we wanted to apply to replacement CIP. It would impact a number of our key projects we were planning to do in '08. So, we'd have to make some real difficult decisions and a lot of them would be, again, replacement-related that Ms. Baisa referred to. And so we kind would be defeating our, our objectives we're trying to achieve.

COUNCILMEMBER JOHNSON: Yeah. 'Cause it's, it's traditionally we've not, or your Department as well as other Departments have had sometimes difficulties either with bids coming in too high or other problems with actually completing CIP. So we have the laundry list of CIP but then, you know --

MR. ENG: Yeah.

COUNCILMEMBER JOHNSON: --if we're being told, well, we have to have this rate increase in order for us to complete and do our CIP I guess we're in a quandary, because it's sort of like, well, we give you the rate increase and then a third of the CIP doesn't get done. And then the public is going to come back and ask us well if you couldn't get it done why did we get the full rate increase? So that's the challenge we have.

MR. ENG: I certainly understand that. And, and I realize that's a, a big objective of our Department to complete CIP. And even with this budget that we're proposing of \$24.7 million, you know, it seems and it is a lot and, and if you look at it on face value there's a lot to complete in one, well, in the CIP fiscal period. But as I break it down I, I have a lot of confidence in my staff and as I break down the projects, you know, not all of them are, are going to be burdened on Ms. Taomoto. I can see \$8 million of the projects will be under the management of our Water Treatment Plant Program Manager, Paul Seitz. We have a million plus more to another program manager, two million more that will go among various staff members, including our Deputy Director.

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We're trying to spread out the load to achieve all these projects. We're going to make sure no one fails, if anyone needs help, you know, we're all available as a team. So it's more a team approach of getting CIP and I think this is the only way we're going to achieve it and maintain it. And I think in the past we've had again a bit of a disappointing track record. And so I can see why you wouldn't to have the faith and confidence. But I currently have the confidence in this team, I think we just have to approach it as a team, make sure no one fails and monitor closely our progress.

COUNCILMEMBER JOHNSON: Yeah. And, and I really appreciate that. And this is no reflection on your personnel, you know, that you currently have and it's just sometimes that's what it is. And it's sometimes not even a function of your Department, it's the bids come in too high so you cannot move forward. So, Mr. Chair, what, and what may be helpful and I don't know how Chair Pontanilla feels about this. But, my, my request would be if we as a body, let's say come up with a rate increase that is not to the full 18 percent is there a plan B that the Department has, like a fallback position that they would be able, you know, to look at?

Because right now I sort of feel between a rock and a hard place. Because constituents are saying well, you know, you got 12, 12, and then 18 so financially they're charging us with, it's too much. You got the Department that wants to really establish their own track record and prove to us, yes, we can do it. And somewhere in between there I think if I knew as one member of the Budget Committee what the plan B was that would be helpful.

VICE-CHAIR HOKAMA: The plan B would dependent what upon we as the nine Members decide will be the rate adjustment.

COUNCILMEMBER JOHNSON: And, and maybe then it's just good, Mr. Eng, that if you prepare a plan B scenario.

MR. ENG: I certainly will.

COUNCILMEMBER JOHNSON: Just as a contingency.

MR. ENG: And if you folks are going in toward a different direction than what we propose regarding the water rates and we'll have to talk seriously as I want you to understand what our priorities would be. You know, because a lot of the additional revenue we're anticipating again is for electricity.

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You know, we know we need \$2 million more next Fiscal Year and, you know, where we can operate. So that's almost like a given. We have, as Ms. Perdido pointed out last, the other day, the additional insurance premiums that we're charged and other overhead, inter-department overhead for the County. So, there'd be a lot of challenges and a lot of hard decision making we'd all have to make. And I want to make sure that you would understand, you know, our plan B. . .*(inaudible)*. . .

COUNCILMEMBER JOHNSON: Yeah. And, and that's why I ask the question because it's really important, you know, for us to know what, what is the ramification if we don't give you the rate increase. What can we expect? Thank you very much.

MR. ENG: Thank you.

VICE-CHAIR HOKAMA: Okay. Members, you're going to based the rate increase on the Budget projects we review. Questions, Mr. Medeiros, on the relining request?

COUNCILMEMBER MEDEIROS: Yeah. Mahalo, Chair. I just need a clarification. So you relining the sediment basin, which is also called the reservoir. And, so my impression of that is that this reservoir is dug into the ground?

MR. ENG: Yes. It is.

COUNCILMEMBER MEDEIROS: And that's why you need the lining?

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: And, why wouldn't you consider a structured reservoir so that it doesn't have to be relined every 20 years?

VICE-CHAIR HOKAMA: Mr. Director.

MR. ENG: Mr. Chair. Basically due to the size and volume of this basin is 8½ million gallons, to do an above ground type of storage facility would be really, very expensive. You know, probably a buck per gallon. So, \$8½ million we'd be looking at. This again is a sedimentation basin so the raw water is coming in from the reservoirs, any sediment is allowed to settle. Periodically we do take it down to clean it, and so you'd have to

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have physical access to get in to any kind of reservoir that's a sedimentation type of purpose.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Molina.

COUNCILMEMBER MOLINA: Thank you, Chairman. So, Mr. Director, as we speak, right now the water is leaking or do you have a temporary stop gap measure in there until we get this new liner in there?

MR. ENG: Mr. Chair, I don't believe the leak is of any significance, but there was severe deterioration. So it's best to address it now than, than later, we believe.

COUNCILMEMBER MOLINA: Okay. 'Cause yeah, and as I read this, this is, you know, things are deteriorating and leaking I'm thinking wow, you know, any time there's water loss it's always painful. Do you folks have a set maintenance schedule to check on liners over at like this water treatment plant as well as others? 'Cause I mean, was this stumbled upon by accident or was it part of, you have a set normal maintenance schedule you follow?

MR. ENG: You know, we should normally do periodic inspections and take it down, but, but in, in, in practical matters we normally would take it down when there's some, some kind of work being conducted. In this case the Olinda plant was being retrofitted, the, the filters. So we did drop the, the sedimentation basin for cleaning and doing other maintenance and then did the inspection. But due to the age of the, of the liner there is no surprises that it would require replacement.

COUNCILMEMBER MOLINA: And in terms of when this project is begun, how will it impact the availability of water for the area?

MR. ENG: Well, we make sure we have adequate storage in our Waikamoi and Kahakapau Reservoirs. So it would be done during a period of time right now, we wouldn't do it during the summer drought period. That's for sure.

COUNCILMEMBER MOLINA: So there may be occasions when people, there would be water shutoffs and . . .

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MR. ENG: No.

COUNCILMEMBER MOLINA: . . .*(inaudible)*. . .

MR. ENG: We don't think so. We could bypass this --

COUNCILMEMBER MOLINA: Okay.

MR. ENG: --to do the relining.

COUNCILMEMBER MOLINA: Alright. Thank you. Thank you, Chair.

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

COUNCILMEMBER VICTORINO: Nope. No questions at this time.

VICE-CHAIR HOKAMA: Thank you. Mr. Mateo. Okay. Members, I just would say that if you can recall when we did have a tear in a lining and we took too long, the price went really up, and that is the Molokai irrigation systems reservoir that I think we worked with Mr. Kawano. I think Mr. Mateo is well aware that it was, took, we lost a lot of water 'cause we took a long time to repair the tear. Okay. It's 12:30, we're going to take our break. Mayor Tavares will be here at 1:30 to go through her three projects. So we shall be in recess till 1:30. . . .*(gavel)*. . .

RECESS: 12:30 p.m.
RECONVENE: 1:34 p.m.

VICE-CHAIR HOKAMA: . . .*(gavel)*. . . We shall reconvene the Committee on Budget and Finance review of the Fiscal Year 2008. We're under Capital Improvement Projects. At this time, Members, I would ask that you be directed to the portion, we are going to take up the projects under Office of the Mayor. I would direct you to Page 26-16. This is the Kaohu office and parking propos. . . .*(end of tape 3B at 1:35 p.m.)*. . . This afternoon we have Mayor Tavares joining us. So, Mayor, if you would care to share comments on this project please.

MAYOR TAVARES: Thank you, Chair Hokama and Vice-Chair Hokama of the Budget and Finance Committee and he's got double duty today. And Members of the Budget and Finance Committee, it's my honor to be here with you folks once again. I've been catching bits and pieces of, of your

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sessions on Akaku and you folks, and I know, have this arduous task ahead of you. You know, this is just the beginning part, right? But thank you for the opportunity for allowing me to come down here and talk about some of the CIP projects that, that I have proposed in the Budget.

And the first one as, as the Vice-Chair has, of the Committee has directed you to on 26-16 is the Kaohu office and parking project. And there are, there is \$350,000 proposed in this year, for next year's budget that would be an amount that we estimate will cover the preliminary planning and design. I had, I think you have another copy of what was handed out just recently. This was attached to the original presentation that I did on the whole Office of the Mayor budget. But, you know, we, we are still facing a problem with finding enough space for our employees and it's still a big concern. It was a concern of ours last year and the year prior to that, and we have, as you know, many offices rented and leased throughout the Central Maui area -- if we just look at the Central Maui area, Wailuku and Kahului, and Wailuku in particular.

We appropriated funds two years ago as a Council to explore building our own offices using, utilizing our already owned, County-owned property. And especially it was pointed out that Kaohu Street parking lot, which is right over there, and the old post office site would be areas that we should look at and see what the feasibility is. What can we get there and how can that assist us in providing the much needed space for our employees? And those funds lapsed December 2006 and they were basically no, there was no action on this particular appropriation. So, this Administration will dedicate itself to actively pursuing this and we want to start with the Kaohu Street property, because I think just from a guesstimate it would be the easier of the two properties to try to build or look at building on. The old post office as you know has much baggage and to go through all the baggage and what we can and can't do with that building needs much more thoughtful consideration than trying to do it now.

The initial step necessary before a decision can be made on whether or not to pursue the project is for us to do our due diligence to look at that property, have professionals come in and advise us as to what could and couldn't be done on that property. We would be reporting our findings back to the Council before we expend any other kinds of money even if we have it in there. We want to make sure that we're all on the same page, that you are aware of what it is that we are trying to do, and what the options may be if there are options regarding that property.

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I think first and foremost we need office space, first and foremost, second, first and foremost priority is that we need parking spaces for our employees. And I'm sure there will be a grateful neighborhood surrounding this building if we ever do address this parking need. And I think we've said before that there are people who retire from service in the County of Maui that are still on the parking list. They never get placed. So, I think we need to, you know, take the bull by the horns here and let's get something going and something that gives our employees hope that something is going to happen. And I'd really like to, to have us all be apart of this project because it is going to be a monster project for, for us to hang our hats on later. So, I hope you will consider that very seriously. I can stop here before you go to the next page.

VICE-CHAIR HOKAMA: Yeah. Yeah. We'll take one project at a time, Mayor.

MAYOR TAVARES: Okay. Thank you.

VICE-CHAIR HOKAMA: Thank you. My, my only question to, to you at this point in time, Mayor, is that if, if memory serves me right I believe that, has your people had an opportunity to check...because my, my memory that I'm trying to recall some of the old institutional things you and I have access to was that when the County obtained the Kaohu Street property I thought I understood and I think we need to double check that there may have been some restrictions on what could be done when the County purchased the property. I know there were concerns of, from the neighbors, especially with the Trask building construction, what not that when the County purchased and if I remember this, your Dad was on the ninth floor.

MAYOR TAVARES: Yeah.

VICE-CHAIR HOKAMA: That there was concerns about how the County made, would potentially develop the property in the future. And I'm not too sure if there's any covenant restrictions or items that your people may be able to find in the due diligence that would help us make a decision on this. But if you do have access to that information the Committee would request if you could share that with us.

MAYOR TAVARES: I don't have access; I don't have that information right now. But that is definitely part of our due diligence. And I think because you're, you know, younger than I am your memory is a little bit clearer. I

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sort of vaguely remember something about, about this but that is for sure one of the things we'll have to look at. The, you know, starting with the zoning and any conditions and also any other arrangements that were made or deed restrictions that might have been attached to the, our acquisition of it back when.

So we will be of course looking at that first. And if that comes up or we can't do this I'll be coming right back here and saying, you know what folks, it's not going to work, unless we can do something else. And maybe there are some options, you know, supposing there is a condition like that. We may have to go back to why was it put there and try to work with the neighborhood and see if they have changed, if they would be willing to look at it again or look at other conditions or something like that. But we need to start with that first, definitely.

VICE-CHAIR HOKAMA: Thank you, Mayor. Mr. Victorino, questions for the Mayor on this specific project?

COUNCILMEMBER VICTORINO: Yes. Thank you and, Madam Mayor, thank you very much. I think I have to concur with Council Chair Hokama because some of the old folks on the other side telling me you cannot building nothing there because there was something made, so.

MAYOR TAVARES: Yeah.

COUNCILMEMBER VICTORINO: You need to check on that.

MAYOR TAVARES: Right.

COUNCILMEMBER VICTORINO: The old folks, they get this kind memory that they never forget. We cannot remember but they never forget. And so in asking in that corner area of those two or three homes adjacent.

MAYOR TAVARES: Right.

COUNCILMEMBER VICTORINO: Yeah. They said that they think there's something that you cannot build and I says well I don't know. I think they'll check it out before we do anything.

MAYOR TAVARES: Yes. Definitely.

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COUNCILMEMBER VICTORINO: So, and hopefully there isn't, I hope they're wrong and if there is maybe something we can work with them on, too. I think they agreed one thing that we need more space. No question. Time in and time out. So, I'm all supportive of this whatever you can come up with please I think this, this town and the County needs another facility. It's been really sad to see us renting every place in Maui, you know, all over the, the creation trying to get space and --

MAYOR TAVARES: Right.

COUNCILMEMBER VICTORINO: --and then when we rent we get places that leak and other drawbacks. So, I'm all for whatever you can do. Thank you, Madam Mayor, for taking the lead on this --

MAYOR TAVARES: Thank you.

COUNCILMEMBER VICTORINO: --and revitalizing this. Thank you.

MAYOR TAVARES: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Thank you. Mr. Molina, any questions?

COUNCILMEMBER MOLINA: Yes. Thank you, Mr. Chairman, and good afternoon, Mayor Tavares. Thank you for --

MAYOR TAVARES: Good afternoon.

COUNCILMEMBER MOLINA: --being here. Always a pleasure to have you here with us. At this point, do you have any preliminary details on size of the building or number of parking stalls potentially we could be looking at and any projected timeline?

MAYOR TAVARES: No, not at all. I have some of my own ideas about what I think I want to do with that property. But I'm not, you know, a civil engineer or an architect even though I think I'm a closet architect. I, I do know that we need parking. We will of course be looking at the needs of our current employees. Like how many are on the list now and I think there's two hundred something, and what our future needs may be. So we can't just build for our needs today, we have to build for our needs in the future just as this building was built in 1973 for many years down the

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road. And we have to use some of that projection, some of those projections in order to get it sized right.

We will be constrained, first of all, by the size of the property. Then the height restrictions, all of those things have to be taken into consideration. But we have not started any of that yet, but I do, I do want to share with you that whatever we can do in-house before we start expending these monies as part of the due diligence process we will do in-house. And that's gathering that kind of data so that we can, we'll have to get that data anyway for whoever we hire so we might as well get it ready and perhaps that will already show us yes or no. So whenever we find it's going to be infeasible we'll stop, we'll come back to you and explain to you why and let's look at our next option.

COUNCILMEMBER MOLINA: One more question, Chairman.

VICE-CHAIR HOKAMA: Sure.

COUNCILMEMBER MOLINA: I just love picking your brain, Mayor. Have you had any preliminary models that you seen out there that might, you know, be, might fit into this property -- any structures or designs?

MAYOR TAVARES: Well, I think that, years, some years back we saw a conceptual of what this building could possibly look like and additions to this building. What I would like to do is continue the theme of like the Court House building, that kind of architecture and those kind of features so that our so-called civic center looks, looks like it is a center and not just hodgepodge of buildings. I do not wish, I know one thing for sure, I will not build a building like this one. This is the ugliest thing in the world, it's, you know, just doesn't fit and I, I asked the architectural group one year when I went to speak with them. And I said do you think anyone will nominate the County building as a historical site, you know, when it reaches its 50 or 60 years? And they all laughed. And I said exactly. We need to build things that our people will feel proud of the fact that this is our center of government. This is my government and it looks like this. So we'd like to follow the architecture from the Court House, actually, you know, keep that theme.

COUNCILMEMBER MOLINA: Thank you. Thank you, Mayor. Thank you, Mr. Chairman.

VICE-CHAIR HOKAMA: Thank you. Mr. Medeiros, any questions?

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COUNCILMEMBER MEDEIROS: Mahalo, Chair. Good afternoon, Madam Mayor. Thank you for being here. Yeah. I think we have heard in many budget hearings about the lack of space for employees, for staff, lack of parking. So certainly this is a project that everybody, I'm sure, will be in support of. And I'll be looking forward to. But I would like to encourage you if this property that you're looking at right now for this project cannot accommodate the project for various reasons then I would encourage you to look another location. But we need to get this done and get this built. And if there are other locations available then, you know, those should be considerations, too. But the, you know, go ahead.

MAYOR TAVARES: Thank you. I'd also like to point out that this is not going to be the end-all to our problems.

COUNCILMEMBER MEDEIROS: Right.

MAYOR TAVARES: This is just one facet, one approach because as been mentioned before and we've heard it over the years, the municipal parking lot in Wailuku town was also somewhere that we looked, looked at to, to develop. Now that the Concession law I think is going to be signed tomorrow at 12 noon at Iao theatre, that gives us the, the power or the authority to be able to broaden what our options are. So it's not going to be, if we build something on Kaohu Street to meet our needs it'll probably have to be 10 stories high. Well that's not certainly going to fly in Wailuku. So we have to look at this as one of a number of things that we will need to do in this area in order for us to preserve that our County seat is in here Wailuku. And I have said many times I will not see the County seat moved out of Wailuku until I'm, you know, pushing up daisies, as they say.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Madam Mayor. Thank you, Chair.

VICE-CHAIR HOKAMA: Thank you. Ms. Johnson, any questions?

COUNCILMEMBER JOHNSON: No. And I, I do support this and I think that the employees really are, you know, they've just been waiting for a long while and, you know, I think it's going to dramatically affect the State revenues though, because particularly when the fines stop coming from the surrounding neighborhoods.

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MAYOR TAVARES: For the parking violations?

COUNCILMEMBER JOHNSON: For the parking violations.

MAYOR TAVARES: Yes.

COUNCILMEMBER JOHNSON: It'll free up a lot of capital but I'm sure the State won't be happy.

VICE-CHAIR HOKAMA: Thank you. Any questions, Ms. Baisa?

COUNCILMEMBER BAISA: Not really a question but just a hardy support. We need to get going on this thing. I wish you Godspeed in making something happen because it really is a problem. This morning we listened to the Finance Department talking about what they need to do and it's painful.

MAYOR TAVARES: Yes.

COUNCILMEMBER BAISA: So, go, go ahead.

MAYOR TAVARES: Yeah. Thank you.

VICE-CHAIR HOKAMA: Questions, Ms. Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Thank you, Mayor, for bringing this forward. This is something that should have been done easy 10 years ago. But, I do recall in my fading memory cells something about a height restriction.

MAYOR TAVARES: Yes.

COUNCILMEMBER ANDERSON: But I'm sure you guys can get the deed from the Bureau and find out what those restrictions are pretty quickly. And I do, I'm thrilled to hear you say that you want to keep the historic architecture going in, in Wailuku town. Because it is such a part of the character of this old town that we should celebrate it in anyway we can by promoting design that enhances the historic features we having going here already. So, I'm really happy to hear that. And when I was an employee I contributed a minimum of \$400 a year to the State coffers.

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And I, and I never got on the list because it was futile to be on the list. You know, why be on a list when you're never going to get to the top? And I think there's a lot of people in this building, Mayor, that don't, that aren't on the list for that very reason. So, there's probably way more need than is reflected on that list. So, yeah, I'm very much in support of this and I hope there's a way we can make it happen. And even if we can only do three stories we might even be able to go underground with parking. There's all kinds of different ways to approach it.

MAYOR TAVARES: Right.

COUNCILMEMBER ANDERSON: So, thank you so much.

MAYOR TAVARES: Yeah. Thank you. I know that we talked about, you know, there is a height restriction in this area anyway. We'd have to check that out. But there is no depth restriction.

COUNCILMEMBER ANDERSON: Right. Do you know what the zoning is on the parcel?

MAYOR TAVARES: No. I'm not sure what it is.

COUNCILMEMBER ANDERSON: Yeah.

VICE-CHAIR HOKAMA: Public/Quasi . .

MAYOR TAVARES: I think it's Public/Quasi-Public, yeah.

COUNCILMEMBER ANDERSON: Hm. Oh. We can always change that.

MAYOR TAVARES: Yeah. ...*(laughter)*... Well, you bring up a really good point about, you know, the architecture and . . . *(inaudible)* . . ., I only pointed to the Courthouse. But if you look at our historic library --

COUNCILMEMBER ANDERSON: Exactly.

MAYOR TAVARES: --and the school and the, you know, the building in between there has tried to maintain that look also. I think we have a responsibility to promote that when we can. And, and --

COUNCILMEMBER ANDERSON: Absolutely.

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MAYOR TAVARES: --we need to do that to add to the, the charm of this, this place.

COUNCILMEMBER ANDERSON: Exactly. And as a matter of fact, anything that we put on there that is historic in its structure is going to be improve, an improvement over a parking lot.

MAYOR TAVARES: Uh huh. Exactly.

COUNCILMEMBER ANDERSON: It's going to enhance the area. Thank you.

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

COUNCILMEMBER MATEO: Chairman, thank you. Good afternoon. Good afternoon.

MAYOR TAVARES: Good afternoon.

COUNCILMEMBER MATEO: That's my question. Mayor, in addition to the consideration for Kaohu, fire plans, as you mentioned, also included just, just outside here a second tower right in the parking, parking structure here. Was that also a consideration prior to moving into the, the street across?

MAYOR TAVARES: In that, you're referring to the concepts that we saw before?

COUNCILMEMBER MATEO: Yeah.

MAYOR TAVARES: Will we, we will be revisiting that because I like the look of that, the tower, this tower needs to be broken up. The vertical massiveness is, just doesn't fit here. And so we will be revisiting it, but we, even if we can do those, we still the need the room.

COUNCILMEMBER MATEO: Yeah.

MAYOR TAVARES: So, since we own that property, the access to it is easy, if we can determine if what we want to do can be done then that would be a logical place to start because I think we'd get a quicker result there.

COUNCILMEMBER MATEO: Do we still have access to those plans?

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MAYOR TAVARES: Yes.

COUNCILMEMBER MATEO: And, that, you have it in-house? We have it . . .

MAYOR TAVARES: No. I don't have it like physically, it might be around somewhere physically but I know who has it.

COUNCILMEMBER MATEO: Okay. Okay. Thank you.

COUNCILMEMBER ANDERSON: I have it.

MAYOR TAVARES: Ms. Anderson, has it. Yeah.

COUNCILMEMBER MATEO: Oh. Okay.

MAYOR TAVARES: And then we can go back to the architects because they still have it, also.

COUNCILMEMBER MATEO: Thank you.

VICE-CHAIR HOKAMA: I think the County paid for it so --

MAYOR TAVARES: Yes.

VICE-CHAIR HOKAMA: --it's County property.

COUNCILMEMBER ANDERSON: It was Chris Hart that did it, right?

MAYOR TAVARES: Yes.

VICE-CHAIR HOKAMA: He was the consultant --

COUNCILMEMBER ANDERSON: Yeah. So he's --

VICE-CHAIR HOKAMA: --contracted --

COUNCILMEMBER ANDERSON: --he's going to have it.

VICE-CHAIR HOKAMA: --to do it. And of course they did not listen to Council's earlier comments so what they presented for the new Members was exactly what we would not support. So it went nowhere. Okay. Anything else on this project? Let's go to 31-6, 100,000, County Building

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Expansion and I think we can dovetail it into 31-7, which is also the County Building Renovation, 350,000. So, Mayor, if you would give us comments on, on both projects, please.

MAYOR TAVARES: Yes. Thank you. And that's the County building expansion, 100,000 for design, and County building renovations, 350,000 for design and construction. And both of these are still along the same lines is trying to look at the spaces that we have available to us and why not look at our own space right here? And I have this wild idea so far, you know, brainstorming, waking up in the middle of the night, and I thought we have an existing property, perhaps we should look at bumping out the bottom here on the first floor. Either going out that way, this way, the other way but let's look at other things that we can do because like I said before that is Kaohu Street will not be our total answer.

So we should look at all of the different possibilities, and that's what this money is for. And once again, before we do anything, like let contracts for, you know, final design and all that we will come back to the Council. I mean this is all our homes, you know, and for some of us we live here more than we live at our homes. So, we might as well make it someplace that we can actually live with and work in. So, you know, we will be coming back.

The, the second one there, the County building renovation, this is more for the interiors and looking at our spaces and our current use of spaces. And is there a way through design or through some renovations or some modifications that we could actually increase our use of existing space? So, you know, that, that's part of the whole picture of let's look at what we have, try to maximize what we have, without sacrificing things that we value like aesthetics, like, you know, gathering areas or whatever. We want to be able to do that. And sometimes because of need, I mean, you look at what's happened on this floor and on the seventh floor. I mean now I'm going to date myself, and I think it's maybe dating ourselves, but I remember when the Committee room was back where the analysts are on the seventh floor. And that's where the Committee meetings were held. And then, you know, and before that there was some other offices, and so things have changed and changed and changed. 'Cause we've been trying to accommodate growth and at the same time maximize our space, our utilization of space.

But we would be looking at all of those things, but we certainly will keep you folks in the loop because it is everybody's building right here. And,

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let's go forward and try to look at, I know, some, some floors have already started doing things. They look a lot different than when the building first was built because of the space needs and things like that. So we have various configurations and things have been added on, we needed to expand certain things. I think some of the discussion about where our, where the brain for our computer system is, that room was way too small. So there was money last year that they're doing work this year to increase the size of that space because we just have to. We don't have a choice about that. So, you know, all of those things will have to be considered.

VICE-CHAIR HOKAMA: Okay. Thank you very much, Mayor, for that. Questions, Mr. Victorino, on either one?

COUNCILMEMBER VICTORINO: Well just more of a comment I think. Again, today we had the Finance Department come up and wanted to redo the second floor to accommodate their growth. And there was some opposition about losing the ambience of the open space in the lobby area. Yet, the need is so great where do we go? And here's a possible, some solutions to some of these things and using all the space around us and building out, building up, building down, whatever needs to be done at this juncture. So, yeah, Mayor, I'll support this and hopefully, you know, 10 or 15 years from today we won't be sitting here, any of us saying the same thing that we should have done it 10 years ago or 20 years ago, whatever. But then on the unprecedented growth of Maui, too, I don't know if our forefathers ever thought this would come about.

MAYOR TAVARES: Yeah.

COUNCILMEMBER VICTORINO: I don't think your dad did, 'cause when I talked to him I knew he knew things were coming but I don't think anybody realized it would come this quick. So, with unprecedented growth brings challenges. But I'll give you this much, you're, you're taking on, head on and --

MAYOR TAVARES: Yeah.

COUNCILMEMBER VICTORINO: --and bringing it to us. So, thank you, and we'll do what we can to support you, sir.

MAYOR TAVARES: And I --

COUNCILMEMBER VICTORINO: Ma'am.

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MAYOR TAVARES: --and I really appreciate the fact that Mayor Cravalho was very visionary in his time. 'Cause this building was designed and built during his time.

COUNCILMEMBER VICTORINO: Right.

MAYOR TAVARES: And can you imagine 1972 coming up with an idea to put this building here? This would not happen today. You know I mean, I gotta be honest. So, you know, I appreciate the fact that he was very adamant about we need to build for the future and, and it gone done. I mean it's certainly not the prettiest building but it certainly was utilitarian. And we've used it for all these years. So, you know, God bless him for having the, the vision to attack a situation, build this building thinking that 20, 30 years down the road we're going to fill it up.

COUNCILMEMBER VICTORINO: I think you have the same vision, the only difference maybe and God bless Mr. Cravalho, I, I love the man dearly. You have a more "we" approach than this is the way I want it done. So, that may be the real ambience, the difference that will make this happen is because it's a "we" issue, not a "me" issue. And I thank you for that.

MAYOR TAVARES: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

VICE-CHAIR HOKAMA: Thank you. I would just say you need to put into perspective the time and era things were done. If you remember the late 60s everything was tall, narrow and tall, that was the architectural style of the time. So, again when we review things please take it in the context and the era so we can be fair in our judgments. Mr. Mateo, comments? Questions? Excuse me.

COUNCILMEMBER MATEO: Thank you very much. Very satisfied, very excited. I have no questions other than to say thank you.

VICE-CHAIR HOKAMA: Thank you. Ms. Anderson.

COUNCILMEMBER ANDERSON: Well I'm very pleased and this really isn't a time for comment, it's time for questions. So, the question I'm going to ask is, is there any consideration or thought on the possibility of using the old post office site? I mean, we're stuck in a no-win situation there.

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We're paying lease rent on a building we can't even use. And so, I'm just wondering if there's a way that your Administration could look into the possibilities of utilizing that land, getting it, I don't know, I think we have some kind of...we discussed this last term. And I could pull the file on that but I think there was some kind of restriction that we have to pay lease rent for so many years before we get the option to purchase it.

But, you know, in real estate there's all manner of flexibility in how you might effectuate a deal. And you know the owners of the property might look favorable to being, to getting a buyout sooner than, the, you know leasehold is. And so I'm just encouraging that, well I guess I have to ask if, if that's something that you're looking at and, you know, could come to us with maybe again another option?

MAYOR TAVARES: Yes. Definitely we're going to look at it because we are looking at County-owned properties first. And, you know, the availability of property in the Wailuku area is very limited.

COUNCILMEMBER ANDERSON: Right.

MAYOR TAVARES: And since we already do have some sort of control over that site we will be looking at that site, also.

COUNCILMEMBER ANDERSON: Great.

MAYOR TAVARES: And this, it's going to be a little more involved because we have to negotiate --

COUNCILMEMBER ANDERSON: Right.

MAYOR TAVARES: --or whatever, but we're not forgetting about it and saying well we'll just leave that for somebody else to worry about. We're, we're going to attack it, too.

COUNCILMEMBER ANDERSON: Yeah. And I think that there's, you know, some creative financing that we could get involved in because it is a hazardous site. We could get Brownfields funds or something to help get it demolition and redone. So, and because it is, as you said we have such limited space for growth here it's just such a natural extension of the civic center that it's, you know, it's heartbreaking for it to sit there wasting.

MAYOR TAVARES: Right.

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COUNCILMEMBER ANDERSON: Yeah.

MAYOR TAVARES: Exactly.

COUNCILMEMBER ANDERSON: But I fully support what you're doing here and thank you very much, Mayor, for being proactive in getting, moving forward on something that we should have done at least 10 years ago. And, I do, I do recall not that long ago looking at the plan that was done by Chris Hart and, and he's already planned out or the architects that did the plan the areas in the, of the existing building here where you could push it out. And you know as, as we are under stress for space and, you know, it's kind of heartbreaking to me to see us turn the lobby into a hallway just so we can get three more cubicles for people to work. I think there's other areas where we have unutilized space that we could take advantage of like the, the apron around this building. It, you know, the only people that use it are kids on their skateboards to be frank. You know what I mean?

MAYOR TAVARES: Right.

COUNCILMEMBER ANDERSON: It, it's just not utilized. And, and I think there's a lot of reasons for that. There's no shade, blah, blah, blah, it's always windy. But that, that is space that we could be utilizing for --

MAYOR TAVARES: Yeah.

COUNCILMEMBER ANDERSON: --a function that we need.

MAYOR TAVARES: And that's why there are the two items there on that page. One is, is looking at the exterior of the building, the other one's looking at the interior of the building. So we're, we're trying to keep all of our options open and let's, you know, actually, you know, study our home first.

COUNCILMEMBER ANDERSON: Right.

MAYOR TAVARES: Yeah.

COUNCILMEMBER ANDERSON: Thank you, Mayor.

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

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COUNCILMEMBER BAISA: Mayor, with all due respect, you go girl! I'm delighted.

MAYOR TAVARES: Yeah. Well, it's been a long time. We need to move.

VICE-CHAIR HOKAMA: Thank you. Questions, Ms. Johnson?

COUNCILMEMBER JOHNSON: Charmaine, with regard to the I guess it's OSHA standards 'cause I know that we've always had problems and with all these high rise fires and liability and all this other kind of stuff. Are you going to be as a part of this whole review looking at that, too?

MAYOR TAVARES: Oh. Definitely.

COUNCILMEMBER JOHNSON: What is legally required?

MAYOR TAVARES: Yes. That's part of the due diligence.

COUNCILMEMBER JOHNSON: Oh. Okay. Great. I really appreciate that, 'cause sometimes I think all of us get a little nervous, just light up --

MAYOR TAVARES: So all of those --

COUNCILMEMBER JOHNSON: --with no sprinkler system.

MAYOR TAVARES: --all of those regulations, fire regulations, OSHA regulations, ADA regulations, all of those things are part of that due diligence for the beginning before we even start looking at what design, what's it going to look like.

COUNCILMEMBER JOHNSON: Okay. Great. Thank you very much. I, I, I'll rest a little bit more safely.

MAYOR TAVARES: Thank you.

COUNCILMEMBER JOHNSON: Even though I may be gone out of the building I still feel that, you know, we owe it to our employees.

MAYOR TAVARES: Okay. Well you'll be there at the groundbreaking.

COUNCILMEMBER JOHNSON: Yeah. Oh. Let's hope so. Bye.

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VICE-CHAIR HOKAMA: Mr. Medeiros, questions?

COUNCILMEMBER MEDEIROS: Thank you, Chair. More of a comment like the my colleagues again. Yeah. Certainly I'm in support of this, Mayor. But I might maybe make some suggestions that if for some reason we have to go to the post office site and build there that part of the plans considered would be to have an enclosed catwalk overhead to join the two buildings that would allow people to go from one building to the other without crossing the street. And the other consideration is to have enough space for storage of records. We're hearing that we're losing a lot of office space to storage, and so that, that be accommodated, too. Thank you, Mayor. . . .(end of tape 4A at 2:05 p.m.). . .

VICE-CHAIR HOKAMA: The Chair would just quickly add that, that is one of the topics on the upcoming June HSAC conference is transcription, recordkeeping, new options of how to take care of records and reduce the amount of space for paper-required documentation. So, we'll be inviting the Mayor and her administrative people to participate in the conference 'cause it is one of our topics. Last second, I think that you might be interested is that your Chairman did receive through a representative communications from owners of the former post office property. And what was communicated to me is that they had made a offering to the last Administration and they were turned down. Okay. That is my information from the representative from the current property owners. So, we might have to mend some bridges if we want to go and view that site. But it's something this funds will allow the Mayor to consider. Yeah. Mr. Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. And, Mayor, again, thank you very much for your vision and your outlook on this matter. You know, when talking about rents, yeah, it's just mind-boggling, you know, One Main Plaza and other folks are sure making some money off of the County. And I think with your insistence on looking at these projects, what with maintaining the architecture, architecture and design guidelines is very admirable. And I know you've long been a proponent of smart growth principles and alternative energy issues. Can you tell us where you see these two issues, smart growth and alternative energy would fit in with these projects?

MAYOR TAVARES: Well, yeah, there are many facets to smart growth as we have discussed before on this floor. But we will be incorporating as much

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as we can especially in some of the guiding principles that operate under what's called LEED, where the Green Building Council of America has developed these standards and even though I don't think we're quite ready, position to say all of our buildings are going to be LEED Silver, or LEED Gold, or Platinum, we can certainly use the principles that lead up to those kinds of certifications. So we will be looking at daylighting, ventilation...we have some problems with ventilation in this building?

COUNCILMEMBER ANDERSON: Like air?

MAYOR TAVARES: Yeah. And high performance windows so that we cut down the heat coming in. All of those kind of principles we will be looking at and whoever our architect is going to be when we get to that stage, we will be meeting with them and saying we want those principles adopted and adapted into what we build so that we can sort of, pardon the pun, lead by example. We need to incorporate these things in, because it's not just a glitzy, glamorous thing to do. It's the right thing to do and the life cycle cost of anything has to be factored in. And if we can save money in the long run or in our daily, our weekly, or annual operations because we incorporate these sort of principles, the upfront or the construction of it may be expensive but the gain is later on as we pay these operating costs year after year, after year. So we most certainly will be taking that into consideration.

COUNCILMEMBER MOLINA: Okay. Well, thank you very much, Mayor. And as a person who resides in Makawao I appreciate you using the phrase grabbing the bulls by the horn. So, keep up the great work and appreciate your aggressive approach on this.

MAYOR TAVARES: Thank you.

COUNCILMEMBER MOLINA: Thank you, Mayor. Thank you, Chairman.

VICE-CHAIR HOKAMA: Thank you, Mr. Molina. Your, your Chairman would just recommend to the Members of this Committee that from what I have heard you folks are very supportive of the Mayor's proposals and is wanting her to move forward. So, my suggestion to you as well as to the Mayor is that they may need, there may be a need of additional flexibility so your Chair would recommend that we consider, if the Mayor agrees, that we should rename the projects to County buildings, plural, expansion as well as renovation so that she's not limited to just looking at this County building. So that would be your Chair's recommendation as well

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as to the Mayor for her consideration that we might want to expand the scope, little bit more flexibility, and therefore, what monies we do appropriate hopefully it will result in some positive options that she can return back to the Council.

MAYOR TAVARES: I think that's a great idea. It really is. Thank you.

VICE-CHAIR HOKAMA: Yeah. Thank you, Mayor. Any further questions for Mayor Tavares this afternoon, Members? Having none. Mayor, we thank you very much for your time with the Committee.

MAYOR TAVARES: If I could make just one comment --

VICE-CHAIR HOKAMA: Sure.

MAYOR TAVARES: --about the, the catwalk idea. My, my, my dream was that we would have buildings at the municipal parking lot, the post office, this building, that building, anywhere else and we connect it with a monorail. Nah, kidding. No. But we are, we're looking at having a way to access without crossing the street. Don't take me too seriously here.

VICE-CHAIR HOKAMA: Okay. We'll work on one...okay, we'll work on one transit program at a time.

MAYOR TAVARES: Thank you.

VICE-CHAIR HOKAMA: See that Rochester does it with underground sidewalk system --

COUNCILMEMBER VICTORINO: Yeah.

MAYOR TAVARES: Right.

VICE-CHAIR HOKAMA: --so that when it snows you cannot walk outside but you walk on the underground sidewalk system. It's another way to accomplish just like for those of you that have had the opportunity to go to Washington, D.C., the Heart building is connected to the Capitol, the Cannon building is connected to the Capitol, you know, they have their whole subsurface transportation system. Okay. So if there's no other questions for the Mayor, once more we thank the Mayor's presence. Members, we will take a very short recess so we can bring back the

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Department of Water Supply. And Chairman Pontanilla has returned. So, we'll take a short recess. . . .(gavel). . .

RECESS: 2:12 p.m.
RECONVENE: 2:21 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. At this time the Chair would like to thank our Council Chair, Mr. Hokama, for running the meeting this morning up to this point here. Members, as Mr. Hokama indicated, we got 30 more to go. So, we need to do this quickly before we take our break later this afternoon getting prepared for the public hearing. So at this time, I would like to call on Member Mateo. Oh. Wait. Sorry. We're on 25-20. Okay. Jeff.

MR. ENG: Yes, sir. Thank you, Chairman Pontanilla. At this time I'd like to describe the project on again Page 25-20 that is the Omaopio 2 Million Gallon Tank Replacement. And if you refer to your map, again we described this a few weeks ago to this Committee. Our plans have changed, it's not to replace the entire tank, it was to replace only the roof. And it's pretty...the reason why we want to do this is we, we're undergoing a sanitary survey by the Department of Health and we realize that this is a problematic roof. It's fairly old and has a bunch of pukas in it. So, it's time to, to deal with it. Are there any questions?

CHAIR PONTANILLA: Thank you. Member Mateo, questions?

COUNCILMEMBER MATEO: Chairman, no. Other than a sanitary what?

MR. ENG: Survey. This is a periodic inspection by the Department of Health.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No question.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

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COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: None.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: Real quick question because nobody else had a question. Why just the, why just the roof? I mean, the rest of the tank has no problem at all?

MR. ENG: That's correct. The rest of the tank . . .

COUNCILMEMBER VICTORINO: . . .*(inaudible)*. . . tank over there too right?

MR. ENG: Yes. But it's been painted and maintained, the walls. So it's, the integrity is very good.

COUNCILMEMBER VICTORINO: The integrity is real good so --

MR. ENG: Yes.

COUNCILMEMBER VICTORINO: --this will give us at least another anticipated 20 years or plus?

MR. ENG: Sure hope so, if we keep painting it.

COUNCILMEMBER VICTORINO: Okay. Thank you. That, that answered my question.

CHAIR PONTANILLA: Thank you, Mr. Eng. And this would be \$500,000 bond monies as indicated. Thank you. Next project is 25-21. Mr. Eng.

MR. ENG: Okay. Mr. Chair, if everyone would like to turn to the map. And this is the map again of the Piihola Water Treatment Plan. And again, as we described a few weeks ago, one of the issues that we have with Upcountry

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water is when your chlorinate surface water, which tends to have higher organic carbon, you can produce what they call a disinfection byproducts, one of which is trihalomethanes and there's some concern that trihalomethanes in higher concentrations can be carcinogenic. So what we want to do is remove the organic carbon prior to treatment and chlorination. We believe that chlorination is the best disinfection method versus other types of disinfectants. So the key now is get rid of that organic carbon prior to chlorination. So this is something that we're looking at a couple types of media: one is activated, granule activated carbon which we know would be effective; and the other is a ion exchange medium and I, we find that kind of favorable if it costs out alright. Because it's something that you can regenerate on site versus activated carbon that you have to dispose of and replace. Are there any questions?

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No questions, Chair.

CHAIR PONTANILLA: Thank you. Member Anderson, we are on 25-21. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Yeah. Just one question, Mr. Chairman. Mr. Director, just, you know, in the project description it mentions compliance necessary for compliance, efficiency, and maintenance. Can you just give specifics on that? Like what are we attempting to comply with and how will the project improve efficiency? If you don't have that answer. . .*(inaudible)*. . .

MR. ENG: You know, it would definitely help us in terms of compliance, because these disinfection byproducts are being regulated more and more

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by the EPA. So will definitely keep us in compliance. And these surface water treatment rules are getting more and more stringent. And really the direction the EPA is going right now is really minimizing these disinfection byproducts. So that's, we'll be kind of like, a little step ahead of the EPA, hopefully too.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chair.

MR. ENG: You're welcome.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: Chairman, one quick question. When, when your narrative says you're going to install a process facility, I'm assuming you're putting it into something. So can you explain this to us, please?

MR. ENG: Yeah. It'll probably be like a separate standalone facility prior to the water treatment plant itself. I kind of envision it as a, a, as a bank of large vessels filled with whatever media we choose to use. And so that's pretty much what it will be.

VICE-CHAIR HOKAMA: And you say you need no additional staffing so everything is pretty much on some type of automated, preprogram function, Director?

MR. ENG: Yes. Yes. It should be.

VICE-CHAIR HOKAMA: Thank you very much.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Member Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. You're talking about a process facility to reduce organic carbon and also to reduce the development of disinfection byproducts. Does that mean that you're not going to be using chloramines or...for disinfection or?

MR. ENG: We want to use chlorine.

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COUNCILMEMBER ANDERSON: Chlorine.

MR. ENG: 'Cause that's the most effective disinfection.

COUNCILMEMBER ANDERSON: Right. And it also reduces the disinfection byproducts. So, I'm sorry, I didn't hear anybody ask, what, what the process facility actually is?

MR. ENG: Okay. As I was earlier describing to Member Hokama I haven't seen exactly what it would like in its design, but I envision it as a series or a bank of large vessels containing what kind of, whatever kind of media. It could be granular activated carbon, it could be ion exchange media. But it'd be, you know, large vessels, probably, you know, they'd be holding 20,000 pounds of media plumbed together so you have various ways of in-and-out flow. Probably there would be a redundancy of vessels so you can take some out of service to replace the media or to regenerate it. Pretty common, common, pretty much like we have for any GAC facility that you might see.

COUNCILMEMBER ANDERSON: Again, it's disturbing to me that you're moving ahead with designing, I mean, yeah, we want this to happen sooner than later. The sooner the better. But, again we're not taking the advantage of the EPA's offer to come and review the whole system in its totality and give us state-of-the-art advice on how to reduce organic carbon. We were told by Doctor Edwards that we should do pre-testing before we decide on any system and I don't hear anything about any pre-testing. We were also told that using granulated activated carbon is not necessarily the best filtering system for organics.

So, you know, we have these nationwide experts come and tell us what we need to do, and we're ignoring it and just moving ahead with, you know, a program that you haven't been able to give us any statistical data on how it will improve the quality of the water. And we all know that there is a bacteria problem Upcountry. And whether it's in our system or from the meter to the house it's still a problem for our residents. So, I would like to see the Administration move forward on getting the peer review and also the comprehensive performance evaluation, bringing scientists from all over the nation who deal with small surface water systems to come and give us state-of-the-art analysis and advice. You, you have listed other funds for this \$5 million project. What other funds are those?

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MR. ENG: Our plans were to get this funded by the State Revolving Fund, the low interest loan.

COUNCILMEMBER ANDERSON: So shouldn't it be indicated by an "S" for State fund?

MR. ENG: Yeah. Perhaps so. If that's what the "S" means.

COUNCILMEMBER ANDERSON: Are you on the list for this yet?

MR. ENG: We've had discussions with the Department of Health already.

COUNCILMEMBER ANDERSON: But we're not on the list yet? I mean has it been submitted as a . . .

MR. ENG: No. We haven't submitted anything yet.

COUNCILMEMBER ANDERSON: You know, Director Eng, I feel conflicted in, in, I guess, badgering you about this issue. Because you weren't here when, last term, when the Council went through all of this, when we had these experts come and talk to us, when this Body voted unanimously in last year's Budget to have these reviews done. And, you know, we listened to the experts, and we put the, the, we put the expectation out there that we would use this expertise to help us with this Upcountry system. And, so it's very disappointing that you folks have not moved forward on this and, you know, you told me, you told me a couple months ago that you guys were going to go forward with this. And now you're not. So, I'd like an explanation.

MR. ENG: Mr. Chair.

CHAIR PONTANILLA: Mr. Eng.

MR. ENG: You're talking about going forward on the peer review?

COUNCILMEMBER ANDERSON: In the comprehensive performance evaluation --

MR. ENG: Yeah. That's . . .

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COUNCILMEMBER ANDERSON: --which I might add is \$150,000 to \$200,000 analysis that we're getting for nothing from the EPA if we cooperate.

MR. ENG: Well, as I mentioned to you earlier today we are, I have had discussions with the EPA. We're not opposed to it at all, either the peer review or the comprehensive performance evaluation. And I've clearly indicated that to, to the EPA. We still need to coordinate the timing of everything, the people that the EPA will send out to do the performance evaluation. We even needed, talked about how we're going to conduct that peer review since the various parties have gone various ways since -- when was it?-- a year ago or so?

COUNCILMEMBER ANDERSON: Well, that can all be worked out. But, have you sent a letter to Dr. Macler saying that this Administration and this Department of Water Supply will cooperate with them? They have been waiting, he's been waiting for that letter since January 1.

MR. ENG: Member Anderson, as I indicated also earlier today that I've only had phone conversations with the EPA. I have not sent a letter yet.

COUNCILMEMBER ANDERSON: And why not?

MR. ENG: I want to really keep it a level that I can still converse with the EPA, because, they're going to have to look at how they can coordinate our request. And so, I think there'll be some further fairly informal discussions before we formalize anything.

COUNCILMEMBER ANDERSON: He's not asking for any kind of formal, anything in writing formally. He's asking for a letter saying that this County, this Administration, and this Department of Water Supply since the change at the election will cooperate with the EPA. So that he can get his superiors in Washington to give him the permission to go forward in discussing with you the timing and all of that. That can't take place until he gets an okay from Washington. And I made this very clear to you and the Mayor some months ago. And you both, you both told me that you would be sending the letter. And here we are, and you're still just talking and, you know, talking is okay but it doesn't give us any assurance that you're willing to move forward on this.

COUNCILMEMBER MOLINA: Mr. Chairman, point of order.

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CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Can I get an opinion from Corp. Counsel about, this is a very interesting discussion, I'm just concerned that we may be straying here and could be violating, potentially violating any Sunshine Law concerns because of this not being noticed. Can I get a comment from Corp. Counsel?

CHAIR PONTANILLA: Thank you. Corporation Counsel.

COUNCILMEMBER MOLINA: If it's still germane, fine. If it's not. Then, you know, we need to . . .

VICE-CHAIR HOKAMA: Chairman, that's your call. This is a procedural call.

CHAIR PONTANILLA: Member Anderson brings out a good point in regards to having the various people come to Maui. And I know we talked about it last year. But for the Chair this is an estimated, this is a budget that is being presented by the Department of Water Supply. We don't know if we're going to get the State Revolving Fund to do this. But in the meantime from now until such a time that, you know, we start construction, hopefully we can get a letter out to the various people to come to Maui to work with the Water Supply. And prior to doing any work on this \$5 million project that we will have both the Council as well as the Department's satisfaction in regards in going forward.

COUNCILMEMBER MOLINA: Chairman. Yeah, so, you know, I apologize for the interruption but I just want to make sure that we maintain the integrity and spirit of the Sunshine Law itself. And I know it's your call, but if you want to let Corp. Counsel, you know, comment that's fine. You know, but, you know, that's your call as well. So, anyway, I just want to make sure that, again, we try to stay focused on the CIP itself. Yeah. Although the discussion that has been brought up I find it very interesting and I'm just sort of curious if that, this type of discussion that is currently ongoing right now should take place in, in another Committee at another time. So.

CHAIR PONTANILLA: Thank you, Member Molina.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Yep. Right now we're reviewing the Budget as presented by the Mayor. Looking at this \$5 million project. It is only a

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budget that is being proposed and in order for us to continue going on, on this particular project we, we need to make sure that our concerns are addressed so that when we go out and spend this \$5 million that all of us, Council Members as well as the Administration and the people are satisfied. So, with that the Chair would like to continue on. Mr. Eng, if you could forward those letters to the various people and organization that was told of you back in January. So, with that the Chair would like to continue. Member Anderson.

COUNCILMEMBER ANDERSON: Thank you, Mr. Chair. This is totally relevant to this commitment they're asking us to make. We've got \$5 million here, we've got a couple other million dollars previous to this, all investments in the Upcountry system that we're being asked to make a commitment to on behalf of the taxpayer, on behalf of the people who use water up Upcountry and it's certainly within my purview to bring this up. There's no Sunshine Law violation whatsoever.

If we don't have background information in the decisions that we make than why are we even here? Why are we even asking them to come and give us a review? So, I appreciate your ruling. So, I guess what we need then is to find out if we could get something in writing also from DOH in regards to State Revolving Funds for this project. And if maybe the Director can give us an explanation as why they put "X" there? If that was a mistake, it was a mistake. But I'd just like to know why they put "other" instead of "State revolving" on this.

MR. ENG: Excuse me, Mr. Chair. May I ask, Budget Director Pablo if he can address why the "X" --

CHAIR PONTANILLA: Mr. Pablo.

MR. ENG: --was indicated? Thank you.

MR. PABLO: I could make a comment. I don't know why it's marked "X", I don't believe that's the way it was, was originally submitted. It could have been a typographical error on the part of the Budget Staff.

COUNCILMEMBER ANDERSON: So, Mr. Chair, the way State Revolving Fund works, you know, we're competing with many other --

CHAIR PONTANILLA: Exactly.

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COUNCILMEMBER ANDERSON: --people.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: And so, you know, if this is, if this is a project that you feel strongly about and I know we need to address organics in the Upcountry system. We would want some assurance from State revolving that we're going to be a priority and if we, if we're not even on the list yet. You know, just discussions over the phone is not enough. And so, if we could get something in writing from them. And if not, some other alternative funding proposal if indeed this is something that should go forward. I have just one question that I missed on the previous one, Mr. Chair --

CHAIR PONTANILLA: Go ahead.

COUNCILMEMBER ANDERSON: --on the Omaopio. If I could just ask that question. I'm sorry I missed it. Is it correct that the prior appropriation was never encumbered 'cause you've changed the whole thing instead of replacing the tank you're just going to replace the roof? And, and so why are we doing bond money for this?

MR. ENG: Mr. Chair.

CHAIR PONTANILLA: Director.

MR. ENG: We do have a prior appropriation in the Fiscal Year '07. And currently because we reduced the scope of this project from the full tank replacement to the roof repair only we're, we're seeking proposals from contractors who can do the roof repair and in fact if we can get it done and get a proposal in and get it in encumbered with '07 money, we will.

COUNCILMEMBER ANDERSON: Well then, that brings up my other concern is that we're again using restricted funds, the '07 money was restricted funds and that was for expansion purposes. But now we're not expanding, we're just replacing an existing roof. So that should be unrestricted funds. So, if you could look into that, Mr. Director, and get back to us on that we'd appreciate it. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. And, Members, we, you know, as we review the Budget for Fiscal Year '08 and if we feel that we need to move

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some funding from one funding source to another, you know, we have that, that right to do.

MR. TAGUCHI: Chair Pontanilla. Just to clarify, excuse me.

CHAIR PONTANILLA: Mr. Taguchi.

MR. TAGUCHI: Just to clarify. In the actual Budget ordinance the Piiholo Water Treatment Plant improvements, organic carbon reduction is a project under the State revolving loan fund. So, the details on 25-21 appears to be in error. And these are being requested to be funded in the Mayor's proposal once again from State Revolving Loan Funds.

CHAIR PONTANILLA: Thank you. Members, moving forward, 25-73. Director Eng.

MR. ENG: Thank you, Mr. Chair. If I may defer this to Ms. Taomoto.

MS. TAOMOTO: Yes. The Iao Intake Line Project if you look on your map is within the Kepaniwai Park area. It's not a very good map of the area, but it, I tried to show you relative to the Hawaii Nature Center where the project is located. It's located makai of the Hawaii Nature Center. And this was a request by our field operations because the existing waterline is extremely deep at ten feet and if it were to break or when it does break it's difficult to maintain. And by replacing it to, to our standards which is a three-foot depth that would allow us to be able to maintain this pipe, which serves our Iao UV Treatment Facility, Ultraviolet Treatment Facility. And, the funding, if you noticed, is only \$200,000 for construction and that is because we're going to be utilizing our construction staff to install the waterline.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: So, will this increase the amount of water to the. . .(end of tape 4B at 2:44 p.m.). . .the amount of water available to the treatment plant?

MS. TAOMOTO: I don't expect it to because the existing pipe is 10 inch and we're replacing it with a 12 inch. And the 10 inch is an odd size and, you know, when we, for our warehouse purposes it's an odd size. So we're going to replace it with a standard size which is 12 inch.

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COUNCILMEMBER ANDERSON: Okay. So, Chair, if we could get an explanation from the Department as to why again they're mixing restricted and unrestricted funds. The design of 50,000 is under restricted funds and then the request this year for 200,000 is unrestricted.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. Department, what was the reason to have the pipe, you know, at ten feet where it now exists. And you said the standard is three feet.

MS. TAOMOTO: You know, we, we tried to research this and it was installed, very, a long time ago and I can't find the construction plans. So we're just going based on what the field staff tells us when there were breaks how deep it is and the problems they encountered. So, we have no idea why it was installed at that depth.

COUNCILMEMBER MEDEIROS: So the code requirement now as far as the depth of installing a waterline is only three feet?

MS. TAOMOTO: Three feet deep from top of pavement to top of pipe.

COUNCILMEMBER MEDEIROS: And, and this pipe is under the pavement?

MS. TAOMOTO: It is through the, from the bottom Nature Center parking lot it will go, run through the Kepaniwai upper parking lot and then come down to where the lion is, the Chinese lion is.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Chair.

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CHAIR PONTANILLA: Thank you, Member Medeiros. Member Victorino?

COUNCILMEMBER VICTORINO: No. All my questions have been asked and answered.

CHAIR PONTANILLA: Member Mateo? Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Yeah. I have one more question on this. This Water Director, are we taking this water through, through this transit waterline to the plant? Is this water that we're buying from Wailuku Water Company?

MR. ENG: Yes. Member Anderson, it is. It's the Iao Tunnel water.

COUNCILMEMBER ANDERSON: The Iao Tunnel water.

MR. ENG: So, I guess we do pay for, for the water.

COUNCILMEMBER ANDERSON: Would you happen to know off the top of your head what we pay?

MR. ENG: It's at the high rate of 60 cents per 1,000 gallons.

COUNCILMEMBER ANDERSON: I guess that's better than the 1.70 we're paying Kapalua Land Company, but still it's exorbitant.

MR. ENG: Yes. It is.

COUNCILMEMBER ANDERSON: And, and so once we acquire this system we won't be paying the 60, 60 cents I guess to Wailuku Ag.

MR. ENG: Yeah. I hope not.

COUNCILMEMBER ANDERSON: But one way or the other if we buy this, if we buy the system this is an improvement that's needed one way or the other.

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MR. ENG: Yes.

COUNCILMEMBER ANDERSON: Yeah. Okay. Thank you.

CHAIR PONTANILLA: Thank you. Members, 26-74.

MR. ENG: Yeah. Mr. Chairman, Ms. Taomoto will explain this one also.

MS. TAOMOTO: The Iao Source Development Project, which this one is in particular the Iao Tank Site Well, the well was drilled and it was completed in July of '05. And we're in the design stages of designing the well pump and related appurtenances like the control building, which houses the motor control center and the pump controls. The funding is 1.2 million to construct the well pump, which is the final phase of this project.

CHAIR PONTANILLA: That's it? Thank you. Member Anderson, question?

COUNCILMEMBER ANDERSON: Thank you, Chair. What's the name of this well?

MS. TAOMOTO: Iao Tank Site Well. At the top.

COUNCILMEMBER ANDERSON: That's the name of the well?

MS. TAOMOTO: Yeah.

COUNCILMEMBER ANDERSON: Iao Tank Site Well?

MS. TAOMOTO: Yes.

COUNCILMEMBER ANDERSON: How come I've never heard that well name before? Is this is a well that's to further distribute the draw?

MS. TAOMOTO: Yes.

COUNCILMEMBER ANDERSON: Was never . . .

MS. TAOMOTO: We named...huh?

COUNCILMEMBER ANDERSON: Was never called anything else?

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MS. TAOMOTO: No.

COUNCILMEMBER ANDERSON: So, okay. So, this is not going to increase any kind of capacity, it's only to distribute the draw?

MS. TAOMOTO: Yes.

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

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: This is, well, just reading at this, this has nothing to do with...which is it, the Wailuku Shaft that we were having problems with?

MR. ENG: It's very nearby the Wailuku Shaft.

COUNCILMEMBER JOHNSON: Yeah. I know it was in the --

MR. ENG: Yeah.

COUNCILMEMBER JOHNSON: --general location. So, that one's not in here at all this year? Wailuku Shaft?

MR. ENG: No. It isn't. There's nothing more that we're going to be improving that well. But it's still operating and it's a real good source but our plan now is to distribute that source. 'Cause eventually we'll probably lose that pump so we're making plans to --

COUNCILMEMBER JOHNSON: Decommission.

MR. ENG: --replace that pump but distribute the, the draw.

COUNCILMEMBER JOHNSON: Okay. And this would be part of that re-distribution then?

MR. ENG: Yes.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros?

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COUNCILMEMBER MEDEIROS: Thank you, Chair. So, this installation of the well pump is just to replace another well pump? Or it's additional to?

MR. ENG: This is a, a brand new well.

COUNCILMEMBER MEDEIROS: Brand new well.

MR. ENG: Yes. It is.

COUNCILMEMBER MEDEIROS: So this is the pump for that well?

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: Okay. And, so will this increase the withdrawal from the Iao Aquifer that already is being withdrawn?

MR. ENG: Again, the plan is to eventually that Wailuku Shaft will be shut down either by choice or not. And so in the meanwhile we're planning to develop additional wells and distribute that draw rather than take it all from one location.

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

CHAIR PONTANILLA: Thank you, Member Medeiros. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chair. Mr. Director, you know the, how much additional water will this produce basically? Do you have it now, an answer at this time?

MS. TAOMOTO: I wouldn't say it produces additional water, what I would say it, that the well pump is a 2 million gallon capacity. The pump, it has a 2 million gallon pumping capacity but it won't produce additional water because as Director Eng explained, we need to reduce withdrawals from our other existing wells in order to put this well online right now. I mean there is, we want to say there is an option to increase withdrawals from the Iao Aquifer that the Commission may consider. But as, at this point they haven't approved that request. What they have approved is our request to install this pump, well pump and reduce the pumpages from our existing wells within the Iao Aquifer by the amount that we propose to pull out of this well.

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COUNCILMEMBER MOLINA: Okay. Thank you for making that clarification for me. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Member Molina. Member Victorino?

COUNCILMEMBER VICTORINO: All the questions have been asked. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, I'll yield to the Chairperson of the subject matter.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Are we moving on then or are we still on Iao Tank Site?

CHAIR PONTANILLA: We're still on Iao Tank Site. If you have any more questions?

COUNCILMEMBER ANDERSON: No. I'm pau on that, thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions? Thank you. 26-75. Department?

MS. TAOMOTO: Thank you. This is very similar to the previous project. This is the Waikapu Tank Site Well and it serves the same purpose. It will improve distribution of withdrawals and similar to the Iao Tank Site, the Commission, Water Commission has approved the installation of this well pump provided we reduce withdrawals in, from our existing wells by the amount we propose to withdraw from this well.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: Yeah. You know, I just, I have a problem with the way the Department is mixing restricted and unrestricted funds. I mean, we have these funds set up for specific purposes, and they're sort of diametrically opposed to each other. Restricted funds are supposed to be used for source development for increasing capacity, increasing source to service more people. Unrestricted funds are supposed to be used to upgrade and maintain what we already have. And if we're not, if all this is

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doing is safeguarding the, the draw that we're already taking from Iao then I don't understand why the Department is asking us to give them restricted funds to do this and at the same time asking us to increase fees to our consumers . . . to take care of maintenance needs.

So, again if you folks could take a look at the way you're funding this and give us an explanation and I mean I don't know what the reasoning was behind choosing. Again, here we are and, and the million dollars you're asking for, for this redistribution of the draw when you're asking 700,000 in restricted and 300,000 in unrestricted. So I just don't understand how you can mix those two funds for the same purpose and especially when you're not producing any greater capacity or service. So, I don't, I don't know if this is all new to you, Director Eng, this whole use of these different funds. But if, if we could get, and I don't expect you to give me an answer now, but if we could, 'cause I keep asking the same question. So, if we could just get an explanation from the Department --

CHAIR PONTANILLA: Yeah. We'll follow up on that.

COUNCILMEMBER ANDERSON: --that would be helpful. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Yeah. One quick question. Again, what, you said this is going to draw from the...was it the Waikapu Aquifer? Or the . . .

MS. TAOMOTO: Iao.

COUNCILMEMBER MOLINA: Iao Aquifer. Okay. What, do you guys have any idea what percent of the draw? How much that will be?

MS. TAOMOTO: The percent?

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COUNCILMEMBER MOLINA: Yeah. If you don't have that answer, okay. I'm just curious.

MS. TAOMOTO: Ten percent?

COUNCILMEMBER MOLINA: Roughly 10 percent.

MS. TAOMOTO: It's a 20 million gallon sustainable yield and this is a 2 million gallon pump capacity if we were to pump it 24 hours.

COUNCILMEMBER MOLINA: Ten percent. Okay. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair, one last question.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Thank you. Who drilled, who drilled this well?

MS. TAOMOTO: I just might have that information for you.

COUNCILMEMBER ANDERSON: Thank you, Ms. Taomoto. Is, was it the County or was it a private entity?

MS. TAOMOTO: Oh. We, we drilled the well. But I thought you meant the well driller.

COUNCILMEMBER ANDERSON: Nah. Nah. Nah.

MS. TAOMOTO: Oh. The, we do, we drilled it.

COUNCILMEMBER ANDERSON: Okay. And so the, the prior allocation of 875 in restricted funds has that been fully expended?

MS. TAOMOTO: I believe we lapsed that, but let me check.

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COUNCILMEMBER ANDERSON: Well, you must have spent something for design if you're only asking for construction this year.

MS. TAOMOTO: The prior, the prior appropriation of 875,000 was for construction, which we did not accomplish, I believe, in Fiscal Year '06. We had to lapse that because we did not have the approval to go forward with the project from the State Water Commission because of the contested case, case. So --

COUNCILMEMBER ANDERSON: Well, on that...go ahead.

MS. TAOMOTO: --so that was a lapse.

COUNCILMEMBER ANDERSON: But of that 875, 425 of it was for design. So, this year you're only asking for construction. So, I mean, did you expend anything on design? Are you skipping the design part? What?

MS. TAOMOTO: No. We're, we're not skipping on the design part. The...I believe there's an error on this project sheet on the prior appropriation. But let me just go over the history of the design. The design, I believe, was on the exploratory drilling was encumbered in about 1996, that was for 74,000 to Fukunaga and Associates. And that's when we drilled the well. And then there was a subsequent contract to Takumi Engineering in about 2001 to do the design for the well development and that was roughly \$90,000. And that does not tie into the 425,000 there. So, I'm not sure. There might be an error on this project sheet.

COUNCILMEMBER ANDERSON: Could you check into that because the way it reads it looks like --

MS. TAOMOTO: Yeah. I see.

COUNCILMEMBER ANDERSON: --you had, you had 425,000 to actually design the well pump, all the telemetry and everything that you're asking construction funds for now. Design of the...it says here design of well pump installation is in progress. So, you obviously have spent some money on design. But . . .

MS. TAOMOTO: Yeah. Those are the numbers I gave you. So, I don't know where this 425 came in 'cause the actual prior --

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COUNCILMEMBER ANDERSON: Was the 90?

MS. TAOMOTO: --yeah, the 90 plus the 74.

COUNCILMEMBER ANDERSON: Okay. If you could check that for us that would be helpful. And again the combination of restricted and unrestricted for this year. Thank you, Chair.

CHAIR PONTANILLA: Thank you. 26-76.

MR. ENG: Thank you, Mr. Chair. This Kahului Tank Replacement Project is, is -- I might have mentioned a few weeks ago -- is the scope has changed and it's similar to the Omaopio Tank in which we're just going to repair the roof.

CHAIR PONTANILLA: That's it?

MR. ENG: Yes.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Have you expended any of the money from the prior appropriation?

MR. ENG: No. We haven't.

COUNCILMEMBER ANDERSON: So . . .

MR. ENG: Again, like that Omaopio Tank we are seeking proposals now. And if we can encumber some of these '07 appropriations then maybe our need for a '08 may be lessened.

COUNCILMEMBER ANDERSON: So, I'm a little confused here because the prior appropriation was for 200,000 for design, again 100 restricted, 100 unrestricted. And now this year obviously you didn't, you didn't expend any of those design funds, right, because you're not replacing it?

MR. ENG: That's correct.

COUNCILMEMBER ANDERSON: Okay. So, now you're asking for 500,000 in bond money. But yet you look at the end total here and you still have 700,000 as the total expenditure. So, \$500,000 to just replace the roof?

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And to me that, you know, that's a definite unrestricted use, unrestricted fund use. So, if we could get an explanation again on why you're choosing to . . .

MR. ENG: I, I agree with you, Member Anderson. I am quite confused too by this choice of funding. It's, so your questions are very fair. As far as though, probably the total cost, it will be under half million dollars..

COUNCILMEMBER ANDERSON: So, maybe if you could look into why this is listed as bond. You know, you guys came in after this budget had already been formulated, and you had so little time to familiarize yourselves and get a new budget to us that it is fair to assume that many of these capital improvements project sheets, the detail sheets are as they existed from last year and just brought forward. So, please don't take my questions personal because I'm not blaming you or Wendy. I'm just trying to get this accurate 'cause we're spending taxpayer, taxpayer dollars. And, you know, when we have, we, this is all we have to work from and when the detail sheets are inaccurate it makes us very uneasy. So, if you could check into that and why bond money is here. Maybe previously bond money was necessary. I mean, I'm losing faith in this, maybe these numbers were for the replacement and not for just the roof. And the bond was necessary to replace the tank. And the 200,000 was necessary to design the tank. Now, we're just replacing the roof. So, if you could check on that for us also and why bond money is here and not unrestricted funds. That would be helpful.

MR. ENG: Member Anderson, I, as I kind of understood the process and again it was really the deadline when --

COUNCILMEMBER ANDERSON: Right.

MR. ENG: --when the funding sources were trying to be identified for these various projects. But, our Fiscal Department is trying to get the most up-to-date balances of the various fund, funding opportunities. And it's really a last minute juggle and obviously we will go last to bond funding, which is our most expensive --

COUNCILMEMBER ANDERSON: Right.

MR. ENG: --source of funding. So, it's basically, I could see in the scramble was utilizing existing funds, especially the smaller funds with very small balances that we wanted to utilize. Trying to balance between the

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restricted and the unrestricted. Take opportunities of the State Revolving Fund. Last go to bond. So, there is some, there's definitely thought and effort behind this. It's just that when you look at it, yes, it's quite confusing.

COUNCILMEMBER ANDERSON: Well, I appreciate that, Mr. Director. Because, you know, we set these funds up for specific purposes for the hope that the Department or the service that we're providing is, pays for itself. And when we start mixing these different funds, you know, if you can justify that, on the one hand, it's, it's a maintenance upgrade, but it's also going to provide, you know, expansion of service then maybe you could justify mixing the two funds. But, we need to get tight on this because it's difficult for us to be able to see how the restricted funds have been utilized to increase our source development and how the unrestricted funds have been used to repair and maintain our existing service if their co-mingled. And, you know, this all ties into our Water Use and Development Plan. So, hopefully we can get a handle on it. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Anderson. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No questions, sir.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: I yield to the Chair of the subject matter.

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CHAIR PONTANILLA: Okay. 26-77 Member Anderson?

COUNCILMEMBER ANDERSON: Where exactly . . .

CHAIR PONTANILLA: I'm sorry.

COUNCILMEMBER ANDERSON: What?

CHAIR PONTANILLA: Mr. Eng.

COUNCILMEMBER ANDERSON: Oh. Yeah.

MR. ENG: Okay.

COUNCILMEMBER ANDERSON: Thanks.

MR. ENG: Ms. Taomoto will describe this project.

CHAIR PONTANILLA: Thank you.

MS. TAOMOTO: Yeah. This project is the Papohaku Water Line Project. It's located in Wailuku. It encompasses Mamo Lane and Momi Lane. If you look on the next map, the map that I provided, it's off of Lower Main Street. We bid out this project in November of '05 and it came in over budget. It came in at 711,000 for, and that was our lowest of two bids. The next bid I think was eight hundred something thousand. So, we're proposing to install this waterline with our construction staff for the estimated amount of 200,000. And in fact the Operations Chief was out there today looking at the job.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Now here's a good use of unrestricted funds. Got no problem with this. Why are you only doing an 8-inch ductile line when, I mean, I'm sure there's a reason, so if you could just explain . . . instead of 12 inch like we're doing, we're replacing that line up in Ulumalu.

MS. TAOMOTO: Yeah, this area is a residential area and so based on our water system standards an eight-inch waterline is sufficient for fire protection.

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COUNCILMEMBER ANDERSON: And, and what's there currently?

MS. TAOMOTO: Currently, Momi Lane has a 3 inch and a 2½ inch, and Mamo lane has a 2½ inch.

COUNCILMEMBER ANDERSON: Okay. And is there, when you say iron waterline . . .

MS. TAOMOTO: Ductile.

COUNCILMEMBER ANDERSON: Huh?

MS. TAOMOTO: Ductile iron.

COUNCILMEMBER ANDERSON: What does ductile iron mean?

MS. TAOMOTO: It's the type of metal.

COUNCILMEMBER ANDERSON: Is it galvanized?

MS. TAOMOTO: No. It's ductile iron versus cast iron versus galvanized.

COUNCILMEMBER ANDERSON: I see.

MS. TAOMOTO: Yeah.

COUNCILMEMBER ANDERSON: I'm not familiar with the term.

MS. TAOMOTO: It's just water industry standard, current standards.

COUNCILMEMBER ANDERSON: Okay. Current standards. So it's not galvanized, it won't corrode with chlorine?

MS. TAOMOTO: No. It won't. It will work --

COUNCILMEMBER ANDERSON: Thank you.

MS. TAOMOTO: --with the chlorine.

COUNCILMEMBER ANDERSON: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

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COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah. Those two lanes are narrow lanes, yeah? Very narrow.

MS. TAOMOTO: Very narrow.

COUNCILMEMBER MEDEIROS: Okay. You know, when waterlines are replaced in Hana and hydrants were put up and that's why you going to eight inch so that you can accommodate full size hydrants. You have room for hydrants in there? Because I know in Hana it presented driving hazards in narrow areas when you put up a full size hydrant on a narrow lane. Was that looked at?

MS. TAOMOTO: Yeah. There are a few hydrants that would need to be in private property.

COUNCILMEMBER MEDEIROS: In order . . .

MS. TAOMOTO: That's how we accomplish it.

COUNCILMEMBER MEDEIROS: Right. Okay.

MS. TAOMOTO: Yeah.

COUNCILMEMBER MEDEIROS: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Medeiros. Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Yeah. Thank you. Again, these are dead-end streets also. They run up against the Iao Parkside, right?

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MS. TAOMOTO: One dead ends at the back of Maui Chemical and one dead ends at almost to Eha Street which is...

COUNCILMEMBER VICTORINO: Yeah. So, it's all dead ends anyhow.

MS. TAOMOTO: Yes.

COUNCILMEMBER VICTORINO: Yeah. So, okay. Thank you. I thought that's maybe the main reason why. Okay. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: And this --

CHAIR PONTANILLA: Member . . .

COUNCILMEMBER VICTORINO: --is also an in-house, right?

MS. TAOMOTO: Yes.

COUNCILMEMBER VICTORINO: You guys are doing this one in-house? Thank you very much.

CHAIR PONTANILLA: Thank you. Member Mateo? Fast question. The piece of equipment that you guys want to purchase was specifically for this type of project? Narrow lanes...I know you guys are asking for one excavator.

MS. TAOMOTO: A mini-excavator --

CHAIR PONTANILLA: Yeah. Excavator.

MS. TAOMOTO: --would fit down the narrow lane. And I, I believe the Fire Department also purchased a mini fire truck to fit down these narrow lanes.

CHAIR PONTANILLA: Good. Thank you. Okay. Members, 26-78. Director?

MR. ENG: Thank you, Mr. Chair. Again, if I may ask Ms. Taomoto.

MS. TAOMOTO: This project is called the South Waikapu Well. This well is not located in Iao Aquifer. It's going to be drilled in the Waikapu Aquifer.

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We have made significant progress with this well, we've identified a well site, we've had discussions with the landowner. And the right of entry for design so we can get in there, survey it, is being reviewed by Corp. Counsel as we speak. And once we obtain that we're going to proceed with the design phase of the exploratory well.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. So, Ms. Taomoto, you guys have some expectation on the capacity that this will provide, the additional source?

MS. TAOMOTO: Well, what the aquifer is, has a sustainable yield of 2 million gallons. But based on discussions with USGS it, it could be more, based on a Central Maui water, head and shoulders model. But, if we were to do a well we're looking at possibly a one million gallon pump capacity and another well towards Maalaea. Two, so two wells. But we will...as part of the design phase we bring in a hydrogeologist and he will give us a expert recommendation as to what the pump capacity should be or the pump testing should be pump tested at.

COUNCILMEMBER ANDERSON: So, just so everybody doesn't get too excited. You are, you are projecting that you will not be installing the pump on this well until 2010. Is that correct?

MS. TAOMOTO: That is correct.

COUNCILMEMBER ANDERSON: Okay.

MS. TAOMOTO: Just, and that ties also into the ability to fund this project, if you look at the sources of funds, too.

COUNCILMEMBER ANDERSON: Well, I'm please to see that you're using restricted funds. The land acquisition, who are you buying the land from?

MS. TAOMOTO: The landowner that's cooperating with us is Donna and Alan Ting.

COUNCILMEMBER ANDERSON: But there's no, you know, share, sharing of the source or anything involved?

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MS. TAOMOTO: We are not at the point where we have actually sat down with them with the Director to negotiate the full terms of the agreement. What right now we're just interested in is cooperating to get to the site and have our consultants actually just take a look, like I said, the hydrogeologist, the geologic formation and give us whether we should go forward with the site.

COUNCILMEMBER ANDERSON: Okay. Thank . . .

MS. TAOMOTO: So, once, yeah, we will move to that step where we go into formal agreement, which if there is any private agreement entered into, it would come before the Council.

UNIDENTIFIED SPEAKER: Right.

UNIDENTIFIED SPEAKER: Right.

COUNCILMEMBER ANDERSON: Great. Thank you very much. Thank you, Chair.

CHAIR PONTANILLA: Member Baisa? Member Johnson?

COUNCILMEMBER JOHNSON: Yes. On this one, will there be at some point either a lease or some type of other arrangement? Or do you intend to purchase?

MS. TAOMOTO: Most of our well sites we try to purchase by, we do it, we pay for a subdivision and we subdivide out. And if that's not possible then we get a perpetual easement.

COUNCILMEMBER JOHNSON: Okay. And . . .

MS. TAOMOTO: Not a, not really a lease. Not . . .

COUNCILMEMBER JOHNSON: Not like in Lahaina though where we've had these perpetual problems.

MS. TAOMOTO: I'm not aware of those perpetual problems.

COUNCILMEMBER JOHNSON: Well, I know we have one arrangement with Mr. Michel whose --

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MS. TAOMOTO: Oh, that.

COUNCILMEMBER JOHNSON: --coming up later. And I just don't want a repeat performance of something that we kind of leave hanging out in the air over years, and then it's never resolved to the satisfaction of either the County or the person whose lands we're traversing.

MS. TAOMOTO: Yeah. We learned from our mistakes.

COUNCILMEMBER JOHNSON: Hopefully. Right?

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Okay. Thank you very much.

CHAIR PONTANILLA: Member Medeiros. Member Medeiros?

COUNCILMEMBER MEDEIROS: Oh. Mahalo, Chair. A question. . .(end of tape 5A at 3:18 p.m.). . .or are there other existing wells in the Waikapu Aquifer?

MS. TAOMOTO: Yeah, we, the USGS has in their model one existing well that was drilled and I believe two that are, have pump installed. But if you need that information, we can get it from the Commission, Water Commission.

COUNCILMEMBER MEDEIROS: Okay. Yeah. I would appreciate that information if you could get it. And so, are you saying there's no current wells being utilized in the Waikapu Aquifer?

MS. TAOMOTO: There may be a private well --

COUNCILMEMBER MEDEIROS: Oh. Private.

MS. TAOMOTO: --with small pumpages.

COUNCILMEMBER MEDEIROS: But as far as County well, this would be the first?

MS. TAOMOTO: This would be the first County well.

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COUNCILMEMBER MEDEIROS: And would this, in your, in your narrative it says that it was, Iao water source, additional water source for Central Maui. And Central Maui being Maalaea to Kahului?

MS. TAOMOTO: To Kihei.

COUNCILMEMBER MEDEIROS: To Kihei.

MS. TAOMOTO: Paia.

COUNCILMEMBER MEDEIROS: Oh. That's all Central Maui? Okay. So it would tie in with the sources that come out of the Iao Aquifer?

MS. TAOMOTO: Correct. And we would not, until we, you know, finalize the well site we're not sure how we're going to incorporate it into the Central Maui water system, but being closer to Maalaea it probably might serve that area primarily. It might not make it to like Kahului or somewhere like in Paia.

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

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. Well, first of all to the Department this is good news. Good news. I think we need to continue looking for more sources. In terms of the specific uses for the water can you comment at this time as to, you know, how this water will be used? I presume it's related to the impending growth in the area?

MR. ENG: Yes, Mr. Chair. Again, as you know regarding the issues with the Iao Aquifer and we're bumping against the sustainable yield. And, you know, this will hopefully can accommodate a number of things. You know, one is we need backup. So if this is tied into the Central Maui system, if anything happens in the Iao Aquifer, the Waihee Aquifer, you know, we can cover. Obviously this is a growing community so we'll accommodate some additional water growth and services. But it's just much needed, both for growth, also for backup. Right now I'm kind of just viewing it as backup given the circumstances we're in right now.

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Director. Thank you, Chairman.

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CHAIR PONTANILLA: Thank you, Member Molina. Member Victorino?

COUNCILMEMBER VICTORINO: Yes. Mr. Director, this backup as you're placing here is not in anticipation of all the growth down below in Waikapu along that area next to Waiko Road and above that, you know, Nunokawa development and all that area. This is not anything to do with that right?

MR. ENG: No. No, sir. Yeah. We have heard some of the rumors of the planned development. I think A & B is planning some things or whoever, whoever it might be but there's no specific developer or development in mind. This is just for the County's sake to accommodate our needs. You know obviously some developers are planning to develop their own water sources. And we're, we try to keep track of that. Particularly in this Waikapu area we want to act quickly enough to get our application in and our source developed before others get into that limited aquifer. So, there's a certain sense of urgency, we're going to keep pushing this one forward. Because even though the USGS has some theories that there might be higher sustainable yields in this aquifer it may not really be a great amount of sustainable yield. But whatever is available we'd like to get it for the County.

COUNCILMEMBER VICTORINO: Well, I, I appreciate that and being, you know, number one, getting the water for the people of Maui County and not committing to share with some other developer or having a developer make the, the, the pump and then we, you know, get so much and they get so much. I think it's good that we finally get ahead of the curve in this respect and protect the valuable resource of water especially in the Central area.

MR. ENG: Right.

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

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. Mr. Eng, so the projected date when this, this well comes online it's consistent with the installation of the pump?

MR. ENG: Yes. Fiscal Year 2010 --

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COUNCILMEMBER MATEO: Yeah.

MR. ENG: --the whole pump and well should be completed.

COUNCILMEMBER MATEO: Okay. So, thank you and I just heard your, your insistence that, you know, we hurry and get this one done. But don't just lose site of Pookela. Thank you.

CHAIR PONTANILLA: Thank you. Okay. Members, moving on, 27-38. Department?

MR. ENG: Thank you, Mr. Chair. Ms. Taomoto.

MS. TAOMOTO: Sure. This project, 27-38 is the Maui Meadows No. 17 Booster Pump Station. Back in 2001, there was a failure of this booster pump which serves Maui Meadows and parts of Wailea. And we were, I believe, without water for two weeks. So, we're trying to just replace that whole booster pump station which is comprised of three booster pumps. And we're also planning to retrofit the motor controls when we do this retrofit or replacement.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Sorry, Chair. When, when was the failure?

MS. TAOMOTO: They say it was in or about 2001.

COUNCILMEMBER ANDERSON: I live in Maui Meadows, I don't have any problem with water. Nobody I know that lives there has any problem with water. So, could you explain why we're spending \$1 million on this?

MS. TAOMOTO: Because sometime in 2001 or there about, they don't know exactly when there was a failure of the booster pumps. And they said that there was no water or there was no water from this booster pump so we brought water in from other parts. We, we, we redistributed the way we get water to you at Maui Meadows. That's probably why you didn't notice.

COUNCILMEMBER ANDERSON: No. I didn't live there in '01.

MS. TAOMOTO: Oh. Okay.

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COUNCILMEMBER ANDERSON: I'm living there now and I don't see any problem with water.

MS. TAOMOTO: Yeah. There's no problem with the station now but just because, you know, when something fails, that's significant, you know that eventually it will fail again. And it is, we're not sure when the pump station was built, but we're pumping that station 24 hours a day. It's being pumped to the max.

COUNCILMEMBER ANDERSON: Okay. And so I want some assurances that this has nothing to do with expanding the service down there or, or setting up for expansion of service down here.

MS. TAOMOTO: This is a 100 percent replacement project. It's a booster, it's just, what it does is it takes the water from another tank. It brings water to this site and then this site boosts up the water to Maui Meadows, 'cause it's at a higher elevation than the booster pump station.

COUNCILMEMBER ANDERSON: So where is it coming from? From what tank, Ms. Taomoto?

MS. TAOMOTO: That is what I'm trying to . . .

COUNCILMEMBER VICTORINO: Kilohana Tank, yeah.

MS. TAOMOTO: Kilohana?

COUNCILMEMBER VICTORINO: Kilohana Tank.

MS. TAOMOTO: Is that the closest area? My map is cut off.

COUNCILMEMBER ANDERSON: It says this station is located at Kilohana Tank site.

MS. TAOMOTO: Let me get my big map out. Wait, hang on.

COUNCILMEMBER ANDERSON: And, you know, the reason I'm asking you this is because right here on Kilohana and, and if you look at your maps, Members, all these blank parcels are developed out now. I'd say at least half of them, the ones that are closest to Piilani and so I'm just curious...and then we also have Wailea 670 coming online down below

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us. I'm just curious if we're setting, you know, spending taxpayer dollars here to upgrade the booster pump to service these new developments?

MS. TAOMOTO: No. In fact, Wailea project is installing a booster pump station at Diamond Resort to take care of their project. And this has nothing to do with, it's a separate issue. This is a repair and maintenance issue. We are making requirements of Wailea for their project to get water to their subdivision or development.

COUNCILMEMBER ANDERSON: Right. Right.

MR. ENG: And, excuse me, Member Anderson. Isn't Wailea 670 constructing their private water system?

COUNCILMEMBER ANDERSON: Well, we hope so. But the way the condition reads is that they have...of course we're not there, this body hasn't acted on it yet. But their desire is to have the option to use our system, because eventually the wells that they have are going to be too saline, ouch, for them to use and they're looking at a private desalinization. Anyway, we'll get into that later. But, these, the reason I'm concerned is because these lots were all empty right around in the Kilohana area here, and then we had the designation of Iao and a restriction on permits yet these all lot, these lots have all built out since then. Where did they get their water? They're hundreds of units here, they're all high-end units. Where did they get their water?

MR. ENG: Member Anderson, this is all connected to the Central system as you are aware.

COUNCILMEMBER ANDERSON: All right. That's good enough, I guess. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

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COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: All questions have been answered.

CHAIR PONTANILLA: Thank you. So this pump is just moving water from one tank to another tank at a higher elevation?

MS. TAOMOTO: Correct.

CHAIR PONTANILLA: Okay. Fine. 28-30. Department?

MR. ENG: Thank you, Mr. Chair. This is the Kanaha Valley agreement and certain obligations we have for Mr. Hans Michel. So we have some money budgeted to accommodate some of his needs, such as, there's a stream crossing that we want to deal with. I believe we're still waiting for the Corps of Engineers to come out and make a site visit. And there are others thing, too, as I was reading the agreement, there is like a title search that is required. So some of those funds will go toward that effort. So we're, we've been out there quite often recently doing some of the repairs, constructing this tile wall to kind of protect some, some erosion and so we've been having, I think in this past week we had both of our construction crews out there at certain given times. So, it's ongoing.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. I'm sure Mr. Michel is very happy that you guys are out there actually on-site and helping him out. You know, I don't believe it's a title search that's necessary. I think it's a title transfer that's necessary. And that, if you'll check the agreement again, the County is the ones that are responsible for initiating the title transfer not Mr. Michel, and that's been one of the hang-ups over the years. So, you might want to check on that.

MR. ENG: Will do. Thank you.

COUNCILMEMBER ANDERSON: Thank you, Chair.

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CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Yes. Because I see there's no monies, of course, in 2009 and I know there were other issues with the wall, there were issues with ingress, egress, and also I believe with the actual subdividing of the property out, because part of this is that, I guess, there was never an execution, there was never a legal subdivision done. So, you know, we actually constructed this on his property. So, because that's the, that's one of the concerns, is this realistic to not put anything in '09 or are you going to perhaps propose something in '09 but you don't know what that is yet?

MR. ENG: Yeah. I think that was the intent. We'll, we'll reevaluate as we complete some of these projects and if in '09 we need to fund something more then we'll, we'll include something.

COUNCILMEMBER JOHNSON: Okay. 'Cause I'm, I'm really glad because it's, you know it's just been going on for years and years. And, I know he has some issues now with the State, also. So, I hope that we can resolve this. Thank you very much though for you've done. I know you inherited this, so it's, it's just something that is really important not only to him but to our community. Because God forbid something would happen to Mr. Michel, you know, the whole area there would not have water, because he personally takes care of the intake and clears the rocks away for which he is not very well compensated.

MR. ENG: Right. Right.

COUNCILMEMBER JOHNSON: Thank you.

MR. ENG: Thank you.

CHAIR PONTANILLA: Thank you, Member Johnson. Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions --

CHAIR PONTANILLA: Thank you.

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COUNCILMEMBER MEDEIROS: --Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: What's your estimated timeframe for the Corps of Engineers, 'cause I'm always afraid when you hear the Corps of Engineers, you know, they don't react unless there's an emergency and even at that takes them a while. What's your anticipated timeframe with that one?

MR. ENG: I'll have to check with Deputy Director Yamashige. I know he's been in communication with them. And you're right, they tend to be pretty slow and unresponsive. So, I'll follow up on that for you.

COUNCILMEMBER VICTORINO: And if you could let the Chair know and then he can respond to us. Because, you know, Mr. Michel has been so generous through the years, and I know Hans really never really complains except things are getting bad and as you saw unless we, you guys did some immediate repairs he's really afraid that dam would break and we'd be all up a creek, especially the people in Lahaina.

MR. ENG: Right.

COUNCILMEMBER VICTORINO: So, yeah, if you can get that I think that's so important at this juncture.

MR. ENG: Certainly.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Eng.

MR. ENG: You're welcome.

CHAIR PONTANILLA: Member Mateo?

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COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. Thank you, Members. Going on, 28-31.

MR. ENG: Thank you, Mr. Chair. The next project is improvements to the Lahaina Surface Water Treatment Plant. And again, this is a plan to retrofit with the PVDF membranes such as what we're planning to do at Kamole. Again, it'll improve efficiencies, some productivity. We'll be able to utilize less dangerous chemicals for the various cleanings. And you know it's something again we'll, we'll receive some overall benefits.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: Thank you, Chair. First, were the...we've got construction funds in '07 or at least prior. And now we have design funds in '08 as well as construction. So, let's go back to the prior appropriation. Was, was that ever expended or encumbered or is it lapsed?

MR. ENG: Yeah. I believe it's, it's been lapsed. I don't think anything has been expended whatsoever.

COUNCILMEMBER ANDERSON: Okay. Could we just double check to make sure? You know, it's my understanding, Mr. Chair, if funds have lapsed they should not be in here, in the six-year program. So . . .

CHAIR PONTANILLA: Be part of that carryover savings.

COUNCILMEMBER ANDERSON: Yeah. So, if they've lapsed they should be somewhere else, not here. So, if we could check on that. And you're, you're using restricted funds for design and construction. And, I guess that's good if you're going to increase the peak capacity of the plant by doing this. How much do you think you're going to increase it?

MR. ENG: Yes. Part of the effort is not only to replace the existing membranes but to add a couple more banks of membranes, too. Currently the average production is in the range of 1½ maybe up to 2 million gallons per day. Again we could get a 25 to 50 percent improvement. That also, and mostly depends on the amount of raw water that's available. And we're trying to acquire more rights to, to the raw water at this time.

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COUNCILMEMBER ANDERSON: From who?

MR. ENG: There's an old agreement with AMFAC, the State of Hawaii, Department of Education, and the County. And we recently met with the AMFAC people because we're realizing that, you know, there's all this excess amount of available water that they don't need, they're not utilizing. So, we would like to try to negotiate for that and, and acquire those rights.

COUNCILMEMBER ANDERSON: Is this all from Kanaha Stream?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: And, and only that stream?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: And, is there any instream flow in this stream or is it all taken by. . .

MR. ENG: I think currently there is some instream flow, you know, water that goes back to the stream. Because again we have a limited capacity at the plant as well as the high school. So, yeah, not all the water is being utilized. But we'll be sensitive to that, too.

COUNCILMEMBER ANDERSON: I hope so since we're spending money to get instream flow in all the other streams on this side of the mountain. What does "an increased flux rate" mean?

MR. ENG: "Flux rate" is basically the number of gallons of water that can pass through the membrane per square foot per day. So basically more water can pass through. You can produce more water.

COUNCILMEMBER ANDERSON: Okay. Okay. Thank you, Chair. So, if you would check on those lapsed funds for us.

MR. ENG: Certainly.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Thank you.

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MS. TAOMOTO: I can respond to that --

CHAIR PONTANILLA: Go ahead.

MS. TAOMOTO: --lapsed fund. Sorry. It was, it's not a lapsed fund, actually I looked it up, it's in the 2007 budget, which is our current budget, for \$100,000 under the same project name. And if we are given the additional 800,000 I believe that the Water Treatment Chief is proposing to do the PVDF retrofit with '07 and '08 monies.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: So, Chair. That would be, again, if you could justify mixing unrestricted with restricted funds for that? Thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Mr. Director, so just following up on Member Anderson's question. This is a source from Kanaha Valley right?

MR. ENG: Yes.

COUNCILMEMBER MEDEIROS: And, and you folks have an intake there as the map shows. Does AMFAC still have diverted water from that valley?

MR. ENG: You know, I really don't think so.

COUNCILMEMBER MEDEIROS: Because they had the ditch that went by Lahainaluna High School.

MR. ENG: Yeah. And I don't think --

COUNCILMEMBER MEDEIROS: But they don't have the. . .*(inaudible)*. . .

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MR. ENG: --or at least they're not maintaining that anymore.

COUNCILMEMBER MEDEIROS: You know if there's still water though being diverted?

MR. ENG: I'll have to check on that. You know, obviously they're not doing any ag down there anymore.

COUNCILMEMBER MEDEIROS: Okay. I was just interested in that. Thank you, Mr. Director. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Nope. No questions at this time. Thank you.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. 28-33. Department?

MR. ENG: Ms. Taomoto.

MS. TAOMOTO: Yeah. This is the Napili Well "A" Tank Project. We awarded the design contract just recently so the design is zero percent complete. We're still, we just got the right of entry from Maui Land and Pine but it hasn't been executed by the County yet. It's in progress. And, what we're requesting here in Fiscal Year '08 is \$3 million to construct the tank.

CHAIR PONTANILLA: Thank you. And based on your handout that you passed out, it's State Revolving Fund rather than other? Am I right?

MR. ENG: That's correct.

MS. TAOMOTO: Yes. It's SRF.

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CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. So again, and so you have a commitment from the State for these, for this \$3 million?

MS. TAOMOTO: We have a proposed project in with the State.

COUNCILMEMBER ANDERSON: And so maybe that's why you put other because you weren't sure you if you were going to get the funds yet.

MS. TAOMOTO: I've always seen SRF as an "X" --

COUNCILMEMBER ANDERSON: As an "X.

MS. TAOMOTO: --not "S". And even last year it was "X". I've not seen it as an "S". So I'm not sure where this "X", who makes the decision if it's an "X" or an "S"...*(chuckled)*...

COUNCILMEMBER ANDERSON: I guess none of us are. So, the whole point in this, Ms. Taomoto, this, this tank is just to increase contact time for disinfection, right? They'll be no capacity increase?

MS. TAOMOTO: We are increasing the tank size. The existing tank is 100,000 gallons and the new tank we're proposing is 300,000 gallons. But it's not going to provide additional source, because it will just allow the Department more operational flexibility, because we have more storage for these wells that are listed here, that it will serve all these wells that I have listed on the project sheets.

COUNCILMEMBER ANDERSON: Okay. So we can expect more capacity or more service?

MS. TAOMOTO: Not more source.

COUNCILMEMBER ANDERSON: Yeah. Thank you.

MR. ENG: And if I may add, basically these are, this is, the size of this is basically a control tank. So it's really controlling the operation of these various wells in the area, so there is obviously some, some storage involved, 300,000 gallons. But basically you want a large enough tank so the pumps aren't going off, on and off regularly. You know, so you need

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a certain amount of capacity, if it's too small they're going on and off continuously and --

COUNCILMEMBER ANDERSON: Right.

MR. ENG: --to the detriment of the motor.

COUNCILMEMBER ANDERSON: Right. Well, I hope you get the State funds.

MR. ENG: Yeah. We do, too.

COUNCILMEMBER ANDERSON: You know, the, I just might add real quickly. State funds you get a priority use of them if you're using them in an economically depressed area and if you are using it to put the system in greater compliance with either State or EPA regulations. And so this increased contact time will help with the disinfection and hopefully they'll see the use as something that's really needed and put you on the top of the list. Thank you.

MR. ENG: And also, if I may add. Yeah. We really try to have a strong relationship with the State Drinking Water Branch, particularly Mr. Stuart Yamada. He's making the decision on these loans. And, the Deputy Director Yamashige and I have had long-time, close personal relationships with this gentleman, too. And, we think that helps in his decisions. You know, so that's going to be important for the community.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you for that, Director Eng, because it is important to have those kinds of relationships. Especially since it wasn't that long ago, you know, the State Revolving Loan Funds were building up and nobody was using them. And, and I was told by Mr. Yamada that the reason the counties were not taking advantage of these State Revolving Loan Funds is because they are Federal funds and with them comes strict reporting requirements. And many counties don't want to be burdened with all of that. So, we were at the point where we, the Feds were saying either you guys utilize this money or we're taking it back. So, I'm really happy to see that your Department is willing to step up and use this money and utilize it and get our fair share. Thank you.

CHAIR PONTANILLA: Thank you. Members, for your information on the Program Budget, 22-33 indicates that the "X" are the fund sources which

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includes State revolving loans and private agency funds. So, it is there.
Thank you. Member Baisa.

COUNCILMEMBER ANDERSON: What number, Mr. Chair?

CHAIR PONTANILLA: 22-33, Program Budget. Ms. Baisa?

COUNCILMEMBER BAISA: No. It appears our subject Chair has it well in
hand.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes. Jeff, with regard to Napili Well "A" and
Honokahua Wells "A" and "B" these are also the wells that have DBCP is
that true?

MR. ENG: Napili "C".

COUNCILMEMBER JOHNSON: Is it "C"?

MR. ENG: That's "C" and that has the GAC treatment.

COUNCILMEMBER JOHNSON: Okay. And, Honokahua doesn't have any
DBCP at all?

MR. ENG: No. No.

COUNCILMEMBER JOHNSON: Okay. All right. I just wanted to make sure
because this then has nothing with the disinfection time it's just strictly
bacterial count?

MR. ENG: Right. Right.

COUNCILMEMBER JOHNSON: All right.

MR. ENG: I'd also like to add that for Honokahua "A" we are, it's been out of
service and we want to run it and verify the water quality. And if it is
indeed uncontaminated we may add that to the system. But right now that
well has been out of service for some time.

COUNCILMEMBER JOHNSON: Yeah. And that is located in the valley or
whereabouts?

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MR. ENG: You know, they're more on the ridges, kind of above as you enter Kapalua.

COUNCILMEMBER JOHNSON: Oh. Okay. Okay. 'Cause I'm thinking of the other one where we have one of the sites that's in Honakahau.

MR. ENG: Yeah. Okay.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you.

MR. ENG: Thank you.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. I just want to ask, the Napili, the three wells at Napili and the two wells at Honokahua, they're all County wells?

MR. ENG: Yes. They are.

COUNCILMEMBER MEDEIROS: And, what aquifer are they drawing from?

MR. ENG: I believe they're all in the Honolua Aquifer.

COUNCILMEMBER MEDEIROS: Okay. Okay. Honolua. Okay. Thank you, Mr. Director. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: No. No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No. No questions.

CHAIR PONTANILLA: Member Mateo? Thank you. Moving on, 28-34. Department?

MR. ENG: Thank you, Mr. Chair. Ms. Taomoto.

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MS. TAOMOTO: Thank you. This project is the Wahikuli and Fleming Road Waterline Improvements. We are currently in the design stage of this project with a private consultant. And, if we, this request for Fiscal Year 2008 is for construction funding to install 22, 2,250 feet of eight inch waterline. If you look at the project description the existing waterlines are just 2½ inches in diameter and very old and it breaks. And Fire Department tells me when they go to the standpipes there are, is basically no water coming out. So this was a request. . .*(end of tape 5B at 3:48 p.m.)*. . .

COUNCILMEMBER ANDERSON: Yeah. Thank you very much for doing this. You know, this, this is the kind of thing that the unrestricted funds are supposed to be used for. And, apparently we don't have enough unrestricted funds, because instead we're using bond money. So, that's, you know, I'm just going to wait until we get some feedback on the questions I asked earlier about how you determine bond money as opposed to restricted or unrestricted funds. But I'm certainly glad you're doing this, we need to have more projects like this all over the County. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No. Happy to see old lines being repaired. It's very important.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I think with the fires that occurred and the proximity to the homes in that whole area, the residents of Lahaina certainly thank you for moving forward. Because if one of those homes had gone I think it would have been very difficult to save the neighborhood. So, thank you for moving on this.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. Mr. Eng, is this a project that's going to be done in-house?

MR. ENG: We were at one time considering doing it in-house, but basically because the scope of the work it would've taken too much our, our crews

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time. So, we had to make the decision it was just a little bit too large so we passed on this one.

COUNCILMEMBER MEDEIROS: So, when you replace a two-and-a-half by, with an eight inch you have to replace all the hydrants and the service laterals?

MR. ENG: Yeah. We'll bring this up to standards in regards to the residential requirements. Yes.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Mr. Eng. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chairman. Mr. Director, I think this is a very good project. I think a lot of people are going to benefit with the insurance premiums as well being that you're improving the fire protection. In terms of the impacts as far water disruptions, this is going to be, I guess you're going to do a lot of more night work I guess on this?

MR. ENG: Well, we'll, we'll definitely evaluate the traffic impacts. But these roads are coming off of Honoapiilani. Yes, of course the certain peak times of the day, people coming and going to work or school we'll have to watch that. But as far as any water disruption, most likely the existing line will stay in place until the new one is in and in service. So, there'll just be a quick switch over. So, it'd be a very short disruption of service.

COUNCILMEMBER MOLINA: You have a rough estimate, how many customers on these three roads will connect.

MR. ENG: I think that this little map that Ms. Taomoto made shows the various house lots along Wahikuli and Fleming --

COUNCILMEMBER MOLINA: That's a lot of people.

MR. ENG: --so, you know, it could be about 40.

MS. TAOMOTO: Four or five thousand.

COUNCILMEMBER MOLINA: And the reason I ask that, we may get a few calls the day construction starts. So, you know --

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MR. ENG: Okay.

COUNCILMEMBER MOLINA: --some people might not be in the loop.

MR. ENG: We have sent out a letter actually just to notify them even a month and a half ago that --

COUNCILMEMBER MOLINA: Oh. Okay.

MR. ENG: --we are planning a project.

MS. TAOMOTO: I've already gotten some calls about the construction impacts and this and that and we're assuring them that we will, they'll be notified in advance. But looking at the...driving in the area the roads are relatively wide. And so there should be the ability for the construction company to make, to have the cars detour around the trench on the shoulder if they can get the residences to move the cars parked along the shoulder.

COUNCILMEMBER MOLINA: Okay.

MS. TAOMOTO: So that's, it's going to be a coordination effort to make sure that we, you know, the contractor's responsibility.

COUNCILMEMBER MOLINA: Okay. Well, good luck with your efforts with this project.

MR. ENG: Thank you.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: I know we, we laugh about it but there are a lot of people that will be impacted, 'cause I know this area has a lot of not what I call owner rent, owner tenant, not owners, but a lot of tenants and a lot of these have what I call long-term room rentals. Thank you. That's the word I was trying to find. Long-term room rentals, so that's why there's a lot of cars in this area. And I'm familiar with this area and I know that Ainakea will be your really, your big bugaboo because that's the main thoroughfare through that area, Ainakea. So, yeah, and good luck 'cause I know that's going to be the challenge. But it's well and long

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overdue for that area. Those people do deserve better pipes. They're, they're really bad off.

MR. ENG: Yeah.

COUNCILMEMBER VICTORINO: My aunt lived on the other end of Fleming road and hey, all the time the pipe breaks and, you know, you guys are called out into that area all the time.

MR. ENG: Yeah.

COUNCILMEMBER VICTORINO: So, thank you.

MR. ENG: Thank you.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman. Mr. Director, because there's a lot of communities throughout this County that has similar problems with the, the lack of pipe size, yeah, especially for fire protection, is the Department's priority process, is that based on population size like this in order to get a job done? Because is it, is it those who yell the loudest get service the fastest?

MR. ENG: Not necessarily and I know in our recent discussions I did make reference to our master plan. There is one for, for pipe replacements that I want to personally review. And I'm sure the priority basically is the material and age. I don't think we discriminate based on population. Again, this area in itself Fleming, you know, and areas, you know, they're not a vocal bunch of people I don't think on, in this area. And it's just that, so it was really based probably on the age, maybe the number of callouts we've had to do repairs.

COUNCILMEMBER ANDERSON: Fire Department.

MR. ENG: Yeah. And the Fire Department definitely made their concerns. So, I'll, I'm going to check our master plan. I'll get back to you.

COUNCILMEMBER MATEO: Thank you.

MR. ENG: But we don't want to ignore anyone, really.

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COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you, Member Mateo.

COUNCILMEMBER MEDEIROS: Chair. Follow-up question, please.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. You know when you replace the lines, how do you determine where under the road you put it? And I ask that question because, you know, coming from Public Works Highways there didn't seem to be some consistency whether the pipe was in the middle of road, on the shoulder. So, I was wondering if there's some standards to that?

MS. TAOMOTO: That's a design question. What we, what we basically do when we first initiate the design is we try to locate all the other existing underground infrastructure. And sometimes there are challenges where there's everything you can imagine. If there isn't any significant number of underground then we try to put it back in the opposite lane. So if it was...if existing is in the left lane, we'll go to the right lane. But we try to, we've been trying to keep it under the pavement just to protect the pipe.

COUNCILMEMBER MEDEIROS: I see. And, and so, when you trench to put the new line in like you say you might put it in the opposite lane and you place all that in first, make all your connections before you stop flow in the opposite line, right, so that there's minimum disruption in service to the consumers? Is that the way you do it?

MS. TAOMOTO: Yes. We put in the main line and the service laterals. We do, we do the pressure test, chlorination, and then we --

COUNCILMEMBER MEDEIROS: Then you --

MS. TAOMOTO: --yeah. We put it, --

COUNCILMEMBER MEDEIROS: --connect the source.

MS. TAOMOTO: --connect the ends.

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

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CHAIR PONTANILLA: Thank you. Members, 30-13. Kalae, Molokai.

MR. ENG: Thank you, Mr. Chair. Yes this is a, a tank located on Molokai. Our Kalae Tank and I had an opportunity a few weeks ago to inspect it. And, it is leaking and we are seeking proposals to replace that tank as we speak. So, yeah, this is a much needed, much needed replacement.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, the Director took the words out of my mouth. Thank you.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Did you guys do any leak detection, you know, rating? So that you would know how much water, 'cause you know a small leak doesn't look like a lot, but it really adds up if it's --

MR. ENG: Yeah.

COUNCILMEMBER ANDERSON: --leaking non-stop, so.

MR. ENG: Well this particular tank didn't, we didn't need sophisticated leak, it was coming out of the sides. So . . .

COUNCILMEMBER ANDERSON: Well, but that's the point is that once you do this, shoots, there might be a whole lot more water on Molokai. You know what I mean? I mean the leakage is a big loss.

MR. ENG: It definitely is.

COUNCILMEMBER ANDERSON: And it could, it could amount to several hundred thousand gallons a day. Well, I don't know. I'm just asking, if you know?

MR. ENG: Anything is possible. But I believe the County takes advantage of, you know, there's a really specialty equipment for leak detection. And I believe contractors as they pass through the Hawaiian Islands, they'll contact us and, and they'll come and, you know we'll contract with them to do leak detection on all our, our major lines. But so, it's something that we don't have the equipment for since it's such a specialized type of work.

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COUNCILMEMBER ANDERSON: It is.

MR. ENG: But contractors do come through the State periodically so we will take advantage of their services.

COUNCILMEMBER ANDERSON: Good. I hope so, because, you know, in one of the, in the settlement agreement with Na Wai Eha folks and the previous Mayor, and it wasn't really a settlement agreement as much it was a letter of understanding or memorandum or something. But anyway, one of the, one of the, the things that he did agree to and that they insisted on was that the County become more aggressive about leaking, about the leakage all over our system. 'Cause that is wasted water and here we're spending money trying to get more water while water is being wasted. So, I hope you take advantage of that. The question I have on this, Mr. Chairman, is again we're using unrestricted and restricted funds. So, if we could get an explanation to substantiate that.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No. This is conservation at its best.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: Good job.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: It certainly beats the little guy with it's finger in the dike.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah. I just want to say, you know, it's good to see the replacement is going to be a stainless steel tank, which will give it a lot of longevity and good for the people of Molokai. So, I think that's good planning. Thank you, Department. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: No. No questions.

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CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: You can now start removing all the buckets they've been collecting the water for the, for the towns. Okay.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: So, get it done. Thank you.

CHAIR PONTANILLA: Okay. Members, 30-14. Department?

MR. ENG: Ms. Taomoto, please.

MS. TAOMOTO: This is the Kaunakakai-Kawela Well 2 Exploratory Well Drilling Project. This is to drill a backup well for the Kaunakakai-Kawela water system. And it will distribute withdrawals between our existing wells and the, the, our proposed well the Kualapuu Well and the Kawela Shaft. And we have an existing design contract which is ongoing and what we're requesting is, because this design contract is old and the site has moved, we are requesting an additional 50,000 to provide for a contract amendment for the new site for our consultant 'cause the site has moved.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chair. Chairman. My only, my only comments and I can ask the Department questions if, you know, because this has been a long ongoing project for us, yeah, and because there's always concerns about the, the over-pumping especially in Kualapuu, it seems like this project, we were kind of hoping this project had gotten a higher priority so we could move with the construction of it now because of concerns of the rising salt content in, in the wells that we currently are pumping. And because Kaunakakai depends on it as well it just seems that at this particular point in time to push the construction or to leave it in, in future years kind of continues to put existing source at, at a greater risk. So, I would hope that the Department would reconsider and do this as a priority. Thank you.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Why was the site moved? And from where to where? I mean, where was the original site?

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MS. TAOMOTO: There wasn't an original site, but the consultant proposed sites at higher elevations. And as you know electrical costs for a power extension and transmission. The Department decided not to go with the consultant's recommendation and instead locate the well, a proposed well site where on your map that I provided is labeled the Kaunakakai-Kawela Well 2 site. It's the, that site with, not the Kualapuu Well but the other well on your map. And the consultant's proposal is farther east.

COUNCILMEMBER ANDERSON: Which would be right?

MS. TAOMOTO: To the right, to the right of the page. Yeah.

COUNCILMEMBER ANDERSON: And, and higher up?

MS. TAOMOTO: And at a higher elevation.

COUNCILMEMBER ANDERSON: And who was the consultant?

MS. TAOMOTO: Towill, R.M. Towill. Still is.

COUNCILMEMBER ANDERSON: Okay. So, are we going to beat the rising chloride levels?

MR. ENG: You know, when I was on Molokai a few weeks ago I did not only inspect the Kalae Tank but our water sources. And particularly the ones I wanted to see were the lower elevations ones at Kawela, Hulopoe. And those, because of the low elevation, I think that...when I got back to the office the next day I, I checked our chlorides records and talked to our Plant Operations Chief to find out if we had any current problems. Right now the chlorides are fine in all of the sources but I think because of the lower elevation ones they are, they are more subject to seasonal changes in chloride. So, I think, then I realized the importance of developing this new additional well. You know, plus there is limited sustainable yield and as you know, everyone is competing for water over there. So, again it's an issue that I want secure water for the County and for the people of Maui. So, yeah, it's of foremost importance now to me after I've seen the situation.

COUNCILMEMBER ANDERSON: It always helps to go and see it, doesn't it?

MR. ENG: Yeah. Certainly.

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COUNCILMEMBER ANDERSON: So, we're not going to get any increased supply? We're only going to be reducing the pumpage from the two wells to mitigate the chloride levels? Is that correct?

MS. TAOMOTO: Yeah. The aquifer as you know is designated. So, our proposal is similar to the Iao situation. If we propose the, if this well is constructed at the site that we show on our maps we're going to have to reduce withdrawals from our existing allocation. And if that's not workable then I guess the DHHL has a reserve reservation which we may be, if they release some to us that would be another option. But as far as I know they haven't agreed to that.

COUNCILMEMBER ANDERSON: I hope they don't. So, that, again brings to mind why we're using restricted funds for something that is really just, you know, repairing an existing system. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No questions, Chair.

CHAIR PONTANILLA: Thank you. 31-32, Countywide. Department?

MR. ENG: Ms. Taomoto.

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MS. TAOMOTO: Thank you. This is the Countywide Archaeological Monitoring account that we're requesting.

COUNCILMEMBER ANDERSON: Sorry, Chair. What page are we on?

COUNCILMEMBER VICTORINO: What page, Chair?

MS. TAOMOTO: 31-32.

CHAIR PONTANILLA: 31-32.

COUNCILMEMBER MEDEIROS: 31-32.

COUNCILMEMBER ANDERSON: Say that again?

MS. TAOMOTO: Countywide.

COUNCILMEMBER VICTORINO: Okay. Thank you.

MS. TAOMOTO: Okay. This is the Countywide Archaeological Monitoring Project that we're going to be using to fund any, you know, State Historic Preservation Division requirements for archaeological monitoring. Some of the projects, for instance, that I'm looking at is the Papohaku project which we have budgeted is required to have archaeological monitoring. And there are also various projects that might pop up from our field staff that trigger monitoring for service laterals. For each service lateral that we're required to install for consumers we have to submit the project to the SHPD, and if there's archaeological monitoring then that's where this money, this money will be utilized for.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: No questions. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: No questions.

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CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. When and who determines when you need to have archaeological monitoring?

MS. TAOMOTO: The State, State has a, under the Department of Land and Natural Resources, has a State Historic Preservation Division.

COUNCILMEMBER MEDEIROS: So if you're in the Historic Preservation District is when, no?

MS. TAOMOTO: As long...what happens is we hire a archaeologist, they go out to the proposed project site, and they do a survey.

COUNCILMEMBER MEDEIROS: Okay. So, this is for every project site?

MS. TAOMOTO: Every project.

COUNCILMEMBER MEDEIROS: Oh. I see. I thought it was just certain project sites.

MS. TAOMOTO: No. Every project and so once that is done and SHPD then based on the archaeologists, private archaeologists they, there are high, highly suspicion of archaeological remains or cultural sensitive area then they would require archaeological monitoring. It doesn't have to just be a concern for burials, it could be like a cultural layers, charcoal or. . .

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

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. 31-33, Countywide Meter Transponders Replacement.

MR. ENG: Thank you, Mr. Chair. This project was referenced last week by our Fiscal Officer, Ms. Holly Perdido. This is a replacement of approximately

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24,000 transponders that we utilize for automatic reading. And our existing transponders have, have given us a lot of problems. And we already have attained full useful life of those. So, we have decided to take advantage of this opportunity to change the rest of the remaining transponders that we haven't changed so far to date. And that's what we plan.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: No. No question on the transponders.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Are these, they're not the same transponders as we were using right?

MR. ENG: No. It's a difference brand.

COUNCILMEMBER VICTORINO: It's a different brand, right?

MR. ENG: Yes.

COUNCILMEMBER VICTORINO: Because we had a lot of problems from the get-go on that first go-around. So, okay. I'm glad to hear that. Thank you.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. 31-34, Countywide Pipe and Facility Improvements.

MR. ENG: Ms. Taomoto.

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MS. TAOMOTO: Thank you. This project is the Countywide Pipe and Facility Improvements. It's not a project, it is used to fund our ongoing construction projects up, unforeseen change orders that pop up during the construction phase. And it's also to fund design contract amendments for unforeseen, you know, modifications to the design contract that we have throughout the year.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: No questions on this one. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Member --

COUNCILMEMBER ANDERSON: I would note --

CHAIR PONTANILLA: --Medeiros.

COUNCILMEMBER ANDERSON: --they're using unrestricted funds.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Thank you very much.

CHAIR PONTANILLA: Member Baisa. No?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No questions, Chair.

CHAIR PONTANILLA: Member Mateo?

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COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. 31-35, Countywide Pump Replacements.

MR. ENG: Ms. Taomoto.

MS. TAOMOTO: The Countywide Pump Replacement Project or line item is a fund that will be used to replace our old motors that are in, it's time for a replacement. And the Plant Operations Chief has a list of motors and pumps that he has an idea of which ones that will be candidates to use this fund. And he has them listed there for you. But based on, when we get, once we get the funds we're going to look at all these pumps and decide which would be the, need of the replacement the sooner, the most, sorry. Thank you.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: Thank you, Chair. You know, you've got Maui Meadows No. 17 Booster Pump listed here. But yet you have it listed separately for 150,000. So, are we duplicating --

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: --the funding?

MR. ENG: Member Anderson, I can kind of saw that, too and I kind of suspect that when this project was written up, the description, obviously Maui Meadows No. 17 Booster Pump was one of the, one of the many candidates. And I think the priority of that particular pump, booster pump is so important that they created a separate project for it.

COUNCILMEMBER ANDERSON: Okay. Well, you know, I'm sure that you'll utilize the funding if, you know, if we don't take 150,000 out of this to pay for the Maui Meadows you'll still utilize it well. But then my other question is on the Pookela Booster Pump, why do you need that? We, could you explain that? And, and since we're on the subject, Mr. Chair, because Pookela is here in this request, what's up with Pookela?

MR. ENG: Okay. First of all, Mr. Chair, I believe this booster pump boosts water from the Pookela Tank further Upcountry. And in regard to Pookela Tank [*sic*] itself . . .

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COUNCILMEMBER ANDERSON: Well.

MR. ENG: Well. I just met with my Chief Engineer today, we have a meeting scheduled on Monday with the contractor and hopefully we're approaching the final push. But I've heard that story before. So, that's why --

COUNCILMEMBER ANDERSON: So have we.

MR. ENG: --I want to be in that meeting with that contractor to make sure that we are all on the same page, knowing what steps need to be completed. And you know that's all I can say at this time. I'll report back to you later.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you, Director Eng. I'm, I'm sorry you're in this situation but hang in there.

MR. ENG: Thanks.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: No. Thank you. Member Anderson and the Director answered my question about Pookela which is a continuing saga.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair. Thank you.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: My, my questions have been answered.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. 31-36, Increase in Size of the Mainlines. Director?

MS. TAOMOTO: Increase in Size of Mainlines Project is to reimburse a developer or subdivider when they're required to install, for instance...let

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me try explain this. When they're, we make a requirement of a subdivider or a developer to install a mainline or extend the mainline, sometimes they're only required to do an eight inch. But we know that there will be a need for a 12 inch. But we cannot make that requirement of this developer or subdivider. So, we on our side, the Department funds the difference to upsize it to what we know we need for the future for future growth.

CHAIR PONTANILLA: Thank you. Member Anderson, questions?

COUNCILMEMBER ANDERSON: No questions. Thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER ANDERSON: I will note they're using unrestricted funds and I think this might be a place where you could actually use --

CHAIR PONTANILLA: Yep.

COUNCILMEMBER ANDERSON: --restricted funds. So, you might want to look at that.

CHAIR PONTANILLA: It's true. Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Okay. Moving on, 31-37, Land Appraisal and Acquisition. Director?

MS. TAOMOTO: Thank you. Land Appraisal and Acquisition Project is to fund purchase of lands, acquire easements, or obtain land appraisals for existing

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and future DWS facilities. Looking at our '08 budget some of the projects that we are proposing to use this fund for is to acquire the Hamoa Well site, which we are in discussions with the landowner. Also we need to compensate A&B for the Kamole Clearwell expansion which is in construction. And also to, for the South Waikapu Well if that materializes that would be used, this fund would be used to pay for the South Waikapu Well. And, also the Kaunakakai Well site. And that's about all that I can pull out of the '08 budget. There are ongoing projects, I mean ongoing existing facilities that pop up throughout the year that are brought, brought to my attention that we don't have the land or there's issues that we would use this fund to pay for. Thank you.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Thank you, Ms. Taomoto, for the breakdown on that. Did you use the prior appropriation of 200,000? You know?

MS. TAOMOTO: Can you, I can't, one second. I'm just going to look at my project sheet. . . . *(short pause)* . . . As of December 31st, we didn't use any and I don't believe I've used any since December status report. No. The answer is no, we didn't use any.

COUNCILMEMBER ANDERSON: So, and you have until July? When do you have until?

MS. TAOMOTO: December.

COUNCILMEMBER ANDERSON: December of this year before it lapses. So there's a possibility that you could use that additional 200,000 for some of these acquisitions although I have no idea what the amounts are. But I would just ask that...the 200,000 is restricted from last year. This year you have 300,000 unrestricted. So, make sure that you're using the money. You know, many of these sites are not for expansion. I imagine the Kamole Clearwell you could use restricted funds because that's expanding the capacity. Whereas Hamoa maybe not since it's. . . *(end of tape 6A at 4:28(?) p.m.)*. . .to caution them and bring that to your attention. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

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CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. The acquisition of the Hamoa Well site, would that be for the second well or both wells?

MS. TAOMOTO: Actually we don't own the existing facility site. So, we are in discussions with the landowner, Ahupuaa Partners to acquire the existing site which encompasses both wells.

COUNCILMEMBER MEDEIROS: I see.

MS. TAOMOTO: And that I haven't...I'm estimating that at 85,000 for it's approximately an acre.

COUNCILMEMBER MEDEIROS: Okay. And, when, when you folks go to acquire an easement you have to purchase an easement right or is that done by other means?

MS. TAOMOTO: In the past, for like, for instance for fire hydrant easements we've been lucky, they, we've been getting, getting them without cost. But for significant sizes like well sites, tank sites, booster pump stations they're at least a quarter acre. And so we've been, you know, needing to purchase that.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: No. Thank you.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. 31-38, Security Measures. Department?

MS. TAOMOTO: Thank you. Security Measures is budgeted this year for 50,000 and that is just so that we have the ability to provide for our facilities any improvements we need to secure our facilities. And also in the event that funding does come about from Homeland Security funds

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and there's a requirement for matching funds that we have that ability to utilize those funds.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: No questions on this, Mr. Chair. But since it's the last item I would like to ask if we could get an accounting of the restricted and unrestricted funds you know, to the best of your ability, like, you know, a balance sheet. So, what we've collected and what we've expended and whatever is easiest for you to do. I don't expect you to do...I mean, you may have it already. So, I would hope you'd have something.

MR. ENG: Yeah. I think we could provide a projection to the end of this Fiscal Year for you --

COUNCILMEMBER ANDERSON: Yeah.

MR. ENG: --and it'd be reasonably accurate.

COUNCILMEMBER ANDERSON: Okay. And then the other thing is I'd like to see where in the current draft of the Water Use and Development Plan for Upcountry any of these Upcountry projects are listed. In other words, we're supposed to be going by this plan and we're not. But yet the plan is, is in a draft form now and so we should be able to see these projects that you're doing reflected in the plan in its draft form. If you could provide that or, or whatever you have close to it.

MR. ENG: Okay.

COUNCILMEMBER ANDERSON: Appreciate it. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa? Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. I'm glad to see this request for security measures. And, I'm very happy to hear that you mentioned Homeland Security funds. So, hopefully this can leverage some of that Homeland Security funds that we may qualify for. Is that the intent of part of it?

MR. ENG: Yes.

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COUNCILMEMBER MEDEIROS: Okay. Good. Thank you, Mr. Eng. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No questions on this one.

CHAIR PONTANILLA: Thank you. We have the last item, 31-39, Small, In-House Pipe Replacements/Fire Protection Upgrades. Department?

MS. TAOMOTO: Thank you, Mr. Chair. This project is to provide funding to replace small-diameter pipelines within our distribution system. And this is primarily to provide funding for our Maintenance and Operations Divisions to do this work in-house. So, when they have the time, if they ever have it, they, with all the in-house projects they have scheduled, that they would have additional funds to do miscellaneous work not line item budgeted.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: No questions. Well, actually I guess I better ask this one. I see that you normally...you know, we're looking at a six-year spread here. And in, starting in '09 you have 50,000, but this year you have 150,000. So, are you anticipating the need to do more this year than you're looking to do in the future? You also have 100,000 from the previous year. So, can, I guess my question is, can you actually accelerate in this next year and use this money?

MS. TAOMOTO: I believe the reason for the increase in '08 was because we're, if you saw our '08 budget, we're proposing to do two significant projects in-house. And, if that funding is inadequate then we could use these funds.

COUNCILMEMBER ANDERSON: I see.

MS. TAOMOTO: And we also are purchasing equipment to move towards that in-house direction. So, the opportunity...and I'm just guessing that they, the 50,000 was just an estimate to see how this year goes. If it goes well,

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I'm sure the increase for '09 will be more. And, also we're doing line item budgets versus putting it in this catchall account. If you notice, we're . . .

COUNCILMEMBER ANDERSON: You mean operating? . . .(inaudible) . . .

MS. TAOMOTO: No. We actually propose like Papohaku, Iao Intake as line item versus this small in-house.

COUNCILMEMBER ANDERSON: Right. Right.

MS. TAOMOTO: Yeah.

COUNCILMEMBER ANDERSON: Excellent. Thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: No questions, Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No questions, Chair.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: None.

CHAIR PONTANILLA: Thank you. Thank you very much, Members. That's all for the CIP regarding the Department of Water Supply.

COUNCILMEMBER MATEO: Chairman?

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: Chairman, I'm sorry. Before we conclude I'd like to just ask the Department two additional questions.

CHAIR PONTANILLA: Sure. Go ahead.

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COUNCILMEMBER MATEO: Thank you, Chairman. For the sake of reviewing, continuing to review your CIPs as projected. Based on current Fiscal Year, what percent of the CIPs are you anticipating to complete?

MR. ENG: I think to date as of December 31, '06 we had encumbered over 11 million versus the total budgeted amount of almost 30 million. So, as of really the first six months of the '07 CIP year, budget year we have done a significant amount of encumbrances.

COUNCILMEMBER MATEO: And the Department is, is comfortable in knowing that you'll be able to take care of the CIPs with all of these encumbered funds?

MR. ENG: We certainly plan to. You know, we're all focusing on that.

COUNCILMEMBER MATEO: Yeah. No, we are, too, because the encumbrances only add to what you're asking for now. So, you know, that's a huge amount of money that, you know, could be entrusted to you and, you know, all we have to do is to take a look at the track record in this current year to have an assurance that all of these things will be done.

Secondly, Chairman, if I could just end. I just wanted to ask the Department when you have CIP projects listed but the project is not complete, why is it, why is it not continued on, you know, I'm just going to be real, real upfront. I'm looking at a six-year plan and this is a Molokai project. It's called Pano and Puili. Pano and Puili started several Fiscal Years ago and we, we allocated a total of over \$780,000 for Pano and Puili, which was an upgrade in pipeline to take care of fire needs for the, for the community. A street got completed, the second street did not get completed but it no longer exists on the CIP plan. So, not now, but perhaps somehow can you please tell me what happens to CIPs that are not completed but is submitted to us and somehow forgotten?

MR. ENG: Member Mateo, that particular project is something that we still are interested in completing. I think it was an issue with the contractor, the contractor did a portion of that project, and then when he either re-bid or submitted another proposal it came in at a ridiculously high amount of money.

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COUNCILMEMBER MATEO: But, Mr. Director, \$780,000 is a ridiculously amount of money to have agreed to the contract to begin with. And, the job is not being done.

MR. ENG: Yeah.

COUNCILMEMBER MATEO: So, you know, we can discuss it later.

MR. ENG: Certainly.

COUNCILMEMBER MATEO: Just for the sake of the Committee having the dinner, dinner break. But I would like to follow up on that, 'cause right now it does not exist.

MR. ENG: We will. Thank you.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Yeah. Thank you. Thank you, Member Mateo, for jogging my memory here. I also wanted to bring up the same issue. Last year, excuse me, last year, the Council appropriated \$7 million for the acquisition of Wailuku Water Company Watershed. We also allocated and this was under Countywide capital improvement -- I'm reading from the approved budget of '07-- we also appropriated \$200,000 for exploration and a drilling program, restricted funds. We also allocated...I think it's \$200,000 for land appraisal for the Wailuku Ag or the Wailuku Water Company and, you know, the exploration program was in connection with Dr. Thomas. So, I don't see any of that in this year's budget. Why not?

MR. ENG: As far as I can understand, as far as the, the money that was appropriated for the Wailuku water appraisal, I believe that is in the Corp. Counsel's budget. And, I think they're evaluating at this time.

COUNCILMEMBER ANDERSON: For the appraisal?

MR. ENG: Yes.

COUNCILMEMBER ANDERSON: Okay. I'll check, because these were all under your budget last year under the Water Department's budget. And the reason I'm concerned, there's a lot of reasons I'm concerned. Wish I had a pencil, but anyway . . .

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MR. ENG: And, and if I may continue. As far as that Dr. Thomas contract.

COUNCILMEMBER ANDERSON: Yeah.

MR. ENG: The contract I believe has been drafted by our Planning Program Manager. And I think it's under...going either review by Corp. Counsel. But it is, it is happening, that contract with Dr. Thomas.

COUNCILMEMBER ANDERSON: So, if I look in the, in the . . .

MR. ENG: I, I don't think you'd find any funds encumbered yet. 'Cause I, I don't believe that contract has been executed yet. But I know it was recently drafted.

CHAIR PONTANILLA: So it's still in the Fiscal Year 2007?

MR. ENG: Yeah.

CHAIR PONTANILLA: Okay. Fine.

MR. ENG: Yeah.

COUNCILMEMBER ANDERSON: So if we look at the quarterly report we'll still find that money there?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: It just hasn't been encumbered?

CHAIR PONTANILLA: Yes.

MR. ENG: Yes. Yeah.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Members, any more questions? Just for your information, oh by the way, thank you, Jeff, Director Eng and Wendy, for

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being here for your CIP deliberation in regards to your 2008 budget. I know it was a long day for you. It was a long night for us on Public Works. But, anyway, Members, tonight we do have the public hearing at 6:30 this evening. And the Council Chair will be chairing that meeting.

I have a note here to clear all of your desks, make sure your books are on the floor, under the desk, so we can have the meeting tonight. Members, for your information tomorrow morning we do have the Environmental Management Department to work with. And then following the Environmental Management operations review we'll go into the Waste Water CIP and then following the Waste Water CIP the remainder of the Solid Waste as well as the Public Works area in regards to CIP. So, we do have a full day tomorrow morning. Hopefully we can complete our work by 4:30 tomorrow afternoon. So, with that the, this meeting is adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 4:33 p.m.

APPROVED:



JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:070412:yb

Transcribed by: Daniel K. Schoenbeck

**BUDGET AND FINANCE COMMITTEE
Council of the County of Maui**

April 12, 2007

CERTIFICATE

I, Daniel Schoenbeck, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 3rd day of May, 2007, in Pukalani, Hawaii



Daniel Schoenbeck