

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

October 15, 2004

Committee
Report No.

04-177

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on July 13, 2004 and September 28, 2004, makes reference to County Communication No. 03-304, from the Council Chair, transmitting a report entitled "DEPARTMENT OF WATER SUPPLY, COUNTY OF MAUI (Proprietary Fund, County of Maui), Financial Statements for the years ended June 30, 2003 and 2002, Supplemental Schedules For the year ended June 30, 2003 and Independent Auditors' Reports".

Your Committee notes that the Council's role in the audit review process is to exercise oversight regarding the efficiency and effectiveness of County operations. The auditors must report their findings to the Council in accordance with generally accepted audit standards and principles.

Your Committee further notes that there were no issues that would require the auditors to issue a management letter.

At its meeting of July 13, 2004, your Committee met with the Director of Water Supply; the Fiscal Officer of the Department of Water Supply; a Deputy Corporation Counsel; and Russell Yamane and Randal Taniguchi from Russell Yamane & Associates CPAs, Inc.

There was no public testimony.

Your Committee deferred the matter with no discussion due to lack of a quorum.

At its meeting of September 28, 2004, your Committee met with the Director of Water Supply; the Corporation Counsel; and Russell Yamane and Randal Taniguchi from Russell Yamane & Associates CPAs, Inc.

There was no public testimony.

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In the “Statement of Net Assets – June 30, 2003 and 2002”, your Committee questioned how the auditors review the “Construction work in progress” category. Mr. Yamane explained the methodology used, and noted that projects completed during the year are moved to the “Utility plant in service” category. He agreed to provide your Committee with more information regarding projects in these two categories that were funded by the Water Source Development Fund.

Your Committee inquired about the progress of the “compliance-order projects” required to meet Environmental Protection Agency standards. The Director of Water Supply stated that he would provide a status report to your Committee.

Your Committee also requested that the Department provide a report on the number of water meters installed and its relationship to uncollectible customer accounts.

Your Committee voted to recommend filing of the communication.

Your Budget and Finance Committee RECOMMENDS that County Communication No. 03-304 be FILED.

Adoption of this report is respectfully requested.

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