

1 BOARD OF WATER SUPPLY

2 COUNTY OF MAUI

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10 REGULAR MEETING

11 THURSDAY, OCTOBER 23, 2008

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16 Held at the Department of Liquor Control Conference

17 Room, David Trask Building, Room 105, Wailuku,

18 Maui, Hawaii, commencing at 9:10 a.m.

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28 Transcribed from the audio recording by Gaye

29 Hayashida, Commission Support Clerk, Department of

30 Water Supply, County of Maui.

1 CHAIR ALDRIDGE: I'll call the meeting to order.
2 It's a regular meeting of the Board of Water
3 Supply. Today is Thursday, October 23rd, 2008.
4 Attendance, board members in attendance include
5 Scott Luck, Kui Lester, Vice Chair Carl Holmberg,
6 myself, Marion Haller, Phyllis..Robinson. Sorry,
7 Phyllis.

8 MEMBER ROBINSON: That's ok.

9 CHAIR ALDRIDGE: And Michael Howden. Excused is
10 Ted Yamamura and I guess excused is Kelli Myers
11 although we, or I guess still expecting her, some
12 point in time. Also in attendance is Director Jeff
13 Eng, and excused and absent is Corporation Counsel
14 Ed Kushi, members in the audience include Jacky
15 Takakura and Eric Yamashige hiding in the back of
16 the room there.

17 DIRECTOR ENG: Mr. Chair, if I may introduce, this
18 is..

19 CHAIR ALDRIDGE: Sure.

20 DIRECTOR ENG: Walt Hager. Pretty much handles
21 operations of all of our surface water treatment
22 plants.

23 CHAIR ALDRIDGE: Oh, great. Welcome.

24 MEMBER ROBINSON: Welcome.

25 CHAIR ALDRIDGE: Oh, Approval of the Minutes, oh,
26 wait a minute. Announcements, I, I want to take an
27 opportunity just to remind all the board members
28 that next week, October 29th to October 31st is the

1 Hawaiian Water Works Association Conference at the
2 Grand Wailea and I hope that everyone who has the
3 time is attending the conference. I had a
4 rudimentary question about that, Gaye, is there a
5 parking pass or do you know if we have to pay for
6 parking?

7 MS. HAYASHIDA: I'm not sure. I will find out for
8 you.

9 CHAIR ALDRIDGE: Ok, just let the board members
10 know.

11 MS. HAYASHIDA: Parking, yeah?

12 DIRECTOR ENG: Excuse me, Mr. Chair, Eric can
13 address that.

14 CHAIR ALDRIDGE: Oh, Eric, can you address that?

15 DEPUTY DIRECTOR YAMASHIGE: Yeah, if you go to the
16 back parking lot, near the conference rooms or the
17 ballrooms...

18 MEMBER HALLER: Oh yeah.

19 DEPUTY DIRECTOR YAMASHIGE: We'll have somebody
20 stationed at the back parking lot and you'll be
21 able to park there.

22 CHAIR ALDRIDGE: Oh, ok, great.

23 MEMBER HALLER: And that's where the conference is
24 anyway?

25 DEPUTY DIRECTOR YAMASHIGE: That's where the
26 conference is...

27 CHAIR ALDRIDGE: The back parking lot near the
28 conference rooms.

1 DEPUTY DIRECTOR YAMASHIGE: So don't go to the
2 front one.

3 CHAIR ALDRIDGE: Don't go to the front one.
4 Michael?

5 MEMBER HOWDEN: They're gonna show "Flow" that,
6 that Wednesday night. It's a film about the world
7 water situation.

8 CHAIR ALDRIDGE: Oh.

9 MEMBER HOWDEN: It's gonna be at the MACC at 5 and
10 7:30 that Wednesday evening. It's supposed to be a
11 really powerful film about the world water
12 situation.

13 CHAIR ALDRIDGE: I thought I saw that. I'm glad
14 you mentioned that.

15 MEMBER LESTER: Where's the MACC?

16 MEMBER HOWDEN: At the MACC, the Maui Arts and
17 Cultural Center...

18 MEMBER LESTER: Oh, so back up here?
19 (laughter)

20 DIRECTOR ENG: There's only one showing, Mike?

21 MEMBER ROBINSON: No...

22 MEMBER HOWDEN AND MEMBER ROBINSON: Two, 5 and
23 7:30.

24 DIRECTOR ENG: Ok.

25 MEMBER LESTER: Wednesday night.

26 CHAIR ALDRIDGE: Thanks, thank you, Michael.
27 Alright now, back to the agenda, Approval of the

1 Minutes. Gaye, I have a number of corrections.
2 Maybe...

3 MS. HAYASHIDA: Sure.

4 CHAIR ALDRIDGE: It'd be easier if I just submitted
5 them to you...

6 MS. HAYASHIDA: Ok.

7 CHAIR ALDRIDGE: I don't know if I have to read
8 them all.

9 MS. HAYASHIDA: Ok.

10 CHAIR ALDRIDGE: Most of them are just
11 typographical and issues like that. Are there any
12 corrections or comments to the minutes of
13 September? No problems? So, then we go ahead and
14 I need a motion to approve.

15 VICE CHAIR HOLMBERG: I so move.

16 MEMBER HALLER: Second.

17 CHAIR ALDRIDGE: Moved and seconded, those in
18 favor? Aye.

19 (a chorus of ayes)

20 CHAIR ALDRIDGE: So I will pass these on to you
21 Gaye. Thank you. Testimony from the public? No
22 testimony from the public. Appeals? Appeal 07-03,
23 an appeal by Thomas L. Behnke on behalf of John C.
24 Behnke, Jr., MD, of the director's decision/order
25 dated September 7, 2007, to deny their proposal to
26 connect a new waterline to the department's water
27 system to provide fire protection to their

1 subdivision located 150-170 Haiku Road. Director
2 Eng?

3 DIRECTOR ENG: Sure. Thank you, Mr. Chair. Yeah,
4 we are resolving this matter. So we have drafted
5 up an agreement with the parties and it is in their
6 hands to be executed. So, it's gonna be favorable
7 to them. So I think we'd able to live happily ever
8 after.

9 (laughter)

10 DIRECTOR ENG: At least one down. Thank you.

11 CHAIR ALDRIDGE: Great.

12 MEMBER LUCK: Mr. Chair?

13 CHAIR ALDRIDGE: Yes.

14 MEMBER LUCK: I, I have a question on that for the
15 director.

16 CHAIR ALDRIDGE: Scott.

17 MEMBER LUCK: Is there a deadline that they need to
18 get back and the reason why I'm asking is I'm
19 wondering if we're gonna be able to proceed to the
20 next appeal if they're gonna continue to hold us
21 up?

22 DIRECTOR ENG: No, I think, I think by before the
23 next meeting definitely the thing will be executed.

24 CHAIR ALDRIDGE: But, let me comment on that Scott,
25 I, I'm not sure that they're holding us up. I mean
26 this item appears as an appeal as we've discussed
27 before just so that we leave the option open to
28 the..

1 MEMBER LUCK: They, they actually in fact have held
2 us up before. We've had them reserved at a time
3 that we could've presented another case, but
4 because of the order we had to, and the, and the
5 possibility that it would get resolved in a
6 meeting, it did hold us up from doing the next one.

7 CHAIR ALDRIDGE: At some pat time, time..

8 MEMBER LUCK: At some point, point in time. Now
9 today it wouldn't have been..

10 CHAIR ALDRIDGE: The case anyway, right.

11 MEMBER LUCK: A good day anyway. But yeah, I just
12 wanna make sure that they're, it, in the future
13 they're not gonna prevent someone else from being
14 able to, to present their case here.

15 CHAIR ALDRIDGE: Yeah, thank you. We'll still have
16 this item on the agenda..

17 MEMBER LUCK: Right.

18 CHAIR ALDRIDGE: Assuming that it'll be resolved,
19 signed, agreed to between now and then, the next..

20 MEMBER LUCK: Yeah.

21 MS. HAYASHIDA: And if they do submit, ah, sign the
22 agreement the Department will ask them to write a
23 letter to withdraw their appeal.

24 CHAIR ALDRIDGE: Ok.

25 MS. HAYASHIDA: So, if, you know, if they do..

26 CHAIR ALDRIDGE: So, we'll leave this appeal on the
27 agenda until we actually receive that..

28 MS. HAYASHIDA: Withdrawal.

1 CHAIR ALDRIDGE: Withdrawal. Thank you. And
2 thanks for your comments, Scott. Unfinished
3 Business, none. Other Business, A. Discussion and
4 update regarding the Upcountry water system and
5 drought conditions. Jeff?

6 DIRECTOR ENG: Thank you, Mr. Chair. I think
7 everyone has our latest Upcountry water report.
8 And, I guess our biggest concern right now is, is a
9 reservoir that was particularly Upper Kula system,
10 Kahakapao. And, they are declining and there is no
11 forecast of rain in the immediate future.
12 Therefore, we, we have been pumping up to our Kula,
13 stop that some months ago, but we are probably
14 gonna resume that Tuesday next week. And, so that
15 requires a little conversion of our disinfection,
16 and we'll be informing the customers in Upper Kula
17 system, just a normal kind of Upcountry water
18 management that we do. And so demand has been
19 pretty steady Upcountry. Just having reports,
20 gonna have to start getting more, more, more
21 pumping. I think that we're kind of fortunate over
22 the past couple months to, to not having to pump at
23 elevations so. So, yeah, that's all that I have
24 for, for Upcountry.

25 MEMBER LUCK: I just have a, a...

26 CHAIR ALDRIDGE: Scott.

1 MEMBER LUCK: A quick question in general, does it
2 look like we're gonna have a, a pretty dry winter
3 from what you can tell?

4 DIRECTOR ENG: Thank you, Scott. Yeah, I go to
5 this National Weather Service website, it has
6 climate prediction, basically some probabilities
7 they look at. I know looking at it last month, you
8 know, between now and the end of the year, I think,
9 anticipating like 40% below normal rainfall for,
10 for the Kahului area. They, they only have a
11 prediction for the Kahului Airport area. I do know
12 as far as, if I may pass this out, this is
13 something you've seen before, and I'll just, excuse
14 me. Sorry, (inaudible) pass 'em, I have extra ones
15 here, thank you. With this, yeah, yeah, you can
16 see this every week on this U.S. Drought Monitor
17 and, it's kinda hard to see but the red is, is
18 really the extreme drought conditions and that
19 whole Central Maui isthmus has been in that red
20 condition for about a month. So, what I'd like to
21 see is that, in that little chart you know, you
22 compare it to previous week and so it's still
23 remains the same, the drought conditions. But on
24 the very last line, if you look at comparing to a
25 year ago, see where we report anywhere as bad as we
26 are now. So, yeah, it looks like that things are
27 gonna continue at least to the end of the year we
28 anticipate.

1 MEMBER LUCK: Thank you.

2 DIRECTOR ENG: Thank you.

3 CHAIR ALDRIDGE: I also check on the, I think it's
4 called the climate, NOAA's Climate Prediction...

5 DIRECTOR ENG: Yeah, NOAA, National (inaudible).

6 CHAIR ALDRIDGE: Yeah, and that had a 90-day
7 prediction that the drought conditions would
8 persist or intensify through January for the
9 Hawaiian Islands, you know, it wasn't specific to
10 Maui or, that's not really good news. I also read
11 online an abstract from a report that was written
12 in 2005, from meteorologists that worked, I can't
13 remember the, if there were 4 of them, there was
14 more than one author, worked for the University of
15 Hawaii at Manoa, and they referenced the, or they
16 conducted a study which indicated looking over the
17 last 50 years of data for the Hawaiian Islands,
18 that the more recent 15 years exhibited a 15%
19 decline in rainfall over the mean, and 25% less
20 rainfall than the 15-year prior to that. So
21 basically, and I guess since the report was 2005,
22 15 years would have been 1990 to 2005, roughly.
23 That period of time was 15% below the mean, at 25%
24 less than the 15 years prior. And they had some
25 discussion about you know, meteorology that frankly
26 was above my head. But it...

27 MEMBER HALLER: Literally.

28 CHAIR ALDRIDGE: You know...ah, literally.

1 (laughter)

2 CHAIR ALDRIDGE: Thank you for that. That's a good
3 one. You're gonna be the official pun master.

4 (laughter)

5 CHAIR ALDRIDGE: There, I lost my train of thought.

6 (laughter)

7 CHAIR ALDRIDGE: Anyway, that was interesting but
8 distressing information.

9 DIRECTOR ENG: Actually, Mr. Chair, that professor
10 I think is Dr. Chu.

11 CHAIR ALDRIDGE: Dr. Chu, right.

12 DIRECTOR ENG: And I've talked to him on the phone
13 a couple of times. He has done, done a lot..

14 CHAIR ALDRIDGE: Yeah.

15 DIRECTOR ENG: But basically, using his statistical
16 analysis. Now he'd like to do another project
17 because he, he's maybe the, the enormous changes
18 he's comparing to historical norms. Maybe we
19 should now establish a new norm 'cause things have
20 changed right so, so by getting the information
21 I'll pass it on to you. Pretty heavy reading but
22 it's interesting to some of us.

23 CHAIR ALDRIDGE: Yeah.

24 DIRECTOR ENG: Thanks.

25 CHAIR ALDRIDGE: And the, the only problem with
26 those predictions is that they are probabilistic or
27 statistical..

28 DIRECTOR ENG: Right.

1 CHAIR ALDRIDGE: You know and climate is not a pair
2 of dice you know, and so it's only as good as the
3 length of record and who knows, you know.

4 DIRECTOR ENG: True.

5 CHAIR ALDRIDGE: Alright, Discussion and Update,
6 oh, I'm sorry. Any other board member questions or
7 comments?

8 MEMBER HALLER: I...

9 CHAIR ALDRIDGE: Marion?

10 MEMBER HALLER: Yeah, I had a question from, I had
11 a question from someone recently, and I couldn't
12 answer it so I wondered if I could ask for your
13 help. And that was that the Kamole Treatment Plant
14 was supposed to have increased its capacity and did
15 it ever do that? And I thought it went from 5 to 7
16 million gallons in its capacity. Is that, I mean,
17 total, you know.

18 DIRECTOR ENG: Well, you know, currently and maybe
19 Walt, can't give any more details but Walt's
20 involved in overseeing this retrofit, the Kamole
21 membranes to new high tech type of membranes. You
22 know, production is basically based on how much
23 water is available in the ditch, lot of operational
24 things 'cause that plant is a pretty tricky one to
25 operate. There's a lot of tweaking and the water
26 quality changes in that ditch from time to time, so
27 I think generally on the average you can produce
28 maybe about five and half to six, you know, I mean...

1 MR. HAGER: At this point in time we have a plan by
2 the Department of Health of 7 million production,
3 process which puts approximately 6.5 into the
4 system..

5 DIRECTOR ENG: Exactly.

6 MR. HAGER: That, that's planned to be, 'cause of
7 the fluctuating of the machines in their current
8 configurations. We are, we started the retro-fit
9 but it's an in-house project and it's being done by
10 the operators so they're, they're doing double duty
11 and it's gonna take a while to get it finished but
12 not as long as Lahaina hopefully.

13 DIRECTOR ENG: Yeah, it's really commendable that
14 you know, Walt and his crew will be doing it in-
15 house so we haven't had to hire outside contractors
16 to do the retro-fit, so. So you completed Lahaina?

17 MR. HAGER: No, the Lahaina, the computer people
18 are coming in the first part of November to
19 commission it. Then it, hopefully that'll take
20 less than 2 weeks but time will tell. Computers
21 can be strange animals at times.

22 MEMBER HALLER: Really?

23 DIRECTOR ENG: Thanks, Walt.

24 MR. HAGER: But one more thing I might add..

25 CHAIR ALDRIDGE: I, yes, go ahead.

26 MR. HAGER: To answer your question, once we
27 complete the retro-fit of the Kamole Weir Water
28 Treatment facility we, it will be capable of

1 producing more water but again it will depend on
2 how much is in the ditch.

3 MEMBER HALLER: That I understand, it was the
4 capacity of the treatment plant that was the..

5 MR. HAGER: The capacity, what it is by putting the
6 new membranes in with a new backwash machine it
7 will increase the, the nominal flux rates that
8 again that's all predicated on the, the water, the
9 source water qualities coming into the plant. If
10 it's, if it's drought conditions, water levels are
11 down, pristine water cleans up really good. If
12 it's stormy weather, it's naturally you're gonna
13 choke the machines faster with the dirt, so. And
14 again it's a, it's a ballgame.

15 MEMBER HALLER: And so any idea, how, how, what
16 kind of increase capacity are we talking about?

17 MR. HAGER: I can give you that information, it's,
18 it's a calculated, the plant is a, is, will be
19 rated at 60 gfd which is gallons per day over, over
20 a, the membranes. It will probably go from ah, a
21 car that has 150 mile an hour speedometer can't do
22 a 150 mile an hour all the time so when I say this..

23 MEMBER HALLER: Right, right.

24 MR. HAGER: Don't bank on this being a..

25 MEMBER HALLER: Right.

26 MR. HAGER: A thing that you can do 24 hours a day..

27 MEMBER HALLER: I understand.

1 MR. HAGER: Three hundred sixty-five days a week, a
2 year. It will go from approximately 625 gallons
3 per, per unit, there's 8 units, to approximately,
4 900 to 1000 gallons per day per unit. But that's
5 max flow. And that's no down time for the clean
6 and place processes. So, you can do it for a few
7 hours but not all day.

8 CHAIR ALDRIDGE: So, so roughly a 40% increase in,
9 in theoretical capacity.

10 MR. HAGER: Capacity.

11 CHAIR ALDRIDGE: Yeah.

12 MR. HAGER: Maximum capacity.

13 MEMBER HALLER: Max, yeah.

14 CHAIR ALDRIDGE: I, the last time we had a
15 discussion on this, Director Eng, we also
16 understood that there was some limitations on the
17 high-lift pumps.

18 MR. HAGER: Yes, we, we're limited to, we, we can
19 pump with all 4 pumps online, which I've never seen
20 happen and I'd be, would not want to be around them
21 when they were doing that, 11 million gallons per
22 day. We can't produce 11 million, so our maximum
23 pumpage that we do is, is 7 million and that's
24 because of the Department of Health and the, and
25 the, the clamp at 625 gallons per minute per, per
26 unit max.

1 CHAIR ALDRIDGE: And you normally operate with at
2 least one of the pumps in, in standby capacity,
3 don't you?

4 MR. HAGER: Well no, we can, if, if we had the,
5 the, the capability of, of producing 11 million and
6 the electric company would not scream too loud, we
7 can put 11 million up the pipe. But it's a, you,
8 you'll lose some because of the friction losses in
9 the, the piping system.

10 CHAIR ALDRIDGE: Sure, sure.

11 MR. HAGER: We maintain 300 ah, 310 pounds pressure
12 on that force main with one pump, two pumps or
13 three pumps, so I don't know what we'll do with
14 four. I never had four, all four pumps...

15 CHAIR ALDRIDGE: I know that there's a CIP item on.
16 I'll reserve my question when we get to the budget
17 for, for VFD's, the variable frequency drives, I
18 just wanna ask what, how that will affect the pump
19 capacity, but let's get to that in CIP. Thank you.
20 Phyllis?

21 MEMBER ROBINSON: Is there gonna be any impact of
22 the stream restoration on our county water or is
23 that just gonna affect HC&S's water?

24 DIRECTOR ENG: It will impact us.

25 MEMBER ROBINSON: How?

26 DIRECTOR ENG: We don't know to what extent, but
27 um, and we weren't a participant in this recent,
28 recent petition. That was more between the

1 plantation and you know, the petitioners. But the
2 Water Commission has recently, actually Laura
3 Thielen has really been talking to the Mayor and I
4 talked to the Water Commission yesterday. And they
5 want some information and data about our needs for
6 Upcountry. So, I'll probably give them about 10
7 years of historical production needs as well as
8 Kula Ag Park, because they're at the end of the
9 line, the Wailoa Ditch passes the plant and there
10 it goes into this Hamakua Ditch and the Kula Ag
11 Park, it's kinda like the end of the line for that
12 ditch. They are severely impacted, particularly
13 like in early July when the Wailoa Ditch flows
14 really dropped down to about 11 million gallons per
15 day. Yeah, they might run out some days of water,
16 yeah but we will be impacted, but to what extent we
17 don't know at this time.

18 CHAIR ALDRIDGE: Thank you, Phyllis. That was a
19 very good question. Alright, I too am concerned
20 'cause that only affected 8 streams and there are
21 27 streams, yeah, and if those are base flows what
22 happens when they get below base flow, is there
23 some sort of sharing agreement or some sort of,
24 that's when the rubber really hits the road.
25 Michael, you had a question or a comment?

26 MEMBER HOWDEN: Yeah, I, I just wondered if, if
27 this might not be a good time to, I just wondered
28 if, is this on? Oh there we go. I wondered if it

1 might be a good time for us to expedite the re-
2 design and re-building of the Waikamoi flume
3 system, so that we could access and capture water
4 at head, at elevation.

5 CHAIR ALDRIDGE: That's on the CIP item, but we
6 might bring that up during the budget, CIP.

7 MEMBER HOWDEN: Ok.

8 CHAIR ALDRIDGE: Thank you.

9 MEMBER HOWDEN: Ok, and then you talked about the
10 new high lift pumps?

11 CHAIR ALDRIDGE: There was a...

12 MEMBER HOWDEN: Is that what you're talking about?

13 CHAIR ALDRIDGE: Yeah, there's a CIP item in the
14 budget, in the CIP budget for retro-fitting the
15 high-lift pumps at Kamole Weir Treatment Plant.

16 MEMBER HOWDEN: Ok, we're gonna retro-fit rather
17 than replace those then?

18 CHAIR ALDRIDGE: Well, there's a retro-fit to add
19 variable frequency drives to the pumps.

20 MEMBER HOWDEN: Ok, great. Ok, thank you.

21 CHAIR ALDRIDGE: You're welcome. Any other
22 questions? Discussion and update regarding Central
23 and West Maui water system and drought conditions.
24 Jeff?

25 DIRECTOR ENG: Mr. Chair, yeah, basically you know,
26 fortunately demand has been pretty stable, you
27 know, we're really, really fortunate that this
28 entire summer that demand was pretty much well in

1 control and overall for Central Maui, where I'm
2 really pleased to see is that you know we mostly
3 look at what the 12-month moving average in
4 determining where we stand rather than the month to
5 month fluctuations, and you know back in July of
6 '07, you have the Central Maui 12-month moving
7 average, demand was about 25.7 million gallons per
8 day. Now, I have, believe that really 25, based on
9 our pump permits as well as our capabilities at
10 'Iao Water Treatment facility is about a 12 to 25
11 million gallons per day. And that's why I've
12 always said that is really our target to achieve.
13 And we have achieved it as of last month,
14 September; the 12-month moving average is 24, so we
15 dropped about 1.7 million gallons per day.
16 Phenomenal. I never really expected we'd achieve
17 that. So, yeah, things are looking pretty good,
18 you know, and hopefully our customers will continue
19 their conservation efforts, we're just continue to
20 get out there with our public education, in spite
21 of all the other opposition we face and keep
22 plugging and that's all we can do.

23 CHAIR ALDRIDGE: Any questions?

24 MEMBER HOWDEN: Um, Lee?

25 CHAIR ALDRIDGE: Yes, Michael.

26 MEMBER HOWDEN: Ok. So, Jeff, do you have any
27 reflections on the, the defeat of the irrigation
28 bill that you would want to say publicly?

1 (laughter)

2 DIRECTOR ENG: All I can say is I was extremely
3 disappointed that day. You know, I, but as a
4 learning lesson for me too, dealing with the
5 Council and everyone that we worked with. You
6 know, we, it was very disappointing for our
7 department too. I mean, we as a department we,
8 that was our goal. I mean, we're really into our
9 conservation efforts and expanding that and, so let
10 down for many of us.

11 MEMBER ROBINSON: Big part of it..

12 MEMBER HOWDEN: Yeah, I was just curious, I mean,
13 we had, we had them a week before here and Michelle
14 and pretty much the same cast of characters, and I
15 thought we were all in agreement, basically.

16 DIRECTOR ENG: Yes.

17 MEMBER HOWDEN: You know, I mean, and what, do you
18 have any idea what happened or why they decide to
19 push at the Council?

20 DIRECTOR ENG: You know, I, I, guess I really
21 believe is maybe that the lobbyists that were doing
22 their you know, lobbying up there on the 8th floor
23 you know, were successful. But even in the
24 committee meetings you know, it was a struggle you
25 know, we weren't getting as much discussion from
26 the committee, the Water Resources Committee, as I
27 had hoped, you know, that I could sense some
28 grumblings among the other committee members, not

1 Michelle Anderson, and, but I thought we were doing
2 the right thing. You know, our staff is out there.
3 So, I really don't really know what happened, to
4 tell the truth.

5 MEMBER HOWDEN: Yeah.

6 CHAIR ALDRIDGE: Thank you, Jeff. And I thought
7 that our letter to the chair of the Water Resources
8 Committee, reflected our support for the
9 legislation, with some comments regarding
10 introducing some flexibility, so, hopefully that
11 does in fact reflect our thoughts on that too as
12 well. Let's see, what's happening next? Any
13 further questions on that item? I noticed also
14 with respect to that Central and West Maui water
15 systems, particularly Central, that there's also
16 the Wai, Waiale Treatment Plant on the CIP budget
17 so, that's also a point of reference for discussion
18 in our budget. And I have some questions about
19 that too. Discussion, ah next item. Discussion
20 possible action by Board regarding their concerns
21 on future water resource use. I've been working on
22 a white paper for you and I apologize. This is
23 taking a lot longer than I expected. What I've
24 been trying to do is gather up information on the
25 situation as it is, both in Central, West Maui and
26 Upcountry, reflecting on what, what things have
27 taken place, what we're presently doing, by "we" I
28 mean the Department of Water Supply and what

1 possible courses of action might be available to us
2 in the future. And I guess it's a lot more work
3 than I expected. I'm part way through it and I
4 promise that I will get it to you. I want to have
5 it available and I wanted to send it through Gaye
6 to you to have an opportunity to see it before we
7 actually meet. So I would respectfully request
8 that we defer this item to the next meeting, if
9 that is acceptable to you.

10 MEMBER HALLER: Absolutely not.

11 (laughter)

12 CHAIR ALDRIDGE: Thank you, Marion, for that vote
13 of support.

14 (laughter)

15 CHAIR ALDRIDGE: Michael?

16 MEMBER HOWDEN: Yeah, just one question. Maybe
17 Jeff can answer this. I, I understood Mayor
18 Tavares a few months ago that she had cancelled the
19 appraisal for Na Wai Eha. Has that been
20 reconsidered or we still in limbo on that
21 appraisal?

22 DIRECTOR ENG: I think I know as much as you. You
23 know, like there's no activity in that area this
24 time. In fact we haven't done anything for, you
25 know, like all of this year.

26 MEMBER HOWDEN: Ok, would you check on that when
27 you have a chance.

28 DIRECTOR ENG: Sure, sure.

1 MEMBER HOWDEN: Thank you.

2 CHAIR ALDRIDGE: Yeah, I, I'd like to comment on
3 that too, Michael. I think you raised that
4 question at the last meeting and we had forwarded
5 that on as an inquiry to Jane Lovell, at the
6 Corporation Counsel, she was not available or
7 prepared to come today to comment on that.

8 MEMBER HOWDEN: Ok.

9 CHAIR ALDRIDGE: But perhaps she can in the future.

10 MEMBER HOWDEN: Great.

11 CHAIR ALDRIDGE: Is that correct, Gaye? I double
12 check when I say things. Thank you, Jeff. Thank
13 you, Michael. Discussion regarding an appeal
14 schedule. Let me comment on this. I went ahead
15 and, and met with Corporation Counsel Ed Kushi on
16 ah, October 2nd, expressly to review and discuss the
17 appeals and an appeal hearing schedule. By the
18 way, I think Gaye provided to each of you this
19 morning an updated list of the appeals that are
20 pending, for your information. Ed and I reviewed
21 this list and our conclusion was that given the
22 limitations that we have normally of meeting once a
23 month, and that most of the appeals require at
24 least 2 or more meetings, and the availability of
25 the department's staff to provide staff reports and
26 to testify, and the schedules of the appellants
27 themselves, particularly those appeal cases that
28 are represented by attorneys and when they're

1 available to bring their appellant before us.
2 That, all of that taken into consideration, this
3 case load if you wanna call it that, of appeals
4 will probably stretch out for many months, if not a
5 year and in fact my concern is it's probably gonna
6 grow as opposed to being diminished in time. And
7 so the backlog will increase. So, given that in
8 mind, our, we reviewed this with the objective of
9 looking at, what can we do to speed up the process?
10 And we considered a couple of alternatives. One
11 was to, for the Department to hire a professional
12 hearings officer and they kinda go through pros and
13 cons. The pros are of course that the gathering of
14 evidence, the hearing of testimony, etcetera would
15 be done by a professional hearing officer, which
16 the department would have to hire through contract.
17 Apparently, other departments in the County do that
18 and, and it would be conducted independent of our
19 board meeting schedules. The cons, well, the cost
20 of the hearing officer. Some appeals before other
21 agencies have run what, between \$10,000 and \$20,000
22 per case. Our entire budget, in the Director's
23 budget for the board is \$30,000 a year. And that's
24 suppose to cover all of our expenses you know, our
25 mileage expenses, our, our...

26 MS. HAYASHIDA: Conference.

27 CHAIR ALDRIDGE: Conference expenses. And in fact
28 if we need the, a recording secretary at those

1 expenses, all that supposed to be covered out of
2 that. So, we probably need an additional budget
3 item, or an additional increase in the budget.
4 There was no budget, none of this budgeted for a
5 hearings officer in either the last year's budget
6 or this current budget that we're in, or the budget
7 that we're reviewing today, 2010 budget. My
8 recommendation is that we should recommend to the
9 department to include some money in it for, in this
10 budget for that purpose, whether or not they use
11 it. There maybe cases where it might be very
12 useful to do that. The other con is that the
13 schedule is still dependent on the availability of,
14 of the Department of Water Supply staff to produce
15 reports and, and to testify before the hearings
16 officer, and also the schedule of the appellants,
17 in particular again, those that are represented by
18 attorneys. And of course ultimately, the decision,
19 conclusion and so forth are brought to the board
20 for a full vote of the board. And unless we all
21 agree with or, or can vote on that in one meeting,
22 you know it's still gonna stretch out to more
23 than...So, those are sort of the pros and cons of
24 that particular alternative. Now it doesn't mean
25 that we can't, if you hire a hearings officer you
26 can do it on a case by case basis, so that one
27 alternative is to in fact use a professional
28 hearings officer on more complex cases, where more

1 money is involved and it's likely that attorneys
2 are gonna wish to call for more witnesses and so
3 forth, and then for the board to conduct hearings
4 on other cases. But then you can also run in to
5 the problem of some appellants saying, "Oh, why are
6 you taking another one first before me." You know,
7 that, so that's a concern. A second alternative to
8 hiring a professional hearings officer is for this
9 board to request one or more board member to serve
10 on a committee as the hearing officer or officers
11 on these appeals, either on all appeals or on some
12 appeals. Now, the pros would be at the testimony
13 schedule and would be scheduled and heard not
14 during the regular board meeting, which allows the
15 full board to concentrate on board meetings for you
16 know, budget, policy and other issues. The cons,
17 well, they would require one board member or a
18 committee of board members to dedicate much more of
19 their (inaudible) besides attending regular board
20 meetings, now they have hearings to conduct.
21 Again, we're still dependent on both the
22 appellant's schedule and the DW, the Department of
23 Water Supply staff scheduling, those constraints
24 still apply. In addition, you would have to try to
25 this committee or this one board member hearing
26 officer would try to have to schedule these outside
27 of the regular board meetings, otherwise you're
28 defeating the purpose. Now again the variation on

1 that is that we could have a board member or a
2 committee of board members serve as hearing officer
3 and assigned to them sort of the easy cases, ones
4 that are self-represented, not represented by
5 attorneys, ones that are hundred dollar cases, if
6 you know what I mean, and have those go on
7 contemporaneously with the full board hearing other
8 cases. When I say contemporaneously, I mean maybe
9 in the same month both cases are heard, they can't
10 be on the same day, otherwise we're defeating the
11 purpose of the board meeting schedule. That would
12 be one way of, you know, and third alternative is
13 have all three opportunities, have professional
14 case hearing officer hearing the most complex
15 cases, have a board committee hearing the easy
16 cases, and have the full board take on the
17 intermediate cases. And we can do this all
18 contemporaneously but ultimately every one of those
19 comes back to the full board for a vote. So, those
20 are the options and once you start bifurcating
21 these you know, separating you know, making a
22 decision, well, this case goes to a hearing
23 officer, this case goes to a board hearing officer,
24 this case goes to the full board, there maybe
25 appellants who say, "Well, wait a minute. We
26 should be first here." You know, we have to deal
27 with that too. And finally, there's also a
28 variation that might apply but to date probably

1 only one would've and that is you can, you actually
2 have the choice of grouping appeals together at one
3 meeting. If the appeals are similar, very similar
4 in nature, you could have both of those at the same
5 meeting. But they really do have, the appellant
6 has the right to say, "No, I want to be heard by
7 myself. I don't wanna be grouped in with all these
8 other people, 'cause my case isn't identical." And
9 I think you'd have to respect that. So, those are
10 the options and my one recommendation is that the
11 Department should budget for a hearings officer.
12 They should put that in the budget. I don't know
13 how much, ten, twenty thousand dollars in a year,
14 which might clear one case or two at best. Just,
15 just to have that as a reserve in order that things
16 get really out of hand in terms of the backlog,
17 there's an option to do that. If a board member
18 would like to or if there are more than one board
19 member who'd like to serve as a committee, I would
20 certainly welcome that. And let me tell you right
21 now, I won't do that because it's enough work to be
22 the chair of the board. So, I'll leave it up to
23 you for your discussion purposes and if anybody
24 cares to comment or have their own suggestion about
25 this you're welcome to express it. Phyllis?

26 MEMBER ROBINSON: What about having a board
27 committee be paid as an option?

1 CHAIR ALDRIDGE: Good question. And if the
2 Corporation Counsel would appear today I could ask
3 him if that was something that was permissible or
4 not. I have no idea if that's even legal.

5 MEMBER ROBINSON: Right 'cause that, I do, I guess
6 it depends on how much often it has, it has to go
7 through a bid or procurement as a contractor, it
8 would, you know, it, it would mean that that board
9 member would have to, and it's not clear whether a
10 board member who's doing this as volunteer what it
11 would set a precedent for volunteer board members
12 wanting to get paid for the duties that are, part
13 of the duties of the board itself, so. But it just
14 seems like it would be a question I would raise is
15 that if a board member is being asked to, you know,
16 or would volunteer for an extra amount of time to
17 do this, that maybe it should be considered that
18 they be paid.

19 CHAIR ALDRIDGE: Well, I can relay that question to
20 Corporation Counsel and maybe get an answer to that
21 for the next meeting.

22 MEMBER ROBINSON: Great.

23 CHAIR ALDRIDGE: My un-legal opinion is that
24 probably wouldn't work.

25 MEMBER ROBINSON: Yeah, probably.

26 CHAIR ALDRIDGE: Marion?

27 MEMBER HALLER: I think we brought this up once
28 before and the thought I had was to expand our

1 meeting so that we either agree to meet twice a
2 month from 9 to 1 or we agree to do one full day so
3 that we expand the amount of time we dedicate, all
4 of us, and I don't find that too onerous, so I
5 would be open to that.

6 CHAIR ALDRIDGE: Yeah, that, that's also another
7 option, in fact we had, as you mentioned, Marion,
8 mentioned that, discussed that earlier, which is
9 why I didn't include it in my discussion, but that
10 is an option. That's if the full board has adds to
11 its schedule and, or agenda, an additional meeting
12 each month just for hearings. And we can either
13 think about that and I can return next, at the next
14 meeting for a vote on that or we can actually
15 consider a motion to do something like that, so
16 it's up, up to you.

17 VICE CHAIR HOLMBERG: I know we discussed that
18 before, I, per my work schedule would make it
19 difficult for me to fit in an extra, an extra
20 meeting, although it, it seems like a logical idea,
21 also there's the option of continuing to muddle
22 along as we have, you know, as at the moment I only
23 see, only see 4 appeals stacked up that we haven't
24 really dealt with yet.

25 MEMBER HALLER: No, there's the backside.

26 VICE CHAIR HOLMBERG: Oh, oh, darn it.

27 (laughter)

1 VICE CHAIR HOLMBERG: Well anyway, I stand by that,
2 continue to muddle along so I'll just, although I'm
3 also think it would be a good idea that should it,
4 as water gets shorter and shorter and bigger money
5 comes into play that a hearings officer would
6 probably, could be a good idea in the future.

7 MEMBER HALLER: I agree with that last one, putting
8 'em in the budget. I think that is a good idea and
9 then at least we have the option of going down the
10 road to...

11 CHAIR ALDRIDGE: To proceed that back in, yeah, and
12 I think when we, we, we hear the budget today we
13 can certainly voice our support for that. Michael,
14 you have a comment?

15 MEMBER HOWDEN: Yeah, I, I'd be willing to hear one
16 a month myself. You know, and may be there are
17 other board members who would have enough...

18 MEMBER HALLER: There we go.

19 MEMBER HOWDEN: Time to hear you know...

20 MEMBER HALLER: There's your committee.

21 MEMBER HOWDEN: Either share or, or hear one a
22 month themselves. But I think that that's you know
23 dedicating a day for me like a Wednesday, which is
24 my normal day off. You know, I, I think we could
25 move through but I think we need to expedite it and
26 truthfully hiring a hearings officer for 10 to
27 20,000 seems a little, little excessive. Unless we
28 really need that, I mean if it's a, like this, the

1 one with Kobayashi where Aloha Mansions, I mean
2 that might you know, and we're talking about
3 \$131,000 is something that might be appropriate for
4 a hearings officer.

5 (someone's cell phone playing music)

6 MEMBER ROBINSON: Oh, music. That's nice.

7 (laughter)

8 MEMBER HOWDEN: Oh, leave it on, Kui.

9 CHAIR ALDRIDGE: Phyllis?

10 MEMBER ROBINSON: Can, can you explain what the
11 process would be, what the process would be if
12 there was a hearings officer hired, would they make
13 a preliminary decision and then kind of sum,
14 summarize it to, to us and then we make the final
15 decision, is that how that would work?

16 CHAIR ALDRIDGE: Let me see if I can try and answer
17 that question, I wish Ed Kushi were here. But as I
18 understood it, normally when you hire a
19 professional hearings officer and apparently Ed
20 said that there's a number of retired judges or, or
21 attorneys that will serve in that capacity and
22 normally they're hired on the basis of professional
23 services that are bid to county. And I guess are
24 hired out at a certain rate per hour or however it
25 is. You would expect them to basically set up the,
26 the hearing, take testimony, take in all the
27 evidence and prepare in conjunction with
28 Corporation Counsel the, the Findings of Fact,

1 Conclusion and Decision and then present that to
2 the full board. So, what you would not have then
3 is the opportunity to ask your own questions, you
4 know you would not be interviewing or, or, or
5 hearing the, the, the appeal itself. You would
6 simply be presented with that decision, that
7 Findings of Fact, Conclusion, you'd be ah presented
8 with that document. Of course all of the testimony
9 that is, that, put together with it you know from,
10 from both the appellant's side and the, the
11 Department's side. And then you would, you would
12 make a decision at a full board meeting. Now if
13 the majority of the board says their not happy with
14 the way the case was conducted, they can send it
15 back to the hearings officer indicating that they
16 were not happy with say some portion of the
17 testimony, not being investigated sufficiently, and
18 they would have to you know, re-open the testimony
19 for that and what Ed told me was that there are
20 some cases particularly with, I forget which
21 department, but that had gone on for months. So
22 it's by no means something that speeds it up
23 necessarily, you know, but certainly for cases that
24 are, are more complex, and you know at this point
25 in time, we haven't really had any really complex
26 cases or difficult cases in which the attorneys
27 are, ah, actually subpoena witnesses. If that does
28 happen, I, we might be in for a lot more work.

1 MEMBER ROBINSON: Thank you.

2 CHAIR ALDRIDGE: Yeah, so I hope I answered your
3 question on that.

4 MEMBER ROBINSON: Yes, you did.

5 CHAIR ALDRIDGE: Ok, thank you. So, Michael? Oh,
6 I'm sorry, Scott, you have a comment?

7 MEMBER LUCK: Thank you. I would like to propose I
8 think, a voluntary sub-committee or committee that
9 would be kind of standing after a regular meeting
10 and would be set up to hear a case every month.
11 And so, Michael's already volunteered I think, in
12 some form and I can do that as well on the regular
13 meeting day. So, by virtue of having 2, if I
14 remember what Ed said before, we have a committee.
15 And then we'd still have to vote amongst all of us,
16 but whoever could stay then, could stay and we'd
17 know that it's gonna happen on that particular day
18 and wouldn't inconvenience us to the extent of
19 having to come in one more extra day, which is also
20 problematic for me. Does that make sense?

21 CHAIR ALDRIDGE: Yeah, that makes a lot of sense,
22 Scott, except that I think Michael said he's only
23 available on Wednesdays.

24 MEMBER HOWDEN: No, I, I could, I could stay..

25 CHAIR ALDRIDGE: Oh, you can?

26 MEMBER HOWDEN: You know, with, on a regular board
27 meeting day.

28 CHAIR ALDRIDGE: Alright, so well..

1 MEMBER HALLER: Works for me.

2 CHAIR ALDRIDGE: Alright, well, does anybody wanna
3 make a motion following Scott's proposal...

4 MEMBER ROBINSON: I think he did.

5 CHAIR ALDRIDGE: Yeah, did you make a motion,
6 Scott?

7 MEMBER LUCK: I'm making a motion.

8 (laughter)

9 MEMBER ROBINSON: So rude.

10 MEMBER LUCK: I, I guess the motion is to have a,
11 a, a standing committee that will hear the appeals
12 on a regular basis after each regularly scheduled
13 board meeting.

14 CHAIR ALDRIDGE: Alright, why don't you include in
15 that motion the committee members so that we don't
16 have to take 2 motions.

17 MEMBER LUCK: Ok. And which would include Michael
18 and myself, Scott, and Marion on a regular basis
19 and anyone else who can volunteer.

20 CHAIR ALDRIDGE: Alright. Thank you. Let's take a
21 vote on that motion. Or is there any comments on
22 that motion?

23 MEMBER HALLER: I had a clari...

24 CHAIR ALDRIDGE: Marion?

25 MEMBER HALLER: Just a clarification. Does that
26 mean the board doesn't hear appeals in the morning?
27 That only this committee hears appeals? Or if we
28 can do 2 in one day, do we too? Do we do that?

1 MEMBER ROBINSON: Well, it's gonna, it will, it
2 will extend the time of our board meeting so, if
3 we're extending the time of our board meetings to
4 hear appeals by the whole board then, then those on
5 the committee are going to have to stay even later.
6 That's ah, if that's, if that's ok with you.

7 MEMBER HALLER: So, what we're saying is only, only
8 the committee hears appeals?

9 CHAIR ALDRIDGE: I don't think you need to do it
10 that way. I think you can leave it open, so that
11 you can, you don't, you don't have to restrict the
12 hearings only to committee members. That would
13 leave the option to the board to actually conduct
14 let's say in a month more than one hearing. We can
15 be, we can try to just have the committee conduct
16 hearings to begin with and if we get a lot of
17 complaints about, and the list continues to grow we
18 still have the option to do both.

19 MEMBER ROBINSON: I think Gaye has a comment.

20 CHAIR ALDRIDGE: Yes.

21 MS. HAYASHIDA: Just a comment, we are constrained
22 by time, the use of the rooms, 'cause these are not
23 our conference rooms. I, Planning Department only
24 allows us to use the rooms until 12, we have to
25 leave by then and Liquor Commission, we have the
26 room until 3 o'clock only, so we have to end before
27 3.

1 CHAIR ALDRIDGE: Ok. Thank you. Yeah, and bear in
2 mind also that if we try to do this with both the
3 full board here having to conducting hearings and
4 the committee conducting hearings, again, we're
5 constrained both by the Department's staff schedule
6 and the appellant's schedule as well, so keep that
7 in mind too. But, so the motion still stands?
8 Alright, let's take a vote on it. Those in favor
9 of Scott's motion, oh, sorry.

10 MS. HAYASHIDA: Need a, who made the second?

11 CHAIR ALDRIDGE: Oh, I'm sorry.

12 MEMBER ROBINSON: I'll second.

13 CHAIR ALDRIDGE: We have a second from Phyllis.

14 So, let's take a vote on that. Those in favor?

15 (a chorus of ayes)

16 CHAIR ALDRIDGE: It's unanimous. It's approved.
17 Congratulations.

18 MEMBER LUCK: Now, I could I ask a question of the
19 Director? Ok, now that we've done that, so how, is
20 that ah, gonna be difficult for the Department or
21 is that actually gonna be easier now that we know
22 that we kinda have a set schedule?

23 DIRECTOR ENG: I think that the difficulty..

24 MEMBER ROBINSON: Microphone.

25 DIRECTOR ENG: Would be this staff reports that
26 will be prepared by mostly by, most of them will be
27 our Engineering Division and, you know we'll let
28 you know. You know, if I may ask Mr. Chang, is one

1 staff report a month, will you be able to handle
2 that and your staff?

3 MR. CHANG: It will be tough but if it is done,
4 required I can do it.

5 DIRECTOR ENG: And some hopefully will be easier
6 than others. And the more complex cases, we'll let
7 you know if they do take more time, if we can meet
8 deadlines. I think some of the simpler, straight
9 forward ones I think we'd be able to get them off.

10 CHAIR ALDRIDGE: Good can-do attitude, Herb. Thank
11 you. Well, I thank the board members, Scott and
12 Michael and Marion for your volunteer service.
13 Communications...Oh, no, I'm sorry. Receipt of Board
14 members request for agenda items to be placed on
15 future agendas. Do we have any proposed items?
16 Phyllis?

17 MEMBER ROBINSON: You have the Eric Beale and Chris
18 Mentzel, I believe I proposed that last and I
19 haven't given you the information yet, but I, I've
20 asked one of them this morning to give me their
21 information and so, I will get that information to
22 you so that we can make it formal.

23 CHAIR ALDRIDGE: I'm sorry Phyllis, I forgot the..

24 MEMBER ROBINSON: Oh, you, you actually weren't
25 here.

26 CHAIR ALDRIDGE: Oh.

27 MS. HAYASHIDA: No, he was, he was.

28 MEMBER ROBINSON: Was he here?

1 MS. HAYASHSIDA: Yeah.

2 CHAIR ALDRIDGE: Maybe not mentally.

3 (laughter)

4 MEMBER ROBINSON: They're here to talk about
5 alternative energy means to pump water. One is a
6 solar person, the other is a wind person, so
7 they're, they're doing the research and they've
8 actually, one of them has requested some
9 information from the Department and I spoke briefly
10 to Jeffrey about that as to whether he can get that
11 information to them, and I'll talk during the break
12 a little bit more about that because they've given
13 me specific information and you can tell me whether
14 that's forthcoming or not before next month.
15 Thanks.

16 CHAIR ALDRIDGE: Michael.

17 MEMBER HOWDEN: Yeah, it's another announcement but
18 in Kihei on Tuesday, October 28th Alvanoga is gonna
19 make their big presentation on solar energy at the
20 Kihei Community of, or Kihei Community Center. I
21 believe it's 6 or 6:30, I'm not quite sure. Lance
22 Holter is putting that one together and that, that
23 might be of interest to board members in terms of
24 you know, cutting edge solar technology.

25 CHAIR ALDRIDGE: Thank you.

26 MEMBER ROBINSON: And that's at Kihei Community
27 Center on the 28th?

1 MEMBER HOWDEN: Yeah, at 6 or 6:30, I'm not quite
2 sure which it is.

3 CHAIR ALDRIDGE: Thank you, Michael. Any other
4 agenda items? Following Michael's earlier
5 suggestion about the Na Wai Eha, I would like to
6 hear back from counsel if, if they're prepared to
7 do. The other item I'd like review is the current
8 status of the 2000 MOU with HC&S and EMI regarding
9 the Wailoa Ditch and, and East Maui water supply.
10 My recollection is we had a whole package of
11 material that was given to us, I don't know, 2 or 3
12 years ago..

13 MEMBER ROBINSON: I, I saw that.

14 CHAIR ADRIDGE: That had all the agreements and
15 amendments to the contract that, or the agreement
16 that the Department has, or at that time, the Board
17 of Water Supply had with HC&S and, and EMI, and the
18 latest on that was a, ah April 2000 Memorandum of
19 Understanding, but when I read that memorandum of
20 understanding, my, my understanding of it was that
21 implementation depended on subsequent agreements.
22 And I've not heard of any agreements that have been
23 negotiated or signed and those affect the flow from
24 Wailoa Ditch, the extra amount of water that we
25 could get from it, and a whole number of other
26 things associated with that East Maui. 'Cause
27 lastly, I'd like to review that to see where we are
28 with that, I'd like to see a status on that.

1 MEMBER HOWDEN: Oh, Lee.

2 CHAIR ALDRIDGE: Yes.

3 MEMBER HOWDEN: Yeah.

4 CHAIR ALDRIDGE: Michael.

5 MEMBER HOWDEN: I, I'd love to have an update on
6 the Piiholo Well agreement. And also Waialua
7 Treatment Plant, what that, what that deal actually
8 is. I think we need an open discussion of that.

9 CHAIR ALDRIDGE: Ok, well we can discuss some of
10 that today too, during budget, that's in the CIP.

11 MEMBER HOWDEN: Ok, and in CIP is also the
12 treatment for, on the Westside for the DCBP, for,
13 there're 2 wells evidently on the Westside that
14 they were going to spend like 4.5 million or
15 something like that to upgrade those, it was in the
16 General, it's in the General Plan section on water.
17 But I, I was surprised that we're still dealing
18 with that, I think its like day...

19 DIRECTOR ENG: Yeah.

20 MEMBER HOWDEN: Am I saying it right, D-C-B-P or...

21 DIRECTOR ENG: It's probably D...

22 CHAIR ALDRIDGE: D-E-C-P, D-B-C-P,
23 dibromochloropropane.

24 MEMBER HOWDEN: D-B-C-P, yeah. Anyway, in the
25 draft GPAC document that Chris Hart's company put
26 out, does say that we're gonna spend close to 5
27 million to retro-fit 2 wells on the Westside,

1 that's, I mean, I just reading from a public
2 document so...

3 DIRECTOR ENG: I'll check on that so.

4 MEMBER HOWDEN: And they're not known for their
5 accuracy so, but I was concerned with that.

6 CHAIR ALDRIDGE: Yeah, apparently they're not
7 accurate because they not in the budget, but, but
8 it's a good question.

9 MEMBER HOWDEN: Ok.

10 CHAIR ALDRIDGE: Yeah.

11 DIRECTOR ENG: And we have no knowledge of...

12 MEMBER HOWDEN: Yeah, I mean.

13 CHAIR ALDRIDGE: Ok, no other comments. Let's go
14 to Communications. There's none. And next
15 Director's Report, Update on the new Upcountry
16 reservoir and new water sources for Upcountry.
17 Take it away, Jeff.

18 DIRECTOR ENG: Thank you, Mr. Chair. As far as the
19 new Upcountry reservoir project, we did in our
20 current fiscal year, Council did approve an
21 appropriation of 3.75 million, but it would require
22 a bond authorization from, so we didn't get the
23 full blessing yet. As well as the State
24 legislature approve an appropriation and we would
25 have to show a project to them before they release
26 any funds. The biggest obstacle right now is the
27 federal portion of that funding, 7 and 1/2 million
28 and Eric attended a directors' meeting last week,

1 which I believe the Mayor announced that she will
2 be hiring a lobbyist to help lobby for that
3 funding, for the reservoir. I think, lobbyists as
4 well as to get more funding for transportation on
5 this island. So, we have in that past done some
6 floor studies, which will be part of the EIS, you
7 know we are looking at maybe doing some other
8 additional preliminary studies, some other funding
9 that we have available. But we don't wanna proceed
10 too fast, too far until we know that we have the
11 federal fund, that's gonna be the key. Our, our
12 concern really is that you know, we want the
13 funding to do, complete effort that we need to do
14 as far as the EIS, all the various studies, design
15 and then acquisition. We would hate to go so far,
16 expend money and, and go nowhere. And I hate to
17 have a study on the files more than, you know,
18 sitting there and just, so we wanna push things but
19 really I think that the federal funding is gonna be
20 so key you know, and I know the Mayor is interested
21 in securing that and they are looking at that, so.
22 So that's the current status of that and as things
23 come up I will keep you folks informed. The other
24 topic is a new water source for Upcountry.
25 Obviously part of it is a Kamole Weir retro-fit.
26 It could potentially provide little bit new source
27 but again it, it, it's based on all the other
28 things like source water itself and quality. The

1 Piiholo Well itself, that thing is still being
2 tested by Maui Pine and we will be still into our
3 discussions with him. We don't have a
4 determination of, of yield that would come out and,
5 and I'll keep you posted on that. The water
6 quality though seems to be satisfactory. That was
7 really one of our big concerns due to the location
8 of that well. But we did do a lot of extensive
9 testing on our own, particularly for the DBCP, TCP.
10 And, and so that seems fine. Other thing we're
11 doing is, we are looking, we have some money in the
12 current fiscal year CIP budget, we call the Haiku
13 Source. We're probably looking at, Herb and his
14 staff are looking at probably more the Kapakalua
15 area, where there is currently the Kapakalua Well.
16 But that seems to be in terms of elevation and any
17 potential contaminants, are good place to look at,
18 develop a new source and, and so that is something
19 that Herb has assigned one of his engineers to
20 begin work on that. And then maybe, as looking at
21 something that we maybe participating in, it's a
22 well site up in the, more the upper Kokomo area.
23 They have some land. It's really preliminary right
24 now but it, it is something that I believe we can
25 tie into our system. As far as our participation
26 we haven't committed terms or any agreement
27 whatsoever. But, that's what we're looking at
28 right now for Upcountry.

1 CHAIR ALDRIDGE: Phyllis?

2 MEMBER ROBINSON: Zack Franks had mentioned that
3 they're drilling a well up there and have been
4 talking with the Department and I was just
5 wondering where that stands at this point.

6 DIRECTOR ENG: Well, they completed the drilling of
7 the well, in fact currently they are doing the pump
8 test and Herb has kind of monitoring that. He
9 wants to get some information. And that's, and in
10 fact we're running Pookela, one we need Pookela but
11 we always wanna see what kind of impacts that might
12 have on our existing wells. It is, general area a
13 bit you know, higher than Pookela Well. So yeah,
14 we're open to get some D&F information. Yeah, Mr.
15 Franks did come in several months ago and did talk
16 about maybe we can work together on that. There's
17 some excess capacity that might come available.
18 Our concern is water quality and also because it's
19 plopped right in the middle of a pineapple field.
20 And so I'm kinda curious to see what they're gonna
21 get out of that.

22 CHAIR ALDRIDGE: DBCP.

23 DIRECTOR ENG: Yeah and TCP. So, we get the
24 information I'll share it with you folks. Thank
25 you.

26 MEMBER HALLER: In that, just a quick question? On
27 that, on that 3.75 million appropriation, does that

1 stay appropriated over time; I mean if the federal
2 government takes 2 or 3 years.

3 DIRECTOR ENG: No and if, if, you know we have 18
4 months to encumber it, from July this year...

5 MEMBER HALLER: This past July...

6 DIRECTOR ENG: This, yeah, this past July...

7 MEMBER HALLER: Past July.

8 DIRECTOR ENG: So, if we cannot encumber it then we
9 would have to go with including it into future CIP
10 budget.

11 MEMBER HALLER: Ok, and in your experience, how
12 fast does the federal government move on things
13 like this?

14 DIRECTOR ENG: Who was telling me the other day,
15 yesterday that it looks like things, I think
16 Senator Inouye, you know they are putting in
17 something, was it that you had Corp of Engineers?
18 Someone was telling me that. I have a great
19 memory.

20 (laughter)

21 DIRECTOR ENG: Someone told something yesterday
22 that, that they believe that they're trying to use
23 the Corp of Engineers as an agency to put that
24 funding you know, but that, that, but again I'll,
25 I'll...

26 MEMBER HALLER: It was in the paper. My husband
27 mentioned it to me too, but he didn't say what he

1 was asking for, but he did say in a way, did
2 something, put it into a bill or somehow...

3 DIRECTOR ENG: Yeah, they'll put it in a package
4 with other...

5 MEMBER HALLER: Yeah. Will be pork.

6 (laughter)

7 DIRECTOR ENG: Well, I don't consider that pork.

8 MEMBER HALLER: That's what we get, right?

9 DIRECTOR ENG: Yeah, thank you.

10 CHAIR ALDRIDGE: What's another 7 and a half
11 million compared to, or 800 billion or 2 trillion
12 or whatever the figure is? Ah, Carl?

13 VICE CHAIR HOLMBERG: Yes, Mr. Chair, quick
14 question of the Director, while we're bringing up
15 wells, there had been the, the UH had been working
16 on the finding a location for a test well similar
17 to the one they sank, the deep well they sank near
18 Hilo a few years back, and I didn't know if you had
19 any ideas as to how they've gotten along as far as
20 site selection or anything like that.

21 DIRECTOR ENG: Well, actually I saw it in an email
22 from that...

23 MEMBER HALLER: Mike?

24 DIRECTOR ENG: Gentleman from UH, UH yesterday, Dr.
25 Thomas, that's his name. And it's an email between
26 he and Ellen, 'cause Ellen is administering that
27 contract, I, sounded like he wanted to come out
28 next week to work with us on getting some water

1 samples from our existing wells, meet with me but
2 she expressed that we're gonna be pretty tied up
3 due to the conference. But I will communicate with
4 him. So I think he's done some preliminary work,
5 hasn't looked at any sites, specific sites at this
6 time. Again, I'll, I'll give you an update as soon
7 as I get the information.

8 CHAIR ALDRIDGE: Thank you, Jeff. A question
9 regarding that \$3.75 million that was appropriated
10 for the reservoir, and the federal funds stuff,
11 whether it's 3.75 or, or the total 10 something
12 with the federal funds, what, what would that fund
13 with respect to the reservoir?

14 DIRECTOR ENG: Well, we would think it'd be the
15 definitely the EIS, the, the design of that
16 reservoir, and, and land acquisition. But there's
17 just gonna be a lot of environmental studies up
18 there in that area, archeological studies you know,
19 then we gonna flora, we gonna obviously see the
20 fauna studies and so.

21 CHAIR ALDRIDGE: Have preliminary sites already
22 been selling to or is that part of the..

23 DIRECTOR ENG: Yeah, yes, yeah the Department has
24 the preliminary site that they prefer, there're
25 like a few potential sites looked at earlier and
26 the, the engineering department, division does have
27 their preferred site.

1 CHAIR ALDRIDGE: And, and is, is it still open as
2 whether it's one reservoir or more than one
3 reservoir?

4 DIRECTOR ENG: Yeah, it's still open, maybe two
5 150...

6 CHAIR ALDRIDGE: Rather than one...

7 DIRECTOR ENG: Yeah, yeah (inaudible).

8 CHAIR ALDRIDGE: Yeah, just answered my question.

9 DIRECTOR ENG: Thank you.

10 CHAIR ALDRIDGE: Thank you, Carl. Any other
11 questions?

12 MEMBER LESTER: (inaudible) Molokai?

13 DIRECTOR ENG: Molokai, in terms of what?

14 (laughter)

15 MEMBER LESTER: What you have proposed..

16 DIRECTOR ENG: Well, we've, we've always wanted to..

17 MEMBER LESTER: And how is it coming along?

18 DIRECTOR ENG: We know we wanted to develop another
19 source out there, but that's, site will be always a
20 challenge and even because it, it's designated that
21 I would..

22 (someone's cell phone playing music)

23 DIRECTOR ENG: Have to go in and obviously be
24 challenged by DHHL, they have reservations. We
25 don't have anything specific going on at this time
26 you know, we again, it's something that we will be
27 working on. We've talked about it for the past

1 couple of years that we know we need to get a back-
2 up well, so, I'll let you know (inaudible).

3 CHAIR ALDRIDGE: Just for the record, Kui, the
4 question was well sites for Molokai?

5 MEMBER LESTER: Yeah.

6 CHAIR ALDRIDGE: Ok. Thank you. I didn't hear
7 you. And, and I wasn't sure that if Gaye heard so.
8 Ok. There is a budget item, I mean there is an
9 item on the CIP for exploratory...

10 DIRECTOR ENG: Yes.

11 CHAIR ALDRIDGE: Or...Great. I like that music
12 Phyllis...

13 MEMBER ROBINSON: You like that one too?

14 CHAIR ALDRIDGE: I'm feeling under privileged. You
15 got jazz on one side and Hawaiian music on the
16 other with Kui's cell phone. Mine just has a
17 (inaudible).

18 (laughter).

19 CHAIR ALDRIDGE: Alright, thank you, Jeff.
20 Division Reports, any comments on the Division
21 Reports? Hearing none. For once I don't either.
22 Budget Items. Let's, let's, before we proceed to
23 the Budget, let's take a 10 minute recess, bathroom
24 break. Thank you.

25 (recess)

26 CHAIR ALDRIDGE: Are you all set, Gaye?

27 MS. HAYASHIDA: Yeah.

1 CHAIR ALDRIDGE: Ok, we're on a, back in session.
2 And we're gonna be discussing the budget session,
3 Possible action regarding review and submittal of
4 Fiscal Year 2010 Operating and CIP Budgets to the
5 Mayor. Jeff, I assume Holly's going to make a
6 presentation...

7 DIRECTOR ENG: Yeah.

8 CHAIR ALDRIDGE: Or do you wanna make a say
9 something?

10 DIRECTOR ENG: I think I'll make a brief comment.

11 CHAIR ALDRIDGE: Ok, go ahead.

12 DIRECTOR ENG: You know, we, this, there'll
13 probably be some revisions to this budget by the
14 time that we present it to the Mayor, next week
15 Friday it's due. Only because, you know where we
16 have gonna cut back some of our expenditures. Now
17 overall for the, for the County of Maui, I'm sure
18 the Mayor is hoping to get a flat budget proposal
19 or less. We, unfortunately, you know we cannot
20 come up with that proposal. Our costs are not
21 coming down. We have you know, contract labor
22 costs for the unions, obviously power, so,
23 insurance, things like that. So in this summary
24 that you will see, Holly will walk us through, you
25 know right now it indicates a rate increase
26 proposal 13% and our objective is to bring that
27 down to a single digit. And even that it's gonna
28 be very, very difficult. I tried to play with it

1 the other night and I, I got a couple of percent
2 down and we meet tomorrow morning, the division
3 heads to see what we can do. So really it would
4 entail a probably about a, you know, a \$3 million
5 reduction to what we're presenting today. Even at
6 single digit I know we're gonna probably hear it
7 from the Mayor and the Council and it's gonna be a
8 difficult to get the 2 supporters. But, you know,
9 we need to provide the services to the community I
10 mean that's a lot of criticism here, you know and
11 we wanna improve on the level of our services and
12 you know, we just have a lot, we're really still in
13 catch up mode and I just don't see how you know
14 and, I think it goes back to the 90's when really
15 the Department did not have a rate increase for a
16 number of years. And so, it took off line further
17 and further back. And so I'm gonna do all I can to
18 defend, you know what we propose to the Mayor and
19 to the Council as we proceed with this budget. So
20 with that I guess could turn this over to Holly.

21 MS. PERDIDO: Ok. Alright.

22 CHAIR ALDRIDGE: Holly, we, we have a working lunch
23 set up so maybe you could just proceed for, at your
24 leisure, for the next 45 minutes or so, get to
25 wherever you are and will take a 5 minute recess to
26 go up and grab lunch, then sit down and continue
27 on.

28 MS. HAYASHIDA: Yeah, we can't call it lunch.

1 CHAIR ALDRIDGE: Oh, well, working lunch...

2 UNKNOWN VOICE: Snack, break.

3 CHAIR ALDRIDGE: Break, whatever, eat. Go ahead,
4 Holly. Thank you.

5 MS. PERDIDO: Ok, good morning. What I, you got in
6 the mail was basically the Operating and CIP
7 budget. As Marion mentioned, no, the revenues
8 where not included. We've been working on 'em.
9 And as Jeff also said, this is still a working
10 budget. What we have to do, our time frame, if you
11 remember from last year, we need to submit a budget
12 to the Mayor and then the Mayor reviews it. We
13 have meetings with the Mayor. Well, first we
14 submit it to the Board, you review it, then from
15 that we submit something to the Mayor, she reviews,
16 we review it with her, and by March it goes to
17 Council and then from there is when all budget
18 sessions start. So, what we're doing now is, as
19 Jeff said looking at what we came up with, our
20 first crack at it that we're saying, "ok, this is
21 what we're gonna bring to you guys to show" and
22 we're gonna still look at hopefully decreasing it
23 some more. Maybe what we'll do is go over the
24 revenue, the revenues that I had, the sheet I
25 handed out to you. I tried to make it this year as
26 simple as possible. I, we looked through what we
27 gave you last year and tried to make it as, like I
28 said, easier so you can understand it. Basically,

1 our revenues for fiscal year '08 were down. Well,
2 our revenues were up, our consumption was down, let
3 me make that. So, maybe all this conservation
4 messages did get out because our conservation, I
5 mean our rev, ah consumption was lower. What we're
6 proposing is current charges of 49 million that we
7 would get with the fiscal year '09 rate increase
8 that we have. We're proposing a, a 13% increase to
9 be able to balance and, our budget and right now
10 the only lapse is that engineering is saying
11 they're gonna have is 400,000 from the FY08 budget.
12 So, there could be some more if not everything gets
13 done. All the other items are miscellaneous
14 revenues, interest income, etcetera and so
15 carryover, we're estimating about 3.7 million. It
16 is down from, or I think it's about the same as the
17 previous years. We did have lower revenues but
18 then our expenses were also lower. Below is just a
19 summary of the expenses which we're gonna be going
20 through as we go through the other worksheets. And
21 we are proposing a transfer to the replacement fund
22 of 4.1 million.

23 CHAIR ALDRIDGE: What is jobbing?

24 MS. PERDIDO: Jobbing is what, when our baseyard
25 goes out and does jobs for like single service
26 laterals, we charge the customer. So basically
27 the, it's a revenue we receive less the expenses.

28 MEMBER HALLER: And what do we earn interest on?

1 MS. PERDIDO: Interest is on the money that's in
2 the bank. And it's basically the County oversees
3 our, since we receive a lot of cash throughout you
4 know, the year, it's not like the County receives
5 it twice a year...

6 MEMBER HALLER: Right.

7 MS. PERDIDO: We receive it monthly. And they,
8 whatever money, you know our cash balances we get
9 interest on. Ok, so that's a brief summary on the
10 breakdown of revenues and expenses. If you have
11 questions, pipe up and ask me as we go. The second
12 page if you want me to do this when we do CIP,
13 should we do that maybe...

14 CHAIR ALDRIDGE: Just a rule of general question.

15 MS. PERDIDO: Sure.

16 CHAIR ALDRIDGE: On the interest income, that looks
17 like a very round number.

18 MS. PERDIDO: Yeah.

19 CHAIR ALDRIDGE: Is that just a...

20 MS. PERDIDO: It is. Just a, I think I, last year
21 budgeted 700,000, we came in about 1.8 if I'm not
22 mistaken. So, I figured let's go up a little bit.
23 I might be over but it's...

24 CHAIR ALDRIDGE: Close.

25 MS. PERDIDO: Close, yeah.

26 MEMBER HALLER: Wait a minute, you just said last...

27 MS. PERDIDO: Last year was 1.8, yeah.

1 MEMBER HALLER: One point eight. So, you've gone
2 from 700,000 to...

3 MS. PERDIDO: A million.

4 MEMBER HALLER: So you still might have a...

5 MS. PERDIDO: Yeaah. A little bit, yeah.

6 DIRECTOR ENG: Might have less cash though
7 throughout the year.

8 CHAIR ALDRIDGE: And you might earn less interest
9 too.

10 MS. PERDIDO: That's correct. So I don't wanna try
11 to budget too much y'know, it's really juggling.
12 And whatever excess would go to our carryover,
13 we'll have it in our, 'cause our funds as everyone
14 knows, stays with the department. It's not co-
15 mingled with the County, it's all separate. Ok.
16 Maybe what we'll do is I'll talk about the CIP
17 portion when we start onto the CIP and then we
18 can...Ok. What we did last year with the Council
19 which seemed to go really well is do this summary.
20 In the past, we gave you all those little detail
21 sheets which is from like 29 on. So what worked
22 real well with the Council is we, I summarized all
23 the increases or decreases to make it more simple.
24 I mean, we can go into the detail if you need to,
25 but we'll try to kind of summarize everything. As
26 you can see, we've broke it out for all the
27 different programs as well as the Department wide
28 expenses, and we'll be going through each one as we

1 go through. I did not include in that total at the
2 top, the 4.1 million. I did not include the
3 expansion positions. Those are like treated
4 separate. I, I'm kinda leery as I told Jeff, I go,
5 "expansion, you think we'll get any?" So I kept it
6 separate just so it'll make it easier to, if you we
7 had to break 'wm out. And we already know right
8 away the 2 water service investigators that were
9 put with fiscal, that was put in to accommodate the
10 Show Me The Water bill.

11 DIRECTOR ENG: For the Council, irrigation bill...

12 CHAIR ALDRIDGE: Conservation...

13 MS. PERDIDO: Yeah.

14 DIRECTOR ENG: But we have, prepared to have 2
15 people to do investigations.

16 MS. PERDIDO: Yeah. 'Cause with our current
17 staffing there's no way we could do that. So,
18 those basically will be out already. We know that
19 didn't pass, went back...

20 DIRECTOR ENG: I think there's a number of other
21 positions that we are going to talk about that too.

22 MS. PERDIDO: And maybe we, do you want to talk
23 about those yet, or? Well, we'll, what we have
24 done is kinda look at these and I think Jeff has
25 picked like even some of the field operations,
26 Pipe-fitter 2, 1 and some of the helpers as well as
27 a Clerk 3, I think are the few that he's thinking
28 of cutting, tomorrow. So, I guess the main one is

1 the Assistant Water Treat Operations Division
2 Chief, which we can talk more as we get to the
3 individual budgets, maybe that would be the better
4 way to do it. And the same thing with the
5 equipment. This is the overall equipment and we
6 can go through it as the following pages. Ok, I
7 know you had mentioned, the Board and I know, I
8 think the budget is 30,000. And I hadn't glanced
9 at that and I go "Wow, that's one we could cut
10 'cause they haven't spent that much."

11 (laughter)

12 MS. PERDIDO: And then you brought up, oh-oh.

13 CHAIR ALDRIDGE: Well, I think you can maintain it
14 that back and, and still have, 'cause I noticed in
15 FY 2008, there was only about \$8500 that was in
16 fact expended. And so if you've kept it at 30,000
17 it would allow for over \$20,000 that would be
18 reserved for hiring a hearings officer. You know
19 you wouldn't have to increase it.

20 MS. PERDIDO: Correct. So, I'm glad you brought
21 that up 'cause that's one I was gonna recommend to
22 Jeff to cut.

23 DIRECTOR ENG: (inaudible) deep cut.

24 (laughter)

25 CHAIR ALDRIDGE: No, come on.

26 DIRECTOR ENG: Five thousand.

27 (laughter)

1 CHAIR ALDRIDGE: Maybe you'd hire a JUNIOR hearings
2 officer.

3 MEMBER HOWDEN: Yeah, I think actually it would be
4 strategic to cut it 5000. You know I mean, just
5 in, in the mood that you're dealing with, with the
6 Council and the administration. Just to, you know,
7 a symbolic cut of, of which won't really affect us.

8 CHAIR ALDRIDGE: Michael? You're starting to sound
9 like a...

10 MEMBER ROBINSON: Yeah, you're starting to sound
11 more like a councilor than a...

12 (laughter)

13 MEMBER HOWDEN: Take a closer look at some of those
14 guys...

15 (laughter)

16 MEMBER LESTER: Nice, Michael.

17 CHAIR ALDRIDGE: Alright, I'm sorry.

18 MS. PERDIDO: Ok.

19 CHAIR ALDRIDGE: For all the interruptions
20 (inaudible)...

21 MS. PERDIDO: No, that's oh, that's fine, it's
22 not..Ok. So basically the admin program on page 2,
23 no expansion positions. We, there was a large
24 decrease and one of the reasons as we go down, down
25 through here, the professional services last year,
26 no it was in equipment, we had it, I think, 250,000
27 for the billing system, which after we went through
28 a long process with the County, decided not to go

1 with. And one of the reasons was, is the pro, the,
2 I guess when you have to look at how they were
3 selecting it, what was best for like, Wastewater
4 and Refuse. And, well not necessarily Wastewater,
5 they're with us but Refuse, they were looking at
6 what would work for them at the landfill and
7 everything and we didn't think that program was the
8 best one for us. They selected a, a Harris program
9 that we weren't that happy with, seeing the
10 demonstrations and everything and finding out how
11 the Big Island was not happy with it, so we were
12 staying with Oahu, Oahu is gonna go out for a, a
13 new system also, but it'll be on a larger, you
14 know, scale and they've been doing really good with
15 us so we're pretty happy with the billing system
16 that we do have with them and in the future
17 there'll be a new system. So, that's one of the
18 reasons this is such a large decrease in the
19 Director's or admin budget. One of the other big
20 changes, safety supplies. It was budgeted all into
21 the program and they were breaking it out between
22 the supplies and then equipment. And basically,
23 this is for the whole department. We have a safety
24 officer now who handles the safety program and
25 she's doing a really good job and this is what she
26 was, you know, they're thinking, "ok, let's do
27 supplies," the program, she still has some to run
28 her program and any equipment is separate in this 3

1 separate categories. So why there's a, so I guess
2 it nets out to a \$10,000 increase for the program.
3 Basically, electricity, postage and some of the
4 small things that...

5 CHAIR ALDRIDGE: Holly, a question on the
6 electricity.

7 MS. PERDIDO: Yeah.

8 CHAIR ALDRIDGE: I noticed electricity appears in a
9 number of locations and what, what does this
10 electricity cover as far as, what, what...Office
11 costs?

12 MS. PERDIDO: County Building. Our share of the
13 County Building.

14 CHAIR ALDRIDGE: What about the operations
15 building? That falls under...

16 MS. PERDIDO: That falls under...

17 CHAIR ALDRIDGE: Field?

18 MS. PERDIDO: Field, yeah. And one of the things
19 if you looked at the expenses in there, we were
20 pretty short last year and the County failed to
21 charge us at year-end so they'll probably hit
22 us...Yeah. That's why I'm saying, "why are, are we
23 so low?" But they didn't come in with their year-
24 end amount to us so I'm sure we'll get it this
25 year.

26 CHAIR ALDRIDGE: Does the County get any kind of
27 forecast from MECO as to what they're anticipating
28 and as far as electrical costs?

1 MS. PERDIDO: Well, we didn't, we sat down...

2 CHAIR ALDRIDGE: Or electrical charges.

3 MS. PERDIDO: Yeah, about a month ago or so with
4 MECO. And we're talking about our whole operations
5 and how we can improve them. And they were very
6 complimentary that our consumption part didn't
7 increase that much with the drought and they were
8 shocked because they thought they would've been
9 better. And anytime you wanna jump in, Jeff, but
10 they came out and said that there would be at least
11 a 5% up to, increase or...

12 DIRECTOR ENG: Do they have a pending rate
13 increase? I think they sort of been waiting on a
14 decision on that.

15 MS. PERDIDO: Yeah.

16 MEMBER ROBINSON: Now, now we're the highest
17 highest in the country.

18 CHAIR ALDRIDGE: It's a, it's amazing. I mean I
19 watch the gas, you know, oil go down from a 100 and
20 what, 47 down to 70 dollars a barrel and yet MECO's
21 energy charge portion of the charges are like
22 double over the last 4 years, more than double.

23 MEMBER HALLER: Let's get to that conversation...

24 CHAIR ALDRIDGE: Yeah.

25 MEMBER HALLER: When we get to the \$7 million
26 electric line.

1 CHAIR ALDRIDGE: Oh, yeah and the 14 million. Oh
2 one other question, would EE, now that's equivalent
3 positions, is that what that is?

4 MS. PERDIDO: Yeah, it's a number of full time and
5 the point three is because they have a student
6 intern. So there's eight full time and a student
7 intern who works maybe 3 months of the year.

8 CHAIR ALDRIDGE: Ok.

9 MEMBER HALLER: By the way I see this reduction in
10 your safety budget. You were at 60, now you're at
11 20 and 30, so that's 50? Am I reading that right?

12 MS. PERDIDO: Well, there's your reduction in the
13 safety program but there's an increase in the
14 safety supplies of 30, above.

15 MEMBER HALLER: Well, the, you reduced from 60 to
16 20, so you take the 20 and you add the 30, that
17 equals 50, not 60. So you're actually reducing...

18 MS. PERDIDO: But if you look at the bottom it has
19 safety equipment of 20.

20 MEMBER HALLER: Ooooh, didn't see that. Thank you.

21 MS. PERDIDO: So that's gonna increase of 10, I
22 think.

23 MEMBER HALLER: Thank you.

24 MS. PERDIDO: Ok, any other questions? Ok, the
25 next, page 3 is basically our department wide
26 expenses. These are what the County charges us.
27 I've got some estimates, they haven't even got
28 numbers yet for me. But I talked to downstairs and

1 they said at least increase the benefits up 10%.
2 Insurance we've been pretty good so I've kept it
3 about the same. We've been coming in a bit lower
4 and these are done by Risk Management, handles our
5 insurance. Refund from mainline, that is what the,
6 ah, we refund customers over a 5 year period for
7 mainline extensions. And that's been about 350,
8 400, it depends on how many new refunds the
9 engineering division hands out. And the overhead
10 charges, I spoke to them downstairs and they said
11 there wouldn't be an increase. So, I'm hoping
12 they'll stay to that by the time the budget's done.
13 Interest expense, basically debt service, principle
14 and interest. Other post employment benefits,
15 OPEB, that's something that came up a couple of
16 years ago.

17 CHAIR ALDRIDGE: Yeah, what is that? I was gonna,
18 I had that circled and question marked.

19 MS. PERDIDO: That's something that the County, was
20 it last year or the year before, Jeff? That their,
21 it's I guess our benefits like the insurance that
22 the retirees get, all these benefits that retirees
23 get I guess. And I think it's mainly the health
24 insurance.

25 CHAIR ALDRIDGE: So that's separate from the
26 retirees' fringe benefits?

27 MEMBER HALLER: It's a catch-up. The County was
28 behind, they had to budget millions of dollars to

1 catch up on their, what is due to retired employees
2 and their auditor, I believe when they were audited
3 2 years ago, they were advised, "You're way
4 behind." So, so the County Council had to deal
5 with this last year in the budget. So everybody
6 got...

7 MEMBER HOWDEN: They were, were hundreds of
8 millions of dollars behind because there's a
9 federal mandate...

10 MEMBER HALLER: Yeah.

11 MEMBER HOWDEN: For full funding of this...

12 CHAIR ALDRIDGE: Of retirees...

13 MEMBER HOWDEN: And typically counties will not
14 full fund because that's just a waste of your
15 money. But there's a, there's a federal, there's a
16 federal mandate and so they're gonna be, evidently
17 the Council's gonna be appealing that or asking for
18 mercy. Um, federal government.

19 MEMBER ROBINSON: If it's hundreds of millions...

20 MEMBER HOWDEN: Yeah, hundreds of millions.

21 CHAIR ALDRIDGE: Ok.

22 MEMBER HALLER: Well they have time, they're given
23 a time to catch up, yeah, but in the, in the
24 current environment of not fully funding yourself,
25 it'll be interesting.

26 MEMBER HOWDEN: Yeah, we're hoping for mercy.

27 CHAIR ALDRIDGE: Holly, a related question, the
28 FICA and employee health fund and the retirement

1 system charge, that's for all the employees and
2 retirees, right?

3 MS. PERDIDO: Correct.

4 CHAIR ALDRIDGE: It's all, so that's all lumped
5 into this administrative operations.

6 MS. PERDIDO: Yes.

7 MEMBER HALLER: And if I read correctly, the new
8 bonds are the interest future SRF loan and the
9 principle future SRF loan, those are 2 new bonds?

10 MS. PERDIDO: Yeah, those are just estimates. As
11 you know things don't quite go as quickly and, as
12 they should and for instance, FY08, I think we only
13 ended up bonding out 5.5 million. So, we did have
14 a bond that we put out but that was like part of
15 07's and 08's, 09 right now, I, 08, actually I
16 don't have, I still have, we still have projects
17 going through December so we will bond some. But
18 bonds what we do is borrow from ourselves and then
19 once the County goes out then we get it reimb, or
20 the money comes back, yeah. So we don't come into
21 arbitrage and all those problems that we have in
22 the past.

23 MEMBER HALLER: So, am I reading this right that we
24 carry about \$8 million in debt service?

25 MS. PERDIDO: Yeaah, little bit less, yeah. And
26 it, we do have some that are paying off you know,
27 as, as you can see. Some have gone already and you
28 know and they've some, get paid off as we go so.

1 CHAIR ALDRIDGE: You know Holly, I, I guess I ask
2 this every year but I'm, I must have short term
3 memory failure. The general obligation bonds
4 versus the revenue bonds, the revenue bonds are re-
5 paid from revenues from sale of water, right?

6 MS. PERDIDO: Correct. I'm not really as familiar
7 with those. We have, since I've been here there
8 was some done in 1991, maybe 93, 91 I think. And
9 we've never done 'em since.

10 CHAIR ALDRIDGE: Oh, the GO, GO is general
11 obligation, right?

12 MS. PERDIDO: Correct.

13 CHAIR ALDRIDGE: And what is that we paid from
14 them?

15 MS. PERDIDO: That, well it goes out, the County
16 takes amount, but we re-pay the County.

17 CHAIR ALDRIDGE: Oh, I see. Ok.

18 MS. PERDIDIO: Yeah.

19 CHAIR ALDRIDGE: Yeah, 'cause you don't have tax,
20 you don't tax any of your users and perhaps what
21 you usually do, collection is from general
22 obligation, right, yeah. I understand now.

23 MEMBER HALLER: So just to, I just wanna, where's
24 that mike? You guys. That's good. A few years
25 ago we had lengthy conversations about the ratio of
26 indebtedness versus, and how, what that does to
27 ratings. I just want to share with you members
28 that we had lengthy conversations about that and if

1 I recall correctly, help me here, the Department's
2 rather conservative because we have a very good
3 bond rating and we want to maintain that. And that
4 it's actually wise for a department to manage
5 itself this way, so. Is that about...

6 MS. PERDIDO: Yeah. And the County is very, very
7 concerned. You know, they, and they do very well
8 in that also. Ok? Page 4 is our fiscal area. So,
9 basically there'd be no expansion positions in this
10 area. One of the, water meter inventory, that's
11 for additional meters, transponders, if, if, I
12 don't know if you're aware, last year in 2008 we
13 had that meter, transponder replacement program
14 that we pretty, it's complete, there's still maybe
15 a hundred or so left, difficult ones that are left
16 to do and it's gone really well. It's improved on
17 the, the readings, we have transponders that we can
18 get data from, and it's been great with customers
19 because they say, "oh, we didn't use the water,"
20 but we can tell 'em exactly when and show 'em on
21 graphs on a lot of the transponders now so, it's
22 helped us with the people who say that they, "we
23 never use this water." And then we can kind show
24 'em so, that's helped us in the fiscal division a
25 lot.

26 MEMBER LUCK: You mean some appeals, right?

27 MS. PERDIDO: Yeah. So that has, was completed and
28 that was a bond project that we came in about

1 600,000 less. So, that basically we won't, you
2 know, use that, it'll lapse that bond money. But I
3 still need to purchase new transponders and meters
4 every year. That's one I was talking to Jeff, I
5 might be able to keep it flat, so it's one that I
6 could possibly, be one you know, proposed to cut.
7 My professional services is the audit. Our
8 previous auditor in 07 was much cheaper than the
9 current audit. The County had ah, trouble getting
10 auditors this year. And basically no one bid for
11 the audit. So they had to go out and ask people.
12 And so it pretty much doubled our cost of our
13 audit, 'cause the Council goes out but we actually
14 pay for it.

15 CHAIR ALDRIDGE: Do you have to be an accountant?

16 (laughter)

17 MS. PERDIDO: (inaudible). Yes, CPA. And that's
18 one of the other large ones that I, I have.
19 Basically, equipment, we wanna, the shelving for
20 the warehouse, we wanna try put in a, like a second
21 story to increase our storage and make the
22 operations a little more efficient. We're always
23 short on storage for pipes and everything. We have
24 still a bunch of stuff outside, gaskets and all
25 that stuff so. We wanna try to make the warehouse
26 more operationally efficient and we do have our
27 second person who's been really good. We have like

1 a supervisor down there who's really done a real
2 good job.

3 MEMBER HOWDEN: When you're, Holly, when you're
4 talking about the 4-wheel drive vehicles, what are
5 you talking about?

6 MS. PERDIDO: Those are for the meter readers that
7 they use all day, daily, to go out and read. And I
8 was telling Jeff, I might cut one, you know, if I
9 have to. We have 2 that are 19, I wanna say, 96, I
10 think, so they're, maybe.

11 MEMBER HOWDEN: So, but you'd be looking for, more
12 fuel efficient ones these days...

13 MS. PERDIDO: Umm, one...

14 MEMBER HOWDEN: Or is that a consideration?

15 MEMBER ROBINSON: Bio-diesel.

16 MS. PERDIDO: Uhh, that I'm not sure. What...

17 MEMBER HOWDEN: Ok, I mean it's just a question,
18 you know, it's one of things that's come up in the
19 political forums is how the County buys their
20 vehicles and how efficient they are, so that might
21 just be a consideration.

22 MS. PERDIDO: Ok. I know our meter readers still,
23 up in Ulupalakua area, we still have to drive the
24 pastures to, we pick them up but we can't pick 'em
25 all up from the road, that's still a problem,
26 because of the, some of those transponders are way
27 up in the mountain. But we're still working on
28 trying to make it so we can pick everything up from

1 the road up there, that's one of our worst routes,
2 that we have to kinda still drive up to the
3 pastures and the strawberry farms, yeah.

4 MEMBER HOLMBERG: Umm, question, speaking of
5 vehicles, do we strictly get bids from the local
6 dealers or do we go off island at all for vehicles.
7 I think the bids come, there's some from Oahu also,
8 but they're mainly from Maui and Oahu, I think, is
9 the main ones who we get bids from, if I'm not
10 mistaken, Jeff, I think those are the main 2.

11 MEMBER HOLMBERG: Ok, I was just curious because,
12 I, I've noticed that from people buying in the
13 trade, that the, the delta between here and just
14 Oahu was pretty significant, and never mind buying
15 directly from the mainland and sticking things on a
16 container, so I, I was curious as to whether we
17 were buying everything from Cutter or we were
18 saving some money by, or I mean, or Jim Falk, or
19 saving some money by going to people who aren't
20 charging such a huge markup.

21 MS. PERDIDO: Yeah, what we do, well, we go out to
22 the, the sealed bid and then they come in with, and
23 we usually have 3 or 4 people bidding on 'em I
24 think. But like I said they're not, I, I don't
25 think mainland, there's some, something about
26 mainland, I don't know if they can bid on 'em or
27 not. We did have one time a mainland, but there's
28 a lot of taxes and problems with that and I think

1 it's mainly local though, Hawaii, that bids for
2 things.

3 MEMBER HOWDEN: Yeah, the other consideration
4 wasn't simply low bid, but was also efficiency of
5 the vehicle. How well it (is) maintained and
6 that's been problem I think with Jim Falk.

7 MS. PERDIDO: Ok, any more questions then?

8 CHAIR ALDRIDGE: Just a, on the vehicles, you, does
9 the Department bid to (inaudible) individually as a
10 department or do they go in with the County as a
11 whole to get a larger group of vehicles.

12 MS. PERDIDO: No, they're bid by the departments.

13 CHAIR ALDRIDGE: By the departments.

14 MS. PERDIDO: So, he, Ken and Warren from our
15 baseyard usually probably put a bid together for a,
16 quite a, you know, a bunch of vehicles that we're...

17 CHAIR ALDRIDGE: That's for all, whole department.

18 MS. PERDIDO: Yeah. Just for the department though
19 we don't go with the County.

20 CHAIR ALDRIDGE: Just curious if they did that or
21 not.

22 MS. PERDIDO: Ok, next the Engineering Program and
23 I know Herb's back here if he wants to say
24 anything. He can always chime in. No expansion
25 positions. He has a pretty lean budget as you can
26 see. Computer services went down and I think that
27 was because our, the scanning system that we use to
28 store our documents were now with the, we have it

1 on the County network instead of with this imaging
2 system, is that right Herb?

3 MR. CHANG: That's right.

4 MS. PERDIDO: So that decreased the cost that we
5 have to pay on it. Professional services, he
6 increased, I think it was for surveying.

7 MR. CHANG: This is just a general studies that
8 are, kinda crop up when you need to. 'Cause when
9 we're doing all of our capital improvement
10 projects, sometimes we need to do additional
11 studies and it always come up so it's good to have
12 it. Last year's budget wasn't that much to really,
13 to cover too many things so we need to have that
14 pumped up.

15 MS. PERDIDO: Ok, and then I think the other big
16 item was his 4-wheel drive SUV and I think that's
17 for an inspector.

18 MR. CHANG: This one, for one of the inspectors.

19 CHAIR ALDRIDGE: I have a question regarding
20 personnel. I know for a couple, well at least 2 or
21 3 years, the last 2 or 3 years, in going from a, a
22 question about vacancy and number of positions
23 filled. I'm not sure I can tell, even in the
24 details, how many vacant positions there are in, in
25 the (inaudible) when it, when it says EP Count
26 Actual for instance for FY 2007 or 2008.

27 MS. PERDIDO: No.

1 CHAIR ALDRIDGE: Actual means filled positions or
2 just actual positions that are in the budget?

3 MS. PERDIDO: Actual positions in the budget.

4 CHAIR ALDRIDGE: Ok, so yeah, doesn't mean actual
5 body count...

6 MS. PERDIDO: No.

7 CHAIR ALDRIDGE: By any means.

8 MS. PERDIDO: And we have Jacky here too, I know
9 for instance, I know Fiscal we have one vacancy
10 right now. We're pretty much full staff. Herb...

11 MR. CHANG: We have about 3 vacancies right now, 3
12 engineers.

13 MEMBER HALLER: Three?

14 CHAIR ALDRIDGE: Yeah that's pretty good.

15 MS. PERDIDO: Ok, so he has 4 vacant engineer(s)
16 and a couple clerical.

17 CHAIR ALDRIDGE: Oh ok, six. That's an improvement
18 over a few years ago when it was like half the
19 department or...

20 MEMBER HALLER: What used to be 6, it was 6 for 2
21 years or maybe 3 years running so that's really
22 good news, yeah?

23 MR. CHANG: We do have 3 new engineers, one
24 licensed and 2 non, non-licensed, just joined us
25 the past couple years.

26 CHAIR ALDRIDGE: Good.

27 MEMBER HALLER: Excellent.

1 MR. CHANG: Still looking for more though, but the,
2 we haven't noticed any one from the private
3 sectors. I guess they haven't really hit the
4 private sectors yet as far as engineers but maybe
5 later on when the economy's start going down
6 further. So we kinda, we're waiting and ready to
7 pounce on them (inaudible).

8 CHAIR ALDRIDGE: If you have any budget left by
9 then.

10 MEMBER HALLER: But that's the point. The money
11 stays in the..

12 CHAIR ALDRIDGE: That's true.

13 MEMBER HALLER: The allocation for the bodies stays
14 in the budget, right?

15 MS. PERDIDO: Yeah.

16 MEMBER HALLER: Yeah, right.

17 MS. PERDIDO: Ok, no more questions? So, next one
18 would be the Planning..

19 CHAIR ALDRIDGE: Well, maybe Holly, as we go
20 through this if, if Jeff has a comment as to any
21 major area that he's looking at cutting, we should
22 just get his comment on it..

23 MS. PERDIDO: Ok.

24 CHAIR ALDRIDGE: As we go through. That would be
25 helpful. So, did you have any comments in the last
26 2...

27 DIRECTOR ENG: So far, no. I think Holly indicated
28 her area and possible what vehicle may be cut. She

1 talked about the water meter inventory (inaudible)
2 reduction (inaudible) the level last year
3 engineering is following, so yeah proceed to Water
4 Resources and Planning.

5 CHAIR ALDRIDGE: Ok, what about that Water Service
6 Investigator, was that...?

7 DIRECTOR ENG: That was in Fiscal. We had 2
8 positions (inaudible).

9 CHAIR ALDRIDGE: Right.

10 MS. PERDIDO: Cut.

11 CHAIR ALDRIDGE: Those are really ones that..

12 MS. PERDIDO: Well...

13 CHAIR ALDRIDGE: They were related to the
14 Irrigation Conservation. Thank you, Ellen.

15 MS. PERDIDO: Ok, so the Planning, basically they
16 have 12.2 and I have, I can tell you at this time
17 vacancies too. They have one, two, three, five
18 vacancies. And she's asking for ah, expansion of
19 Conservation Specialist to work with, I think she
20 has one now, so she wanted a second one. Ellen, if
21 you wanna come up and comment?

22 MS. KRAFTSOW: Should I say something now?

23 CHAIR ALDRIDGE: Yeah, just speak from there if you
24 want to, Ellen.

25 MS. KRAFTSOW: Just with regard to the vacancies,
26 Jeff came in, since he came in we almost doubled
27 our staff actually already. We've been having
28 those vacancies in the division for many years but

1 without permission or equipment to hire them, and
2 when Jeff came in he started allowing us to hire
3 them. And so we did hire 3 new people over the
4 last couple years and then one secretary retired so
5 we, instead of 4 we went up back up to 5 vacancies.
6 We're in the process of recruiting for that now.
7 And we're submitting our request for an emergency
8 hire meanwhile. We have somebody in mind for that.
9 And then, just hoping, hoping rather than
10 eliminating them to actually start to fill them
11 over the next year or two. It's, it's a little
12 hard to double, it's about as, even though it's
13 really helped with the work, it's a lot of strain
14 to make those kinds of jumps right away, so, you
15 know, hopefully another 3 people or so.

16 CHAIR ALDRIDGE: Thanks Ellen.

17 MS. KRAFTSOW: And also the Conservation Specialist
18 is, as we described to you in, at a previous
19 meeting, to really get the kind of conservation
20 going that will actually offset capital
21 expenditure, you are going to have to increase
22 funding, a lot of funding for conservation to get
23 that kind of effect and so even though it looks
24 really high in the operating budget, according to
25 the numbers that our consultant has, they, it will
26 ultimately offset the bigger numbers in the capital
27 side. That's it.

1 MS. PERDIDO: Ok, Ellen, the expenses, some of the
2 large ones like the professional services, it might
3 be better to go to the pages. Maybe we can just go
4 through this, her expenses on page 32, 33, and 34.
5 It might be a little easier because there's some
6 larger differences. One of the large ones that
7 sticks out is the professional services and if you
8 go to page 34 there's the breakdown of the
9 professional services that she's proposing. A
10 bunch of the USGS Groundwater Models, some are
11 continuations, there might be a few new ones. The
12 Conservation Program, and Ellen can come up and
13 talk about that a little, is new and then the other
14 model allowances are as pretty much she has every
15 year.

16 MS. KRAFTSOW: Of the professional services
17 increase, in the conservation budget we usually had
18 260,000 for conservation, we tried to increase that
19 to 500,000. And then the remainder, 250,000 in
20 professional services was for consultant fees, so
21 the conservation, 6278 category can't be used for
22 other things. You can buy equipment to give people
23 but you can't buy your own equipment to capitalize
24 with that and you can't issue contracts for
25 professional services with that. So it's spread
26 out so there's an addition of 240,000 more just for
27 the equipment and stuff for the give-aways and then
28 there's 80,000 for leak detection equipment and

1 then there's 250,000 for professional services to
2 do some start up design. So it's spread all over
3 but it's the biggest cause of increase since my
4 budget is (inaudible). If you took away
5 conservation you would have a pretty lean budget.

6 MS. PERDIDO: And then I think her grants which are
7 on page 33 netted out to like 20,000 additional.
8 The Na Wai Eha was the, the 40, the decrease of 30
9 and that study will be complete, correct Ellen?

10 MS. KRAFTSOW: Yeah.

11 DIRECTOR ENG: We will look at some of these,
12 increase conservation programs entries. Then we
13 gonna, we need to achieve you know, I guess only a
14 single digit rate increase so, some of these items
15 made be reduced.

16 MEMBER HALLER: Of this list, on page 33?

17 DIRECTOR ENG: No, it's, may, maybe more of these
18 operational expenses, not, not the grants.

19 MEMBER HALLER: Ok.

20 DIRECTOR ENG: Because there could be some minor
21 tweaking but no, if we're not looking in that area.

22 CHAIR ALDRIDGE: Ellen, can you just summarize for
23 me, real briefly, on page 34, I had a little
24 difficulty relating that to a couple of pages
25 before, and trying to correlate those numbers. The
26 first one is the professional services, 684,000?
27 Where do I find the breakdown on that?

1 MS. KRAFTSOW: That's on page 34? The 684,000 is
2 on page 34.

3 CHAIR ALDRIDGE: Oh, ok, so that's that whole list
4 of USGS and...

5 MS. KRAFTSOW: Yes.

6 CHAIR ALDRIDGE: And the 250,000...

7 MS. KRAFTSOW: Yeah.

8 CHAIR ALDRIDGE: Conservation and so forth.

9 MS. KRAFTSOW: Yeah and then one, two, three,
10 fourth item, I apologize for that, I should've said
11 "monitoring" there. So, that would be what, what
12 we talked about with USGS is every year we, we sort
13 of budget groundwater monitoring or stream, or
14 stream gauge review or whatever, different parts of
15 the island and so we decided to organize it by
16 category instead of combining, we had been
17 combining contracts which didn't necessarily match
18 so now all the contracts are being (inaudible)
19 category (inaudible).

20 CHAIR ALDRIDGE: So four, five and down from the
21 top on that page is "monitoring" not model?

22 MS. KRAFTSOW: Yeah, Groundwater Monitoring.

23 CHAIR ALDRIDGE: Oh, ok. Where as the other 3
24 before that...

25 MS. KRAFTSOW: Are modeling.

26 CHAIR ALDRIDGE: Ok. And then that, that lonesome
27 250,000 conservation program, what exactly does
28 that, what, what comprises that?

1 MS. KRAFTSOW: That was, that was for consulting
2 services. When Amy Vickers came here and, and I
3 met with Carl Freedman, our consultant and Amy
4 Vickers, to go over what their recommendations were
5 for start-up. And they felt that, you know, we
6 should do some marketing studies as well as some
7 program design studies that there'll be a couple of
8 professional services contracts that would be
9 important to do in this, in the kind of gearing up
10 of the conservation program. Now, I kinda agree
11 with Jeff, I put in a lot, I put in pretty much
12 according to their recommendations. So, we could
13 ramp up a little more slowly but we are trying to
14 add staff and I think that with, with the people
15 that we have now we can start to move more than we
16 ever could in the past. So, I put the money in
17 there to enable us to do studies.

18 CHAIR ALDRIDGE: So, those are for professional
19 services..

20 MS. KRAFTSOW: Yeah.

21 CHAIR ALDRIDGE: Essentially.

22 MS. KRAFTSOW: Yeah, this part of the budget, this
23 250 is for professional services.

24 CHAIR ALDRIDGE: Ok.

25 MS. KRAFTSOW: The 500 is for, you know, if we
26 give away toilets or if we give away washing
27 machines or whatever, whatever measures we would be
28 giving away controlling..

1 CHAIR ALDRIDGE: Water saving devices, etcetera.

2 MS. KRAFTSOW: Right, yeah. Or audit and repair
3 incentives whatever we would do.

4 CHAIR ALDRIDGE: Ok, then, then what about the
5 other professional services, the 765,000, where is
6 that broken down?

7 MS KRAFTSOW: Ummm.

8 MEMBER ROBINSON: C.

9 MS. PERDIDO: Page 33.

10 MEMBER ROBINSON: Page 33 or 34?

11 MEMBER HALLER: Five hundred thousand.

12 MS. KRAFTSOW: That comes out to 612 though, Holly.

13 MS. PERDIDO: No, the 765.

14 MS. KRAFTSOW: Oh no, the difference is 612. Yeah,
15 765 is on page 33. If you go get total, subtotal
16 are the other professional services.

17 MEMBER LUCK: So, those are the various grants.

18 CHAIR ALDRIDGE: Oh, ok.

19 MS. KRAFTSOW: So those are the grants, yeah. So,
20 it's 765 in grants and 684 in contracts. It used
21 to be all one big thing but they may ask us to
22 separate out the grants now.

23 CHAIR ALDRIDGE: Ok. Yeah. Thanks, that helps
24 clarify that. Yes, please.

25 MEMBER HALLER: Just on page 33, which are all the
26 grant programs, I just had 2 questions. Has anyone
27 else requested funds of us, that we have..?

1 MS. KRAFTSOW: There's some people that have
2 requested more than we can give them but their
3 (inaudible) that I can find to mind right now, I
4 can't think of any more new requests.

5 MEMBER HALLER: And who requested more? Do you
6 remember...

7 MS. KRAFTSOW: Umm, Leeward Haleakala actually
8 would like to have a 100,000.

9 MEMBER HALLER: Which one?

10 MEMBER ROBINSON: Leeward Haleakala.

11 MS. KRAFTSOW: Leeward. So we increased them but
12 not to a 100,000. And umm, that's really all who
13 requested more.

14 DIRECTOR ENG: Most are through the Mayor's office.
15 They offer grants to actually even some of the same
16 agencies...

17 MS. KRAFTSOW: You know what, I take that back.
18 Lanai has always requested but we're always saying
19 no.

20 MEMBER HOWDEN: What, what do they want on Lanai?
21 What do they want?

22 MS. KRAFTSOW: Well, they want us to, we, I told
23 'em we, maybe we'd help them write a grant, that
24 they have a watershed issue that's very serious.
25 Actually, it's their biggest water issue over
26 there. And we are a county agency but we don't
27 have any revenue or meters over on Lanai. And so

1 it would be the same thing for their watershed
2 management.

3 MEMBER HALLER: But basically as you, as far as you
4 know the people who are supporting our improving
5 our watershed and all of that are continuing to be
6 supportive at the same level or that, that they...

7 MS. KRAFTSOW: They all talk about being worried
8 but, but none of 'em, you know, I do contact 'em
9 all before I put in the amounts and none of them
10 were concerned. I, I did (inaudible) to Molokai,
11 because we were trying gradually to move them up.
12 So they knew that you know, I didn't specifically
13 say do you need this, it's been our kinda long
14 range plan for years.

15 MEMBER HALLER: Yeah, yeah. Thank you.

16 MEMBER HOWDEN: What, what is the problem on Lanai,
17 just briefly?

18 MS. KRAFTSOW: Lanai, the, the State Commission on
19 Groundwater, Lanai has only 6 million gallons a day
20 sustainable yield. And, that's less than 1/10th of
21 the next smallest island it's, it's, it's really
22 small you know, compared to Maui, compared to
23 hundreds of millions of gallons on all the other
24 islands except for Molokai, which is still in the
25 80's or 70's.

26 MEMBER HOWDEN: So what are they using if they only
27 have 6 million...

1 MS. KRAFTSOW: So, so they, they're only using
2 about 2, but their build out plans could use all of
3 it. And the State Water Commission did this study
4 of, did a groundwater, 3-D groundwater, complete
5 groundwater model of Lanai and it determined that
6 if it lost the forest that would be more serious
7 than pumping the full sustainable yield, that fully
8 half of the head there comes from the groundwater.
9 And that forest is declining. It's very well
10 documented that it's been declining and diminishing
11 over years and actually very well documented that
12 their use could be a lot more water, you know,
13 water levels are dropping, there used to be
14 streams, there used to be (inaudible), Lanai has
15 changed. And, and it's watershed is a huge issue
16 and the company, you know, the company makes
17 zillions of dollars but it doesn't make on it's
18 water systems, it doesn't make the revenues to
19 support the system and fix the leaks let alone take
20 care of the forest and they are investing a certain
21 amount in the forest every year but arguably not
22 enough and fast enough and so their always asking
23 for funds. Sorry, I was in digression.

24 MEMBER HOWDEN: Thanks.

25 CHAIR ALDRIDGE: Ellen, too, for my edification,
26 can you just tell me what for in, for instance Tri-
27 Isle RC&D for East Maui Watershed Partnership, what
28 do they do with the grant money?

1 MS. KRAFTSOW: That goes to, we, we, we give money
2 to The Nature Conservancy and East Maui Watershed
3 Partnership and I don't have any kind of map with
4 me but they, they both take care of lands in the
5 East Maui Watershed. The money that we give to TNC
6 goes to target satellite populations of miconia as
7 well as a certain preserve area that's, I can't
8 remember the names of the gulches that it runs from
9 and to, but I can bring you a map, they, basically
10 they manage different areas between the watershed.
11 They have contracts to manage different areas
12 within the watershed.

13 CHAIR ALDRIDGE: So, it's primarily to remove
14 miconia?

15 MS. KRAFTSOW: No, no. That's just like a small
16 piece. We have, we give money to the miconia, to
17 MISC for that but TNC, some of the money usually
18 also into satellite population of that but their,
19 in addition, that's an addition to their major
20 effort which is, they have a, preserve that they
21 manage. What they're trying to do is fence off the
22 mauka reaches of that area and make a management
23 area and inside, you know, restore the natives and
24 get rid of the weeds and get rid of the pigs and
25 everything. And so they've each kinda claimed
26 their, you know, one fences this area and the other
27 fences that area. And then also, you need to watch

1 what's coming up that could be endan, endangering
2 those areas. And so...

3 CHAIR ALDRIDGE: And so they used the money to
4 actually support labor to work on these areas.

5 MS. KRAFTSOW: Labor and equipment and helicopter
6 time...

7 CHAIR ALDRIDGE: Yeah, ok. Right.

8 MS. KRAFTSOW: I think I have a better...

9 CHAIR ALDRIDGE: That's all I, that's really what I
10 wanted to know.

11 (silence. Background voices)

12 CHAIR ALDRIDGE: Yeah, go ahead Holly.

13 MS. PERDIDO: Ok. Ok and the last area maybe
14 equipment under Ellen, the large one is for some
15 leak detection equipment.

16 MEMBER HALLER: Yes, we like that one.

17 MS. KRAFTSOW: And the rest of it is, is assuming
18 to hire, bring newer, new people or, and or replace
19 some of our (inaudible).

20 MEMBER HALLER: So what is leak detection
21 equipment?

22 MS. KRAFTSOW: You can go out and you can actually,
23 it will tell you some, some, with some equipment
24 you actually hear but it will tell you exactly,
25 enable you to pinpoint where the leaks are.

26 MEMBER HALLER: Oh, my god.

27 MS. KRAFTSOW: So that you can save money.

1 MEMBER HALLER: Well, Michelle Anderson ought to
2 like that.

3 MS. PERDIDO: Ok, next we'll go to the Water
4 Treatment Plant Operations. Walt is here for
5 questions also. EP count, 27. There is an
6 expansion position, Assistant Water Treat Operation
7 Division Chief. One of the, the 2 heads for the
8 division are gonna retire soon. So, it was brought
9 up to Jeff that they need to get someone in there
10 to start learning the ropes. And so, that's one of
11 the expansion positions they're requesting. They
12 do have I think 6 vacancies as, this one I'm
13 looking at is dated September of 2008. So I
14 counted about 6 vacancies there, right now.
15 Looking at their operations, yeah the big one that
16 jumps out is electricity.

17 MEMBER HALLER: Umm, umm, so question on that..

18 MS. PERDIDO: Uh huh.

19 MEMBER HALLER: Replacement, 'cause that's been
20 coming and it's looming so we do this, this year
21 for, bring somebody in to follow one of them around
22 and then we do the next one next year? Is that the
23 idea? Or, or..

24 DIRECTOR ENG: Well, it's gonna be real tight, you
25 know, again this is for, this budget takes effect
26 July 1 of next year. Then we have to deal with our
27 Department of Personal(sic) Services. You know

1 this probably should be under (inaudible) but this
2 is our key position (inaudible) our budget.

3 MEMBER HALLER: And when are those 2 individuals
4 retiring?

5 MS. PERDIDO: Ummm.

6 DIRECTOR ENG: Well, Mr. Hager is first...

7 MS. PERDIDO: December?

8 MR. HAGER: I'm first. December 31st 09.
9 (several people speaking at the same time)

10 MR. HAGER: A year from this December.

11 MEMBER HALLER: Jesus. So this person gets hired,
12 can get hired as of July 1, not sooner or is there
13 a way to...

14 DIRECTOR ENG: No, no way sooner than July 1.

15 MEMBER HALLER: Jesus.

16 DIRECTOR ENG: We're gonna light a fire...

17 MR. HAGER: This, this particular one you're
18 looking at is actually to replace the division
19 chief. I'm just a supervisor.

20 MEMBER HALLER: Oh, that's (inaudible). The
21 supervisor.

22 MEMBER ROBINSON: Your boss.

23 MEMBER HALLER: Ok. I mean, there's nothing more
24 you can do. Are we, are we, is this, is this
25 acceptable? Is this, are you in, in risk of not
26 having, I mean, this covered or you feel
27 comfortable moving forward that you're gonna be
28 able to replace or promote from within?

1 DIRECTOR ENG: I'm not, not real comfortable that
2 you know, that takes so long, yeah, it's too bad we
3 can't act now.

4 MEMBER HALLER: Yeah.

5 DIRECTOR ENG: You know, but the position hasn't
6 been funded in the current budget so we can't do
7 anything. I wonder if there's anything in advance
8 with the assumption that we'll be approved, you
9 know, you can maybe prepare a position description
10 in advance and start working on that but the things
11 we are, Personal(sic) Services Department takes
12 forever. For instance positions that Walt is
13 currently working on, these 3 new assistant
14 treatment plant operators that was in fiscal year
15 08?

16 MR. HAGER: Uhhh, seven, I believe.

17 DIRECTOR ENG: Seven.

18 MR. HAGER: That's still, we just got the class
19 specs out.

20 DIRECTOR ENG: Yeah. So...

21 MR. HAGER: Takes a long time.

22 DIRECTOR ENG: It can, it takes a couple years
23 again.

24 CHAIR ALDRIDGE: In a pinch, Jeff, are you able to
25 contract services? Professionally? I know it
26 requires a cer, operator certification for those
27 positions, I don't remember what grade, but. Not
28 easy to find.

1 DIRECTOR ENG: This is again a management position...

2 CHAIR ALDRIDGE: Right.

3 DIRECTOR ENG: So...

4 MR. HAGER: No, no license required.

5 CHAIR ALDRIDGE: No license?

6 MR. HAGER: Not, not in the...

7 CHAIR ALDRIDGE: Not that position.

8 MR. HAGER: Only op, only in operations.

9 CHAIR ALDRIDGE: Only the operators.

10 MR. HAGER: My position is, has to be grade 4

11 certification.

12 MEMBER HOWDEN: Well, when we went up to Kamole

13 years ago, with golden shovels, and, but Paul

14 pointed out that there was no, you know, that he

15 was gonna be retiring, Walt would be retiring, and

16 that there was no plan for succession. That was

17 under Tengan. And this is, I think, not untypical

18 of many county departments. Just something people

19 prefer not to address.

20 DIRECTOR ENG: Except for us, we're addressing it.

21 MEMBER HOWDEN: Yeah. That's why we like you.

22 MEMBER HALLER: Yeah.

23 DIRECTOR ENG: Thank you.

24 MEMBER LUCK: I was just wondering, might there be

25 any internal candidates for the position, that

26 could be getting trained earlier on 'cause

27 everybody kinda knows this is gonna be a good

28 candidate and also if the retirees might be open to

- 1 consulting in a pinch as well? Just to investigate
2 that might be worthwhile. I think Paul was...
- 3 DIRECTOR ENG: That's exactly the proposal that
4 we're looking at.
- 5 MEMBER LUCK: Yeah.
- 6 DIRECTOR ENG: Those are options...
- 7 MEMBER LUCK: Ok.
- 8 DIRECTOR ENG: You know, hire from within,
9 (inaudible) candidates.
- 10 CHAIR ALDRIDGE: Go ahead.
- 11 MS. PERDIDO: Ok. Ok, Operations as you see the
12 large increases for the electricity. And what we
13 did is, went up a 10% for all our large electricity
14 bills. The electricity, this is for all the
15 treatment plants, is charged to here. Kamole is
16 one, which is probably our largest bill.
- 17 MEMBER ROBINSON: Do you know what that amount is?
- 18 MS. PERDIDO: Umm. Do you know how much?
- 19 MR. HAGER: Kamole alone?
- 20 MEMBER ROBINSON: Kamole alone.
- 21 MR. HAGER: Kamole alone during drought time, we
22 exceed a \$100,000 a month. It'll range between 50
23 and 125, 130,000 a month.
- 24 CHAIR ALDRIDGE: That's the plant only, right, not
25 the...
- 26 MR. HAGER: That's the high-lifts...
- 27 CHAIR ALDRIDGE: That includes the high-lift?

1 MR. HAGER: Yes. That's, the biggest. We are Maui
2 Electric's biggest customer, is those high-lifts.
3 But what we do is we load shed during the week and
4 at times we have to run the generator, that's where
5 our, our diesel comes in.

6 CHAIR ALDRIDGE: 'Cause I noticed the plant
7 operations electricity is 14.8 million and I
8 thought that was, is that the distribution system
9 pumps, then?

10 MR. HAGER: It's a different staging of the
11 different...

12 CHAIR ALDRIDGE: Right.

13 MR. HAGER: Pumps on the mountain basically, that
14 they have...

15 CHAIR ALDRIDGE: Ok.

16 MR. HAGER: A well, wells...

17 MEMBER HALLER: Wells.

18 MR. HAGER: And things like that.

19 CHAIR ALDRIDGE: And the deep wells, etcetera.

20 MR. HAGER: Right.

21 CHAIR ALDRIDGE: Yeah, Holly is that in, the 10%
22 is, is that sort of after meeting with MECO and
23 deciding that might be a reasonable assumption for
24 escalated costs?

25 MS. PERDIDO: Yeah. I think that's what when we
26 talked about it.

27 DIRECTOR ENG: Yeah, yeah, we duly noted that.
28 (inaudible). Kinda cross our fingers again too.

1 MS. PERDIDO: And then on the bottom, there is a
2 typo. It says a "half ton service body with crane"
3 should be "one and half ton." Walt brought that up
4 to my attention for 65. The big item there, the
5 generator, and I think, Jeff, is that the one for
6 Kamole?

7 MR. HAGER: No. That's the one for Mahinahina.

8 MS. PERDIDO: Oh. Mahinahina.

9 MR. HAGER: That particular generator, it was non-
10 enclosed and it was placed right next to the
11 chlorine scrubber which we have tested on a monthly
12 basis. And, there's certain stack residuals off
13 this scrubber that have corroded and it just torn
14 the machine up. And the field supervisor Warren,
15 said that the whole injector system was, failed and
16 possibly the rebuild is gonna be greater than those
17 2, replacement. And this is the larger one, 'cause
18 this was borderline on this one.

19 CHAIR ALDRIDGE: So, this is a stand-by generator
20 that..

21 MR. HAGER: This is the emergency stand-by
22 generator and all of our emergency generators are
23 full consumption. They carry the whole plant load.

24 CHAIR ALDRIDGE: The whole plant load.

25 MR. HAGER: Including Kamole where we can't carry
26 the full 4 high-lifts are, we can only carry up to
27 2. And it's only because it's starting. I know

1 that they've got hard starters there but it's just,
2 just stalling it out.

3 CHAIR ALDRIDGE: When you pull on the VFD's, will
4 that change?

5 MR. HAGER: The VFD's will, will change because
6 you, you don't have hard starts.

7 CHAIR ALDRIDGE: Yeah, you can start up low.

8 MR. HAGER: It's not across the line controllers,
9 it's slightly ramped up.

10 CHAIR ALDRIDGE: Right, yeah. So then you might
11 be..

12 MR. CHANG: Just for your information, we're not
13 gonna go with VFD's. We're not gonna go with
14 variables, we're just gonna go hard. Just signed
15 our contract with the consultants, just you know,
16 if you're gonna talk about variable frequency
17 drives, engineering decided, we're just gonna go
18 with straight drives.

19 CHAIR ALDRIDGE: With just the straight motors? So
20 that, ok, we'll get to that CIP item. Ok, Holly.

21 MS. PERDIDO: Ok, is there, umm, the security
22 system, is that for, maybe Walt can expand on that
23 one.

24 MR. HAGER: That's for, for all our facilities. We
25 only have one that has a, a, a surveillance system
26 in it. We're, got a, in this budget we've got
27 enough for hopefully one or one and a half and this
28 is for the rest of the, we're having quite an issue

1 with break-ins, computer thefts, supplies that are
2 inside and just had a, an incident in Lahaina where
3 there was a truck that backed up to our gate and
4 they went inside and carrying big stuff out. We
5 thought, think they were getting some stainless
6 steel from our old center (inaudible).

7 CHAIR ALDRIDGE: Geez.

8 MEMBER ROBINSON: Time is up.

9 MR. HAGER: We lost 4 computers at Kamole in the
10 last 2 years.

11 MEMBER HALLER: Wow.

12 MR. HAGER: And when, when you're out, when you're
13 out in the middle of nowhere it's, it's fair game.
14 So, the surveillance system should help us out.

15 CHAIR ALDRIDGE: Well, not, not, not unsurprising.
16 I've been reading in the paper about people pulling
17 copper out of wiring systems, not just nowhere but
18 in the middle of the street. So, if they can do
19 that, they certainly can go find a remote location
20 like a treatment plant.

21 MS. PERDIDO: And one of the things at Kamole too,
22 Walt, our contractor there, Kiewit, has been hit
23 numerous times.

24 MR. HAGER: Yes, that's right. They lost all of
25 their gas operated construction equipment, they
26 lost hand tools, they even, one of their portable
27 modular trailers that they use as an office was set
28 on fire along with one of their trucks.

1 MS. PERDIDO: So, security is a problem. Is there
2 anything else on Treatment Plant. Ok, I think Gaye
3 wanted to maybe, do you wanna do the 5 minute...

4 CHAIR ALDRIDGE: Yeah, let's just take 5 minutes or
5 7 minutes in case we need to stop at the head.

6 (recess)

7 MS. PERDIDO: Ok? Ok, the next one is our Field
8 Operations program. Currently 78 positions and I
9 think I counted about 9 vacancies right now. Nine
10 or ten, really quick, they have out of the 78.
11 It's changing all the time though, people leave and
12 they re-hire and especially in the lower positions.
13 Expansion, Bobby's idea was to try to set up a
14 Kihei baseyard, or an area out in Kihei, so that's
15 why you have the Pipefitter 2, 1, helpers, because
16 he was saying the, Kihei there's a lot of breaks,
17 there's a lot of people going out and if you had a
18 baseyard there it would alleviate having to send
19 people there, or at least have someone there to
20 handle it. Groundskeeper and one of the laborers,
21 I think are to help on the tank maintenance. But
22 those are positions Jeff is looking at too, you
23 know it's all the expansion positions we're looking
24 at.

25 DIRECTOR ENG: (the director is not speaking into
26 the microphone) Yeah, as far as the planned sites
27 and things, we had a recent sanitary survey done
28 and that's one of the areas that we're very

1 deficient in and not maintaining tank sites,
2 overgrown, you know, (inaudible) part of it you
3 know, (inaudible) Bobby's stack (inaudible) take of
4 it (inaudible) sanitary survey. And realize
5 (inaudible) as far as that satellite baseyard, yeah
6 that's right now a bummer. The conception is
7 really good. There's a lot, saves on travel time
8 but just because of (inaudible) goals we're try and
9 achieve as far as potential (inaudible).

10 CHAIR ALDRIDGE: It's still a good idea but then
11 you're far from any, provide sufficient personnel,
12 can you use existing personnel or jam a satellite
13 field position, ah field office?

14 DIRECTOR ENG: If can, we're looking at...

15 CHAIR ALDRIDGE: Yeah.

16 DIRECTOR ENG: (the director is not speaking into
17 the microphone) Maybe yeah, we could still expand
18 because of vacancies (inaudible).

19 MS. PERDIDO: Ok, and then the, I don't know if
20 there's any specific questions, most of it is gas
21 and a lot of repair and maintenance stuff,
22 construction materials. He's tried to do some in-
23 house jobs too, so. When lines break they do
24 replace and use materials from in-house. That's
25 why he's requesting higher amounts in everything.

26 CHAIR ALDRIDGE: And this electricity for the field
27 operations...

1 MS. PERDIDO: Yes. I think it's mainly for the
2 field building down there, for the baseyard. And
3 in equipment, I guess trucks and a dump truck, was
4 that, I have to double check. Was that for
5 Molokai, Jeff?

6 DIRECTOR ENG: (the director is not speaking into
7 the microphone) You know, I think it was.

8 MS. PERDIDO: I can verify that. Yeah, my notes,
9 it doesn't say Molokai, but it's just, it's a
10 replacement of an old vehicle.

11 CHAIR ALDRIDGE: You know Holly, that might be
12 useful. When I look through this in terms of
13 utility or vehicles, can't tell whether it's a new
14 vehicle sometimes or just a replacement.

15 MS. PERDIDO: All of 'em are replacement.

16 CHAIR ALDRIDGE: All of them are replacement?

17 MS. PERDIDO: Yeah.

18 CHAIR ALDRIDGE: Ok.

19 MS. PERDIDO: I don't think we're requesting any
20 new vehicles.

21 CHAIR ALDRIDGE: Would it be, would it be
22 identified as such if it were?

23 MS. PERDIDO: I could make sure in the future it
24 is, yeah.

25 CHAIR ALDRIDGE: That'll be helpful, you know, in
26 the, understood.

1 MS. PERDIDO: Yeah, 'cause it's just a summary and
2 I, yeah, that's on the justifications we turn in to
3 the County it does say that.

4 CHAIR ALDRIDGE: It does?

5 MS. PERDIDO: But if I'm not mistaken everything is
6 replacement. Ok, any other questions on this area?
7 Ok, the last is the Plant Operations program. They
8 have 35.2 employees. Five vacancies currently,
9 approximately 5 vacancies. Expansion is a clerk
10 that Jeff is looking at, to see if we're gonna keep
11 it there or not. That clerk would just be used for
12 the office, to help out on some of the programs we
13 have. His largest increase is, well one of them is
14 of course the electricity. The other large
15 increase is for professional services to provide
16 certification on the lab and maybe Jeff can expand
17 on that one.

18 DIRECTOR ENG: (the director is not speaking into
19 the microphone) Well, last year they got certified
20 for certain chemistry use. (inaudible) certified
21 (inaudible) some, some chemistry (inaudible)
22 analyses. They do want to look at some certified
23 person, microbiological work. I'm looking at that
24 and I'm wondering what I can do, if I have to cut
25 back some. I've asked Cary Sumabat, the lab
26 supervisor to include (inaudible) pay similar
27 microbiology certification and a lot of this
28 equipment is for (inaudible) lab (inaudible)

1 devices. A lot of those remote areas Upcountry
2 (inaudible) maintain water quality. And this is
3 one area I don't want to go (inaudible) and so, so
4 Plant Operations includes all of our wells, our
5 pumps and laboratory (inaudible) electricians,
6 (inaudible)

7 CHAIR ALDRIDGE: (the chair is not speaking into
8 the microphone) Would professional costs for
9 certification (inaudible) would that offset then
10 the costs of (inaudible)

11 DIRECTOR ENG: (the director is not speaking into
12 the microphone) (inaudible)

13 CHAIR ALDRIDGE (the chair is not speaking into the
14 microphone). (inaudible). Any other questions?

15 MS. PERDIDO: Ok, so that kind of wraps up the
16 Operations area and the subsequent pages like I
17 said are just the detail of the summary.

18 CHAIR ALDRIDGE: (the chair is not speaking into the
19 microphone) (inaudible) the new piece of equipment
20 or just..

21 DIRECTOR ENG: It will be new.

22 CHAIR ALDRIDGE: Will be new.

23 DIRECTOR ENG: (the director is not speaking into
24 the microphone) (inaudible).

25 MEMBER LUCK: Do the savings from the unfilled
26 positions basically (inaudible), like it's budgeted
27 but doesn't spent so..

28 DIRECTOR ENG: Right.

1 MEMBER LUCK: Do you ever get pressured to go back
2 and look and say, "well there are 4 positions but
3 you guys seem to do fine, there's no overtime or
4 whatever," anything like that? What do you do,
5 evaluation internally just to make sure that all
6 that..

7 DIRECTOR ENG: Yeah, we may have to, if those, some
8 of those vacancies, if they continue to be vacant
9 we may have to reallocate them into some of these
10 new positions we're requesting, so. Yeah they
11 should be re-evaluated every couple years. We're
12 not utilizing them then it should be allocated.

13 MEMBER HOWDEN: Oh, but one of the issues that's
14 really come up in the political discussions, that's
15 been kind of like (inaudible) positions that never
16 seem to get filled but certain departments will
17 take those monies and buy new vehicles or you know
18 use, they still use the funds but for something
19 other than what the Council had approved.

20 DIRECTOR ENG: That's probably true, yeah.

21 MEMBER HOWDEN: Of course not our department. But
22 that, that was a concern.

23 DIRECTOR ENG: Right, right.

24 MEMBER HOWDEN: And the, and the other thing too in
25 terms of vehicle purchase, I think Marion and
26 Phyllis brought this up, I think it would make more
27 sense county-wide you know, if we look at the
28 budget as a whole and said not simply by department

1 but you'd, there was a sub-collation of more
2 interface and we, we did better fleet purchasing
3 rather than...

4 DIRECTOR ENG: Right.

5 MEMBER HOWDEN: Buy this, buy that kinda thing, but
6 maybe we can save monies eventually.

7 DIRECTOR ENG: I agree with you. I mean there's a
8 better way to (inaudible).

9 MEMBER HOWDEN: Yeah I mean, one, one of Joanne
10 Johnson's comments was that departmental directors
11 and their deputies should be trained in financial
12 management, I mean, I mean you know...

13 DIRECTOR ENG: Right, I agree.

14 MEMBER HOWDEN: That, that running a department's
15 very different than being an expert in water for
16 instance.

17 DIRECTOR ENG: Right.

18 MS. PERDIDO: Ok, I guess what we'll do is go on to
19 the CIP. I'll do a summary, you know from that
20 second sheet of the one I gave you first and then
21 Ellen'll take over on her CIP presentation.
22 Basically, I know this looks pretty big but \$39.7
23 million CIP budget. The capital replacement fund
24 as you saw in the other sheet would transfer over
25 4.1 and that's for a lot of the county-wide
26 projects and other of the repair and maintenance
27 projects as Ellen will go into. Our Water System
28 Development Fund, and does everyone know we get

1 that from when people get new meters, they pay the
2 Water System Development fees so that money all
3 goes into this fund for the expansion projects.
4 I'm estimating only \$5 million that we, we will
5 have available for fiscal year 10. So, that left
6 us some, some short so 3.3 million of those
7 projects will be transferred over the bond fund and
8 that way we'll have enough money to fund the Water
9 System fund. So that's one of the changes from
10 your budget that is showing under Water System 8.0
11 but we're gonna submit a 4.7. State funds come to
12 8 million and then our bond funds will be 22.8.
13 That sounds high but 15 million of it is the
14 Waiale, and Ellen will be explaining all the
15 projects as we go through it. That, we already
16 know probably Council, not Council but the Mayor,
17 that's pretty hefty so we would probably have to
18 look at projects also and prioritize them and see
19 what we can actually...

20 DIRECTOR ENG: Yeah, we'll be looking at this
21 tomorrow morning, which is feasible. So, again
22 this is our sources of funding for our CIP
23 projects. And we always want to again fund so much
24 in capital replacement to replace..

25 MEMBER ROBINSON: You might, you might wanna speak
26 into the microphone.

27 MEMBER HALLER: He's got one right there, ok. We
28 both know.

1 DIRECTOR ENG: So, so yeah y'know, basically all
2 pipe replacement. We always wanna focus some of
3 our capital budget on that. Recent couple years
4 it's been around \$3 million. We may trim it back
5 to \$3 million you know, this isn't a year we need
6 to try to go little bit higher. Again, as Holly
7 said the Water System Development fund is from the
8 water meter fees. And most of those funds are
9 required to for new, new capital projects not
10 replacement. So, there's some restrictions to
11 that. In the State funds there was I guess SRF
12 loans those are a little bit lower interest loans
13 that we try to utilize and qualify for, maybe in
14 the bond fund or the GO bonds that we referred to
15 earlier. Yeah again, much of that is that 15
16 million for the Waiale Surface Water Treatment
17 Plant. It may not even materialize. There's all,
18 there's all the Water Commission's pending
19 decisions on the in-stream flow standards as well
20 as the surface water has been designated Na Wai Eha
21 so, but what 15 million is really more like a place
22 mark. I'm sure we have something there but it may
23 not actually be utilized.

24 MS. PERDIDO: One other comment I wanted to make is
25 on the Water System Development fee we are
26 currently doing a study and we're looking at that,
27 so that hopefully will generate more funds in the

1 future but we're just not gonna project on anything
2 yet till we get the study done.

3 MEMBER HALLER: What kind of study?

4 MS. PERDIDO: It's just re, re-evaluating our, the
5 fees that we're charging and possibly raising 'em.

6 DIRECTOR ENG: Yeah, we may not be recovering
7 enough...

8 MEMBER HALLER: Uh huh.

9 DIRECTOR ENG: Basically so buying time for to be
10 increased. It's been what, number of, several
11 years now been last looked at so.

12 MEMBER HALLER: For the last increase in that?

13 DIRECTOR ENG: Yeah, so our consultant, RW Beck, is
14 working on that...

15 MEMBER HALLER: Right, ok.

16 DIRECTOR ENG: Currently, so that'll be good to
17 see.

18 MEMBER LUCK: Let's, let's assume that there is no
19 federal funds coming in, or is it just hidden
20 somewhere else?

21 DIRECTOR ENG: Right, right, there's no federal
22 funds.

23 MEMBER LUCK: It's ah, there's a possibility of
24 getting some federal funds though?

25 DIRECTOR ENG: The only one we're looking at is for
26 that, ah, the new reservoir...

27 MEMBER LUCK: Right.

28 DIRECTOR ENG: Upcountry y'know and that...

1 MEMBER LUCK: So if that came in early that would
2 be just a nice surprise, basically for now?

3 DIRECTOR ENG: Well that would be specific for
4 that...

5 MEMBER LUCK: Right.

6 DIRECTOR ENG: Reservoir too. That would be great.

7 MEMBER LUCK: Ok.

8 DIRECTOR ENG: Yeah, we could get moving on that...

9 MEMBER LUCK: Right.

10 DIRECTOR ENG: Design, acquisition and land. So
11 we're really restricted in our sources of funding.
12 And, and we've been trying to educate the Council,
13 is that y'know, more and more in the future we'll
14 be relying on, on GO bond funding so they might as
15 well be prepared for that.

16 MS. KRAFTSOW: Am I, should I start?

17 CHAIR ALDRIDGE: Yeah, go ahead, Ellen. Anytime.
18 We'll still trying to get this screen.

19 (meeting paused while staff tries to set up power
20 point projector. Several people speaking in the
21 background.)

22 MS. KRAFTSOW: Can I make one correction too? I
23 apologize for saying about the satellite
24 populations. That was MISC and we have expended
25 our MISC contract. So, I, I'm sorry about that.
26 It's pretty much just managing that area of the
27 watershed, fencing and ungulate management and weed
28 management and most kinds of measures.

1 (meeting paused again while staff tries to set up
2 power point projector. Several people speaking in
3 the background.)
4 MS. KRAFTSOW: Well, you have a "paper point". So,
5 this is the proposed capital budget and capital
6 budget funds come from our capital reserve which we
7 are now calling replacement fund. And from
8 development fees, from bonds, from state revolving
9 loan funds, from federal, state or city grants, and
10 we finally have finished the old source and storage
11 fund, so those will no longer be used. Capital
12 funds are used for maintenance, replacement,
13 expansion, compliance and efficiency, and here it
14 comes. This year's capital budget as you saw, is
15 39.72 million of which 4.1 million is for
16 replacement, 4.7 is from the replacement fund,
17 sorry, 4.7 million is from Water System Development
18 fees, 22.85 is from the bond, and 8 is from the
19 state revolving fund. You're showing numbers a
20 little bit different. The difference is 2 projects
21 that were moved. The Lahaina By-pass and I think
22 the Olinda 50K tank, were moved from Water System
23 and Development fund to bond because of our
24 balances. In terms of improvement, it's as, this
25 year's budget represents about 19.35 million,
26 actually that should be expansion is 19.35 million
27 and 15.352 million in replacement, that's
28 backwards. Reminder, these are our systems, oh, I

1 wanted to say one more thing about the breakdown.
2 On the average, over years it runs about 50-50.
3 Last year we had more expansion but in fiscal year
4 08 we had more replacement. So, it, it goes up and
5 down but it runs about even. These are the Maui
6 County systems. As of the 2007 annual report, we
7 had close to 20,000 meters in Central Maui, our
8 largest system. Close to 10,000 in Upcountry.
9 About 3500 in Lahaina. I'm rounding up as you can
10 see. Now I'm gonna round down, about 1500 in
11 Molokai and about 500 in Hana. We have between 750
12 and 1000 miles of pipe. Two-thirds of our system
13 value is pipeline and our investment per customer
14 is on the average like 3 to 4 times, 3 to 5 times
15 higher than the average utility in the system, in
16 the, in the country. In terms of where the
17 projects are located, we have 3.2 million in
18 county-wide projects. Sixteen million in Central
19 Maui, of which 15 million of that is actually the
20 Waiale Treatment Plant, so that's one big project.
21 Seven point four million in Hana, of which 7
22 million is the Hana Hamoa-Koali Waterline, so
23 that's again one really large project. Two point
24 one million in West Maui, about 9 and 1/2 million
25 Upcountry and 1.3 million in Molokai. This is a
26 breakdown of our projects by community plan areas.
27 And as you can see projects don't necessarily
28 respect community plan boundaries. The systems

1 flow where the water is and from where the water is
2 to where it's needed. So some projects affect more
3 than one community plan area. An example would be
4 the Waiale Treatment Plant which will affect Paia-
5 Kuau, and Kihei-Makena as well as Wailuku-Kahului.
6 By community plan area, we have 3.2 in county-wide,
7 1.36 in Paia-Haiku, 7.4 in Hana, 15.9, about 16
8 million in Wailuku-Kahului, again 15 million of
9 that is the Waiale Treatment Plant. Two hundred
10 and fifteen thousand in Kihei-Makena, 800, about 8
11 million in Makawao-Pukalani-Kula, 1.3 million in
12 Molokai and 2 million in West Maui, roughly. Two
13 hundred and fifty thousand of that is going for
14 back-up generation, 1.2 million or so to just up,
15 upgrading and maintaining our facilities, 1.2
16 million about is fire protection and distribution,
17 about 4 million to pump facility and improvements.
18 Now this includes, besides county-wide, this
19 includes the Kamole Weir high-lifts, we'll go
20 through that. About 4.3 million to source, 3.9 to
21 storage, 7.5 to transmission, that's actually,
22 there's one, a couple of big lines there, that's
23 the Hana, Hamoa-Koali Waterline as well as the
24 Upcountry, Ulupalakua-Kanaio waterline. And about
25 16.8 million in the treatment plant again with 15
26 million, Waiale Treatment Plant. Moving on to how
27 we prioritize, most of you have seen this before,
28 we consider certain factors in prioritizing, one of

1 them is being in compliance with Safe Drinking
2 Water Act and the commission requirements for
3 distribution of withdrawals. Apart from the Waiale
4 Plant, we have about 1.8 in treatment plant
5 projects. Another is looking at the status of our
6 inventory. Is it old? Does it need replacement?
7 You can see the tank in the bottom right there,
8 needs replacement. That's actually been replaced
9 but I just like that picture. And then we look at
10 the growth of trends, or whether or not we have
11 adequate storage, redundancy and reliability. And
12 for optimization, SCADA monitoring and metering,
13 those are things we do to keep watch, keep key
14 factors and other factors, things like that. And
15 then finally, one of our goals is pipe replacement.
16 And some of you have seen this before, I'm gonna
17 describe a bit about how we prioritize our pipe
18 projects. Basically we consider their age, their
19 diameter, the material they're made of, whether or
20 not they're breaking or we're getting complaints
21 about them, basically how they're performing.
22 Sometimes we consider hydraulic issues if certain
23 areas not getting enough pressure because of a
24 bottle-neck somewhere else. We consider
25 consistency with the community plan and we also, we
26 do repair lines in low populations areas as well as
27 in high populations areas but we do maintain a
28 count of you know approximate parcels attached to

1 lines or meters to the extent that we can. It
2 usually a student project actually. Just to see if
3 we're getting more bang for the buck within a given
4 region. If you all look at the screen or look at
5 the slide now you can see that red, the way that
6 these next slides are, are categorized, the sort of
7 red is the worst. So, red is bad news and as it
8 gets blue and purple, it's good news. This is just
9 an example of one area and how we would prioritize
10 lines. So, here you're looking at pipe materials,
11 its much more clean on my screen than on yours, but
12 this you can see all that pinkish stuff in Kahului,
13 that is AC pipe. It's asbestos concrete pipe.
14 Which means it's probably old but it's probably
15 also in good shape, well not all of it, but
16 asbestos pipe is one thing that we are wanting to
17 replace, if you see anything that's galvanized or
18 transite or asbestos, we probably wanna replace it
19 just based on the material. And then you can see,
20 can you see that? Yeah. You can see that these
21 are, these are the items, these ones that are thick
22 now, have been prioritized and put into our overall
23 CIP. Now, why those areas and not others to start?
24 I mean eventually they, they're all be in there but
25 why those first? Oh, sorry, that's just another
26 way of showing age. Because this is the age of
27 pipe. Ok, so here again, red is the oldest, and
28 then orange, and then yellow. Well, if you look

1 you can see that we prioritized the pink overlay
2 here, our, our, explains why we prioritize within
3 the AC area, why we prioritize those pipes first.
4 But there's some other areas that weren't quite so
5 old so what happened there? It wasn't so much
6 diameter, must've been condition. Eventually,
7 every pipe, every pump, every tank, every segment
8 of pipe will be in the CIP database. But we have
9 more in there now than we're likely to get done in
10 the next 20 years, let alone 5, so. Here are
11 breaks. That explains the, see this stuff, side on
12 the left that wasn't that old and it wasn't any
13 older and it wasn't any different material so why
14 did it get prioritized? Here's why. 'Cause these
15 are breaks on those lines. These gold dots, that's
16 the same region. Yeah. So that area on the left
17 with all the gold dots, that's the area that was
18 prioritized even though it wasn't any older or
19 different material. So that explains how, kind of,
20 just a quick visual picture of how we go about
21 prioritizing our pipe. There's one other thing we
22 do which is community plan consistency. This is
23 not the best example for community plan
24 designation. It's pretty much all urban
25 residential. But in some cases areas are
26 prioritized for consistency with the community
27 plan. Particularly when they are commercial areas
28 that the lines are not large enough. None of the

1 projects this year are based purely on community
2 plan. The substandard pipelines that we're
3 replacing this year and this map actually is those
4 places, are the Hana Highway, Kameeui Place, Kanoa,
5 Oihana and Pikale Place, Makena Road, Uluniu Road
6 and Ewa Place, Hamoa-Koali Waterline, and the Upper
7 Kula transmission line. And I'll go into those in
8 more detail in a second. The biggest ticket items
9 in our budget this year are the Waiale Treatment
10 Plant, that I keep mentioning which is 15 million
11 or about 38% of the budget just by itself. The
12 Hamoa-Koali Waterline, which is 7 million and the
13 Kamole Weir high-lift pumps which are 3 million,
14 those projects, those top 3 projects alone comprise
15 63% of the budget. And the top 10 projects are 86%
16 of the budget. Ok, so now we get down to the
17 specific projects. In Wailuku-Kahului, this is the
18 Central Maui Waiale Treatment Facility, estimated
19 at 15 million. It's a 6 to 9 million gallon
20 treatment plant near the Hoopoi chute to serve
21 Central Maui customers, being designed by private
22 developers. But the Department of Water Supply
23 would buy in to upgrade the size possibly.

24 CHAIR ALDRIDGE: Ellen?

25 MS. KRAFTSOW: Uh huh.

26 CHAIR ALDRIDGE: You mentioned 6 to 9, hasn't it
27 been decided or...

1 MS. KRAFTSOW: I don't know if the agreement's
2 finalized.

3 DIRECTOR ENG: You know, the agreement's finalized
4 but I think they're looking at most likely 6
5 million gallons per day then they'll be moving a
6 back-up train so, it's 9 million gallons per day,
7 but you're only gonna operate 2 trains of 6.

8 MEMBER HOWDEN: How can we have a, I mean maybe
9 this is not the appropriate time to question, but
10 how can we have a finalized agreement when the
11 water's coming from a designated area and we don't
12 know...

13 DIRECTOR ENG: Right.

14 MEMBER HOWDEN: What our shares will be.

15 DIRECTOR ENG: We have not had any discussion with
16 A&B for, gee...

17 MEMBER HOWDEN: Yeah.

18 DIRECTOR ENG: I don't know if I met with them
19 maybe earlier this year, because really due to the
20 in-stream flow standards that's before the
21 commission right now as well as the surface water
22 designation so all these things open issues we're
23 not going anywhere right now.

24 MEMBER HOWDEN: Ok.

25 DIRECTOR ENG: That's why I say I, I, I kinda doubt
26 we're going to cover this you know. It's just too
27 many things going on and I need, we need assurances
28 that there is going to be a water allocation. A

1 report from the Water Commission, in their earlier
2 discussions with A&B, they had always told me, "Oh,
3 don't worry about we'll," they'll work with Wailuku
4 Water (inaudible) you know, and they know it. They
5 haven't proved anything to us so. This may not fly
6 you know. It's some, you know, I wanna defend the
7 project 'cause we do need source you know and
8 domestic purposes is a protected..

9 MEMBER HOWDEN: And also Carl had a question about
10 its placement too..

11 DIRECTOR ENG: Right.

12 MEMBER HOWDEN: With the placement closer to Waiehu
13 might be ultimately better for us.

14 DIRECTOR ENG: Yeah, yeah, Wai, Waihee, closer to
15 the source. Yeah, less chance of potential
16 contaminants.

17 MEMBER HOWDEN: Well also..

18 MEMBER LESTER: Also price wise.

19 MEMBER HOWDEN: The use of energy to move the
20 water, yeah.

21 DIRECTOR ENG: Beg pardon?

22 MS. KRAFTSOW: He said it belonged, the, over the
23 life of the plant it would also be less expensive
24 to operate. Umm, Hana Highway, Kamehameha Avenue
25 to Papa Avenue, this is a design project. It was
26 prioritized because of frequent breaks. It's to
27 install or replace about 3,000 feet of 16-inch
28 ductile iron and 8-inch AC line with 16-inch

1 ductile iron line. The existing lines are actually
2 8, 12 and 16 inches, AC and iron. And it was
3 prioritized by baseyard as far back as 2002.

4 CHAIR ALDRIDGE: Ellen, excuse me. I wanted to re-
5 visit that plant for a second and kinda follow up
6 on my Michael's question.

7 MS. KRAFTSOW: Ok.

8 CHAIR ALDRIDGE: And I'd ask the Director, if we
9 expect any kind of resolution on that in-stream
10 flow and our allo, our allocation if you wanna call
11 it that, any time this coming year?

12 DIRECTOR ENG: You know they had the contested case
13 hearing earlier this year and the hearings officer,
14 Dr. Miike, kind ah indicated like around October
15 time-frame he'd have something.

16 CHAIR ALDRIDGE: October as in this month?

17 DIRECTOR ENG: This past, yeah, yes. But even back
18 then we thought maybe the earliest would be the end
19 of this year. And I think it's just recently,
20 while I was on vacation, the commission reviewed
21 some additional information from HC&S I think, from
22 their, I think they had a stream person and his bio
23 studies and I think Jane Lovell attended that.
24 This is more the, you know, the creatures, critters
25 in the stream that he was discussing, but I'm
26 hoping to hear something by the end of this year.
27 And, but who knows. The commission is, seems to be
28 very, very busy and understaffed and so.

1 CHAIR ALDRIDGE: And slow.

2 DIRECTOR ENG: Yeah. But much due to under
3 funding, understaffed..

4 CHAIR ALDRIDGE: Sure, sure. Thank you, Jeff.

5 DIRECTOR ENG: You're welcome.

6 MS. KRAFTSOW: Ok, the Kuikahi Well is another well
7 for distribution of the withdrawals as well as
8 potential increase from the Iao Aquifer. And that
9 is scheduled for exploratory drilling and
10 preliminary design and possibly land acquisition,
11 750,000. This project was based on the USGS
12 preliminary model results for op, to try to
13 optimize our distribution of withdrawals. The next
14 is Kanoa, Oihana and Pikale Place, that's \$75,000.
15 The existing lines have 2, 3 and 4 inch segments.
16 The project is to install 1800 feet of 8-inch line
17 and 6 hydrants along Kanoa, Oihana and Pikale and
18 replace roughly 38 service laterals.

19 DIRECTOR ENG: Excuse me, Ellen. Is that just off
20 of Waiale Drive?

21 MS. KRAFTSOW: That's actually down, I, I think
22 that's down, Kanoa, that's where our office is, my
23 division, yeah. Down there by Treats and Sweets
24 and NAPA, that road.

25 DIRECTOR ENG: Ok.

26 MS. KRAFTSOW: I know I looked at that this morning
27 and I went "why didn't it ever hit me that that's,"
28 anyway. Makena Road Waterline Replacement, Design,

1 this project has been cropping up for years and
2 then not done for years because there is a low
3 parcel count and it is pretty far out there, it
4 would low priority except that it eats up more of
5 our overtime then almost any other line or maybe
6 any other line in the system. And so it's driving
7 our fiscal guy, our baseyard guys absolutely
8 insane. The project is to install 3100 feet of
9 ductile iron, well 3100 feet of line, actually
10 there's all kinds of discussion about how to do
11 that. That's lava rock; it's hard to get through.
12 The existing line is on top of the rock, it gets
13 cut all the time, so there was thought about
14 putting a metal line above ground but there's a
15 terrain issue so, anyway, we scheduling it again.
16 And hopefully we'll be able to resolve it.

17 CHAIR ALDRIDGE: Ellen, question, you just, when
18 you said this thing, this project been on there for
19 years...

20 MS. KRAFTSOW: On and off.

21 CHAIR ALDRIDGE: On and off. That reminds me of a
22 project that doesn't show up, but I had a question
23 about it. And, when Director Tengan was here, he
24 told me that there was a project for a main
25 replacement on Ulumalu Road, and in fact there was
26 a survey crew that went out there, this is like 3
27 years ago I think or 2 years, 'cause I, I first
28 came on, saw him in the elevator and he said, "Oh,

1 you live on Ulumalu Road, don't ya? Yeah, there's
2 a replacement taking place there." And this has
3 never happened. Just wondered what happened to it.

4 MS. KRAFTSOW: If it's one of, I think that it was
5 done, yeah?

6 DIRECTOR ENG: No, that's the one we were gonna do
7 in-house. There's that little bottleneck there..

8 MS. KRAFTSOW: Didn't we do it, yeah?
9 (several people speaking at the same time)

10 DIRECTOR ENG: Bobby's guys are going to..

11 MR. CHANG: They have monies, they have monies this
12 past fiscal 08 to purchase the materials and..

13 DIRECTOR ENG: Yeah.

14 MR. CHANG: Going in-house.

15 DIRECTOR ENG: Yeah, yes, so I think we have the
16 materials now.

17 CHAIR ALDRIDGE: I think it's like from Five
18 Corners down past my house.

19 MS. KRAFTSOW: Yeah, I remember that when I thought
20 they had done it already so.

21 DIRECTOR ENG: Yeah, yeah.

22 MS. KRAFTSOW: Sorry.

23 DIRECTOR ENG: That one we wanted try do in-house
24 and save some money. But right now we have some
25 other projects we're working on.

26 CHAIR ALDRIDGE: Just curious that's all. I'm
27 sorry, Ellen, go ahead.

1 MS. KRAFTSOW: No, that's ok. This next one is
2 Uluniu Road and Ewa Place and this actually I
3 remember because the first time I ever made the CIP
4 which was in like 1994, getting it ready for 1995,
5 this project was in there.

6 (laughter)

7 MS. KRAFTSOW: This is 2800 feet of 8-inch line,
8 removing a line from private property. There's a
9 line that goes a little bit in private property,
10 right on the corner there towards the top.
11 Installing 7 hydrants between existing 12-inch on
12 Uluniu and Ewa and re-locating about 30 service
13 laterals. It's a small segment, small sub-standard
14 line with a little bit of a jog onto private
15 property there. And Makawao, Pukalani, Kula. The
16 Kamole Weir Treatment Plant Improvements, the
17 refurbishment of the high-lift pumps is actually a
18 very good efficiency project as well as a needed
19 maintenance. This is to repair and refurbish
20 pumps, install variable speed drives. The high-
21 lift pumps are old and in need of replacement. I
22 don't have it here but for some reason, I don't say
23 what year, but they're old. Anyway, and the
24 variable speed drives if they are used will support
25 increased capacity as well as lowering electrical
26 costs because they'll be more flexible, they'll be
27 able to work as needed.

1 CHAIR ALDRIDGE: Didn't Herb just say before that
2 these are not gonna be the VFD's.

3 MR. CHANG: Yeah, we talked with our plant
4 operations and we thought that given we have the 3
5 million gallon new clearwell, and we gonna size the
6 pumps, say two 2 million and 3 and 4 million with a
7 fifth future possibly 3 million, and we should be,
8 we didn't, didn't see any need for a variable speed
9 drive anymore.

10 CHAIR ALDRIDGE: So, the project consists of just
11 replacing these existing motors with new motors or
12 what?

13 MR. CHANG: Yeah, we'll be using the same cans, pop
14 up cans, replacing all the motors and the
15 electrical controls.

16 CHAIR ALDRIDGE: But not the pumps?

17 MR. CHANG: The pumps with electric, the motors and
18 pumps will be...

19 CHAIR ALDRIDGE: Oh, motors and pumps, ok. So you
20 are replacing 'em all but with the constant speed
21 drives.

22 MR. CHANG: Right.

23 CHAIR ALDRIDGE: Ok. Thank you, Ellen.

24 MS. KRAFTSOW: Well, sorry.

25 CHAIR ALDRIDGE: I just heard that about 20 minutes
26 ago so. Update, flash news.

27 MS. KRAFTSOW: I'm just behind the times here. Ok.
28 And unless that's changed too, this project is one

1 of the ones that's funding it's water system
2 development fund, 1 million and 2 million in new
3 bonds. Omaopio Road Tanks, this is to replace and
4 or enlarge the 3 tanks on Omaopio Road. They were
5 to be designed and constructed together. There
6 were three 12,000 gallons steel tanks, which were
7 all in poor repair and 2 had been taken off-line
8 actually due to sanitary survey results, but the
9 area still needed fire protection. This is to
10 construct those tanks and actually don't have the
11 final answer on what size those tanks will be. I
12 don't know if that's been determined or if it's
13 still in design right now.

14 DIRECTOR ENG: Yeah, I'm not familiar either.

15 MEMBER HOWDEN: How can three 12,000 gallon tanks
16 take care of fire needs on Omaopio?

17 MS. KRAFTSOW: Well, that's why there was talk of,
18 that was consideration, the project included
19 consideration of upgrading one or more of the
20 tanks. But they're not the only source of fire
21 protection for that road, obviously the tank
22 upgrading of that would also provide fire
23 protection so it's also just pressure break and
24 more better, better service.

25 MR. CHANG: The idea was just to put maybe one
26 bigger tank on the top.

27 MS. KRAFTSOW: Yeah.

1 MR. CHANG: If they run it close to each other as
2 well, the top one would be the main storage for
3 fire and the remaining 2 of them, the lower ones
4 will be just pressure mains.

5 MEMBER HOWDEN: Oh, so how big would the upper one
6 be? Any idea?

7 MR. CHANG: Oh, no, probably somewhere 120, 150,000
8 in that range.

9 MEMBER HOWDEN: Oh, good. Ok, yeah that makes a
10 lot more sense.

11 MS. KRAFTSOW: Ok. Then next is the Piiholo Road
12 East Olinda Tank Enlargement. That's 720,000 and
13 that is to replace a 25,000 gallon steel tank on
14 Piiholo Road with a, now I'm afraid to say it,
15 120,000 gallon tank. Again, this is an old tank in
16 need of replacement in an area that is needing more
17 storage. The Piiholo Treatment Plant control
18 system upgrade, that's about 300,000. We have an
19 old system there controlling the plant, it's kinda
20 outmoded so this is just to bring it up and make it
21 more efficient. Pulehuiki Tank Replacement which
22 is also called the Hapapa Tank, it's on Hapapa
23 Road, currently. This is to replace the existing
24 70,000 gallon out of service corrugated steel tank,
25 on Hapapa Road with approximately, at the time
26 consideration would, is given to increasing it and,
27 and relocating it possibly, 300,000 or so but its
28 not decided yet, I don't think. And the source of

1 funding is Water System Development fund. The
2 Upper Kula Transmission Improvements, portions of
3 the line from Kamole Tank to Kanaio, installation
4 of waterline to replace failing 2 and 2-1/2 inch
5 segments of line. This is a very long distance, I
6 think it's 3 miles or more. But there's certain
7 segments that have frequent breaks and sub-standard
8 lines so that this project may or may not depending
9 upon the state revolving loan funds, may or may not
10 involve phased project gradual construction of the
11 whole thing or just replacing the portions that are
12 most serious. The Waikamoi Flume Redesign, as you
13 know the Waikamoi Flume is very old and the
14 foundation and trestles and structure needed to be
15 upgraded for safety. And aside from their
16 structural integrity and maintenance there's also a
17 need to redesign that flume for efficiency. So,
18 this is a bond funded project. The source
19 agreement for that flume, current source agreement
20 goes to about 2039.

21 MEMBER HALLER: May I ask, may I ask a question
22 about that now? Is that ok?

23 CHAIR ALDRIDGE: Sure, please.

24 MEMBER HALLER: Just a, you know, the flume is kind
25 of in our, one of our favorite topics ever since we
26 got to walk it. And, so I'm just kinda curious if
27 you could give me an idea about, ok, here we are

1 starting to design repair, what kind of timeline
2 are we looking at?

3 MEMBER ROBINSON: She said 2039.

4 MEMBER HALLER: No, that's the funding.

5 MS. KRAFTSOW: No, that's the source agreement.

6 MEMBER ROBINSON: Oh, sorry.

7 MEMBER HALLER: So, what are we looking at? Five
8 years? Three years? What's your take on that?

9 MS. KRAFTSOW: I think that would depend on, I
10 think that would depend on the design, determining
11 exactly what needed to be done, then would in turn
12 tell us how we would fund it and what stage we
13 would have to do it in, but Jeff or Herb might have
14 more to say on that.

15 DIRECTOR ENG: Yeah, I don't know, any idea how
16 long the design, once we go out with a contract?

17 MR. CHANG: The accessibility probably be the most
18 difficult and then, I would think one, one year
19 should be easy. But then construction probably be..

20 MS. KRAFTSOW: The hard part.

21 MR. CHANG: That would be very costly so yeah,
22 definitely has to do it in phases. I think some
23 (inaudible) improving the in-takes. Not sure
24 whether that's gonna trigger an EIS. We try to
25 work with that concept. I'm not sure how, how we
26 gonna try to improve the in-takes, we'd be taking
27 more water if that's the intent, it may trigger..

1 MEMBER HOWDEN: But the water is generally captured
2 by the, the ditch system that feeds Piiholo, isn't
3 it down below?

4 MR. CHANG: I'm not sure whether it's, well, the
5 idea is that if you try to take more water and it
6 triggers more...

7 MS. KRAFTSOW: If you do work in the stream anyway,
8 you have to get a stream channel alteration permit.

9 MEMBER HOWDEN: Sure.

10 MS. KRAFTSOW: And with the new decision that the
11 commission made too, because they are requiring
12 base flow, these in-takes are designed basically
13 such that they capture the base flow and they're
14 not as efficient as they were designed to be
15 because they clog a lot. But, that's Lower Kula
16 has even a bigger problem but, up, up Waikamoi as
17 well to some extent but if we even made them have
18 the efficiency that they were meant to have, some
19 people think that we would have to do an EA because
20 it's still the net result is taking more water
21 which arguably could be more impact at least to
22 that reach of the stream, right.

23 MEMBER HOWDEN: Yeah, I would expect it.

24 MS. KRAFTSOW: Yeah, but it may be that they have
25 to be redesigned anyway depending what the results
26 of the commission's decision end up being, right
27 so.

28 MEMBER HALLER: Yes.

1 CHAIR ALDRIDGE: Ellen, may be you or Herb can be a
2 little more precise about what exactly is included
3 in the half a million design? Repair of the
4 design, repair of the trestles, the flume itself
5 and the collection systems or is it just one of the
6 above, or all of the above or even more?

7 DIRECTOR ENG: I think it is...

8 MR. CHANG: I haven't really looked at this
9 project, a half million dollars is probably, do the
10 whole thing.

11 CHAIR ALDRIDGE: So you're looking at designing the
12 repair to the trestles and support structure, any
13 modifications to the flume itself that are needed,
14 as well as the collection systems?

15 MR. CHANG: Probably, we haven't gotten to the
16 project's scope as far as when we advertised to the
17 consultants, but I would think we will want to have
18 them, consultants, to look other types of
19 conveyance systems, other than just wood.

20 DIRECTOR ENG: Yeah, other materials...

21 CHAIR ALDRIDGE: Besides the redwood? Ok.

22 MEMBER HOWDEN: Let us pray.

23 DIRECTOR ENG: You don't want redwood again, do
24 you?

25 CHAIR ALDRIDGE: Thanks, Herb. Thank you, Ellen.

26 MS. KRAFTSOW: West Olinda, 50K Tank Enlargement,
27 1.8 million construction, the design was funded I
28 think in FY 09. This is to design a larger tank

1 with lines control and appurtenances, to allow for
2 more flexibility and system operations. At the
3 time it was, there was consideration to be given
4 to, including an energy dissipater, I don't know if
5 that's happening. Olinda 50K used to cycle
6 constantly when Kamole Plant was shut-off. They
7 thought it needed either larger tank or different
8 controls to allow for pumping or gravity flow. A
9 Golden Anderson valve seem to resolve some of the
10 water hammer and cycling but the tank still needed
11 enlargement to accommodate fire protection. And
12 the anticipated size of 250,000 gallons was going
13 to be revisited in the design.

14 MR. CHANG: We still, we still don't have the,
15 we're pumping uphill in phase 10, we're still
16 cycling. The pumps come on and off too quickly to
17 draw from, apparently the main idea with this
18 project is to reduce the wear and tear on the
19 booster pumps.

20 MS. KRAFTSOW: Paia, Haiku. Haiku Exploratory
21 Well, Land and Exploratory Drilling. This is
22 drilling and testing and exploratory well in Haiku
23 aquifer with the possibility including siting.
24 This is to help identify location of possible new
25 source to serve the Upcountry area, serve and or
26 offset other water sources. West Kuiaha Road,
27 pressure regulating valve above the quarter million
28 gallon tank. That will reduce leakage on the

1 system from pressure problems, and, so it will
2 improve flows to the system.

3 CHAIR ALDRIDGE: That, that Haiku Exploratory Well,
4 is that in the general vicinity of the Kapakalua
5 Well or?

6 MS. KRAFTSOW: I don't believe the site, an actual
7 site has been selected yet.

8 CHAIR ALDRIDGE: So, it's a pretty large area
9 that's gonna be considered right now.

10 MS. KRAFTSOW: Yes. Big square like that. Kameeui
11 Place Waterline Replacement, Design and Land
12 Acquisition. That's just 400 feet of 8-inch line.
13 There's an existing 2 and 1/2 inch line with
14 frequent breaks and low volume complaints so it's
15 just repairing a small old line in West Maui.
16 Kanaha Valley Land Agreement, may involve land
17 survey, pipe bridge access improvements or other
18 improvements as needed to remain in compliance with
19 the land agreement that we made for the Kanaha
20 Valley in-take repair and to just remain in
21 compliance with our agreements, our maintenance
22 agreements on that. That's in, kind of on and off
23 ongoing project. Then Lahaina Water Treatment
24 Plant Improvements, Backwash Recovery. This is to
25 enable us to recover more backwash water so it's an
26 efficiency issue. It's 1.5 million from the Water
27 System Development fund. West Maui Source
28 Development, Exploratory Design and Land

1 Acquisition. This is to provide source for, you
2 know West Maui has a very large project build out.
3 The growth curve isn't as bad as the demand
4 forecast, curve isn't as bad as the build out of
5 the projects but the build out of the projects is
6 huge and clearly it's a growing area, and we need
7 more source for that so this is to site and design
8 an exploratory well.

9 MEMBER HALLER: Can I ask you a question? Why does
10 it cost a million dollars to do that and well
11 there's no exploratory drilling involved, I'm just
12 wondering why the Kapakalua location is a million
13 dollars and to do just about the same thing seems
14 to be half a million dollars but it looks like
15 Kapakalua includes some exploratory drilling, or
16 what you're calling the Haiku Exploratory Wells,
17 excuse me.

18 MS. KRAFTSOW: It's 500...

19 MEMBER HALLER: It's different.

20 MS. KRAFTSOW: It's actually 500,000; I think that
21 this is a typo in there. Please forgive me, I, I
22 came to work just to copy this thing unto a cd and
23 the whole thing crashed and I had to rebuild it
24 this morning at 6:00 a.m. so I got here, so there's
25 a couple of little typos I might have missed.

26 MEMBER HALLER: You know, I think what I'm
27 answering myself, it looks like the Haiku
28 exploratory well is in land and exploratory

1 drilling, is what the cost is. And for the West
2 Maui source well, it's about design and land
3 acquisitions, so you're in 2 different pages of
4 those 2.

5 MS. KRAFTSOW: Oh, ok. So it's right. Ok.

6 MEMBER HALLER: No, I think you're right, sorry.

7 MS. KRAFTSOW: I thought that you were saying that
8 this was, that this was drilling and I kept looking
9 like, "I missed the drilling?"

10 MEMBER HALLER: No, no, no, no. Sorry.

11 MS. KRAFTSOW: Hana. Sorry. Hamoa-Koali
12 Waterline. This is a \$7 million project; it's a
13 long segment of line. It's more that 15,000 feet,
14 I wanna say 17,000, I didn't have the exact
15 measurement when I was rushing this morning, but
16 the cost, the overall cost, it was gonna be built
17 in 4 phases and each one was like 3 or 4,000 feet.
18 So it's about 17,000 feet. And it's \$7 million
19 dollars overall to do it and we would only be able
20 to do this with state revolving loan funds. There
21 are, this line has been scheduled previously
22 because of frequent breaks and it is a sole source
23 line to some people that live out in Koali.
24 However, when it was scheduled in the past, the
25 community objected to upsizing the line. This is
26 not, this is an area where the community plan
27 specifically does not want development. And
28 putting in a line that would be adequate for

1 develop is not something that the community wants,
2 however we have this issue of breaks and the need
3 to be able to provide these services to the
4 community and so we would probably still be
5 considering options about whether it would be
6 possible to use a smaller line and just repair it
7 or what, what would happen. So the size of this
8 line is still not a 100%...

9 DIRECTOR ENG: Yeah, we don't want to upset the
10 community out there by putting too large a line and
11 that's their fears so we'll try to work with them
12 but it is sub-standard and it has a high frequency
13 of breaks so we have to do something.

14 CHAIR ALDRIDGE: Is this above where the land, the
15 landslide was from the earthquake?

16 DIRECTOR ENG: No, it's not that...

17 CHAIR ALDRIDGE: It's not that far?

18 MEMBER HOWDEN: It's close to Hana town.

19 CHAIR ALDRIDGE: Oh, ok.

20 DIRECTOR ENG: It's outside Hana town.

21 MS. KRAFTSOW: Hana Source Development. This is
22 exploratory design for a back-up well on the Waikiu
23 end I believe of the, of the system but we're not
24 calling it any particular name because we're, we
25 wanna have the flexibility to determine where it
26 would best serve the system. This is design and
27 Water System Development fee funds. It'll be a
28 back-up well. There's not much for out there. For

1 Keanae Tank. The existing fire protection in
2 Keanae is not really adequate for a school and YMCA
3 camp and so on that are there. So this would
4 enable us to have adequate fire protection for
5 Keanae.

6 MEMBER HOWDEN: What size would the (inaudible).

7 MS. KRAFTSOW: It says here 250,000 gallons but
8 they need to probably take a look, they probably,
9 because it's a design phase, they'll take a look at
10 the size and see if it's you know, they, they
11 (inaudible) that stuff.

12 MEMBER HOWDEN: Yeah, it's continuing problem for
13 Keanae because when the Wailua people use this
14 water, then they don't have any pressure.

15 MS. KRAFTSOW: So maybe they need more than just
16 fire flow. Kaunakakai-Kawela Well 2. The circled
17 area is where the Maunawainui option is but there
18 have been several options which you can see in all
19 these little colored triangles. And this is an
20 exploratory well for back-up of the Kaunakakai-
21 Kawela system. Growth over is very slow but we
22 would have expected this well and subsequent wells
23 depending upon the distribution to serve
24 anticipated demands. Probably demand would go up
25 to about 1.3 million over the next 20 or 30 years
26 for Molokai, so it's pretty small. But even that's
27 maybe slower now that Molokai Ranch is going out
28 'cause they had projects even a few projects even

1 on our side but anyway, that's 1.05 for exploratory
2 design, drilling and, and land. And that's a
3 project that the commission is very interested in
4 because we need to distribute withdrawals from the
5 Kualapuu Well. Molokai Mobile Backup Generator,
6 that's probably a 350 horsepower backup generator
7 to, with appurtenances and container to be able to
8 move around and serve areas that, that may need it
9 on Molokai when power goes down. That can be scary
10 over there. So, it's to assure reliability for the
11 stream (inaudible) area. Then County-wide there's
12 about 3.2 million and a 100,000 for archeological
13 monitoring that we might need for projects. One
14 point four, I'm sorry about a million for land
15 appraisal and acquisition. About 650,000 for pipe
16 and facility improvements that they may be small
17 pipes that we can repair in-house or things that
18 come up. Pump facility improvements that's 1.4
19 million, I'll go into the detail of what we think
20 they'll be but we like to leave that flexible
21 'cause many pumps are old. This gives enough money
22 to make sure we can repair them if we need to. And
23 then 50,000 for security measures. The anticipated
24 pump replacements, there are 1.4 million excluding
25 the high-lift pumps, including the high-lift pumps
26 it's 4.4 million. And the anticipated pumps are
27 Honokahau B, Kanoa Well, Mokuahu Pump both 501 and
28 503, North Waihee Pump 2, and generalized motor

1 controls and electrical upgrades as needed. Our
2 mission is to provide clean water efficiently.
3 Thank you.

4 (applause from board members)

5 CHAIR ALDRIDGE: Thank you, Ellen.

6 MEMBER HALLER: So I have a question. I guess my
7 question is about when I was talking to Eric about
8 it. What I would love to see is some expenditure
9 allocated that addresses a 30% of our budget going
10 to MECO for electricity and some attempt
11 financially to support efforts to see, explore if
12 alternative energy is of any use to, to the
13 Department of Water Supply, and while it might run
14 water uphill and you know there's limits to what
15 perhaps it can do, there's other areas where I
16 would've think it would be very helpful, and I'm
17 just wondering if you would address that.

18 MS. KRAFTSOW: Yeah, actually the original draft
19 that we talked about even this year had some money
20 in it for possible consideration of wind farms on
21 certain sites. But I think, but a few things came
22 up, first of all we're just really flat out of
23 money and it's doubtful what we would be able to
24 fund all these farms. And second of all there's
25 some opportunity I think Jeff's been on top of,
26 with possible private cooperation?

27 DIRECTOR ENG: Eric has been...

28 MS. KRAFTSOW: Eric has been?

1 DIRECTOR ENG: Involved..

2 MEMBER ROBINSON: Eric can talk about.

3 DIRECTOR ENG: Yeah.

4 DEPUTY DIRECTOR YAMASHIGE: Yes, thank you. I'm
5 not sure if you know that Jeff and I have the
6 opportunity of serving on different working groups.
7 (inaudible) serves on that. But the Mayor has
8 these working groups that look different energy
9 alternatives, efficiency in our operations and
10 things so, before I tell you that we are looking at
11 alternative energy, I will tell you that Maui
12 Electric, although we are their biggest and largest
13 customer, they also recognize us as one of the most
14 efficient. So, it just costs a lot of money to
15 deliver water via the pumps. That being said, we
16 are looking at alternative energy. Let's go into a
17 little bit of history of what we've been looking
18 at. We've been approached by a couple wind turbine
19 developers that wanna come in and fund the project
20 and charge us, purchase power agreement, at maybe
21 80 or 70% of what Maui Electric would charge us.
22 So we went to the Department of Finance and the
23 Purchasing Division and asked if we could do
24 something like an experimental project because the
25 Kamole Treatment Plant, that site in that area, we
26 feel is conducive for wind energy. We were told
27 that we cannot do that. Any effort to do this need
28 to go out for competitive bid so we started

1 investigating that. We found out that it's not as,
2 it's not a simple RFP. The Department of
3 Transportation has tried at the airports and we've
4 found out that they've encountered some
5 difficulties. Some of the other counties have also
6 tried to put out a project for alternative energy
7 and they've run up into some problems. It's a
8 difficult project to scope it.

9 MEMBER ROBINSON: To what?

10 DEPUTY DIRECTOR YAMASHIGE: To scope. Now, so what
11 we've been doing is we've been working with the
12 Office of Economic Development under the Mayor and
13 we've asked them, because it's not only the Water
14 Department that would really pursue these
15 alternative energy projects, for them to take the
16 lead, work out the bugs for Request for Proposals,
17 so we can move forward on this. That's where we
18 are right now and OED is working on that.

19 MEMBER ROBINSON: And, and maybe you wanna
20 mentioned that Chris Menzel who is on our agenda
21 for next month, who's coming to speak, is one of
22 the people that is working with OED on this
23 streamlining of the RFP.

24 DEPUTY DIRECTOR YAMASHIGE: Victor Reyes and Kal
25 Kobayashi from OED are very much aware of our, our
26 desire to move forward on something like this.
27 Chris, I initially thought that he was county
28 employee but he did come in and we spoke and I

1 found out that he's not, he's just trying to help
2 the County move forward on this. So he's working
3 with Victor and Kal trying to put something
4 together and do a lot of research. I just had one
5 of the developers come in and I asked him to
6 contact Chris because they have some experience on
7 the Mainland with these RFP's. We'll just inundate
8 'em with a lot of information and they'll spit out
9 good RFP.

10 MEMBER HALLER: So, is it, is there no value in
11 asking for, perhaps it doesn't belong in this
12 budget is what you're saying to me, from what,
13 perhaps it belongs in OED but depending on a
14 volunteer to help us write an RFP..

15 DEPUTY DIRECTOR YAMASHIGE: I'm sorry, Marion. No
16 we're not depending on OED to develop the energy,
17 we're asking them, because they're a county agency
18 without any one department, we're asking them to
19 try and put together an RFP that will work. 'Cause
20 I can see benefits from the Parks Department,
21 wastewater reclamation, not just water. And it's
22 not something that water needs to take the lead on
23 right now. We have an energy coordinator that can,
24 can do it.

25 MEMBER ROBINSON: The County's energy coordinator.

26 DEPUTY DIRECTOR YAMASHIGE: Yes. And they're
27 willing to do it, they recognize the benefit for
28 us.

1 VICE CHAIR HOLMBERG: When you, if I may, as far as
2 scoping the project in other words scoping the
3 project specifically for the Water Department's
4 needs, I take it that would be easier from a county
5 government perspective since, as far as scoping in
6 other words is that requirements, power
7 requirements, storage, fiscal side, I'm not sure
8 or, without going into gritty detail.

9 DEPUTY DIRECTOR YAMASHIGE: Yeah, we heard or at
10 least in the limited amount that I've done some
11 research, we've heard that the RFP cannot be so
12 specific that it keeps other people from
13 participating in the process.

14 VICE CHAIR HOLMBERG: Right.

15 DEPUTY DIRECTOR YAMASHIGE: Like if you were to say
16 strictly solar and you kept the wind guys out of
17 it, they have something to hold up your whole
18 process and I think that's what other agencies have
19 encountered.

20 VICE CHAIR HOLMBERG: Ah.

21 DEPUTY DIRECTOR YAMASHIGE: That's the kind of
22 stuff we don't want to encounter.

23 CHAIR ALDRIDGE: So, the issue with scoping really
24 is a procurement issue and how to keep this a
25 competitive procurement.

26 DEPUTY DIRECTOR YAMASHIGE: Yes.

27 CHAIR ALDRIDGE: Is that correct?

1 DEPUTY DIRECTOR YAMASHIGE: Yes, that's correct.
2 We just don't wanna hit snags once we get started.

3 CHAIR ALDRIDGE: Yeah. So it would behoove the
4 County to do it for county-wide for all the
5 agencies so that they have one vehicle, pardon the
6 expression, or one method of, of getting
7 competitive professional service or whatever they
8 might be, or bids on alternative energy designs or
9 proposals.

10 DEPUTY DIRECTOR YAMASHIGE: That's right. And you
11 know if we did put it in the budget, I know Marion
12 wants to see something in there, the people that
13 we've talked to have proposals to actually develop
14 it, maintain it, operate it and then have a
15 purchase power agreement with us. We, we take no
16 risk. If they cannot produce we just don't get to
17 buy the cheaper energy but we're not responsible
18 for hundreds of thousands of dollars of equipment.

19 CHAIR ALDRIDGE: You know, it might not hurt. I
20 know you're in a budget cutting as opposed budget
21 building process here but it certainly might not
22 hurt politically to show and support for this and
23 put a nominal amount that said you know a
24 supporting effort towards developing you know a
25 procurement process for alternative energy sources.

26 MEMBER ROBINSON: Yeah, especially..

27 CHAIR ALDRIDGE: And that way, I'm sorry.

28 MEMBER ROBINSON: Oh no.

1 CHAIR ALDRIDGE: When you go there somebody like
2 the coordinator, you can say, "well, we got it in
3 our budget." Even if it's only \$5,000 or
4 something. Maybe out of the Director's department.
5 Take that 5,000 you're gonna take away from the
6 Board..

7 (laughter)

8 CHAIR ALDRIDGE: And put it into this.

9 MEMBER HOWDEN: Well, he's gonna need more than 5.

10 MEMBER ROBINSON: Well, especially knowing that
11 this is the Mayor's baby, I mean this is, this
12 energy alliance seems pretty important to her and
13 so why not have some language in there. It can't
14 hurt. I mean if there's not a necessarily that big
15 of a monetary commitment because you're gonna
16 actually benefit from these, these private
17 companies who aren't gonna charge you anything but
18 at least you're showing through your budget there's
19 gonna be cooperation there. I think that's really
20 wise, wise suggestion you know.

21 MEMBER LUCK: May I ask a couple questions and it's
22 not gonna sound like it's related but I'm gonna try
23 and get, but the first question was, can you tell
24 me what the CIP for 2009 was? The total amount. I
25 couldn't find it anywhere.

26 MS. KRAFTSOW: Yeah.

27 DIRECTOR ENG: Yeah, I think we (inaudible) I saw
28 it this morning.

1 MEMBER LUCK: Is this the higher amount, I guess...

2 MEMBER HALLER: About the same. It's very similar.

3 MEMBER LUCK: It's about the same and it, I think
4 I'm hearing you say that the Waiale Treatment
5 Facility is most likely not gonna get passed or at
6 least for this amount. So, why not take 50,000...

7 DIRECTOR ENG: We don't...

8 MEMBER LUCK: Off of that, put it to feasibility
9 studies for this and then we've got it covered.
10 There's like no risk in doing that, to me.

11 DIRECTOR ENG: Well, we wanna kinda keep the Waiale
12 just as place mark in case something does move you
13 know, we've already counted for that. Now, I can
14 always put some money, like in my administration,
15 but it'll just be under professional services.

16 MEMBER ROBINSON: That's alright.

17 DIRECTOR ENG: It wouldn't...

18 MEMBER ROBINSON: Just something, something token
19 that says...

20 DIRECTOR ENG: Yeah, so I can even bump a few
21 thousand dollars and, and when it comes time for
22 the Mayor and the Council, I can say a part of this
23 line item is for some of these.

24 MEMBER ROBINSON: Exactly.

25 CHAIR ALDRIDGE: That's the whole point.

26 MEMBER LUCK: 'Cause there should be a study
27 anyway. Not to rely on...

1 DIRECTOR ENG: But it won't, it won't be really
2 showing in one budget so.
3 MEMBER LUCK: Ok.
4 MS. KRAFTSOW: So, 36,550,000.
5 DIRECTOR ENG: Or should be capitalized to really..
6 CHAIR ALDRIDGE: Don't really need to capitalize.
7 You're not capitalizing (inaudible) right now. You
8 still have some..
9 MEMBER LUCK: No, no, that, that's fine. Thank
10 you.
11 MEMBER ROBINSON: Thanks Eric.
12 DEPUTY DIRECTOR YAMASHIGE: I wish I could turn
13 this off and discuss it.
14 MEMBER ROBINSON: And have it, have, not, just to
15 talk about it without, off the record you mean?
16 DEPUTY DIRECTOR YAMASHIGE: Yeah.
17 MEMBER ROBINSON: Yeah? Oh that's ok, why not?
18 Can't do that?
19 CHAIR ALDRIDGE: No.
20 MEMBER LUCK: I don't think you can.
21 MEMBER ROBINSON: Nothing's off the record?
22 CHAIR ALDRIDGE: No.
23 MEMBER HOWDEN: Go into executive session.
24 DIRECTOR ENG: We, we can do hand signals though
25 for this.
26 (laughter)
27 MEMBER HALLER: Who's this County Energy
28 Coordinator?

1 MEMBER ROBINSON: Uh, Kal Kobayashi. And, and then
2 Victor Reyes is, I guess there's 2 different...

3 DIRECTOR ENG: Energy something else.

4 (several members speaking in the background)

5 MEMBER ROBINSON: Yeah. Victor is under OED and I
6 believe Kal is under the Mayor, sort of an
7 advisory, it's kind of confusing but.

8 DIRECTOR ENG: Yeah.

9 MEMBER ROBINSON: Kal is more of a scientist, I
10 mean they're both scientist but Kal definitely has
11 done a lot of research around this. He's, he's a,
12 he's a research oriented type of guy. But he's
13 also very practical. He's interested in the
14 capability aspects and whether or not we're going
15 in the wrong direction in a particular way so, he's
16 a good, he's a good (inaudible) if you're thinking
17 of talking with somebody.

18 MEMBER HALLER: Now, I'm thinking of getting
19 updated here. I'm thinking of...

20 MEMBER ROBINSON: Having someone come and talk to
21 us.

22 MEMBER HALLER: Yeah, I'd love to make this a
23 priority if this Board is to help push this along.

24 MEMBER ROBINSON: Yeah, I mean.

25 MEMBER HALLER: Inform ourselves, find out where
26 they're going, push them. That's the way to
27 support this process.

1 MEMBER ROBINSON: Well, is it possible to back
2 track and add Kal to the agenda.

3 MEMBER HALLER: Well, hold on I got other stuff to
4 add too I, yeah.

5 MEMBER ROBINSON: Ok.

6 MS. KRAFTSOW: Phyllis, can I just make..
7 (several people speaking at the same time)

8 MEMBER HOWDEN: Ellen has something to say.

9 MEMBER ROBINSON: Yes, Ellen.

10 MS. KRAFTSOW: Just that Carl also has been
11 evaluating the energy efficiency options as part of
12 the Water Use and Development Plan.

13 MEMBER ROBINSON: Carl Freedman?

14 MS. KRAFTSOW: And, yeah, and he made a
15 presentation to you but remember it was really
16 short and so he skipped over a lot of that stuff.
17 But he is giving a talk at the conference about
18 electrical efficiency options for..

19 MEMBER HALLER: Oh, good.

20 CHAIR ALDRIDGE: You mean, next week's conference?

21 MS. KRAFTSOW: Uh huh.

22 CHAIR ALDRIDGE: Ok. Marion? You still have some
23 comments?

24 MEMBER HALLER: No, when we're done. I'm fine.
25 Thank you.

26 CHAIR ALDRIDGE: Any other comments? What's our
27 next step with this budget item? Does this require
28 a vote?

1 MS. HAYASHIDA: A motion to accept the budget or
2 whatever, if you wanna make changes.

3 CHAIR ALDRIDGE: Or whatever.

4 MS. HAYASHIDA: Yeah, just, you need, well I guess
5 you need to write a letter to, I guess it is to the
6 Mayor, that you, that you are either recommending
7 the budget as presented to you or you're not
8 recommending the budget.

9 CHAIR ALDRIDGE: Ok.

10 MS. HAYASHIDA: All it is, is, charter just says to
11 review it, submittal to the mayor of the annual
12 budget.

13 CHAIR ALDRIDGE: Ok. I have one question. The
14 Upcountry Reservoir doesn't appear anywhere in the
15 CIP, but you mentioned, Jeff, the 3.75 million, so...

16 DIRECTOR ENG: Ok, that's in the current...

17 CHAIR ALDRIDGE: Oh, that's says current fiscal
18 year, ok.

19 DIRECTOR ENG: So, we're showing 3.75 of County and
20 3.75 of State.

21 CHAIR ALDRIDGE: Of State.

22 DIRECTOR ENG: Yeah.

23 CHAIR ALDRIDGE: Ok and you're...

24 MEMBER LUCK: But it will require much more to
25 complete, correct?

26 CHAIR ALDRIDGE: Oh, yeah. Hundreds...

27 (several people speaking at once)

1 CHAIR ALDRIDGE: Has that been, ummm. What's the
2 word I'm trying to say? Ahh, oh boy.

3 DIRECTOR ENG: Appropriated.

4 CHAIR ALDRIDGE: Appropriated, it's been
5 appropriated.

6 DIRECTOR ENG: Yeah.

7 CHAIR ALDRIDGE: Or has it actually been...

8 DIRECTOR ENG: Right, so, the, the Council kinda
9 put a little proviso in a way, is that if we want
10 the funds then we have to go to them for, since
11 it's gonna be bond funded, for a bond
12 authorization. So, they're gonna force us to go to
13 another hurdle when we are ready with the project
14 to proceed with design and again we're, right now
15 we wanna hold off until we get a better indication
16 about that federal funding.

17 CHAIR ALDRIDGE: The 7 and a 1/2 million.

18 DIRECTOR ENG: Yeah, yeah.

19 CHAIR ALDRIDGE: So, nothing has been expended?

20 DIRECTOR ENG: Nothing's been expended. We had a
21 flora study done already and Herb is looking at
22 expending something for a fauna study maybe.

23 MR. CHANG: We have a 100,000, the auditors, this
24 past, this fiscal, the 2008 budget, so we wanna
25 make sure we use as much as we can out of that
26 100,000.

27 CHAIR ALDRIDGE: So, you have to encumber that 3.75
28 million by the end of 18 months period?

1 DIRECTOR ENG: It would be, yes.

2 CHAIR ALDRIDGE: Otherwise you lose it.

3 DIRECTOR ENG: Or we have to go before...

4 MEMBER HALLER: You have to go ask for it.

5 CHAIR ALDRIDGE: Ask for it again.

6 DIRECTOR ENG: Yes.

7 CHAIR ALDRIDGE: And they'll ask you why you didn't
8 spend it.

9 DIRECTOR ENG: Right. Take a lot of heat, yeah.
10 So be nice if we could, I'm getting a little
11 discussion with some consulting firms to just to
12 see they can handle this type of thing. I think
13 next week, I'll be able meet with one of the civil
14 consultants, just to talk in general terms what we
15 need to do, proceed and so.

16 VICE CHAIR HOLMBERG: Does this mean it'll be a
17 matter of talking to Hirono or Abercrombie's office
18 or our senators or is there, who else do we need to
19 lobby?

20 DIRECTOR ENG: Well, basically I think the Mayor's
21 gone to Washington, DC, once or twice already, to
22 lobby for funding and then as Eric pointed out that
23 she's going to be hire, hiring, hiring a lobbyist
24 for that as well as transportation.

25 CHAIR ALDRIDGE: Just call it a Water Bank and that
26 for sure you'll get the funding.

27 (laughter)

1 MEMBER LUCK: So, how, how will it work once the
2 federal funds are secured, is this just gonna be a
3 huge line item for one particular budget, like
4 budget year 2011, it's gonna be a \$250 million
5 bond?

6 DIRECTOR ENG: For the construction?

7 MEMBER LUCK: Yeah.

8 DIRECTOR ENG: That's whole different ballgame.

9 MEMBER LUCK: Ok.

10 DIRECTOR ENG: We don't, I'd say we have to rely
11 again on federal funding support. You know a
12 hundred million dollar bond funding isn't gonna fly
13 in this County, you know. Even if we broke it out
14 over a number of years, phases you know, that'll
15 eat up your entire bond so, yeah that's a real
16 difficult one.

17 MEMBER LUCK: Ok.

18 CHAIR ALDRIDGE: That would help favor 2 reservoirs
19 instead of one.

20 MEMBER LUCK: Yeah.

21 CHAIR ALDRIDGE: Break it up a little bit.

22 DIRECTOR ENG: Right.

23 CHAIR ALDRIDGE: Ok, well, unless there're other
24 comments, somebody prepared to make a motion to
25 recommend this budget?

26 MEMBER HALLER: Ah yeah, I'd like to make a motion
27 to recommend the budget to the Mayor. I would like
28 to include in that motion that in our

1 correspondence to the Mayor a paragraph in
2 reference to our very strong support and urgency
3 towards OED and, and the 2 individuals working
4 towards testing or implementing a test for
5 alternative energy. I'd like to, since we have the
6 Mayor's ear in that letter, I'd like to see that.

7 CHAIR ALDRIDGE: Ok. Sounds like a good motion.
8 We need..

9 MEMBER ROBINSON: I second that.

10 CHAIR ALDRIDGE: Second that? Let's take a vote on
11 it. All those in favor?

12 (a chorus of ayes)

13 MEMBER HOWDEN: I'd like to note..

14 CHAIR ALDRIDGE: Discussion.

15 MEMBER HOWDEN: That I'm abstaining and I have
16 reasons for why I'm abstaining. One, I have real,
17 serious questions about the placement of the Waiale
18 Treatment Plant and the disposition of designated
19 waters. I think on number two, the Hamoa-Koali
20 thing as we've agreed, I think the pipe is over-
21 sized at present for what the actual needs of the
22 community are. Three, I think that we ought to
23 expedite and put more emphasis on the Waikamoi
24 Flume system, it's re-design and re-configuration.
25 Four, as I expressed earlier, I think we need to
26 really look a fleet purchase, you know as a measure
27 of economy and that would be inter-departmental not
28 simply just the department. And five, agreeing

1 with Marion and Phyllis, that we really need to
2 commit ourselves to the use of renewable energy.
3 So, that's why I'm abstaining.

4 CHAIR ALDRIDGE: Ok, noted. Got that? Alright.
5 Let's see before we adjourn, we had taken a motion
6 to have, and approved the motion to have a
7 committee of board members comprised of Scott Luck
8 and Michael Howden and Marion Haller serve on the
9 hearings, to hear appeals. I would like the 3 of
10 you to consider appointing Scott as your
11 chairperson for that sub-committee, if you wish.

12 MEMBER HALLER: Fine with me.

13 CHAIR ALDRIDGE: And, and then have him..

14 MEMBER HOWDEN: Natural leadership.

15 (laughter)

16 CHAIR ALDRIDGE: And have him work through myself,
17 the Chair and Ed Kushi to go ahead and schedule..

18 MEMBER HALLER: Excellent.

19 CHAIR ALDRIDGE: That work with you?

20 MEMBER LUCK: Yeah, that's (inaudible), thanks.

21 MEMBER HALLER: Mr. Chair, can, can..

22 CHAIR ALDRIDGE: Gaye?

23 MS. HAYASHIDA: There'll be 2 agendas then for that
24 meeting date, one for the regular board and one for
25 the sub-committee meeting.

26 CHAIR ALDRIDGE: Yeah. No, I assume that all of
27 the, the necessary time-line for notification has
28 to apply to that too, I assume. Will check that

1 with Ed. Too bad he's not here that would've been
2 a question but no one's (inaudible) for answering
3 that question today. Ok.

4 MEMBER HALLER: Mr. Chair?

5 CHAIR ALDRIDGE: Yes.

6 MEMBER HALLER: Could I ask to just re-open item
7 number 8E, which is agenda items and I want to put
8 on ah, agenda or request to put on the agenda a
9 discussion about the, I was away so I didn't
10 realize that that conservation bill got turned
11 down.

12 CHAIR ALDRIDGE: Oh yeah.

13 MEMBER HALLER: And I wondered if we can have a
14 discussion about what the Department thinks can be
15 done, what can we do to recommend that it be re-
16 visited with something, you know, what was it that,
17 that, that killed it, if it's the golf courses that
18 killed it, take the damn golf courses out you know.
19 So, I would like to see if we can..

20 CHAIR ALDRIDGE: Sure, let's put that on the
21 agenda.

22 MEMBER HALLER: Discussion about that. And
23 secondly, I, I support that we address ourselves
24 and educate ourselves more about what Phyllis is
25 proposing, these speakers, so..

26 CHAIR ALDRIDGE: Sure.

27 MEMBER HALLER: I'd like to encourage that we have
28 those speakers attend.

- 1 CHAIR ALDRIDGE: Yeah. Absolutely.
- 2 MEMBER HOLMBERG: Including Carl.
- 3 MEMBER HALLER: Including although, how many are
4 going to this conference next week? Oh, ok.
- 5 MEMBER HOWDEN: Wow.
- 6 MEMBER HALLER: There's quite a few of us. So we
7 will hear Carl.
- 8 MS. KRAFTSOW: He'll talk about the options, I hope
9 he's gonna talk about us so maybe...
- 10 MEMBER HALLER: No, no but it'll be interesting.
11 I, yeah, it'll just be the big picture, it'll be
12 good.
- 13 CHAIR ALDRIDGE: Thank you, Marion. Oh, one
14 comment before we adjourn the meeting. Next
15 meeting is in November and you're gonna move it one
16 week ahead in order, because otherwise it'll fall
17 on Thanksgiving, right?
- 18 MEMBER ROBINSON: So the date will be...
- 19 MS. HAYASHIDA: November 20th.
- 20 MEMBER ROBINSON: November 20th.
- 21 MS. HAYASHIDA: And the same for...
- 22 CHAIR ALDRIDGE: Same holds true for...
- 23 MS. HAYASHIDA: December.
- 24 CHAIR ALDRIDGE: December. Unless of course...
- 25 MS. HAYASHIDA: December 18th.
- 26 CHAIR ALDRIDGE: We wanna meet on Christmas Eve.
- 27 MEMBER ROBINSON: December 18th, ok. No.
- 28 MEMBER HALLER: No thanks.

1 MEMBER ROBINSON: Unless we have eggnog.

2 MS. HAYASHIDA: We, also again it will be at Liquor
3 for both months, because in case, you know we gonna
4 run into, past 12 anyway, we can't have Planning,
5 so.

6 CHAIR ALDRIDGE: And I believe we have one appeal
7 already scheduled for the full board in November,
8 do we not, the one that was deferred from previous...

9 MS. HAYASHIDA: Yeah, that's, yeah, Susan Burns.

10 CHAIR ALDRIDGE: The appellant had requested a
11 different date.

12 MS. HAYASHIDA: Yeah. Will, is that gonna be
13 before the full board or the sub-committee?

14 CHAIR ALDRIDGE: Well, I think, I think we've
15 already, it was already previously scheduled.

16 MS. HAYASHIDA: Yes.

17 CHAIR ALDRIDGE: That was Mancini.

18 MS. HAYASHIDA: Yes.

19 CHAIR ALDRIDGE: Who's the representative, or who's
20 the attorney and they asked to be moved to
21 November, so let's give them the courtesy of
22 appearing before the full board then as scheduled.

23 MS. HAYASHIDA: Ok.

24 MEMBERS HALLER AND ROBINSON: So is that...

25 MEMBER HALLER: A long meeting?

26 MEMBER ROBINSON: Yeah, I was gonna say if that's
27 the case what should I tell these 2 speakers, they
28 have to limit themselves to?

1 MS. HAYASHIDA: Well, how long do they plan to
2 speak?

3 MEMBER ROBINSON: Well, I, we can tell them how
4 long they can speak.

5 MS. HAYASHIDA: Are they gonna speak together or
6 separately?

7 MEMBER ROBINSON: Probably separately but there'll
8 be discussion, there'll be kinda like a panel
9 fielding questions from us so, so one will speak
10 and then the other and then they'll...

11 CHAIR ALDRIDGE: What, is 20 minutes a reasonable
12 time?

13 MEMBER ROBINSON: Per person?

14 CHAIR ALDRIDGE: Yeah.

15 MEMBER ROBINSON: Sure. Yeah.

16 MEMBER HOWDEN: And then just defer Mancini to
17 later in the meeting.

18 CHAIR ALDRIDGE: Yes. Oh absolutely. Yeah.

19 MEMBER HALLER: Matter fact to the end of the
20 meeting.

21 CHAIR ALDRIDGE: Towards the end of the meeting.
22 Right.

23 MEMBER ROBINSON: Great.

24 CHAIR ALDRIDGE: Ok? With that we'll adjourn the
25 meeting. Anything else?

26 MS. HAYASHIDA: Ok, so, you want me to prepare a
27 letter of, for the recommendation of the budget to
28 you and..

1 CHAIR ALDRIDGE: Yes, and let's copy Marion so she
2 can give me that wonderful wording that she
3 mentioned during..

4 (laughter)

5 MEMBER LESTER: Make sure she gets it right.

6 CHAIR ALDRIDGE: Yeah.

7 MEMBER LUCK: Thanks fool.

8 MEMBER HALLER: That's what I get for..

9 MS. HAYASHIDA: Oh, before we all leave, Lee,
10 remember I was asking, telling you folks that we
11 were planning a separate field trip to the
12 windmills?

13 CHAIR ALDRIDGE: Oh, uh huh.

14 MS. HAYASHIDA: Ok, and I told you that was gonna
15 be in November. It's not gonna be in November.
16 The earliest they can take us is February. So, if
17 that's ok.

18 MEMBER ROBINSON: Ok.

19 MEMBER HALLER: As long as we stay on their list.

20 MS. HAYASHIDA: But Carl has..

21 VICE CHAIR HOLMBERG: I'll tell you what it's like.

22 (several people speaking at the same time)

23 MEMBER LESTER: Are you gonna go up?

24 VICE CHAIR HOLMBERG: I'm going, I'm going because
25 of the HWWA thing, yeah.

26 MEMBER LESTER: I can't make it.

27 MEMBER HALLER: Well, that's what I signed up for
28 but she said, oh so you are gonna do that.

1 VICE CHAIR HOLMBERG: I paid the ten bucks.

2 MEMBER HALLER: That's all it takes? Is there
3 still room.

4 CHAIR ALDRIDGE: Well, there was a very limited, I
5 mean they were only taking..

6 MEMBER HALLER: Oh ok and I signed up too late.

7 MEMBER LESTER: They won't let me go.

8 VICE CHAIR HOLMBERG: Why not?

9 MEMBER LESTER: 'Cause I have to fly home, they
10 won't let me.

11 DIRECTOR ENG: Oh, Holly says there's one vacancy
12 for that.

13 MS. PERDIDO: Well, because Victorino dropped out.

14 MS. HAYASHIDA: Oh he did? Oh, yeah, he's going to
15 the World Series.

16 MEMBER HALLER: Here's my money.

17 VICE CHAIR HOLMBERG: Poor guy.

18 CHAIR ALDRIDGE: Gee, World Series versus Wind
19 Farm? Just because your son's playing in it?
20 Gosh.

21 (laughter)

22 MS. HAYASHIDA: Ok, technically are we adjourned?

23 CHAIR ALDRIDGE: Yes, I'm sorry we are adjourned.

24 (The meeting adjourned at 1:35 p.m.)

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Prepared and submitted by:

Gaye Hayashida
Commission Support Clerk

Approved on: _____