

MOLOKAI IRRIGATION SYSTEM ADVISORY BOARD MEETING
MINUTES

3:45 pm, March 17, 2009

- I. Call to Order: Adolph Helm, Chairman, called the meeting to order @ 3:45 pm.
Board Members Present: Adolph Helm, Steven Arce, James Boswell, Richard Wheeler, Audwin Calairo

Guest: Duane Okamoto, Brian Kau, Randy Teruya, Byron Alcos, ...see sign in sheet.

- II. Approval of Agenda: R. Wheeler moved to accept the agenda; seconded by J. Boswell; motion carried.

- III. Approval of Minutes: S. Arce moved to accept the minutes (w/ or w/out amendments); seconded by R. Wheeler; motion carried.

IV. Old Business

A. System Update – Reported by Randy Teruya:

- Water level in reservoir @ 22.5'; compared to 23.0' last year at same time.
- 3.40 mgd reservoir inflow; 3.25 mgd reservoir outflow.
- MPL Inflow = 0.575 mgd; Outflow = 0.527 mgd and
- MPL buffer is 17.405 MG
- Two pumps operating during off-peak hours; 9:00 pm to 6:00 am.
- What is status of ARV replacement?
All seventeen (17) ARV's have been replaced as of March 3, 2009.

B. Capital Project Update – Reported by Randy Teruya

- As of March 1, 2009, contractor has performed the following:
 - 100% - Replaced three gate valves on transmission pipeline.
 - 67% - Clear three plugged blow-off/flush valves; #10 still plugged.
 - 50% - Installed messenger cable through the tunnel.
 - 100% - Main cable on island.
 - 100% - Main cable is on island
 - 100% - Complete backfilling trench and small area at tunnel entrance.

C. Financial Status of M.I.S. – Reported by Duane Okamoto

- Mr. Okamoto stated that although the board meets every two months, he will provide each board member with a monthly financial status of the M.I.S. and have it placed on the department's website. Additional copies will be made available at the M.I.S. office.

D. Accounts Receivable Collections Discussion – Duane Okamoto

- D. Okamoto stated that the definition of a delinquent account is one that is older than 60-days outstanding.
- Mr. Okamoto provided a hand-out that listed the Statutes and Administrative Rules that authorizes the HDOA to charge and collect fees for the irrigation water service. The Statutes and Rules further authorizes the HDOA to discontinue service for non-payment, failure to comply with the rules and to protect against fraud, abuse, or unauthorized use of the irrigation water.
- Mr. Okamoto explained that HDOA intends to meet with the Department of Hawaiian Home Lands (DHHL) and the Office of Hawaiian Affairs (OHA) to discuss the matter of establishing a reason collection policy for the M.I.S.
- It was asked if HDOA has enough time to take today's input from those in attendance, meet with the Department of Hawaiian Home Lands (DHHL) and the Office of Hawaiian Affairs (OHA) and draft a reasonable collection rules and implement the policy by June 1, 2009? It seems pretty fast. Mr. Okamoto was confident that the proposed schedule can be met.
- It was suggested that a notice be included with monthly billings.
- Also suggested that HDOA pay DHHL the land lease rent and taking the lease rent paid and apply it to the oldest outstanding balances.
- It was stated that homestead users, years ago, farmed 35 acres, but now, they don't but still are billed for 35 acres. The rules need to be changed to address this issue. *R. Teruya researched the comment and reports the following:*
 - 1) Pursuant to **Chapter 4-152**, Hawaii Administrative Rules Governing Irrigation Water Service to Consumers of the Molokai Irrigation System; **Subsection 3(e)** stated "The **total arable area** of the consumer shall be levied an acreage assessment in addition to the water tolls." These rules were in effect since inception up to September 2005.
 - 2) Pursuant to **Chapter 4-157**, Hawaii Administrative Rules Governing Irrigation Water Service to Consumers of Hawaii State Department of Agriculture Irrigation Systems; **Subsection 3(e)** states "Where applicable, **the total cultivatable and pastoral area** of the consumer shall be levied an acreage assessment in addition to the water delivery charge."

Effective September 25, 2005, the language of the rules were amended to address the issue.
- Suggestion to set aside the accounts receiveable issue rather than proceed with collections because there is a "trust" issue. Whenever the State needs to do something in the best interest of the system, the homesteaders come out worst off.
- Question – What is the extreme measures that the department would take, remove the meter? Answer: Yes.
- Comment acknowledged that "it's good that HDOA is willing approach each homesteader and address their payment problems on a case-by-case basis."

D. Accounts Receivable Collections Discussion – Cont.

- HDOA has to understand the homesteader's understanding of the Hawaiian Homes Act.
- Comment: HDOA will always have problems with homesteaders because of a difference in ideology. Thinks the system should be turned over to DHHL or turn the system over to the homesteaders.
- Comment: HDOA has not helped the homesteaders and the homesteaders are "screwed" and they feel "sour".
- Comment: There is still a "disconnect" between the HDOA and the homesteaders. The homesteader doesn't trust the department and believe the department is the "enemy".

E. Development of MIS Mission Statement – D. Okamoto

- Duane reminded the board members that "suggested" mission statements and examples were handed out at a previous meeting and would like to address this matter at the next meeting.

V. New Business

A. Legislative Update – Duane Okamoto

- Amendments to HB 633 were accepted.
- Capital Improvement Projects – House version is seeking funding to replace the Supervisory Control And Data Acquisition (SCADA) System.

VI. Next Meeting Date: May 19, 2009, at 10:00 am, MIS Conference Room.

VII. Announcements: A Farmer/Rancher Development Program sponsored by USDA for Farms/Ranches in operation for less than 10-years.

VIII. Meeting adjourned @ 5:40 pm, motion by R. Wheeler; seconded by S. Arce.
Motioned carried.

Respectfully submitted

James Boswell, Secretary
MIS Water Users Advisory Board