Agenda
8:00-8:30   Registration
8:30-9:00   Introductions, Ground Rules
9:00-9:15   Road Map
9:15-10:35  Maintaining and Supporting the MIS Infrastructure (status report)
10:35-10:50 Break
10:50-12:15 Review Working Agreement in Small Groups
12:15-12:30 Follow-up at Next Meeting

I. OPENING
   A. INTRODUCTION OF PARTICIPANTS

II. ROAD MAP

III. MAINTAINING AND SUPPORTING THE MIS INFRASTRUCTURE
   A. Administrative Issues

      Irrigation system revolving fund receives payments from and has expenses charged for all
      irrigation systems. This does signify that larger systems contribute a higher percentage to the
      revenue stream than the smaller systems. The MIS more or less breaks even [with inclusion of
      the pipeline transmittal income]. Lower Hamakua Ditch has the potential to run in the black. All
      other systems will [usually] run at a deficit. General fund supplements are needed to make up the
      deficit.

      Irrigation system rule amendment highlights: September 2005
      o Standardized acreage assessment calculations to be consistent with statues;
      o Established drought emergency protocol and penalties;
      o Set the rates for the next six years;
      o Limits future rate increases;
      o Standardized the fees for connection and meter testing; and
      o Established protocol to discount delivery fee if a grant is received [or if the board
        determines that there is sufficient revenue to meet expenditures.]

   B. Capital Improvements

      Past:
      • Estimated outlay of $275,000+
      • Includes Kualapuu Reservoir Improvement Study (partitioning)
        o Various electrical improvements
        o [SCADA/]Telemetry repairs
        o Well pump and motor replacements (5, 6, 22, & 23)
        o Distribution line repair at Maunaloa Highway
        o AWUDP Phase I & II

*Bracketed words are added to provide clarity to the roadmap meeting notes.
Current:
• Estimated outlay of $350,000+
• Includes design and final construction plans for replacement of main power cable in tunnel, new SCADA system, miscellaneous electrical improvements, [ARV’s and] blow off valve repairs
  o Planning study for hydro electric viability on MIS
  o AWUDP Phase III
Future:
• $6.5 million [needed for future needs. Approximately $2.5 million currently available.]
• Proposed projects:
  o Construction of electrical and other improvements including the replacement of the main power cable in the tunnel, a new SCADA system, miscellaneous electrical improvements, [ARV replacements] and blow off valve repairs [Estimated @ $3,000,000]
  o Improvements to the west portal concrete flume [Estimated @ $500,000]
  o Waikolu Tunnel access road improvements [Estimated @ $1,000,000]
• Micro hydropower plant. [A micro hydro is possible and could generate up to 82 Kilowatts. This should be enough to run one of the pumps. If three pumps are running, that could amount to a 30% savings. Cost was $20-25,000/month for electricity, but timers from 9pm – 6am reduced it to $14,000. [Estimated @ $1,200,000]
  o Rip Rap reservoir below concrete lining [Estimated @ $800,000]
  o Various other improvements

C. Q&A
1. Q: What is annual allocation from Legislature?
   A: It has been $425,000 and is not [allocated] by systems.
2. Q: Who decides how $425,000 used?
   A: Department makes decision on an as needed basis by system.
3. Q: How are budgets determined?
   A: Each system has budget which then is reviewed collectively at DOA level. Division determines how money allocated to all systems. Randy works with Irrigation System District Manager for each system, then Brian and staff develop budget for the division. If needs go beyond their budget, Chair and Deputy work to find additional funds in the department or in the State budget.
4. Q: Explain difference in water rates between the different systems.
   A: The rates are the same for all systems per the 2005 rule adoption. Breaks are given to systems that use over 850,000,000 gallons per year and a surcharge is added to systems that pump over four months per year (Molokai did not fall into this category as the cumulative run time did not exceed four months for all pumps). MIS uses 850mg/year qualifying for the 5-cent discount in the next year
5. Q: How do you deal with droughts?
   A: Conservation notices are sent out to the system users. On MIS, only non-homestead users will receive conservation notices unless the DHHL usage exceeds the 2/3 preference.
6. Q: What do you mean by "grant" regarding the MPL rental income used to off-set rates.
   A: [There is a provision in part 21 (B) of Chapter 4-157 that provides for an offset of an irrigation system’s water rate if a grant is received and also allows the Board of Agriculture to provide credits against the water rate if the Board determines that system revenue is sufficient to meet expenditures. Based upon the language in part 21, the ARM division received approval from the Board of Agriculture at its meeting of February 28,]
2006 to apply the excess revenues generated by the MPL pipeline rental income combined with the water charges and acreage assessments to MIS water users rates. It was an overstatement to characterize all of part 21 (B) as pertaining to grants.]

D. Other Comments

- Accounting for the MIS – from 1999 to 2005 “an average of $125,000 surplus generated by the MIS”. [DOA will post income and expenses for the MIS and other irrigation systems for the period of 2002-2007 on the HDOA website. As HDOA did not separate expenses for irrigation systems until 2002, it is unclear what the statement regarding the average surplus from 1999 to 2005 is based upon.]
- Trying to get ranch off the system.
- Molokai farmers vs. all farmers of the state—we should start looking statewide to support all farmers first.
- Stop looking backwards, need to root for farming statewide and in Hamakua.
- 2000-2500 acres of crop production can be supported by the MIS, but there's 7000 acres of Hawaiian Homes land.
- Want legislation to separate MIS into a separate fund—will HDOA support?
- Homesteaders pushed for the audit and self-governance.

IV. REVIEW WORKING AGREEMENT

Group 1:
- Purpose
  - Add building trust, relationships.
  - Ramifications for breaches in this agreement.
- Objectives
  - Add more homesteaders representation.
  - Add under Objective 1: by providing timely and accurate information.
  - Add more indicators for Objectives 1 and 5 (e.g. radio, local papers, website) to personalize the outreach
- Concern expressed about homesteaders need for 2/3 preference in the future, so can there be a way to have current users pay more for their use of water and reserve those for current and future homestead farmer needs (to be discussed at next meeting??)
- Concern – penalties in place for those who abuse/misuse system (per rules/regulations/agreements)
- Completion of tasks
  - Bullet #3 – change to number of meter requests outstanding.

Group 2:
- Prior to HDOA CIP list; MISWUB should have input at the front end for CIP projects.
  - Could be part of agenda discussion and jointly come up with list.
- Examine staffing needs; examine administrative process/staffing; examine means to get information out.
  - Getting meeting notices to all users; [including notices with monthly water bills].
- HDOA's written procedures on water rationing during drought periods.
- Big water users water conservation plans to [be submitted to] HDOA
- (Develop) a preventative maintenance checklist and report to MISWUB.
- Work with MISWUB on developing the operational budget – add transparency to how it's done.
- Reformat this agreement to be joint commitments for the success of the system.
- Possible CIP for discussion – one big filter station for all the water distributed.
- Examine water use efficiency
Best practices – is research needed?

- How much/when to irrigate
- CTAHR, NRCS (to be involved)
- Using technology

Include users in surveys and MISWUAB should be involved in creating the survey questions.

Some homesteaders can't hook up to MIS because either smaller than 2 acre lots or pipeline doesn't go there. This needs to be examined if it's keeping homesteaders from farmers; may need meters smaller than 2" meters.

DHHL water system (Waihanou)

- 1 mgd
- Could it join into MIS to service Kalamaua (2A ag lots – orchards, nursery production) and maybe service upper Hoolehua and not have to pump uphill; use holding tank.
- Should be discussed
- What is current condition and cost of repair?

Group 3:

- Objectives
  - Order of objectives questioned.
  - Suggestion to rearrange list from #5 to #1.
  - Put each objective into the Purpose.
  - Objective #5 permeates overall.

- Indicators

  1. Communication
     - Department with MISWUAB will develop the survey and send out to users.
     - Receiving timely and accurate billings.
     - Mail out with users invoices.
     - Add survey to DOA website.
     - Create a Forum with users and DOA (website)
       - Q & A
     - MIS/DOA informational meetings
     - Update of other systems
       - Systems' update (snapshot of the systems)
     - Newsletter included with monthly billing.
     - Newsletter published with local newspaper.

  2. Sharing of financial and operational information
     - Quarterly actuals
     - Report budget
     - Continue monthly basis

  3. Completion of operational tasks
     - Operational tasks on a continual basis.
     - Develop an Operational Services Manual
       - Presently: Daily, weekly, monthly checklist
     - Outsource development of comprehensive water management/service manual.

  4. Collaboration
     - Users, DOA, MISWUAB and community to support bills
     - Any bill related to agriculture
     - Communications online (website link)
     - Provide a template supporting testimony
     - Roadmap process – ongoing
     - A "Living" Document

- Agreement
  - Expected benefits change to the preamble.
• HDOA commitment
  o Adequate staffing (MIS operations & MISWUAB) to implement listed expectations of HDOA commitment.
  o Adequate resources
  o Ongoing training
  o Staff development
  o Collaborate staffing with DHHL/DOA
• Suggestion: Include commitment from MISWUAB, users, community regarding agreement.
• Make known to users the MISWUB’s rules and policies according to administrative statutes.
• HDOA shall acknowledge and/or respond to all relevant communication within 24 hours of receipt of communications.

Attendees:
Rex Kamakana, Donald Maum, Steven Arce, Dick Wheeler, Byron Alcos, Corene Helm, Darryl Canady, J. Trinidad, Viola Wichman, Dave Gilliland, Lori Buchanan, Grant Arnold, Hilary Dyer, Kate Bradshaw, Stacy Crivello, Kanohewailhulu Helm, Sue Hasegawa, John Sabas, Noel Clany, W. Wescoatt, Clayton Hee, Walter Ritte, Glenn Teves, Judy Caparida, kammy Purdy, Dan Orodener, Ray Foster, Adolph Helm, George Maioho, Sandra Kunimoto, Duane Okamoto, Brian Kau, Randy Teruya, Barbara Kalipi, and Donna Ching.