

MOLOKAI IRRIGATION SYSTEM ADVISORY BOARD MEETING
MINUTES

10:00 am, January 20, 2009

- I. Call to Order: Adolph Helm, Chairman, called the meeting to order @ 10:00 am. Board Members Present: Adolph Helm, Steve Arce, George Maioho, Richard Wheeler, and Audwin Calairo. James Boswell-excused.

Guests: Duane Okamoto, Brian Kau, Randy Teruya, HDOA, Oscar Ignacio, MIS. Jessie Ford and Pat Cabanting, Coffees of Hawaii, Viola Wichman, MHFA, David Lichenstien, KMKK Radio, and Kammy Purdy, Hoolehua Homestead Assoc.
- II. Approval of Agenda: R. Wheeler moved to accept the agenda; seconded by S. Arce; motion carried.
- III. Approval of Minutes: G. Maioho moved to accept the minutes as circulated; seconded by R. Wheeler; motion carried.
- IV. Old Business:
 - A. System Update – Reported by Oscar Ignacio:
 - Water level in reservoir @ 20.0'; compared to 22.5' last year at same time.
 - 3.025 mgd reservoir inflow; 2.612 mgd. Outflow.
 - MPL inflow = 0.468 mgd; Outflow = .279 mgd
 - MPL Buffer in reservoir = 18.687 MG
 - Two pumps operating on “off-peak” hours; 9:00 pm to 7:00 am
 - Molokai Irrigation System tasks completed:
Transmission pipeline was inspected for leaks and flushed.
Reservoir inspection done on inlet, outlet and spillway structures on 1/14/09.
 - B. Capital Project Update
 - FOPCO – Randy Teruya provided progress report.
 - Messenger Cable ordered.
 - Air Relief Valves re-ordered; manufacturer had packed and shipped the wrong ARV. Manufacturer will re-pack a new order with the correctly specified product. This was discovered two weeks ago and will take approximately another two to three weeks for the specified product to arrive on Molokai. Upon receipt, MIS staff will schedule installation of the ARV's.

- Three (3) Muller gate valves have been installed and are operational.
- One gate valve installed at station 30+65 (Valve #10), valve is operational, however, there is an obstruction in the line ahead of the valve that is causing water not to flow fully through the new valve. Contractor will continue efforts to remove the obstruction.

C. Financial Status of M.I.S.- Duane Okamoto

- D. Okamoto reported on the financial status of the MIS with a hand-out reflecting revenue and expenses for the period July 1, 2008 to November 30, 2008. The December 2008 financial information was received, however, it was preliminary figures only.
- Duane reported that total revenues were \$208,144 and total expenses were \$189,982, providing a year-to-date surplus of \$18,162.
- It was also noted that the figures provided did not include the Legislative Auditor's recommendation of reflecting pro-rata Administrative Costs. These costs and expenses are reported semi-annually at the end of December and June of each fiscal year.
- Brian Kau also reported that the year-to-date expenses did not include the recently awarded Pump Maintenance Contract to Maui Master Builders for approximately \$73,000 per year.
- Chair Helm requested a copy of the Scope of Work of the Maui Mater Builders Contract. Brian acknowledged the request.

D. Accounts Receivable Collections Discussion- D. Okamoto

- D. Okamoto provided a hand-out identifying the Accounts Receivable status as December 31, 2008.
- A total of \$221,426 over 60 days delinquent.
- 26 individual accounts owe more than \$1,000 each.
- The 26 accounts represent a total outstanding balance of \$210,372 or 95.0% of the total Accounts Receivable.
- The 26 delinquent accounts also accounts for consumption of 47,264,000 gallons of irrigation water or 11.4%.
- 50 accounts owe less than \$1,000, with the average balance between \$1 and \$800.
- The 50 accounts owe a total of \$11,055 or 5.0% of the total Accounts Receivable.
- The 50 accounts consumed 14,471,000 gallons of irrigation water or 3.5%.

- Discussions need to take place to establish a reasonable collection procedure. HDOA had submitted its written Collection Procedures and Guidelines to the board members previously and board members were asked to review these procedures and guideline for discussion at the next meeting.
- Duane also reported that he made attempts to contact 10 of the largest homestead users and 10 of the largest non-homestead users. Of the homesteaders, he was able to only contact and meet with one homesteader.
- He was able to contact and meet with all 10 of the non-homestead users.
- Kammy Purdy recommended that an informational meeting be held to provide homesteaders with this information as well as respond to any questions the homesteaders may have.
- Chair Helm asked the HDOA to check their calendar and set an appropriate date to hold such a meeting.
- Kammy also advised that the meeting should be held in the evening to get more participation by homestead users.

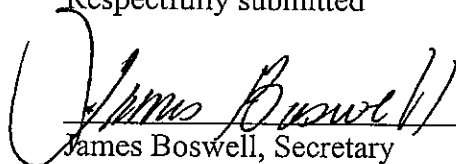
V. New Business

A. Overview of HDOA 2009 Legislative Proposals and CIP Requests

- Duane reported that HDOA will be re-introducing a bill dealing with “fake” arm subdivisions. This bill did advance in the Legislature last year, but HDOA will make another attempt to introduce it with amended language to direct counties to scrutinize ag subdivision applications. Further, to restrict the use of residential structures to a direct relationship with farming activities and inclusion of these lands in the Important Agricultural Lands (IAL) category.
- Another bill proposes to increase the percentage of Hawaii grown commodities from the current 5-10% to 15% to secure State contracts under the State Procurement Laws.
- A third bill requests adding another homestead seat to the MIS Water Users Advisory Board. The bill would define a homesteader and process by which the additional seat would be filled.
- HDOA has proposed Capital Improvement Projects specific to the MIS, they include: a) Funding for planning and design of a small hydro-power plant, and b) Funding to replace the obsolete SCADA/Telemetry System.

- B. Development of Molokai Irrigation System Water Users Advisory Board Mission Statement
- D. Okamoto provided a hand-out reflecting elements to consider for the MISWUAB Mission Statement for board review, as well as suggested Mission Statements.
 - It is intended to be discussed at the next board meeting.
- VI. Next Meeting Date: March 17, 2009 at 10:00 am, MIS Conference Room.
- VII. Announcements: Randy T. announced that the Hawaii Farm Bureau Federation is currently conducting registration for a program to collect and dispose of unwanted pesticides. The program is offered free of charge to farmers, landscapers and other agricultural operations. Registration ends January 31, 2009.
- VIII. Meeting adjourned @ 11.20 am, motion by S. Arce; seconded by R. Wheeler. Motioned carried.

Respectfully submitted


James Boswell, Secretary
MIS Water Users Advisory Board