

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD
MEETING MINUTES

10:00 am, February 19, 2008

- I. Call to Order: Chairman Helm, called the meeting to order @ 10:07 am.

Board Members Present: Adolph Helm, Steven Arce, Richard Wheeler, George Maioho, and Audwin Calairo (nominee-non-voting)

Guest: Jennifer Smith (MKK Dispatch), Moke Kim, Carolyn Girard (MKK Times), Loretta Ritte, Duane Okamoto, Brian Kau, Randy Teruya, and Byron Alcos.

- II. Approval of Agenda: R. Wheeler, moved to accept the agenda; seconded by G. Maioho; motion approved.

- III. Approval of Minutes: Geo. Maioho, moved to accept the minutes; seconded by R. Wheeler; motion approved.

- IV. Old Business:

A. System Update

24.5 feet Reservoir Height (Last year at this time was 22')
4.08 MGD Reservoir Inflow
4.23 MGD Reservoir Outflow
1.74 MGD MPL Inflow
1.06 MGD MPL Outflow
18.49 MG MPL Buffer balance

Byron reported that MIS is still operating two (2) pumps in Waikolu Valley each week and both are controlled by an electric timer. Operating hours remain 9:00 pm to 7:00 am (off-peak hours).

B. Capital Projects Update:

SCADA/Telemetry R. Teruya reported that the Public Notice to Bidders had been issued and HDOA-ARMD was conducting a mandatory pre-bid conference on January 23, 2008 at 9:00 am. However, due to a required correction in the Contractor's Licensing classification, ARMD re-issued the Public Notice to Bidders extended the bidding period.

Status of Backhoe D. Okamoto reported that HDOA received five (5) proposals; three (3) for “used” machines and two (2) “new” machines. Prices range from \$50,000.00 to \$90,000.00. Byron reported that he has received information for the written examination test and will have Oscar review the information. Operator training and equipment certification may be received from the Maui division of Dept. of Transportation, Byron will confirm.

C. Molokai Properties Ltd. and Hawaii Department of Agriculture transmission draft agreement:

D. Okamoto reported that he had nothing to report at this time and HDOA is awaiting the Attorney General’s written guidance regarding the requirement for an Environmental Assessment or Impact Statement, as the case may be. He was assured by the Attorney General’s office that some written guidance will be provided before the next MISWUAB meeting.

V. New Business:

A. Financial Report – D. Okamoto presented a Financial Analysis of the MIS, year-to-date 12/31/07, which will be put onto the department’s website. Also, for future budget projections, HDOA will project on a line-by-line items because of the variations that are and will be occurring.

Moke Kim asked if the surplus revenues are placed into the “general fund”? Duane clarified that all revenues for the irrigation systems are deposited into the irrigation revolving fund and all irrigation system expenses are paid out of the same fund.

B. Audit Report – Chair Helm explained the history of the audit, who requested it and stated that the MISWUAB supported a call for the audit to take place.

Duane shared some the recommendations of the draft audit report:

1. Relating to management efficiency;
2. Relating to operations and maintenance;
3. Relating to the MIS Water Users Advisory Board;
4. Relating to community relations; and
5. Relating to Fiscal management.

Duane stated that discussions with the MIS board needs to take place regarding the Auditor's recommendation to more aggressively pursue delinquent accounts. An estimated \$200,000 of the present Accounts Receivable is due to outstanding homesteader accounts and HDOA would want to have discussions with the MIS board to determine what needs to be done and how collections are to be implemented. Chair Helm concurred regarding the recommendations, especially regarding collections procedures.

Chair Helm also asked why, in the past, has the HDOA not been able to maintain separate revenue and expense information by system? Duane reported that ARMD division always had the ability internally to maintain separate revenue and expense information, but because of the board's request, as of January 2007, all systems' revenue are now accounted for separately.

Chair Helm asked what is the timeline for the final audit report? HDOA expects to receive a final audit report by this week and HDOA will post the report and the department's responses on the department's website.

C. Legislative Update -- Brian Kau

Brian reported that there are two (2) bills of interest to the board;

First, is SB2247 which provides for a \$200,000.00 appropriation for repair and maintenance of the MIS system; and second, SB2643, with a House companion bill, HB2594 indentifying additional positions for the MIS board and additional funding.

Should the board desire to submit testimony, then it should be submitted as soon as possible and be ready to testify as the subject committees may schedule hearings on the bills soon.

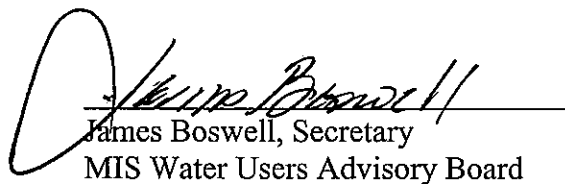
Motion: Steve Arce moved to approve Chair Helm to draft testimony in support of these bills and get member's approval before submission. The motion was seconded by Geo. Maioho. Motion passed.

Chair Helm stated that he had submitted testimony in opposition to SB3224, which proposed to change the duties and responsibilities of the board from "advisory" to "governing".

Chair Helm also stated that a strategic planning meeting should be convened to establish a plan of action for the MIS and an appropriate spending plan.

- VI. Next Meeting Date: The next meeting shall be scheduled for Tuesday, March 18, 2008, at 10:00 am.
- VII. Meeting adjourned @ 11:49 am, motion by S. Arce; seconded by R. Wheeler.
Motion: Approved unanimously.

Respectfully submitted:


James Boswell, Secretary
MIS Water Users Advisory Board