

Molokai Irrigation System Advisory Board  
DRAFT Meeting Minutes  
July 27, 2023

1. Meeting was called to order at 11:08AM
2. Approval of minutes: No Quorum
3. Introductions/ Roll Call
  - a. Board Member present in person: James Boswell, Harry Purdy (awaiting confirmation), Jill Coombs, Nate Oswald
  - b. Board Member present via zoom: none
  - c. D.O.A. Staff In person: Lance Kaneakua, Brain Kau
  - d. D.O.A. Staff via zoom: Stephen Dalton, Janice Fujimoto
  - e. Guests: present via zoom
4. Old Business:  
None
5. New Business

Proposed water rate changes:

- last water rate increase was a tiered increase, from 2006-2011 which landed us in the \$0.50 per 1000 gallons, so it wasn't that long since we had an increase, only 12 years at this rate, not what was originally stated in the proposal for rate increase.
  - requirement to be self sufficient is juxtaposed with the promotion of diversified agriculture. Act 306 says that ag be developed as fully as possible and asking for additional water and water facilities, not to limit farming or agriculture as is called out in the proposal where it references the natural attrition of small farmers.
  - the proposed rate to \$1.10 is an unheard-of jump in rates, the last increase was \$0.028 per year.
  - the irrigation systems do need to be self-sufficient.
  - as a result, the state has made supplemental appropriations to the revolving fund from 2001-2008, which ended without any input from the board and no knowledge of where that funding went.
  - from 2009-2023 over the last 15 years the MIS has generated a surplus of \$3.3 million, so to have that financial fact, while still asking for a rate increase and not having the maintenance and upkeep of our own system is not something the board can support.
  - we know all 5 irrigation systems must function, but the rates are already not the same across all 5, so it would not be unprecedented to have different rates for the 5 systems.
- the board feels that the Proposal does not adequately represent all the facts needed to make this decision.
- there is an existing provision where a system that uses more than 850mil gallons gets a reduction, but none of the users are aware of any discounted price.
- Molokai is all agricultural production, no pasture, so we have all the higher rate anyway.

-The study is so old, the data is out of date. We know the projections are inaccurate because we've already gone through most of the years of the projection. They go from 2014-2024 and it doesn't represent the current state of our irrigation systems.

-The board will send a list of concerns to the state. Some of these concerns would include:

- Ability to make Online payments
- A backhoe and the ability to operate
- Fixes to the road
- A truck capable of pulling the trailer and Polaris
- Meters for everyone in the Na'iwa subdivision
- Solar options and solar panels as a revenue generation opportunity and renewable energy solution for the entire island partnering with existing projects.
- Meter replacements for broken meters in the ag park
- Meters for DHHL applicants on the waiting list.

-encouraged to e-mail our representatives and senators

#### 6. Reports and Presentations

A. System update – refer to attachment

B. Capital Improvement:

1. Waikolu Valley fiberglass walkway project. Prometheus work in progress
2. Water valve replacement by Goodfellow Bros. Project is in progress.
3. Corona Virus Recovery Funding
  - a. Repairs to lower diversion dam
  - b. Replace couplings on transmission pipeline, but there is not enough funding for this, so only some of the couplings can be replaced, not all.

C. Financial Update – refer to attachment

D. Board Member Vacancies

- a. All vacancies have been filled

6. Announcements: The rate public hearing will be August 22<sup>nd</sup>. Formal notice will be published in the paper as well as updated on the website and a paper notice with the next bill of each of the customer users. Testimony may be submitted online, due two weeks after the meeting. Written testimony is highly encouraged due to the 2 minute time limit and complexity of the issue.

THE BOARD WOULD LIKE TO REQUEST AN IN PERSON MEETING.

7. Next meeting date: August 17, 2023 at 3:30PM at the Molokai base yard or zoom

8. Meeting adjourned

Sincerely,  
Jill Coombs

Molokai Irrigation System  
Department of Agriculture  
Date: July 27, 2023

To: Molokai Water Users Advisory Board  
From: Lance Kaneakua (District Manager)  
Subject: System update

Molokai Irrigation Tasks

July 24, 2023 We had to assist Good Fellows for the Blow off valve replacement on the Transmission Pipeline. They replaced 4 Blow off valves. Permeteus fixed the road way up to the tunnel from Manila. We'll be going through the tunnel next week for monthly maintenance in the valley. Bayer is working on the mower. All daily/Monthly duties is on going for the month.

Kualapuu Reservoir level.....26 feet..... 615 million gallons stored.  
Level at this time last year.....23  $\frac{3}{4}$  feet.  
Reservoir average outflow.....1.755 MGD  
Reservoir average inflow.....4.140 MGD

**MOLOKAI IRRIGATION SYSTEM**  
**July 26, 2023**

**Monthly Report**

Number of farm field visit to provide general assistance not related to meters ..... 1

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**Quarterly Report**

Period: **July. to Sept.**

Number of days without planned water delivery disruption (i.e. normal water delivery) .....0

Number of days of water restrictions for Homesteaders .....0

Number of days of water restrictions for non-Homesteaders.....0

Number of days without accidents or injuries: ..... 26

Percentage change in revenue and operating cost:

Pumps: off due to good flow

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**Semi-Annual Report.**

Period: **July to December**

Number of meters installed for Homesteaders.....0

Number of meters installed for Non-homesteaders.....0

Number of meters repaired or replaced..... 78

Average time between request for service and completion of service: .....approximately 3 months.

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**Annual Report.**

Number and type of Capital Improvement Projects 2

Number of CIP projects in progress..... Pending

Percentage of brush cleared in Reservoir..... 40% cleared.

Percentage of gravel cleared in tunnel..... 95% cleared.

Financial Strength: ..... On time bill paying

Financial Weakness: ..... Delinquent account\Rising Fuel Cost\Pumps

FINANCIAL UPDATE  
Molokai Irrigation System (MIS)  
FY23  
07/01/22-06/30/23

MIS Financial Status, as of June 30, 2023  
Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
MIS and Statewide Revenue

	MIS	Statewide
Acreage Assessments	\$79,950	\$334,797
Water	\$393,939	\$532,488
Interest/Other	\$3,515	\$101,305
<b>TOTAL</b>	<b>\$477,404</b>	<b>\$968,590</b>

MIS Financial Status, as of June 30, 2023  
 Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
 MIS and Statewide Expenses

	MIS	Statewide
Payroll and Fringe	\$82,528	\$471,614
Electricity	\$172,455	\$239,976
All Other Expenses	\$216,597	\$390,997
<b>TOTAL COSTS</b>	<b>\$471,580</b>	<b>\$1,102,587</b>
Difference from Revenue	\$5,824	\$133,997

MIS Financial Status, as of June 30, 2023  
Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
MIS Revenue Comparison to FY22

	FY22	FY23	% Difference
Acreage Assessments	\$94,915	\$79,950	-16%
Water	\$456,021	\$393,939	-14%
Interest/Other	\$6,026	\$3,515	-42%
<b>TOTAL</b>	<b>\$556,962</b>	<b>\$477,404</b>	<b>-14%</b>



MIS Financial Status, as of June 30, 2023  
 Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
 MIS Expense Comparison to FY22

	FY22	FY23	% Difference
Payroll and Fringe	\$78,117	\$82,528	6%
Electricity	\$74,511	\$172,455	131%
All Other Expenses	\$38,189	\$216,597	467%
<b>TOTAL COSTS</b>	<b>\$190,817</b>	<b>\$471,580</b>	<b>147%</b>

MIS Financial Status, as of June 30, 2023  
 Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
 MIS Water Usage

	FY22		FY23		% Change
	Gallons	% of Total	Gallons	% of Total	Gallons
Homesteaders	150,097	15%	128,344	16%	-14%
Others	826,321	85%	674,917	84%	-18%
<b>TOTAL</b>	<b>976,418</b>		<b>803,261</b>		<b>-18%</b>

MIS Financial Status, as of June 30, 2023  
 Fiscal Year 2023 (July 1, 2022 – June 30, 2023)  
 MIS Delinquent Account Summary

	6/30/2022	6/30/2023	% Change
No. Delinquencies	78	87	12%
Amount Owed	\$1,254,414	\$1,342,481	7%
No. Owning >\$1,000	49	50	2%
Amount Owed	\$1,246,967	\$1,336,919	7%
No. Owning <\$1,000	29	37	28%
Amount Owed	\$7,447	\$5,563	-25%

# MIS Financial Status Summary

## Irrigation Revolving Fund

### FY2009 – FY2023

**MIS Revenue Comparison to Previous Years**

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Acreage Assessments	\$44,167	\$81,008	\$26,876	\$62,744	\$85,994	\$82,595	\$85,285	\$84,279	\$95,397	\$96,495	\$112,722	\$82,193	\$98,845	\$94,915	\$79,950
Water	\$310,500	\$378,317	\$371,748	\$474,803	\$523,951	\$372,831	\$438,901	\$460,737	\$468,669	\$400,322	\$361,677	\$346,866	\$357,793	\$456,021	\$393,939
Interest/Other/Use of Land	\$134,369	\$89,274	\$185,240	\$150,310	\$130,136	\$73,834	\$84,722	\$117,773	\$156,159	\$96,520	\$4,256	\$3,047	\$8,469	\$6,026	\$3,515
<b>TOTAL REVENUE</b>	<b>\$489,036</b>	<b>\$548,599</b>	<b>\$583,864</b>	<b>\$687,857</b>	<b>\$740,081</b>	<b>\$529,260</b>	<b>\$608,908</b>	<b>\$662,789</b>	<b>\$720,225</b>	<b>\$593,337</b>	<b>\$478,655</b>	<b>\$432,106</b>	<b>\$465,107</b>	<b>\$556,962</b>	<b>\$477,404</b>

**MIS Expense Comparison to Previous Years**

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Payroll and Fringe	\$141,644	\$134,231	\$139,893	\$163,778	\$123,387	\$127,507	\$136,100	\$145,969	\$151,029	\$156,953	\$148,408	\$76,589	\$77,692	\$78,117	\$82,528
Electricity	\$182,807	\$184,239	\$153,295	\$50	\$269,637	\$314,471	\$267,141	\$164,722	\$66,546	\$112,455	\$122,548	\$76,166	\$91,576	\$74,511	\$172,455
All Other Expenses	\$96,455	\$15,131	\$17,894	\$1,846	\$20,960	\$113,894	\$51,007	\$39,311	\$38,178	\$34,069	\$36,361	\$108,631	\$215,217	\$38,189	\$216,597
<b>TOTAL EXPENSES</b>	<b>\$420,906</b>	<b>\$333,601</b>	<b>\$311,082</b>	<b>\$165,674</b>	<b>\$413,984</b>	<b>\$555,872</b>	<b>\$454,248</b>	<b>\$350,002</b>	<b>\$255,753</b>	<b>\$303,477</b>	<b>\$307,317</b>	<b>\$261,386</b>	<b>\$384,485</b>	<b>\$190,817</b>	<b>\$471,580</b>
<i>Difference from Revenue</i>	<i>\$68,130</i>	<i>\$214,998</i>	<i>\$272,782</i>	<i>\$522,183</i>	<i>\$326,097</i>	<i>-\$26,612</i>	<i>\$154,660</i>	<i>\$312,787</i>	<i>\$464,472</i>	<i>\$289,860</i>	<i>\$171,338</i>	<i>\$170,720</i>	<i>\$80,622</i>	<i>\$366,145</i>	<i>\$5,824</i>