

MOLOKAI IRRIGATION SYSTEM ADVISORY BOARD MEETING
MINUTES

10:00 am, August 18, 2009

- I. Call to Order: James Boswell, Chairman, called the meeting to order @ 10:00 am. Board Members Present: Steve Arce, Audwin Calairo, Lynn DeCoite and Larry Sagario. Introduced Larry Sagario as George Maioho's replacement and representing DHHL.

Guests: Duane Okamoto, Randy Teruya, Oscar Ignacio, Jr. (See sign-in sheet)

- II. Approval of Agenda: Lynn DeCoite moved to accept the agenda; seconded by Steve Arce; motion carried.

- III. Approval of Minutes: L. Decoite moved to accept the minutes as circulated; seconded by Larry Sagario; motion carried.

- IV. Old Business:

- A. System Update – Reported by Oscar Ignacio, Jr.:

- Water level in reservoir @ 15.5'; compared to 16.5' last year at same time.
- 3.70 mgd reservoir inflow; 2.885 mgd. Outflow.
- MPL inflow = 0.446 mgd; Outflow = 0.500 mgd
- MPL Buffer in reservoir = 20.071 MG
- Work in the Waikolu Tunnel by T & M Construction is still ongoing. The new high voltage cable is complete through the tunnel with power to run both pumps #5 and #6, as well as the diversion dam pumps. Pump #22 is also operable, but can only be operated manually. The contractor is still awaiting helicopter service to air lift the new transformers into the valley to replace the ones at the East Portal and Diversion Dam.
- Test borings are being conducted by Yogi Kwong Engineers and soil samples are being taken to determine the strength of the earth embankments of the Kualapuu Reservoir. So far, no discrepancies or problems have been discovered.
- Trees in the reservoir are being removed by the MIS staff and Alu Like workers during a six week program.

- B. Capital Project Update – Randy Teruya

- 100% - Cable and oil switch at the H-Pole and West Portal Entrance.
- 67% - Installed three Muller Valves and unplugged two of three blow-offs/flush valves; #10 is still plugged.
- 50% - De-install electrical transformer and install new transformer at the East Portal, awaiting favorable conditions for helicopter service.
- 100% - Main cable installation from West Portal to East Portal.

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 June 30, 2009.
- At the end of the fiscal year, the MIS reflected a surplus of \$106,946, however, Duane cautioned that the increase in surplus was primarily due to reduction in payroll and fringe benefits, electricity, other, and especially in administrative costs.
- The water consumption records reflect that homestead users consumed 13.9% less water this fiscal year as compared to last year.
- Water consumption for the non-homesteaders was 32.1% less than last year's usage.
- The decrease in water consumption also reflects an approximate \$44,000 decrease in revenues.
- Should drought conditions continue, next fiscal year year-end numbers may reflect a net loss from operations.

D. Accounts Receivable Collections Discussion- D. Okamoto

- Duane reported that in developing the collections plan, DOA had discussed possibly "forgiving" a portion of delinquent balances, subject to discussions scheduled with DHHL and OHA.
- Lynn mentioned that DHHL also discussed this issue at its meeting last night (Aug. 17) and its HOPE program.

V. New Business

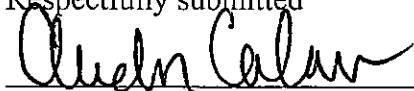
- A. Duane discussed DOA's position regarding the economic challenges faced by the State and the impending Reduction-in-Force (RIF). It is hoped that a mutual settlement can be reached before the lay-offs are implemented.

VI. Next Meeting Date: October 20, 2009 at 10:00 am, MIS Conference Room.

VII. Announcements: None

VIII. Meeting adjourned @ 11.25 am, motion by L. DeCoite; seconded by S. Arce.
Motioned carried.

Respectfully submitted



Audwin Calairo, Secretary
MIS Water Users Advisory Board