

## Johnson, Patricia (UTC)

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**From:** Johnson, Patricia (UTC)  
**Sent:** Monday, April 25, 2011 1:02 PM  
**To:** 'Jay at Island Gifts Hawaii'  
**Subject:** RE: Plan

Good Morning Jay,

Thanks for your prompt response to the phone message I left for Rob Milliron. When we met at the apartments with Rob in Sept 2010, it was determined that the Knotty Pine Apartments were a master meter system. I have attached the definition of a master meter system as found in the Washington Administrative Code (WAC) 480-93-005 (19). The definition was adopted from the Federal Code of Regulations (CFR) Part 49. As we discussed before, the ultimate customers in this case are your renters, they pay rent and therefore are indirectly paying for the cost of the gas. The definition and inspection form are also found in the Master Meter Manual I left with you and Rob Milliron when we met.

Across the country, many master meter systems have not been maintained, consequently, PHMSA (Pipeline and Hazardous Material Safety Administration) is requiring the master meter inspections because of their safety concerns for the ultimate customers. As in your case, the master meter systems have been in the ground and unprotected for many years. Master Meters are pipeline systems for distributing gas. The definition has been in place since the 1970's and as with all federal codes, always has been the owner's responsibility to be aware of and comply with the CFRs and WACs.

Staff realizes you are not selling gas for a profit as a utility company do. However, I would like to emphasize that selling gas for a profit is not a consideration in the master meter definition. Utility Companies who do sell gas for a profit are regulated by the Regulatory Services Division of the commission.

Unfortunately, at this time, the commission is not aware of any funding to assist the master meter system owners.

In your letter dated November 30, 2010 and on December 8, 2010 in an email, you planned on having the master meter system eliminated in the spring of 2011. In our response to that commitment, you will be notified in a letter, that I will be conducting a master meter inspection on Wednesday, August 17, 2011 at 10:00 AM. The purpose of the inspection is to confirm the master meter system has been eliminated. If the master meter system has not been eliminated, I will conduct a full master meter compliance inspection at that time.

If I can be of any assistance please contact me. Thanks Patti

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**From:** Jay at Island Gifts Hawaii [<mailto:jay@islandgifts.com>]  
**Sent:** Thursday, April 21, 2011 12:41 PM  
**To:** Johnson, Patricia (UTC); Robert Milliron  
**Subject:** Plan

Good morning Patti- I am responding to your call to Rob Milliron and my management company regarding the property at 13615 Trent . We are in the process of trying to find a solution that we can afford that satisfies your needs Patti - thus far we have received response that are very concerning for us from vendors . Are there any financial grant programs or financing available from the State or the FEDS that help landlords with this new requirement which I still feel we have been unfairly classified within Patti seeing that we don't re-sell our utilities to your Tenants and we make no profit from providing gas/electric utilities for them unlike a for profit utility which I think we both agree the law was written for. The fact of the matter is most of our tenants would

be on the Street and in the cold if we actually made them pay the market rates of a true for profit utility as most of them are on some for of housing assistance to begin with. Perhaps there is low income housing funds for landlords that we could tap into to meet the requirements you are asking for- do you know of any program Patti-.....with the downturn in the economy and the cumulative effect that have had on our cash flows at the apartment and other businesses we are involved with - it is not easy to do what you have requested and funds are not unlimited.

Thank you for your consideration, assistance, and understanding.

Jay Higgins

**Jay Higgins**  
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