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M I N U T E S
WATER RESOURCES COMMITTEE
COUNCIL OF THE COUNTY OF MAUI
COUNCIL CHAMBER, EIGHTH FLOOR
WAILUKU, MAUI, HAWAII
DECEMBER 15, 2008

APPROVED:

Committee Chair

REPORTED BY: Tonya McDade, Hawaii CSR #447
Registered Professional Reporter
Certified Realtime Reporter
Certified Broadcast Captioner

1 CONVENE: 9:08 a.m.

2 PRESENT: Councilmember Michelle Anderson, Chair
3 Councilmember Michael P. Victorino, Vice-Chair
4 Councilmember Danny A. Mateo, Member
5 Councilmember Joseph Pontanilla, Member

6 EXCUSED: Councilmember Gladys C. Baisa, Member

7 STAFF: Kim Willenbrink, Legislative Analyst
8 Clarita Balala, Committee Secretary

9 ADMIN: Eric Yamashige, Deputy Director, Department of
10 Water Supply
11 Edward S. Kushi, Jr., Deputy Corporation
12 Counsel, Department of the Corporation
13 Counsel

14 OTHERS: Carl Freedman, Haiku Design & Analysis
15 (Item No. 4)
16 Jocelyn Perreira, Executive Director, Wailuku
17 Main Street Association/Tri-Isle Main
18 Street Resource Center (Item No. 27)
19 Hans Michel (Item No. 27)
20 Zeke (Ezekiela) Kalua (Item No. 27)

21 (6) additional attendees

22 PRESS: Akaku: Maui Community Television, Inc.
23 Harry Eagar, The Maui News

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25 CHAIR ANDERSON: ...(gavel)... Good morning,
26 everyone. Welcome to the Water Resources Committee
27 meeting of December 15th, our last meeting of the
28 year -- of the term. With us this morning, we have
29 Councilmember Victorino.

30 VICE-CHAIR VICTORINO: Good morning, Madam
31 Chair.

1 CHAIR ANDERSON: Member Pontanilla.

2 COUNCILMEMBER PONTANILLA: Good morning.

3 CHAIR ANDERSON: Good morning. And Member
4 Mateo. Thank you all for being here in the final hours
5 of this term.

6 VICE-CHAIR VICTORINO: Madam Chair?

7 CHAIR ANDERSON: It's very difficult.

8 VICE-CHAIR VICTORINO: May I have a moment,
9 please?

10 CHAIR ANDERSON: Yes, you may.

11 VICE-CHAIR VICTORINO: Madam Chair, I would
12 like to say on behalf of all of us, we know there'll be
13 time afterwards to give all the salutations and
14 accolades and all that, but before we get started
15 today's meeting, I like the public to know that today is
16 your final meeting as our Chair. Also, your final
17 meeting here at the Committee level with us, because you
18 are moving on. And on behalf of all of us here and the
19 County of Maui, for all the things you stood for, the
20 hard work you've put forth, we'd like to say thank you.
21 And I'd like to present you with something, if I may.

22 CHAIR ANDERSON: Well, thank you, Mr.
23 Victorino. That's very sweet. Oh, my. ...(applause as
24 Vice-Chair Victorino presents Chair with a lei)... Thank
25 you very much. I don't know if I'm going to make it out

1 -- out of here ...(chuckles)... I'm really touched.

2 Thank you very much, Mr. Victorino. It's sweet.

3 So we also have with us this morning Deputy
4 Director Eric Yamashige. Thank you for being here. Our
5 Director's in Honolulu.

6 Deputy Corporation Counsel Ed Kushi. Good
7 morning, Ed.

8 With us from Staff, we have Kim Willenbrink,
9 our Analyst, and Clarita Balala, who is our Staff
10 Secretary.

11 All of these people have been a joy to work
12 with this term. And I thank them all for their
13 assistance. We'll have more words later in the -- in
14 the meeting.

15 I just want to move forward with -- well, I'm
16 gonna give you an idea of what we're gonna do. We've
17 got Hans Michel and Jocelyn Perreira here to speak.
18 Jocelyn's gonna speak on both items, and Hans is going
19 to speak on his item, which is the first item, WR-27,
20 Access Through the Hans Michel Property for Maintenance
21 and Operation of Kanaha Valley Stream. And then we are
22 going to go into a presentation on our Water Use and
23 Development Plan. We have our consultant, Carl Freedman
24 here. Thank you for being here, Carl. He's going to
25 give us a presentation so that you're all up to speed on

1 where we are on the Water Use and Development Plan. And
2 you'll all have your opportunities for questions.

3 First of all, Hans, if you don't mind, I'm
4 gonna let Jocelyn testify first because I want you to
5 have the opportunity to answer questions that Members
6 might have. And I am not going to put any time limit on
7 today's testimony. Ms. Perreira.

8 ...BEGIN PUBLIC TESTIMONY...

9 MS. PERREIRA: Good morning, Council Chair
10 Anderson.

11 CHAIR ANDERSON: Good morning.

12 MS. PERREIRA: Council Members present, Mateo,
13 Pontanilla and Victorino.

14 My name is Jocelyn Perreira. I'm the
15 Executive Director and the Tri-Isle Main Street Program
16 Coordinator for the Wailuku Main Street Association,
17 Inc., Tri-Isle Main Street Resource Center, representing
18 many of the small towns with historic fabric in Maui
19 County, seven of them. I'm here today for two reasons.

20 The first request is in support of Mr. Michels
21 [sic], Hans. And we are asking that everything be done
22 to please expedite the completion of the contract for
23 access through the Hans Michel property and the
24 maintenance and operation of the Kanaha Valley Stream
25 intake wells and tank. He's been waiting since 1994.

1 And this is the kind of thing that is very frustrating
2 for those who want to get on with what they need to do.
3 And they need to have, you know, the "I's" dotted and the
4 "T's" crossed. And we appreciate anything that can be
5 done to expedite this.

6 The next item is a more difficult item to
7 address because one of the reasons why I'm here today is
8 to honor the last meeting of Councilmember Michelle
9 Anderson. On behalf of our organization and the
10 tremendous amount of grass roots participation from our
11 communities, our small town communities in Maui County,
12 we want to convey our sincere appreciation, express our
13 admiration to Councilwoman Anderson and her exemplary
14 services and support of our small towns over the years,
15 and for championing important causes for our grass roots
16 community.

17 Whether you agree with her on every issue or
18 you don't, she has always made it possible to have a
19 meaningful dialogue. She has always made it possible to
20 make you -- the little -- the average little guy to feel
21 like somebody. She really did -- does give a darn. And
22 she's given her all to her position and, I guess,
23 representing the little guys who are hard at work at the
24 trenches, who cannot be here all the time. And for --

25 We know you're gonna have a resolution,

1 probably on Friday. And, unfortunately, many of us will
2 be at the Christmas programs for -- at some of the
3 schools, so we may not be here. And so we wanted to
4 take this opportunity to wish you Godspeed, wish you
5 well, and hope that you will someday find your way back
6 to these shores. Thank you very much. It is our
7 sincere and deepest pleasure and honor to have had you
8 serve as Councilwoman for the County of Maui.

9 CHAIR ANDERSON: Thank you, Jocelyn. Thank
10 you very much.

11 Our next testifier is Hans Michel. Members,
12 Mr. Michels [sic] is here today due to the -- okay,
13 thank you -- in regards to Water Resource Item 27. And
14 if you'll look in your binders, at the last page, in
15 Item 27, I think it might be easier to follow along with
16 Mr. Michel.

17 Hans.

18 MR. MICHEL: Good morning, Council Member, and
19 good morning, Michelle Anderson. Thank you very much
20 for you still allow me to come one more time before you
21 with your job and go back to the mainland. I'm kind of
22 sorry to see you go. But I wish you well wherever you
23 go.

24 CHAIR ANDERSON: Thank you.

25 MR. MICHEL: And I wanted to know from

1 Eddie -- Ed -- from Eddie [sic] Yamashige, from the last
2 meeting in March 28, '08, when he says he will check on
3 the title guaranty. And when they mention, it will take
4 maybe two to three months. And I never had the
5 follow-up letter from Eddie [sic] since then. I would like
6 to know what nearly what happen, and I would like to know
7 what happened to the completion of 1994 contract between
8 me and the Water Department of County of Maui.

9 CHAIR ANDERSON: Mr. Michels [sic], you've
10 given us a worksheet showing the things that you don't
11 feel have been completed in your 1994 agreement. Number
12 7, the land title, and a pedestrian kuleana trail, a
13 waterline into the road easement, a land title for Pump
14 Number 2. There's several land title issues here. No
15 cement, Item 13. So, you know, you're referencing a
16 letter. And I'm not certain. Is the letter the one
17 that was sent by Vice-Chair Victorino? What letter are
18 you referencing, Mr. Michels [sic]?

19 MR. MICHEL: Well, today, actually, we have a
20 letter over here that was from you guys' County over
21 here, Exhibit A. It says, "Kanaha Valley improvement,
22 provide that the" --

23 CHAIR ANDERSON: Can you give us a date? Is
24 there a date on the letter?

25 MR. MICHEL: Yes. The date is 4-25-08.

1 CHAIR ANDERSON: Okay. Was that -- I don't
2 see that in our binder.

3 MR. MICHEL: It came from you people.

4 CHAIR ANDERSON: Was that ever transmitted to
5 us? This is a -- an exhibit on our budget
6 appropriations, Members, for Kanaha Valley improvements.
7 "Quarterly status reports shall be submitted to the
8 Water Committee until the project is completed." So
9 maybe we'll have Mr. Yamashige give us a status report.
10 \$625,000 was appropriated to take care of this.

11 And so -- so I'm wondering, Mr. Michels [sic],
12 you sent us, in July '08, a handwritten worksheet on the
13 areas that still needed to be fulfilled in -- in your
14 agreement with the County. Is there anything on this
15 list that still -- that's been done that -- that is not
16 reflected on this list?

17 MR. MICHEL: Yes. In other words, what I have
18 here is the two worksheet after we had a budget hearing
19 in Lahaina. Was in March 20th, '08. And then I wrote
20 that letter. And I show to you what -- what the
21 Department has done in the contract and what Water
22 Department is still missing in the contract.

23 And there are additional damage cut through
24 before and after the contract which are all mention in
25 here. Some Eddie [sic] has done and some not never show.

1 But, I believe you have the two worksheet.

2 CHAIR ANDERSON: Yes, we do. And I'm just
3 wondering if there's anything else that's been done
4 that's not reflected on this worksheet.

5 MR. MICHEL: Nothing has done except what I
6 have here on the worksheet. And there are four places I
7 have checked off which got done and the rest is still
8 missing.

9 CHAIR ANDERSON: Okay. Thank you, Mr. Michels
10 [sic]. Members, questions for Mr. Michels [sic]? You
11 know, if we need to, we can call you up as a resource
12 later, Mr. Michels [sic].

13 MR. MICHEL: Okay.

14 CHAIR ANDERSON: Thank you.

15 MR. MICHEL: Thank you very much.

16 CHAIR ANDERSON: So is there anyone else who
17 wishes to testify?

18 (Silence.)

...END PUBLIC TESTIMONY...

19 CHAIR ANDERSON: Okay. I'm gonna wait and
20 close testimony because I don't want any problems with
21 Mr. Michels [sic] coming up again. So, Members, I think
22 what we need to do at this point is ask Mr. Yamashige
23 for an update on the situation. If you please,
24 Mr. Yamashige.

25

1 ITEM NO. 27 ACCESS THROUGH THE HANS MICHEL PROPERTY
2 FOR MAINTENANCE AND OPERATION OF KANAHA
3 VALLEY STREAM (C.C. No. 06-160)

4 MR. YAMASHIGE: Yes. Thank you very much,
5 Madam Chair.

6 If you look at the worksheet that Mike --
7 Mr. Michel prepared -- I cannot really see what the date
8 is -- you'll notice that a lot of it refers to land
9 title. As I understand it, Mr. Michel has been pursuing
10 the land title issue for the conveyance of land for tax
11 reasons. And we did check with the Real Property Tax
12 Division, and he is being assessed a reduced rate. In
13 fact, all of the land that the Department is --

14 CHAIR ANDERSON: Eric, you gotta put your mike
15 real close because we're not picking you up --

16 MR. YAMASHIGE: Okay.

17 CHAIR ANDERSON: -- on the --

18 MR. YAMASHIGE: Is this any better?

19 CHAIR ANDERSON: Yeah. Better, Clarita?

20 Thank you.

21 MR. YAMASHIGE: Okay. We did check with the
22 Real Property Tax Division. And all of the land that is
23 in question for conveyance to the Department, either by
24 fee or by easement, is already being recognized at a
25 lower rate. And Mr. Michel is being charged

1 approximately 23 cents a year for that land.

2 That being said, we are pursuing the
3 conveyance of easements while we recently put out a
4 contract to do a -- do a title report, a title search on
5 that property. And that is only required for the fee
6 simple title.

7 CHAIR ANDERSON: When you say "recently,"
8 Mr. Yamashige, what's recently? Because we were told
9 months ago that you were gonna do this, a title report.

10 MR. YAMASHIGE: Yes. We did receive a
11 proposal. I can't remember how much it was. But we --
12 we were considering -- and we actually did talk to
13 Mr. Michel about just the conveyance of easements
14 instead of the conveyance of fee. I do not believe
15 anything came out of that discussion. So we are
16 pursuing the -- the title report.

17 CHAIR ANDERSON: It's my understanding that
18 Mr. Michels [sic] wants the agreement, as executed, to
19 be fulfilled which requires a transfer of ownership for
20 certain of the easements. And is there a problem with
21 that?

22 MR. YAMASHIGE: No. The -- the conveyance of
23 easements would be easier. It's when we try to receive
24 title to land --

25 CHAIR ANDERSON: Uh-huh.

1 MR. YAMASHIGE: -- it becomes a little bit
2 more difficult.

3 CHAIR ANDERSON: Well, I mean, that's what the
4 agreement says, that's what the County signed off on.
5 And are you saying that there isn't clear title, or
6 there's some problem with the --

7 MR. YAMASHIGE: That -- that is what I was
8 told. Which is why we are proceeding with that title
9 report, because we'll -- we'll find out once and for all
10 if there is a -- a cloud on the title.

11 CHAIR ANDERSON: And when do you expect the
12 title report to be done?

13 MR. YAMASHIGE: I don't know. I don't know
14 how long it'll take. It is -- it is not -- well, with
15 this initial title report would -- will determine -- or
16 the title company will determine how much more is
17 required, because it may be something that requires
18 quite a bit of research.

19 CHAIR ANDERSON: Well, I mean, so far, it just
20 sounds speculative, there's no concrete anything for us
21 to go on, Mr. Yamashige. And, you know, we've been
22 trying to settle this for four years with Mr. Michels
23 [sic].

24 MR. YAMASHIGE: I think longer than that.

25 CHAIR ANDERSON: Well, yeah. But, I mean, on

1 my watch, it's been four years. This was one of the
2 first items I brought up on the Water Resource
3 Committee. And the -- you know, you guys got seven --
4 \$625,000 to deal with this. And I think that you're
5 long overdue on giving us a quarterly status report.
6 And so I would request that your Department bring
7 forward a status report on all items within the
8 agreement so that the next Council can take this up and
9 review your status report, and see if we can't move on
10 this, even if we have to hire a consultant to get it
11 done, because Mr. Michels [sic] has waited long enough.

12 Mr. Pontanilla, did you have a question?

13 COUNCILMEMBER PONTANILLA: Yes. Thank you,
14 Chairman. I -- I think you asked the one question that
15 I was gonna ask in regards to the first quarter report,
16 which -- which we haven't received, that was supposed to
17 have been in on September -- I don't -- if there's a lag
18 in regards to the CIP reporting of that particular
19 project.

20 The other question I'd like to ask Eric is
21 that, you know, we -- we -- we hear things, but we don't
22 have any documentation in regards to title report,
23 what -- when we sent it to the Department that, you
24 know, do this research. Do we have any documentation
25 that you guys send -- send out? And any documentation

1 in regards to what our Chairman had requested, you know,
2 any drop date for response on the report itself, title
3 search report?

4 MR. YAMASHIGE: We do not have a date when
5 this report's gonna be prepared. I -- I need to check
6 with our Engineering Division if -- if that has been
7 done.

8 COUNCILMEMBER PONTANILLA: Okay. If -- if we
9 could have something in writing from the Department
10 regarding the title search report and any feedback from
11 the organization or entity that's doing the research in
12 regards to response. Thank you.

13 MR. YAMASHIGE: Thank you. We'll -- we'll
14 include it in the quarterly report.

15 CHAIR ANDERSON: Okay. Thank you,
16 Mr. Pontanilla. You know, I wanna make sure the date --
17 let's see. This is -- Budget Chair?

18 COUNCILMEMBER PONTANILLA: This is the '09
19 Budget, Chairman.

20 CHAIR ANDERSON: This is -- this is the '09
21 budget?

22 COUNCILMEMBER PONTANILLA: Yeah. And the
23 first quarter goes from July to end of September.

24 CHAIR ANDERSON: And so we have until next
25 December to either expend or encumber these funds, is

1 that correct?

2 COUNCILMEMBER PONTANILLA: Yes.

3 CHAIR ANDERSON: Because we don't want these
4 funds to lapse. And we wanna make sure -- do you know,
5 Mr. Yamashige, how much of this money's been spent from
6 -- up until September?

7 MR. YAMASHIGE: Of the 625,000, I do not
8 believe anything was spent, because the Department does
9 have a -- a budget for the Kanaha Valley. We -- we have
10 been expending money in the valley for maintenance of
11 the system.

12 CHAIR ANDERSON: But not this money?

13 MR. YAMASHIGE: Not that money.

14 CHAIR ANDERSON: Yeah.

15 MR. YAMASHIGE: That's correct.

16 CHAIR ANDERSON: I would note that this is the
17 -- the total amount. And it includes the Napili well
18 generator and Mahinahina improvements. So we will
19 expect, then, a written -- who is heading up this
20 project?

21 MR. YAMASHIGE: I think, at the last meeting,
22 one of our engineers said that they were taking care of
23 this.

24 CHAIR ANDERSON: Okay.

25 MR. YAMASHIGE: But we -- we'll follow up on

1 it.

2 CHAIR ANDERSON: Okay. Thank you very much.
3 Members, any other questions?

4 COUNCILMEMBER MATEO: Madam Chair?

5 CHAIR ANDERSON: Oh, geez. Danny, hi.

6 COUNCILMEMBER MATEO: You're in the forest.

7 CHAIR ANDERSON: Sorry about that.

8 COUNCILMEMBER MATEO: Madam Chair, for the
9 Department. I -- I think, because, you know, the Chair
10 has had this particular item for the last four years --
11 prior to her, I had it for two -- and it just seems that
12 it continues to lag. It is not being given the kind of
13 priority. And we're -- we're -- we're no farther ahead
14 than we were years ago. So unless the Department can
15 give us some kind of a timetable or some kind of a
16 target date that both Mr. Michels [sic] and the
17 Committee can be assured that we are progressing, and
18 trying to meet some of the commitments the County has
19 referenced that we have not yet finalized -- so I -- I
20 know it's difficult for you to give us some kind of
21 schedule, but funds are there. Commitments or overtures
22 to addressing them has been made. And we're still
23 tinkering around with specifics at this time. So I'm
24 hoping that the Department can at least come up -- you
25 know, even if it's within the next 12 months, to try to

1 at least finalize it or give us a percentage that, in
2 the next 12 months, we will complete 50 percent of these
3 items. So we're assured that something's gonna get
4 done.

5 Thank you, Madam Chair.

6 CHAIR ANDERSON: Thank you, Member Mateo. Did
7 you wanna respond?

8 MR. YAMASHIGE: Yes. Thank you, Madam Chair.
9 Thank you very much, Mr. Mateo.

10 I would like to say that I believe we have
11 accomplished quite a bit in the valley. I -- I've been
12 here about three and-a-half years, so I -- I understand
13 that it has been going on for quite some time. But our
14 operations people have done quite a bit in the valley to
15 address several of these issues, as we try to focus our
16 attention on the conditions of the agreement and not
17 anything, you know, outside of those conditions. So we
18 are focused on the agreement.

19 If you will notice the outstanding items, it
20 is kind of coming down to the land issues, the actual
21 conveyance of either the granting of easements or the
22 conveyance of the land. And that has taken, I -- I will
23 agree, a lot longer than anybody would like.

24 The other conditions -- the physical
25 conditions we've been addressing. And, you know, I

1 think we have taken care of quite a bit of 'em.

2 CHAIR ANDERSON: Thank you, Mr. Yamashige.
3 Mr. Michels [sic], did you have some comments, please?

4 MR. MICHEL: Yes, I do have over here. You
5 had a meeting, Mr. Yamashige, with the Water Resource
6 people over here. And that meeting was March 28, '08.
7 And there was a lady with you, Wendy, which I believe
8 was your assistant or something. And she mentioned she
9 can get the title and all what needs to be done squared
10 away with two or three months. But you never did send
11 me a follow-up letter and told me what you were doing.
12 You never send a letter if you had hired somebody since
13 then for get the title search done. We never -- you
14 never sent any email or anything. Everything is always
15 blank.

16 But as Michelle Anderson note today, it's been
17 a long time. And I hope you'll do something soon,
18 before I change my mind and I will take your Water Board
19 and you guys to court, and I will have to sue you for
20 what you are worth.

21 And, Eric, you are a nice guy, but you're very
22 slack. You don't do your job, because this is not only
23 the title you're talking. Remember, I told you, and I
24 showed you last year -- last year, October, by the
25 cattle guard, four rails are bend and destroyed. Well,

1 you never did come and fix it. We still waiting for it.
2 Now, it was your bulldozer, D6, who destroyed it. And
3 you know that. It's only a bulldozer who can twist
4 that. I only have a small truck that go up and down.
5 And before the cattle guard, all the pavement got knock
6 away over the year and never get replaced. Because when
7 I ask Bobby Vida, your superintendent, working below
8 you, he said he can do nothing unless you give him the
9 order. So there's two guys doing nothing. And that's
10 what's going on all over these past years and years.

11 And please do something very soon. I mean,
12 that even could be done next week, not next year.

13 And last year, December, we had flooding. I
14 called you. And I was to call the Civil Defense to
15 come and check. Well, you guys had a bigger problem in
16 Kula. So I let that go. All you guys all went to Kula.
17 You came fix the intake in January, which I was very
18 proud of you, you guys got something done. And
19 Mr. Victorino is -- came up in December, checked it out,
20 and he saw what was happening and then got fixed. And
21 I'll be glad you got that done.

22 But my personal item in the valley you have
23 neglected from the day you stepped into Water
24 Department. And I'm very sad because we need people who
25 have little more grit and be more truthful to get the

1 job done for the small guy.

2 CHAIR ANDERSON: Okay. Mr. Michels [sic], I'm
3 gonna ask you not to make it personal, and stick to the
4 -- the facts of the issue that you want addressed.

5 MR. MICHEL: Okay. The issue --

6 CHAIR ANDERSON: You said the personal --

7 MR. MICHEL: Oh, I'm sorry.

8 CHAIR ANDERSON: Personal items --

9 MR. MICHEL: But I have to let you know how
10 this thing went work, you know.

11 CHAIR ANDERSON: No, no, no.

12 MR. MICHEL: Because, you know, otherwise you
13 guys give him a raise next year. Okay.

14 My problem is he never did fix the road from
15 last year heavy rain in December. Not one load. Nobody
16 came with the backhoe.

17 In previous year, 2004, Zeke Kalua, under the
18 old Mayor Arakawa, went fix the road for Water Department
19 because these buggers had no time. It's not personal,
20 but if the guy doesn't show to work, if he's scheduled
21 to come to Lahaina, we crush the waste and fix the
22 road, if he doesn't show up, then you forgotten again.

23 You see, Lahaina, we always get the feeling of
24 secondhand citizen. And I definitely am a secondhand
25 citizen in the West Maui Mountain. But you people have

1 the water. Until we have a drought, and you have a
2 struggle, you know that. And then, God forbid, it might
3 give you guys a eye-opener, you know, the neglect.

4 From 1975, Water Resource Management from
5 Honolulu came in that valley, drilled a well without any
6 paperwork, so to speak. It was a exploratory well. And
7 when they hit the water, they flood the whole thing.
8 But the paperwork never came through. And I told
9 them -- Tatsumi Imada, who was the Director at that
10 time, you need the paperwork squared away. "Oh, we'll
11 do it." The next thing, he's gone. Rae Shikuma came
12 in, nothing happened. Then I had to hire attorney. And
13 I told you, I pay \$6,600 for my attorney for get that
14 contracts got done. And it got signed and sealed.

15 And today, you're still dragging your feet,
16 Yamashige, for get my contract completed, because
17 somehow you guys don't seem to understand, to read the
18 English language, what needs to be done. It's very sad.

19 And according to Jeff Eng, he told me go see
20 the Mayor because Yamashige isn't moving. I told him, "I
21 know that." So I called the Mayor and the Mayor will
22 send two guys come out in the field sometime this week.
23 And then we see what's gonna happen on that.

24 But, definitely, the road neglect is still
25 there. It's a shame, a very shame for the Water

1 Department in and out every day.

2 Last week, you guys had the burned out
3 transformer in the valley. You guys come horse around
4 10:00 at night. I'm not complaining. We live there,
5 you know. But the idea is this, you have so much
6 problem you don't even know about.

7 The million gallon tank up in the hill got
8 emptied down to six feet. Lahainaluna had a fire, you
9 guys over there whistle Dixie. But nobody talks about.
10 Hans Michel know, because I can hear the noise what's
11 going on, I can hear when the grate in wells open, when
12 those things shuts. You see, we live there. That's our
13 home, you know. And the goats and the farm is part of
14 our livelihood. If I had a job and a income like you,
15 well, maybe I could play golf and not -- instead of the
16 goat.

17 But I ask you, Mr. Yamashige, please do
18 something this year, get your backhoe, your crusher
19 waste, you promised UTB for put on the steep hill
20 for it will not wash out. The guy below Bobby Vida told
21 me he can do nothing unless Bobby give him the order.
22 Well, you the chairman of the Department, so get after
23 these guys and get the job done. And if they can't do
24 it, well, then lay 'em off. Get somebody from HC&S,
25 they get plenty guys over there who like work. Simple

1 as that. No more excuse, Mr. Yamashige, because you had
2 too many years of that.

3 CHAIR ANDERSON: Okay. Thank you, Mr. Michels
4 [sic]. I'm gonna --

5 MR. MICHEL: You're welcome.

6 CHAIR ANDERSON: I'm gonna request that
7 Department take the worksheet that is in our binder,
8 dated July 31st, 2008, and give us a letter responding
9 to Mr. Michel's concerns of all these items listed that
10 have not been done. This was done after the response to
11 Vice-Chair Victorino's request back in March. So I
12 think we need another update. And if you could address
13 those concerns in your status report, I think that would
14 be helpful for everyone.

15 Okay. Thank you, Mr. Michels [sic]. We'll
16 again try to address your concerns as best we can.

17 I think everybody needs to know that we can
18 make requests to the administrative departments, but we
19 cannot demand that they do anything. That's beyond our
20 purview. We've given them the money, and so it's up to
21 them. But we can request an updated status report as
22 that is part of -- that's one of our provisions in the
23 budget appropriation.

24 So thank you, Mr. Michels [sic]. I'm sorry
25 that it's taken so long, truly.

1 MR. MICHEL: Then my question is this, who has
2 power over the Water Department to tell 'em get going or
3 do nothing? Who is that, the Mayor? Or who has the
4 power to get them --

5 CHAIR ANDERSON: The Mayor and the Director of
6 the Department have the authority to direct the
7 Department.

8 MR. MICHEL: Thank you very much.

9 CHAIR ANDERSON: Thank you, Mr. Michels [sic].

10 Okay, Members, we're gonna move on. We're
11 gonna take a quick -- oh, is there anyone else that
12 wants to testify before we move into our next item? Our
13 next item is an update on our Water Use and Development
14 Plan. And we're gonna take a brief recess to set up the
15 screen. So before we do that, anybody else that wants
16 to testify? Zeke Kalua. You can sign up afterwards,
17 Zeke.

 ...BEGIN PUBLIC TESTIMONY...

18 MR. KALUA: Thank you, Madam Chair, Members of
19 the Committee.

20 My name is Ezekiel Kalua, former Executive
21 Assistant to the former Mayor, Alan Arakawa.

22 You know, Committee, the thing that's really
23 sad about this is that there is, and has been, a lot of
24 really good effort by the Water Department in the past,
25 by even myself as an Executive, of taking on this

1 project to work with Hans and Eric. And the thing
2 that's really challenging about this project is -- is if
3 you totally look aside of the fact of the land title
4 issues, the road goes through Lahainaluna School and
5 runs along the cliff side and then goes under an old
6 irrigation flume, it crosses three different culverts
7 before you even get to where the pump is itself that
8 pushes the water up a 145-foot cliff to the main water
9 gathering station in Lahaina. You know, maybe there
10 could have been a better way to do it in the past, but,
11 unfortunately, this is what we got. And the thing about
12 the Water Department is I've -- I've personally gone out
13 there with Eric Yamashige and Hans. We've looked at the
14 area and we've -- we've seen the challenges that have
15 been there.

16 You know, there was unfortunate damage that
17 had happened by bringing the machines in there to clean
18 out the inlet and the waterway, in the first place.
19 But, you know, it requires that size, that caliber of
20 machinery to get up and do that kind of work. Because
21 it's -- it's -- it's not a paved asphalt road that leads
22 to a green water tank with fencing somewhere. I mean,
23 it's really that challenging.

24 The thing that is really at stake with this
25 project, though, is that if we don't get this thing

1 solved and we don't make sure that we have adequate
2 water, a lot of people will lose, including the school.
3 And the thing is, from the work that we've done with
4 Hans -- and even Eric will attest to it -- Hans has been
5 very patient. A six-year timeframe to where we're at
6 today is really not the case. It's been longer than
7 that.

8 And the thing is, you know, Hans provides the
9 access. He doesn't get in the way of these guys. If
10 you look at the work he's done personally around this
11 area that the County is gonna be using, it's been made
12 very accessible, very safe.

13 You know, I think it's just time to get it
14 done, you know what I mean. He doesn't wanna point
15 fingers, he doesn't wanna be the bad guy, he doesn't
16 wanna go and sue the County. But, you know, he -- he
17 needs to get some work done. And for the sake of the
18 people in all of West Maui that rely on this water, you
19 know, we need to get some work done on this, too.

20 I don't envy you, Eric, but you are really a
21 good guy, you are. I've seen you do a lot of good work
22 over there. But it's time. So, I mean, it's -- it's --
23 you know, we gotta get on these people that are doing
24 the title report.

25 You know, saying that it's easier to give him

1 a discounted rate does nothing for him liability-wise if
2 one of the Water Department workers is on his property
3 working on a County machine and gets hurt, you know what
4 I mean. And -- and Hans is not a rich man, you know,
5 he's just trying to make it, just like the rest of us
6 out there. And he only wants to transfer this title
7 over to the County because it shouldn't be his
8 liability. Now, they drilled this well in '75. That's
9 how long he's been paying the taxes, you know what I
10 mean.

11 By the County repaying him for his attorney
12 fees, it's, in essence, an admittance of responsibility,
13 not an admittance of guilt. But by default, we, the
14 County, are saying, okay, we recognize that our contract
15 is not fulfilled, here we are.

16 So with all respect to everybody involved,
17 let's not point fingers, let's start signing contracts,
18 let's get this taken care of. Thank you.

19 CHAIR ANDERSON: Thank you, Zeke. Any
20 questions?

21 COUNCILMEMBER PONTANILLA: Yeah.

22 CHAIR ANDERSON: Yeah, Mr. Pontanilla.

23 COUNCILMEMBER PONTANILLA: Thank you,
24 Chairman. Thank you, Zeke, for being here this morning.
25 And your comments is well-received.

1 I -- I have one question, though. When you
2 were working with the Water Department, you were trying
3 to resolve this problem, did the Department -- or have
4 you questioned them about the preventive maintenance
5 program that they do not only for, you know, this
6 particular situation here, but throughout Maui County,
7 where we have intake, to provide us water for the County
8 of Maui?

9 MR. KALUA: At the time, both the Director and
10 the Deputy were concerned about that. But when I looked
11 at our long-term preventive maintenance schedule,
12 obviously, Upcountry took the brisk [sic] of that. You
13 know, water pipes in the ground, in some areas, over 36
14 years old. It's definitely on the mind of the
15 Department. But I think, without speaking for them, it
16 seemed more of a priority maybe to find more areas to
17 tap water than to do repair and maintenance to some of
18 the areas.

19 And without being the guy to admit to guilt, I
20 mean, we -- \$85 million over four years never got spent
21 for the capital improvements. And the excuse, for lack
22 of a better word, at the time was we didn't have enough
23 engineers. It could've fell on anybody's hands, but,
24 unfortunately, it was -- you know, it was on us. Maybe
25 a little bit from before and a little bit after. But

1 the fact of the matter is, there's so much work that
2 needs to be done out there, you know. And whether or
3 not we're gonna continue to not have enough engineers,
4 or maybe we need to find \$700 billion to, all of a
5 sudden, fix all of these improvements, you know, who
6 knows if we even have the manpower. Preventive
7 maintenance is definitely on their (inaudible).

8 The problem is, with this access road, you
9 know, it's in Lahaina, where it never rains. But when
10 it does, it floods. And you got a cliff side road that
11 goes past the Ag Department that begins going through
12 the Auto Department, it goes underneath the flume. I
13 mean, it's before Water Department went over there and
14 helped clear it out, Hans had spent some of his own
15 money to have (inaudible) construction go inside there
16 and do some work. And if he didn't do that, our
17 Department would have to fly people and equipment in
18 with helicopters just to do maintenance.

19 You know, I would recommend, if any of you
20 have never had the opportunity to go, visit it. Because
21 if you look really good at what Hans did around the area
22 that he's given to the County, he's given them a
23 blessing. He's fenced it, he's landscaped it --
24 landscaped it, he's manicured it. Some areas of the
25 County, there's total, total disregard for the working

1 conditions. But in this area, it's -- it's really not
2 that bad.

3 COUNCILMEMBER PONTANILLA: Thank you, Zeke,
4 for the comments this morning. Thank you. Thank you,
5 Chairman.

6 CHAIR ANDERSON: Thank you, Mr. Pontanilla.
7 Any other comments, questions? Zeke, thank you very
8 much for coming and clearing the matter up. We
9 appreciate it.

...END PUBLIC TESTIMONY...

10 CHAIR ANDERSON: So it will be up to this next
11 Water Resource Committee to follow through on this and make
12 sure that we get some kind of status report from the
13 Department. And, again, I don't know what else we can do.

14 I'm really sorry, Mr. Michels [sic], that --
15 that -- well, basically, that the Department hasn't
16 fulfilled their obligation. You need to come to the
17 mike. And that we really appreciate the efforts that
18 you have done on behalf of the people of the West Side
19 who depend on the water that runs through your property
20 and that you so unselfishly give of your time to, in
21 clearing the intakes when there are floods and rainwater
22 problems. So we want you to know that we very much
23 appreciate it.

24 MR. MICHEL: Chair, I appreciate what you done
25 for us. And I hope Eric will do something soon. But

1 my biggest concern now is -- of today is the road. Will
2 Mr. Yamashige send his trucks and his backhoe up there
3 and start fixing the road, or he might wait another
4 year? That's my big question.

5 CHAIR ANDERSON: All right. Let's ask that
6 question, since we're coming into the rainy season.
7 Mr. Yamashige, do you have any plans to send a backhoe
8 and some filler, whatever it takes, gravel, to repair
9 the road?

10 MR. YAMASHIGE: Thank you, Madam Chair. I
11 have heard from our Operations an estimate of how much
12 gravel -- not gravel, but base course that they were
13 going to take into the valley.

14 CHAIR ANDERSON: Uh-huh.

15 MR. YAMASHIGE: But that has not been
16 scheduled. So when -- that will happen when time
17 permits.

18 CHAIR ANDERSON: When time permits. Time
19 never permits. You know, I mean, I -- he needs -- he
20 needs the road fixed now. We are -- September, October,
21 November, December. We're three months past due on the
22 quarterly status report. So if you could check into
23 that and get us a time certain, and I -- you know, if
24 you've spent none of this \$625,000 towards Mr. Michel's
25 problem, I guess now would be the time to do that. And

1 maybe -- if your Department doesn't have staff or time
2 to do it, maybe you should contract a private company
3 that's looking for work who'd be very happy to get out
4 there and take care of the road.

5 MR. YAMASHIGE: Madam Chair, let me just say
6 that the Department, over the past year, has spent
7 nearly \$70,000 in the valley. A lot of it we have
8 worked with FEMA to get reimbursed. So we're not
9 spending the money that you budgeted or we budgeted for
10 those repairs.

11 We have, also, in addition to the December
12 2007 storm, been into the valley on a couple occasions
13 to clean out the back of the reservoir. There was an
14 apparent landslide up the valley a few years ago. So
15 every time it rains, it brings down the silt and debris,
16 which we hire a contractor to go in and excavate.

17 Currently, with the recent rainfall, I know
18 that there is silt and debris accumulating again. So --
19 so we'll probably have to hire a consultant -- a
20 contractor to go in and clean that out. And, you know,
21 again, we'll monitor how it's being filled and -- when
22 we have to go in.

23 It's not like the Department is not doing
24 anything in the valley. There is a lot of things that
25 have been accomplished. Maybe not the way Mr. Michel

1 would want it done, but, yes, Madam Chair, we are doing
2 it.

3 CHAIR ANDERSON: Okay. Well, hopefully, you
4 can take care of the road when you take care of the silt
5 and debris. Mr. Victorino?

6 VICE-CHAIR VICTORINO: Yeah, Madam Chair.
7 Thank you.

8 I've listened very intently to what you have
9 been saying, Mr. Yamashige. And I'm not one to -- to
10 criticize. And I don't wanna, you know, like Zeke said,
11 don't point fingers, but we're well aware that if we
12 don't do these repairs or we don't do the necessary
13 upgrades to this roadway, and we're to lose this
14 roadway, we would literally be cut off from any means
15 other than by air. Am I correct in saying that?

16 MR. YAMASHIGE: Mr. Victorino, I -- I don't
17 think you're looking at a catastrophic failure on this
18 maintenance. This is maybe some rails that are
19 developed because of the flow of rainfall or runoff.
20 But it's not like -- you know, it's not gonna be
21 passable.

22 A couple years -- well, not even a couple
23 years ago -- the Department did expend some funds to fix
24 one of the crossings of the stream. And that was
25 damaged, I don't know how many years ago, but it was

1 repaired by the Department. And, you know, some of
2 these things that have been done, and maybe is -- aren't
3 recognized, we are, again, trying to address the
4 conditions of the agreement. However, there are other
5 maintenance efforts that are being done in the valley.

6 VICE-CHAIR VICTORINO: Eric, I'm not -- Mr.
7 Yamashige, I'm not questioning that. And -- and -- and
8 I was there. I've been there. I understand what needs
9 and was done, wasn't done, should have been done. I'm
10 not into that. I -- I just feel we worked to this
11 point, and you say no catastrophic incident would --
12 could or would happen. Well, I hate to disagree with
13 you because we've had other catastrophic incidents
14 happen throughout this County. And once we lose it, it
15 -- you know, it -- it's a big, big expense. He's
16 willing to give us the -- the easement, which he's been
17 very generous about. He's given us all the help he can
18 give.

19 Eric, all I'm saying -- Mr. Yamashige, I
20 should say -- is let's do this ASAP, let's get it done.
21 I'd like to see a time certain by the end of March, no
22 later than that. I will -- I will also be writing a
23 letter to -- to the Chair -- to the Mayor asking for
24 that. Because we have to have a time certain. We need
25 to know, the people of Maui County. West Maui needs

1 to know. And if we lose that -- that intake and we lose
2 that -- that pump, West Maui really goes in a big world
3 of hurt. And we all know that.

4 So no offense. I don't want to blame, point,
5 whatever, but I've been here two years, some of the
6 Members have been here six years, like Vice-Chair Mateo,
7 and it's been an ongoing thing. I think the time for
8 talking is done, let's do it now. And that's what I'd
9 like to hear. We get it done now.

10 Thank you, Madam Chair. I'm sorry to be so
11 adamant about it.

12 CHAIR ANDERSON: No. We appreciate it,
13 Mr. Victorino. Thank you. Okay, Members -- Mr. Michels
14 [sic].

15 MR. MICHEL: Yeah. I thank Mr. Victorino,
16 because he came there. She came there. Mr. Yamashige
17 come, he makes notes. And after he's gone, you never
18 hear and see nothing happening. And that's the sad
19 part. The problem is the road from last year, December,
20 heavy rain, nothing ever got fixed. With my little
21 putt-putt tractor, I fill in holes. But we need crusher
22 waste in order to do what they say, UTB will be
23 the best for keep things together.

24 The problem is, I don't wanna point finger,
25 but definitely old Eric over there is not the man to get

1 the job done. And I will personally go see the Mayor
2 for he will do something about it. Other than that, I
3 put you people all in the newspaper. Then maybe, if the
4 medium -- media will get insight, maybe something will
5 happen. I mean, you guys, I thank you all for your
6 help, but Eric is not the man because he's too slow.
7 And he does not can jump on the guys below him because
8 those guys, they ain't gonna do nothing. I'm sorry.
9 I've been in the valley for 40 years. Can you imagine? I
10 could write a book.

11 CHAIR ANDERSON: Yeah. I think maybe the time
12 has come for a -- a outside contractor to take over the
13 job and get it done. The Department, obviously, doesn't
14 have the staffing or the --

15 MR. MICHEL: The willpower. The willpower is
16 missing.

17 CHAIR ANDERSON: Okay. Well, thank you very
18 much for coming, Mr. Hans --

19 MR. MICHEL: Thank you very much.

20 CHAIR ANDERSON: -- once again and bringing
21 your problem forward for the public to hear.

22 Okay, Members, we're going to move on to our
23 next item. We're going to take -- anybody else want to
24 testify? Seeing none, I'm going to close public
25 testimony.

1 COUNCIL MEMBERS VOICED NO OBJECTIONS. (Excused: GCB)

2 ACTION: DEFER PENDING FURTHER DISCUSSION.

3 ITEM NO. 4 WATER USE AND DEVELOPMENT PLAN

4 (C.C. No. 05-38)

5 CHAIR ANDERSON: So we're gonna take a brief
6 recess while we set up the screen. And -- and I'm gonna
7 kill a little time here, because our consultant went to
8 move his car, and just bring us all up to date on the
9 Water Use and Development Plan.

10 Back in 2006, this body budgeted an additional
11 \$250,000 to accelerate the development and the
12 finalization of our water use and development plan. And
13 I think we're almost on target. At the time, we were
14 told it would be six years before they could get it
15 done. And I think Mr. Freedman is gonna have us -- have
16 some good news, that he's getting to the point where we
17 can start reviewing the plan. It's gone out to the
18 public. Lanai's been done, the draft has been done from
19 some time. And we have been waiting here in this
20 Committee for it to come forward for review.

21 So that's all gonna happen next term for
22 whoever is on the Committee. This is a big, important
23 thing. The Water Use and Development Plan is supposed to
24 guide our future in water use. So I don't think there's
25 a more important tool that we have, even beyond the

1 General Plan, because you can plan for all kinds of
2 growth. If you don't have the water and you don't have
3 a plan on how to get the water, you can designate as
4 much land as you want, but it isn't gonna happen.

5 So, Members, we're gonna take a short recess
6 while we bring down the screen. And then we'll have
7 Mr. Freedman give his presentation and then we'll follow
8 it up with questions. So the Committee is in recess.
9 ... (gavel) ...

10 RECESS: 10:03 a.m.

11 RECONVENE: 10:05 a.m.

12 CHAIR ANDERSON: ... (gavel) ... The Water
13 Resources Committee has now reconvened.

14 Mr. Freedman, thank you for being here. And I
15 just want to give you -- I'm sorry I didn't get a chance
16 to talk to you before this, but I just wanna give you an
17 idea on -- oh, there is a printout for this, right? I
18 left mine upstairs, so I'm gonna borrow this one. I was
19 told that your presentation is about 20 minutes.

20 MR. FREEDMAN: Well, I'm ready to do whatever.
21 I can do a -- a brief presentation. Here's -- I've got
22 three parts to this. One is -- uh-oh. One is an
23 overview of where we are with each of the districts. And
24 the next steps at the end. And I can do that very
25 briefly, maybe 10 minutes, 20 minutes. And then the

1 other -- I'm prepared to talk at -- briefly, or at
2 whatever length you'd like, about the -- the -- kind of
3 the merits of the Central District and the Upcountry
4 District and the strategies and where we are with those.

5 CHAIR ANDERSON: Okay. Just to let you know
6 where -- I think where our interest lies is -- you know,
7 we've had a lot of talk about redundancy lately. And if
8 you could -- about the lack of redundancy. If you could
9 address that, maybe, as best you can, in each of the
10 districts. And then I think the focus that everybody
11 wants is what the Candidate Strategies are. In other
12 words, where are we gonna find future water source, and
13 what is the most economically feasible of the choices
14 that we have.

15 MR. FREEDMAN: Okay. Do you want to give me a
16 timeframe for --

17 CHAIR ANDERSON: For the whole thing?

18 MR. FREEDMAN: Well, as I do -- I can address
19 what you like. Do you want -- tell me how long you want
20 this to go, and I'll kind of adjust things accordingly.

21 CHAIR ANDERSON: Well, you just --
22 you just do what you need to do, Carl.

23 MR. FREEDMAN: All right. Okay. Hello,
24 everyone. My name is Carl Freedman, I am a consultant
25 to the Department of Water Supply. And I have been

1 assisting the Department with the public process and the
2 analysis portions of the Water Use and Development Plan.

3 I've given you several prior quarterly
4 reports. Today, I'm gonna give you an update for each
5 of the districts so you can know where we are. And then
6 based on the comments of what we'd like to see today,
7 I'll go through the Final candidate strategy reports for
8 Central and Upcountry, focusing on what the Final
9 Candidate Strategies are. So I'm gonna skip some slides
10 through here as we go through to get on schedule.

11 First of all, we're doing the -- the Water Use
12 and Development Plan according to a framework that's
13 provided by the State Water Commission. And this is a
14 page out of their framework. And I don't know that you
15 need to read it in any great -- great detail, but the
16 whole process starts with identifying planning
17 objectives. This basically answers the question of what
18 would a good plan do, what are we trying to do with the
19 plan, and how are we gonna measure that. And other --
20 well, how much water are we gonna need, it provides
21 demand forecasts for each of the areas. And what are
22 the various resources that are available. And all of
23 this up at the top of the process is pretty much
24 information gathering. And then as we go into the
25 process, we try to take the -- the various resource

1 options that are available and put them into sequences
2 or strategies, we've called them, as the term from the
3 Commission's framework, and we evaluate those.

4 And what we've done in Central and -- while
5 we're on this chart -- Central and Upcountry have gone
6 all the way through this process. We have identified,
7 first, some Candidate Strategies, which is kind of a
8 bigger list, and narrowed those down into some Final
9 Candidate Strategies and have analyzed those. And we're
10 in the process of putting those in drafts and getting
11 those out for your review.

12 Here's a matrix that shows for each of the
13 districts where we are on that process. Across the top,
14 you can see the demand forecasts and objectives, that
15 was on the top of the chart, identifying resource
16 options, formulating Candidate Strategies and reviewing
17 final strategies.

18 And for Lanai, for Central, for Upcountry,
19 we've gone through that process. And I'm gonna go
20 through each of the districts and talk a little more
21 about the status there.

22 East Maui and West Maui, Molokai are the next
23 round we're proceeding through with -- with those three
24 districts.

25 For Lanai, there's a draft plan under review

1 by the Lanai Water Advisory Committee. There's a final
2 draft being completed. Outstanding issues are being
3 discussed by the Water Advisory Committee.

4 Central District, I have a draft of the Final
5 Candidate Strategies report which is now being reviewed
6 by the Department. This takes a lot of the material that
7 has been presented to the Water Advisory Committees in
8 several rounds of presentations. And, actually, some
9 material that I presented to you updates that and puts
10 it into text form. And we're trying to -- that's also
11 put in a form that has enough background in that chapter
12 that it can serve as a standalone review. Also included
13 in that are some recommendations, that are my
14 recommendations, that are basically put out there as a
15 starting point for what would become a plan. And this,
16 I think, should be available within a week or two for
17 review.

18 The next step with that report would be to go
19 to the Water Advisory Committees, who have been involved
20 in this process all along. But when it's released to
21 those committees, basically it's available for everyone,
22 because, as you know, some -- I think all the Council
23 Members are on the distribution list and it becomes a
24 public document. So that's gonna be released very soon.

25 There are a list of considerations there that

1 are continuing updates from the past analyses. As you
2 know, the times are a changing very quickly with energy
3 prices, with the economy. And as we look at all these
4 strategies and we look at what the meaning of capital
5 costs are and variable fuel costs, I've gone for putting
6 ranges in -- into the assessment, in the final, to -- to
7 look at that.

8 The next Water Advisory Committee we're gonna
9 schedule in January, as soon as we get the draft
10 released and have a date out.

11 For Upcountry, it's kind of on the heels of
12 the Central, the draft, I do not have complete. But
13 that's what I'm doing now, is completing the draft to
14 give to the Water Department for review. It has a sim
15 -- similar range of additional considerations and will
16 have consultant recommendations. And I think -- oh,
17 this draft report should go to the Department in
18 January. And perhaps January, or February, we can have
19 our next meeting of the Water Advisory Committees to go
20 over those

21 West Maui, we've had two Water Advisory
22 Committee meetings, including introduction, discussing
23 of the planning objectives and issues, looking at
24 historical water use, demand projections and potential
25 resource options. What -- there's -- there's several

1 things that are different about West Maui and Molokai.
2 And that is that the Department of Water Supply is only
3 one of several principal providers. So unlike Central
4 and Upcountry, where the Department is the primary
5 provider, in both of these districts we are one of the
6 few.

7 We had very good attendance at the West Maui
8 District meetings. There was a lot of interest in all
9 aspects. And I think that's gonna be a good -- a good
10 group as we go through.

11 Molokai, we've had three Water Advisory
12 Committee meetings, introduction to the process,
13 discussion of the objectives and issues, several times.
14 Historical water use for all of the systems. Demand
15 projections for all of the systems. And we're
16 continuing to refine those. Some of the information is
17 being difficult to find.

18 As you know, the Molokai Ranch system there,
19 we're having difficult time with communications there.
20 We have some issues that are before the Public Utilities
21 Commission, and some conflicts there. So the
22 information that they are supposed to be providing to
23 the Public Utilities Commission, they all provided under
24 protective cover. And as soon as I can get that worked
25 out with the Commission staff, I think we're gonna have

1 some better information there.

2 Potential -- we looked at potential resource
3 options. And, also, wellhead protection and water
4 quality.

5 So we have -- the next meeting there is gonna
6 focus on water quality issues with some speakers from
7 the Department of Health.

8 Molokai -- I have to say, the Molokai
9 community is very knowledgeable about water, very
10 passionately involved in water issues.

11 The -- the issues there cut across not just
12 the Department's system, but all the systems. Several
13 of the principal issues are -- one is permitting. The
14 existing uses actually do not fall in with the existing
15 permits from the Water Commission. It's a water
16 resource management area by the Commission. And the --
17 another big issue there is the unaccounted water. We
18 have about 40 percent difference between what's metered
19 and what's produced.

20 So that's kind of good news and bad news. The
21 good news is, in terms of finding source, that might be
22 a good source, is to just eliminate the waste in the
23 pipes. The bad news is that may not be the cheapest
24 thing to do. But that's gonna be a focus of what we're
25 looking at coming up.

1 And, of course, the other issue there is water
2 for agriculture. And that is not the Department's area.
3 But in terms of the water needs for Molokai, there's
4 actually not that much growth in potable water needs
5 projected over the planning period. But the needs for
6 agriculture are large.

7 For East Maui, we've had two meetings. One in
8 -- this is very recently, just this month. One in
9 Keanae, and one in Hana. We went over an introduction
10 to the Water Use and Development Plan process.

11 I don't -- you know, it said we had a
12 discussion of planning objectives and issues. But
13 really, I think, what we did is we heard from the
14 communities very loud and clear about some preexisting
15 conflicts and contested issues. We didn't get too much
16 into planning objectives in an orderly kind of a
17 treatment of a planning process, but we heard a lot of
18 concerns about a community that, right now -- I mean,
19 for a long time -- some of these concerns are -- are
20 ongoing over many years.

21 But, right now, in the dry times, there are
22 people who are hurting there. The -- there's concerns
23 about the diversion of stream water, impacts of some new
24 wells on some springs -- on the springs that people are
25 using. And there's some acute water shortage conditions

1 there. Private systems that have run for years and
2 years and years are going dry for the first time.

3 There was some testimony by people who are
4 hauling water. I mean, one mother came, talking about
5 her four kids she has to take to Hana Bay from Nahiku
6 area so they can shower. And she's hauling water for
7 all their potable needs. And this has never happened
8 before there. It's because it's a very dry period.

9 And there are a lot of anecdotal stories about
10 why this might be, some finger-pointing, some passion,
11 and out of just -- just anger. I'm actually impressed
12 with how civil some of these folks are being given the
13 dire conditions they're under in terms of meeting their
14 own personal needs.

15 So the -- the East Maui meetings are taking a
16 different direction than the other Water Advisory
17 Committee meetings.

18 I think that what the news is for the Council
19 here -- it's a challenge, I guess, for us doing the plan
20 to take these concerns and put them into a constructive
21 way. It's always an issue, what are County's issues,
22 what are the State's issues, in terms of authority, to
23 what extent does the Water Use Development Plan serve as
24 a voice for the County's policies about water allocation
25 that should be expressed to the Water Commission, for

1 example.

2 Nowhere is this more clear than when we go out
3 to the East Maui area. So I'm sure as we go on, we're
4 gonna try and bring the concerns from the East Maui
5 folks here. And it's not something that I'm probably
6 gonna be able to make an analytic analysis of. It
7 really is gonna come down to some policy questions for
8 the Council to deal with in the long run

9 So that's kind of a quick overview. I don't
10 know if I should stop for questions there, maybe, about
11 status, before I go on.

12 CHAIR ANDERSON: Carl, I think, why don't you
13 just go on? And Members can write their questions in
14 the hard copy of the PowerPoint. And when you're done
15 with your presentation, we'll bring the screen up and
16 then we'll address the questions.

17 MR. FREEDMAN: Okay.

18 CHAIR ANDERSON: Okay, thanks.

19 MR. FREEDMAN: The -- I wanna go through the
20 next steps. That was, actually, at the end, but just to
21 be clear about the -- for the status of the individual
22 districts. For Lanai, finalization and review of the
23 Lanai Water Use and Development Plan is probably the
24 next step. Review of the Central District draft report
25 is currently underway. And the next step there really

1 would be release of that report to the Water Advisory
2 Committees and the public -- general public.

3 CHAIR ANDERSON: Wait, wait, wait, wait,
4 please. Excuse me.

5 MR. FREEDMAN: Yes.

6 CHAIR ANDERSON: You must have skipped a bunch
7 of slides.

8 MR. FREEDMAN: Yeah. I -- I -- just moving
9 this slide up from the very -- this is my last slide,
10 really. It's on the back page. And I'm just doing it
11 here because I didn't know if I was gonna get to it in
12 the end again.

13 CHAIR ANDERSON: Well, I think what we wanna
14 hear about are the Candidate Strategies that --

15 MR. FREEDMAN: Okay.

16 CHAIR ANDERSON: -- are next.

17 MR. FREEDMAN: Here we go.

18 So for the Central District, the Final
19 Candidate Strategies -- and I'm gonna go through each of
20 these, I'm gonna explain what each strategy is and what
21 the variations of it are that we've looked at, and what
22 the current kind of frontrunner for each of these
23 categories is. In each of these strategies, there are
24 the committed options, in other words, things that the
25 Water Department is already committed to, some near-term

1 options are included in all of them, long-term options
2 are looked at individually, and they're different in
3 each strategy, and some general options. And I'll go
4 through these very quickly. And these are the same,
5 basically, for Upcountry and Central. But --

6 CHAIR ANDERSON: Carl, excuse me. If you
7 could -- you know, we appreciate all of the background
8 information that you go through in order to get to these
9 Candidate Strategies. And we trust that you've looked
10 at all these options. We wanna get down to the actual
11 Final Candidate Strategies that you're presenting.

12 MR. FREEDMAN: Okay.

13 CHAIR ANDERSON: And you just skipped Central
14 District. If you could go back and let's go over those.
15 Okay?

16 MR. FREEDMAN: Yeah, I will. Alright. So the one
17 thing I will mention before I do that --

18 CHAIR ANDERSON: Yeah.

19 MR. FREEDMAN: -- is just that in each of the
20 Candidate Strategies, there are some conservation
21 programs, calling this a demand side management
22 portfolio. In each of the strategies there is -- are
23 some basic programs, including an indoor fixture
24 retrofit program and outdoor landscape irrigation
25 efficiency programs. And in one of the strategies,

1 there's a much more aggressive set of conservation
2 programs included. But I just wanted to make sure that
3 you understood, in all of the strategies, it's been
4 determined that conservation programs are cost-effective
5 and recommended.

6 So the first strategy is Na Wai Eha Surface
7 Water Treatment. As originally expressed, this -- this
8 was one or more water treatment plants using water from
9 the Na Wai Eha streams. And the variations of that we
10 looked at were two base flow options.

11 And by base flow options, I mean that the
12 source water would come from the base flow of the
13 diversion ditches from the Na Wai Eha streams. The
14 base flow means that you would not have to build a
15 reservoir. It would be -- mean that there would be a
16 commitment from enough water that the reliable water
17 supply could be provided by the water treatment plants
18 without a reservoir.

19 We looked at the Waiale Treatment Plant
20 location. Basically, there is a plant that's already
21 designed. And I looked at another location for a
22 similar facility, that would be on the Waihee Ditch,
23 upstream or north of Wailuku, on grade with -- with the
24 Waihee Ditch. And the last option was a design that
25 would incorporate a reservoir to capture the high water

1 flow stages of the stream. And this -- John Duey has
2 pro -- you know, provided some scenarios for this. And
3 I've worked with him to characterize that scenario.

4 CHAIR ANDERSON: Are you talking about the
5 billion dollar reservoir?

6 MR. FREEDMAN: Yes. And I've looked at,
7 actually, not just --

8 CHAIR ANDERSON: I mean, the billion gallon.

9 MR. FREEDMAN: Yeah. We've looked at various
10 size reservoirs. And I'll go through that real
11 quickly --

12 CHAIR ANDERSON: Okay.

13 MR. FREEDMAN: -- since you asked. But,
14 basically, I've got a map here that I'll refer to as we
15 go through. What we're talking on this map -- on all of
16 the maps, you'll see the existing system here is the
17 black dotted line reaching out to Paia and north to
18 Kupaa Well and south all the way down to Wailea area,
19 Makena area. We're talking about water diversions for
20 these that would come from the Waihee River and the Iao
21 River, and the two locations, one would be a water
22 treatment plant near the Waiale Reservoir, the other by
23 the -- somewhere along the grade of the Waihee Ditch
24 here.

25 We looked at -- in order to do some analysis,

1 I did some hypothetical allocations of water.
2 Basically, the assumptions I made for the reservoir
3 analysis assume some interim stream flow standards of 10
4 million gallons a day for Iao Stream. In fact, the
5 reservoir is, basically, sourced by Iao Stream in this
6 analysis. An allocation equal to the current capacity
7 used, that's currently taken out. And then the
8 reservoir, basically, would supply municipal water based
9 on what's on top of that. So this will provide more
10 water to the streams under base flow conditions, and
11 would use a reservoir to take the high stage and put it
12 in a reservoir.

13 And we did a bunch of mass flow analyses. I
14 know that's not legible, but this looks at the daily
15 stream flows for the Waihee and Iao Rivers over a period
16 of about 20 years. And then reservoir levels based on
17 different assumptions. We've looked at different
18 reservoir capacities from the existing 30 million
19 gallons of the Waiale Reservoir to a billion gallons
20 with different assumed yields taken out for treatment
21 and different levels of empty reservoir days, you know,
22 how often would the reservoir be empty if you were to do
23 these.

24 CHAIR ANDERSON: Carl, could I ask you real
25 quick? Are all these assumptions, or these

1 calculations, do any of them take into consideration the
2 amount of water that will be necessary for the instream
3 flow, you know, the restoration of instream flow?

4 MR. FREEDMAN: This particular analysis --
5 and, of course, I've done a lot of these. But this
6 particular analysis looks at an inflow base flow of 10
7 million gallons a day. So this does not exist now. But
8 this scenario would say, if the Water Commission were to
9 come out and say, for the Iao Stream, there's an
10 instream flow requirement of 10 million gallons a day
11 that has to be allowed in the stream before any
12 diversions are taken -- that's the way the Commission
13 has expressed the instream flow standards for the East
14 Maui streams as a precedent. So this assumes an
15 instream flow standard that's hypothetical at this
16 point, but it does assume one.

17 CHAIR ANDERSON: Yeah.

18 MR. FREEDMAN: 10 million gallons a day is not
19 a recommendation; it's just an assumption that I used to
20 make some sort of analysis.

21 CHAIR ANDERSON: Okay.

22 MR. FREEDMAN: And, of course, I have -- yeah,
23 go ahead.

24 CHAIR ANDERSON: Okay. So I appreciate the
25 assumption, but I just wanna make sure what the

1 assumption is based on. Did you take into consideration
2 the needs of the pertinent users, in other words, taro
3 farmers, and, also, some consideration for biological
4 stream life?

5 MR. FREEDMAN: I did not go through any of
6 that. The Water Commission's in the process of doing
7 that. The actual 10 million number -- excuse me. I
8 have a vog condition here. The actual number, 10 million,
9 came from a conversation that I had with John Duey in a
10 discussion about what would be reasonable. This whole
11 direction of analysis was inspired by his interest in
12 this.

13 CHAIR ANDERSON: Okay.

14 MR. FREEDMAN: And I've sat down with him and
15 went over this. Ten million gallons a day does not
16 presume any recommendation, it's not based on science.
17 It's actually based on a discussion with John about what
18 we should characterize this initially. All of these
19 analyses can be redone, and probably will have to be
20 redone, once the Water Commission issues some instream
21 flow standards for the -- for the streams here.

22 CHAIR ANDERSON: Okay. Thank you, Carl.

23 MR. FREEDMAN: And, of course, looking at the
24 different costs of these different reservoirs and the
25 -- the different yields, we did some cost analysis. And

1 here I'll take a minute. And this is a slide that shows
2 the different types of costs. I presented this type of
3 slide to the Committee before, but I'll kind of remind
4 you what we're looking at here.

5 Each one of these bars -- sets of bars here is
6 a strategy or a -- it's a 50-year scenario. And it's
7 the costs totaled over the whole 50 years for all of the
8 Water Department's costs, including the variable costs
9 in red, fixed operating costs in green, capital costs in
10 blue, demand site management expenditures in white, and
11 the totals in black. So if you wanna look at the bottom
12 line, I mean, the black bars, the heavy black bars, are
13 kind of the overall costs.

14 But these are expressed as differences from a
15 reference strategy. So if you look at all these --
16 later on, I have a slide that shows these bars. It's
17 kind of hard to read them when they're these big tall
18 bars with slight differences. So this just compares the
19 costs to a reference strategy that's zero. And here is
20 what we're comparing it to. This strategy here was the
21 Northward strategy where you would go with the series of
22 wells north of the existing system up into the North
23 Waihee Aquifer, the north half of the Waihee Aquifer and
24 up to the Kahakuloa Aquifers. And in this strategy, you
25 can see here the total costs. And so you can compare

1 these other strategies, basically, to this one. These
2 -- on all the slides I show, it will show this strategy,
3 the same strategy for references of comparison.

4 So, here, if you have the Waiale Water
5 Treatment Plant, assuming 30 cents per thousand gallons
6 as raw water storage, you can see that's more
7 economical. If you look at it with 90 cents well
8 water -- which is what the Wailuku Water Company is
9 asking the Public Utilities Commission for as a rate for
10 raw water service -- in that case, it costs more. So
11 you see the -- basically, this is telling you that the
12 cost of the water is a big deal in terms of the
13 cost-effectiveness of -- of that strategy.

14 This is a 300 million gallon scenario and a
15 one billion gallon scenario, along what I had just went
16 over with the hyp -- hypothetical allocations and the
17 reservoir storage. The -- this one assumes a
18 six-million-gallon-a-day output water treatment plant
19 with a 300-million-gallon reservoir. And this one
20 assumes a one-billion-gallon reservoir with a
21 nine-million-gallon output. So these -- this is a
22 nine-million-gallon, nine-million-gallon, and
23 nine-million-gallon water treatment plants, with a 300
24 million gallon, six is the most you're gonna be able to
25 get out of that for reliable potable service. So it

1 still provides all of the water that's necessary over
2 the planning period; it's just that, after the capacity
3 of that water treatment plant is used up, other
4 resources have to come in to -- to meet it.

5 And as you can see, the costs of the
6 one-billion-gallon reservoir are high. Basically, what
7 the reservoir analysis is saying is, in order to get
8 nine million gallons a day using the high stream flows,
9 without cutting into instream flow standards and without
10 cutting into the existing offstream irrigation uses,
11 nine million gallons is kind of a stretch, you know, by
12 providing reservoirs.

13 This still is not as reliable as this one over
14 here. It's still -- you have a number of days when the
15 reservoir is gonna be empty, even with
16 one-billion-gallon reservoir.

17 The other thing I've done in all the analyses
18 in this final round is I've done analyses both at a
19 low-cost oil scenario and a high-cost, because the
20 variable costs for pumping change with the cost of oil
21 and the cost of electricity which depends on that. So
22 this is the low-cost. If you look at this with the
23 high-cost scenario, things just look a little more
24 extreme. Here, the difference between the 30 and the 90
25 are more extreme because you have more variable costs in

1 here for the Waiale Water Treatment Plant scenario. And
2 you have a similar -- doesn't change this too much. But
3 the water savings you see from the reservoir are higher
4 with the -- the higher energy costs.

5 I'm gonna keep moving on here.

6 The second strategy is Northward Basal
7 Groundwater Development. This would be new basal wells,
8 transmission and storage northward, into the north half
9 of the Waihee Aquifer and Kahakuloa Aquifer. And so
10 we're talking here, up here, going -- crossing
11 Makamakaole Gulch with a series of wells, and then
12 crossing the Kahakuloa Valley, and then another series
13 of wells. Not talking about putting wells in the
14 valley, but there would be a -- a transmission that
15 would go through that valley if the scenario went that
16 far, to go up north.

17 CHAIR ANDERSON: Carl?

18 MR. FREEDMAN: Yeah.

19 CHAIR ANDERSON: On the chart that you showed
20 us just previous to this, you showed that as the least
21 expensive. Yeah, right there.

22 MR. FREEDMAN: Well, wait until the end here.
23 Wait until the end to compare 'em all. Because I'm
24 gonna have a slide that shows all of these together.

25 CHAIR ANDERSON: Okay. I was just gonna ask

1 you, you gave us a ninety-million-gallon scenario. How
2 much water does that -- does -- that scenario for the
3 Northward configuration, how much -- how much water is
4 that, you know, reflecting or expecting?

5 MR. FREEDMAN: All of these scenarios provide
6 all the water that's needed over the entire planning
7 period. When --

8 CHAIR ANDERSON: Oh.

9 MR. FREEDMAN: So each of these scenarios --
10 it's like we have the North -- the Northward scenario
11 puts wells out there. And that provides enough water
12 out to some year, like 20 -- very near the end of the
13 planning period.

14 CHAIR ANDERSON: So is that the nine -- the
15 nine -- how much is it, 90 million gallons?

16 MR. FREEDMAN: No.

17 CHAIR ANDERSON: Or nine million gallons?

18 MR. FREEDMAN: The Northward scenario provides
19 -- all of these provide -- well, I don't have the number
20 right at my fingertips. They all provide the same
21 amount of new source over the planning period. When
22 there's a -- like the six-million one, for example, this
23 would be put in, in 2013. And then when that -- when
24 further capacity is needed beyond the six, then more
25 wells would be put in. The wells that come in behind

1 them are the Northward ones in all cases for compare --
2 for purposes of comparison.

3 So, in some cases, the featured -- you know,
4 the -- the types of sources that feature -- that are
5 featured in that strategy may be bigger or smaller than
6 others, but, in all cases, there are enough resources
7 brought on to characterize the costs for the strategy.

8 CHAIR ANDERSON: Okay. Thank you.

9 MR. FREEDMAN: So Northward basal, I didn't
10 make any changes since the last time I presented. But
11 there -- they are different than originally what was in
12 the Candidate Strategies draft, an earlier draft. Since
13 that time, we've learned from USGS that we're not likely
14 to see as thick a water lens out there. So that
15 strategy has been recharacterized as a series of more
16 smaller wells, which is more expensive, but put out the
17 same amount of water, basically.

18 Eastward basal groundwater development is new
19 basal well -- as originally characterized, it was new
20 basal wells in the Haiku and/or Honopou Aquifers with
21 transmission to the Central District. Now, after going
22 out in the public process, we learned that the Honopou
23 area has a lot of existing water uses and a lot of
24 concerned citizens there. So as we've recharacterized
25 that, we've gone further past Honopou to the Waikamoi

1 Aquifer with -- in order to characterize that particular
2 variation of the strategy.

3 So in -- what we're looking at -- what we've
4 looked at since the last time we've presented,
5 basically, was looking at a Haiku Wellfield at 1,500
6 feet, the Haiku Wellfield at 1,000 feet, a Waikamoi
7 Aquifer Wellfield with a pipe that goes all the way to
8 the Central system, and a Waikamoi Aquifer Wellfield
9 that basically pumps into the ditch to transmit the
10 water to the Central area, and then uses a water
11 treatment plant to make that into potable. So on the
12 map, these are the eastern -- easterly options. One is
13 -- there's your Haiku Wellfield and transmission to
14 Central. Here's your Waikamoi that goes right past the
15 Honopou area with pipe to Central. And then here's one
16 that would put water into the ditch. And the Hamakua
17 Ditch comes out in about here, water treatment plant and
18 then with a pipe to Central.

19 And then looking at those, in the same kind of
20 presentation we looked at before, here's your Northward
21 reference strategy again. You can see all of these are
22 more expensive than the -- the other ones we've looked
23 at. The Haiku Wellfield, at 1,500 feet, has high
24 variable costs associated with pumping water up to 1,500
25 feet, and then flowing it back down to the Central

1 system.

2 A reconfigured strategy using 1,000 feet was
3 more cost-effective because it lowered the pumping
4 costs. Lowered the other costs slightly. To go to --
5 to go to Waikamoi, there's a lot of capital costs
6 associated with transmission costs, all the way across
7 the island. To -- to use the ditch for transmission
8 actually has less capital costs, even including the cost
9 of the water treatment plant, but it has higher
10 operation costs and higher operating costs associated
11 with running a water treatment plant. So what we did
12 for this strategy, for the Eastward Final Candidate
13 Strategy, we're looking at a Haiku Wellfield at 1,000
14 feet to represent that strategy.

15 And here's the same thing at a higher energy
16 cost. So, there, you see the difference becomes more
17 extreme. Like there's your lower energy cost between the two
18 altitudes in Haiku. You go to a high-energy cost
19 scenario, both of those increase in costs relative to
20 the others. But, of course, the higher elevation is
21 more extreme.

22 Brackish water desalination is one of the sat
23 -- strategies, that would be putting a desal plant in
24 the Central area using brackish groundwater. This
25 scenario remains unchanged on the map. I just have it

1 plotted here. But it could be anywhere in this area
2 where brackish water would be best available.

3 Large-scale water recycling and conservation
4 is the last strategy. This would be meeting new water
5 needs by maximizing recycled water use and more
6 intensive conservation measures that are in the other --
7 the other strategies. And this particular strategy is
8 characterized by using the existing R-1 recycled
9 wastewater capability of the Kihei Wastewater Plant,
10 building a transmission line southward down to the --
11 excuse me -- to the Wailea area where the high
12 irrigation intensity is. That's about a 20 million
13 gallon -- \$20 million project, and would displace
14 between one and one-and-a-half -- well, actually,
15 between one and two million gallons a day. And how
16 cost-effective that is depends a lot on how much water
17 it could effectively displace. That's something that
18 would have to be verified further before progressing.

19 But, basically, just reviewing those
20 strategies, the -- that's the -- that's the -- the
21 pallet for the Central District.

22 To look at them all on the same page -- so
23 this is where you look at kind of the lead
24 characterization of each of those strategies. So here's
25 the Northward strategy. And you look, the scale is a

1 little different here. But this is the same Northward
2 strategy as appeared in all the other slides.

3 The least expensive is Waiale, assuming 30
4 cents per 1,000 gallons and assuming availability of
5 base flow from the streams. But, of course, there is no
6 assurance of base flow from the streams.

7 And until -- actually, there are three
8 contested case proceedings -- actually, two contested
9 case proceedings, and one that will probably be a
10 contested case proceeding, all that need to be resolved
11 before you could go forward with that.

12 There's one proceeding looking at instream
13 flow standards, allocating the water from the streams to
14 instream uses versus offstream uses. The second
15 proceeding is designation -- since the Na Wai Eha area has
16 been designated as a surface water management area, all of
17 the offstream uses are gonna have to be allocated by the
18 Water Commission to various uses. And this is not an
19 existing use. So that will have to be resolved. And
20 the third proceeding is a proceeding before the Public
21 Utilities Commission, which is what the price of the
22 water is.

23 This 30 cents looks good. Ninety cents looks more
24 expensive than some of these options. So this looks the
25 most cost-effective under the most ideal circumstances,

1 but is not viable for several years.

2 The Haiku Wellfield at 1,000 feet, you can
3 see, has higher costs than going northward, and the
4 desal higher costs yet. The recycle strategy is kind of
5 intermediate. It's a little bit higher than going
6 northward. But if you look at this with the higher
7 energy cost, if you look at the \$125 barrel scenario,
8 then this actually looks less expensive than going
9 northward because of the in -- the increased savings.

10 Now, the viability issue with this scenario
11 here is that we have to verify how much of the water
12 going down that pipeline will actually displace potable
13 Water Department water. The water that -- the pipeline
14 that's envisioned there could carry three or four
15 million gallons a day to that area for irrigation
16 purposes. But the only value that's ascribed to that
17 water in this analysis is what displaces potable water
18 that's now being used for irrigation to free that up for
19 other use in -- in the planning period scenarios.

20 So this is kind -- those -- that's kind of
21 where we are on the economic analysis side of things.

22 Oh, I put in here -- you know, this was the
23 ideal Waiale scenario. So I put in here the other
24 non-ideal scenarios for these two. If we're looking at
25 a 300-million-gallon reservoir, with six million gallons

1 a day, then, of course, that becomes more expensive.
2 And, once again, if -- if you assume only one million
3 gallons a day from the R-1 displacing the water, then
4 that looks less cost-effective. So this -- that would
5 need to be verified, how much water can that pipeline
6 effectively display, the -- you know, displace.

7 So let's see. How many more slides did I get?
8 Here's the same thing with the higher energy
9 cost.

10 But as I keep pointing out, all of these plans
11 are expensive. We're comparing them to one another.
12 But you have to keep in mind that they're more expensive
13 than what we're used to. The Water Department, for
14 Central, has been based on pumping water out of a thick
15 water lens that's been built up behind the caprock and
16 the alluvium on this side of the island. And we're
17 about done with that scenario, and we're moving on to
18 other things.

19 I tried to put some matrix on it. Basically,
20 just to look at the capital expenditures for new growth,
21 for the Central system, these plans, like the
22 Northward -- using the Northward kind of the reference
23 strategy, it would cost about \$10 per gallon per day for
24 new demand, for capital expenditures for expansion.
25 That's about \$6,000 for a new 600-gallon-per-day water

1 service, which is your basic five-eighths water meter.
2 So \$6,000 per new meter for Central. For Upcountry,
3 it's more like nine to 11, depending on which system you
4 are.

5 But, remember, the current water system
6 development fees, which are supposed to finance that,
7 include \$2,000 per new meter. The -- the development
8 fee is \$6,000 per new meter, and one-third of that goes
9 for -- for new source. So this is an issue, is the
10 expense for new growth.

11 And one of the reasons that the conservation
12 programs look good is because of that level of
13 expenditure for new growth. The conservation programs
14 that are included in all of the strategies -- I put this
15 in net present value terms. Like over five years, it's
16 about \$1 million a year. But you take that back by net
17 present value, it's about \$4.3 million is the cost of
18 the conservation programs. But they reduce the system
19 costs by \$9.4 million. So that -- the capital
20 requirements that result from the -- those conservation
21 programs are almost the cost of the program itself. And
22 then, in addition, you have the operating costs that are
23 reduced, which exceed those. And this is according to
24 the low-energy-price scenario. If you look at the
25 high-energy-price scenario, that becomes more extreme.

1 But I think one of the framing issues we've
2 got, both for the public, for the Water Department
3 staff, for the Council, for the decision-makers, is to
4 look at this new concept, about how we're gonna meet
5 water needs, because this isn't dinkin' around, given,
6 you know, water fixtures out. This is really serious
7 money going out and actually doing installations to make
8 this move. We'd be installing low-flush toilets in
9 people's homes, actually going out and doing audits on
10 -- in different places. But this is a new -- something
11 that is new in the level of intensity for budgeting and
12 implementation by the Water Department.

13 So, once again, what I'd like to point out is,
14 we've looked at the economics in these slides, but,
15 really, there's a whole list of objectives that have
16 been identified for each of the strategies. So I put
17 these on a matrix. This is not legible. But in the
18 final draft, I've got this put out where each of these
19 -- you know, each of the objectives is identified for
20 each of the elements of the strategies. And it talks
21 about the pros and the cons of how each of those
22 strategies and each of the elements either exacerbates
23 or compliments or solves or impacts each of those
24 objectives. And I put this slide in there just to
25 emphasize that it's not just the economics we're looking

1 at, although those are important, but all of the
2 planning objectives that we've identified.

3 For Upcountry, we have a list of strategies.
4 One is expansion of raw water storage. This would be
5 large reservoirs Upcountry. And we've looked at --
6 in the analysis, we've looked at various size reservoirs
7 on various systems. We've looked at various size
8 reservoirs in the Upper Kula system, the Lower Kula, and
9 the Makawao system. The frontrunner, based on both the
10 reservoir mass flow analysis and the economics, is about
11 a 300-million-gallon reservoir on the Lower Kula system,
12 is kind of the optimal reservoir size.

13 One strategy is full basal groundwater backup.
14 This was in response to what we heard from the Upcountry
15 Water Advisory Committee participants, is, "We want
16 water that's reliable, we don't want drought
17 restrictions, we want to see a scenario where, even in
18 the worst-case drought, there are no restrictions on
19 agricultural or potable water." So we went ahead and
20 characterized that in terms of the -- you know, the --
21 what would that cost in order to do that kind of a
22 system.

23 Another approach would be to limit growth
24 Upcountry and use extensive conservation measures. And
25 we learned some things from that. But, basically, this

1 is more along the level of providing information for
2 land use planning. We're not trying to say the Water
3 Department should deliberately limit growth. But what
4 we try to do is explore some different scenarios of what
5 are the costs of developing water on each of the
6 Upcountry systems for information for land use planning.

7 And the last is explanded [sic] -- expanded
8 Kamole Water Treatment Plant capacity and volume.

9 One of the things for Upcountry is, because it
10 is largely supplied by surface water, on average years,
11 there's plenty of water. Now, we've had so many drought
12 years in a row, one questions what an average year is
13 anymore. You know, if you go by the Al -- Al Gore kind
14 of chart, you know, maybe the average year is a drought
15 year going out. But, at the same time, if you look over
16 a long period of history, one would expect that the
17 rains will come again. And I can't tell you what's
18 gonna happen.

19 But for the economics of the Upcountry system,
20 we had to make specific assumptions about what the water
21 output was gonna be. And one of the big expenses in
22 Upcountry is pro -- providing drought period reliability
23 and source.

24 So the current strategy, although this was
25 not identified as one of the original strategies -- it's

1 actually what -- the strategy we're going forward with
2 right now. And I'm calling it drill, pump and boost.
3 And that is, when you need new source, you drill another
4 basal well and then you pump that well up and then you
5 boost it up the hill to where you need it on the
6 Upcountry system. So, actually, this has become the
7 reference strategy we're comparing things against.

8 This expanded Kamole Water Treatment Plant
9 capacity and volume is a way to say, are there changes
10 we could make at Kamole Water Treatment Plant so that we
11 can provide more drought period, you know, emergency
12 capacity.

13 So looking at those -- I'm gonna skip through
14 some of the slides about the details that are included
15 in all of them. And we just went through that
16 explanation. If we look at all these -- now, here's a
17 chart that is -- shows the full costs of everything. So
18 this is not all compared.

19 This is what the chart looks like if you just
20 show the totals, without comparing them to -- to the
21 base strategy. And it's kind of hard to look at all of
22 those. You can see the total costs up here. The same
23 data is expressed here, where it's all zeroed out by the
24 reference strategy.

25 But looking at this, you can see, for

1 Upcountry, the largest component in most cases is
2 variable costs, which is pumping costs. And then the
3 capital costs and operating costs are all, you know,
4 large components.

5 CHAIR ANDERSON: Carl?

6 MR. FREEDMAN: The demand side management
7 programs we're talking about --

8 CHAIR ANDERSON: Carl.

9 MR. FREEDMAN: Yeah.

10 CHAIR ANDERSON: Just one second. I'm sorry
11 to interrupt you, but, you know, just you are a
12 statistician so it's very, you know, easy for you to
13 read these charts. You've developed them and worked
14 with them. To give us a -- a -- kind of a handle on
15 what we're looking at -- I can't really read that
16 sideways. Could you just give us one idea of what is
17 the total cost in that first left-hand column?

18 MR. FREEDMAN: Okay. So --

19 CHAIR ANDERSON: So we'll know what -- what
20 we're talking about in millions or thousands of dollars.

21 MR. FREEDMAN: Okay. So this amount of money,
22 this is \$200 million here.

23 CHAIR ANDERSON: Okay. That helps.

24 MR. FREEDMAN: 200 and something. And so all
25 these are going to be plus -- you know, 200, plus or

1 minus about, you know --

2 CHAIR ANDERSON: Yeah, that's good enough.
3 That's close enough.

4 MR. FREEDMAN: And what that -- what that
5 figure is, is that's the -- in this case, these are
6 planning system costs. On all the other slides, they're
7 50-year period costs. So this is the total costs of
8 running the whole Upcountry system, in this case, it's
9 for 25 years, including all of the existing system and
10 all of the additions, all of the staff, allocations of
11 administrative -- administration costs, variable pumping
12 costs, new capital costs, depreciation of old capital
13 costs, the whole thing. Right? What? Yes, maintenance
14 of old system.

15 And the -- then the other thing to realize,
16 that these are discounted to 2006 dollars. So it's not
17 a simple total of all those costs, but I've used a net
18 present value thing to -- to describe the value of that
19 in present day dollars. Taking into account inflation
20 and -- and discounting back to present day dollars.

21 So here's the 50-year look at those same --
22 it's the same data, basically, with 50 years. But it's
23 all compared to the basal incremental pumping strategy.
24 This strategy right here, basically, is basically what
25 we've kind of been doing along the lines of Pookela and

1 Piiholo. Which is, when we need new source, we drill
2 another basal well for basal backup. And then included
3 in that would be all the booster pumps that would be
4 necessary to pump that up to the different -- different
5 systems.

6 And I -- I'm gonna avoid a big discussion of
7 the modeling, you know, the -- the simulation modeling
8 that was done in this. But it's -- it's a weighted
9 average of average water years and drought average years
10 to come up with these costs.

11 This scenario is 100-million-gallon reservoir
12 on the Kula system, and this is a 300-million-gallon
13 reservoir on the Kula system. That's the -- would feed
14 the Piiholo Water Plant for the Lower Kula system. And
15 as you see with \$75 a barrel, those are slightly more --
16 slightly cost less, just slightly. There's your capital
17 costs of building the reservoir. And then you have
18 energy savings associated with those because you're
19 using more water on grade rather than having to pump it
20 over here from the basal lens under drought conditions.

21 Now, just looking at those two, if I could
22 flip ahead, you know, with the -- the \$125 barrel or the
23 high-energy-price scenario, then those become much more
24 cost-effective because the pumping costs -- the savings
25 in the pumping costs become, you know, much more

1 appreciable.

2 So then, going back, here's our low-cost
3 scenario. Relocating growth on the Kula system --
4 actually, the idea here was to take what would it do to
5 relocate future growth from the Upper Kula system to the
6 Lower Kula system. And, originally, we thought the
7 Upper Kula system would be the most expensive place for
8 new growth because, when there's a drought, you have to
9 pump the water further uphill to the Upper Kula system.
10 But we had what was originally a surprising result, is
11 if you move growth -- what this scenario did, it just
12 said there's no new growth on the Upper Kula system for
13 the planning period, just to try it out. And you
14 reallocate that growth to the other systems in the
15 Upcountry area. It ended up costing more.

16 And the reason for that was that, actually,
17 it's the Lower Kula system that is more constrained now
18 for water need. And in times when there's plenty of
19 water, we're not flowing water downhill from the Upper
20 Kula system to the Lower Kula system. But in -- so the
21 Upper Kula system has 100 million gallons of reservoir
22 for a smaller source and a smaller amount of growth --
23 amount of loads. The Lower Kula system has more use,
24 more stream flow and actually more need.

25 So we didn't get what we expected, but, in the

1 end, it actually does make sense, when we went back and
2 analyzed it.

3 This little picture here isn't telling the
4 whole story, but this is what we -- we've learned
5 something about land use direction in the Upcountry
6 system from this exercise.

7 Kamole Water Treatment Plant -- well,
8 basically -- it just basically says that it is
9 cost-effective if you can increase the drought period
10 reliability of the Kamole Water Treatment Plant. And
11 this is not a statement so much about the feasibility of
12 it or the cost of it. This is just saying that it's a
13 valuable thing to do and would be a recommendation to
14 look into what can happen there to -- to -- to use that
15 water source more under the drought conditions.

16 The basal backup, basically, is to -- to build
17 -- it's kind of similar to the incremental basal well
18 strategy except you're drilling enough extra wells so
19 that, even in worst of droughts, when you don't have
20 water in the Upper Kula Water Treatment Plant, and you
21 don't have water at Piiholo Water Treatment Plant, you
22 still have enough water to provide for the system.

23 So, basically, there are a lot of capital
24 costs associated with this for wells that are hardly
25 ever used, but would be necessary to back up the system

1 in the worst case scenario. So this is a way of
2 quantifying the cost of one of the things the Water
3 Advisory Committee wanted to know, how much would it
4 cost to be drought-proof Upcountry. Which basically
5 moves -- is moving towards a groundwater-based system
6 which, actually, is pumping all the way from sea level
7 during drought conditions.

8 Now, this one does include some output from
9 Kamole Water Treatment Plant. If you go completely
10 groundwater, of course, this looks much more extreme.
11 But this is kind of a -- a good enough case to -- to
12 make the case about what the costs are there.

13 And, of course, if you look at the
14 higher-energy-cost scenario, the big difference is in
15 the reservoir cost-effectiveness. The other ones are
16 really -- these two are really involved with what you
17 save in terms of capital costs for drought period
18 requirements, whereas the reservoirs actually -- you do
19 -- they are energy-saving devices, they provide more
20 water flowing downhill rather than pumping it uphill.

21 One of the issues Upcountry -- you know, this
22 is along the lines of the costs of new growth. We
23 looked at what are the costs of adding 200,000 gallons a
24 day for each of the subsystems. So here's what happens
25 if you add 200,000 gallons a day to the Kula -- Upper

1 Kula system, the Lower Kula system, the Makawao system
2 or the Haiku system. And, basically, the capital costs,
3 just the -- the blue bars here, just looking at the
4 capital costs, are about 14 to 19 gallons per day for
5 new growth. And that's where I got the numbers on the
6 previous side. I think I said about nine to eleven
7 thousand dollars per 600-gallon-per-day dwelling. But
8 this was the type of analysis we did in order to come up
9 with the estimate of what the costs were.

10 These -- these are incremental costs of new
11 growth for capital infrastructure on the new system, on
12 the Upcountry systems.

13 And I'm gonna skip this part, but we did a
14 analysis on providing wind power on the Upcountry system
15 and looked at a number of scenarios. Those are in the
16 handouts. I can answer questions, if you want, but I
17 think I should probably defer to questions at this point
18 regarding the scenario analysis.

19 You did ask me to add -- address one issue
20 about redundancy. And the idea of redundancy is to
21 provide reliable water service for the Water Department
22 systems under various conditions. And there are two --
23 two kinds of redundancy. One has to do with the
24 availability of the source water, and the other has to
25 do with the amount of pumping and piping and storage

1 that you have on the system.

2 So for a groundwater system like the Central
3 system, the idea of redundancy would mean that you wanna
4 have enough wells and storage and transmission system in
5 place so that if you lose a component of the system,
6 like your largest pump and your largest well, you would
7 still have enough water to supply the system during
8 challenging circumstances, which would be during a
9 summer month, during the peak of the day, during a
10 drought, for example. And the other kind of redundancy
11 has to do with source. And you see that Upcountry, in
12 particular, where you're primarily counting on surface
13 water. But under systems of drought, you wanna have
14 some kind of supply there to back up the -- the
15 unavailability or the reduced availability of your --
16 what you're usually counting on for surface water.

17 Now, the redundancy is expressed in various
18 ways and for various purposes. And in the Central draft
19 that I have before the Department, I've gone into a
20 pretty lengthy discussion about this. But, basically,
21 there are system standards that have been adopted by the
22 water departments in the State of Hawaii that provide
23 specific provisions for groundwater redundancy.

24 CHAIR ANDERSON: Carl, can I interrupt you
25 right here?

1 MR. FREEDMAN: Okay.

2 CHAIR ANDERSON: You don't have any slides
3 having to do with this, right?

4 MR. FREEDMAN: I do not.

5 CHAIR ANDERSON: So let's take a quick break,
6 bring the screen up, and bring you up so we can have
7 you --

8 MR. FREEDMAN: Okay.

9 CHAIR ANDERSON: -- face-to-face with us for
10 the rest of this and in your explanation. Thank you,
11 Carl. Committee is in recess. ...(gavel)...

12 RECESS: 11:05 a.m.

13 RECONVENE: 11:10 a.m.

14 CHAIR ANDERSON: ...(gavel)... Water Resources
15 meeting of December 15th is now reconvened.

16 Thank you for that PowerPoint, Mr. Freedman.
17 I think it was very informative. And maybe too
18 informative. So before I go into questions, Members,
19 I'm going to let Mr. Freedman finish his discussion or
20 explanation on redundancy. I think what we really want
21 to know, Carl, is -- I think we all kind of know what
22 redundancy means, but we wanna know, do we have any
23 redundancy in the Central system or in the Upcountry
24 system currently?

25 MR. FREEDMAN: Well, yes. Basically, right

1 now, if we look at the -- if we look at the system
2 standards, the Central system is deficient in
3 redundancy, but that doesn't mean there isn't, you know,
4 redundancy there. The system standards, I think, need
5 to be reviewed and redone to be meaningful. Right now,
6 we've got a system of system standards. And these are
7 adopted by the water departments in the State getting
8 together and adopting system standards. We've got a set
9 of system standards right now that is -- that is so
10 rigorous that none -- I can't find an engineer who
11 recommends you build all the way up to them. So that is
12 challenging, you know, for answering a question like
13 this, you know, what is a sufficient amount of
14 redundancy.

15 What I've done in the Water Use and
16 Development Plan is to adopt some very specific
17 standards for redundancy that are to serve a specific
18 purpose in the plans, which is to provide meaningful
19 economic analysis. So I've been very specific. Because
20 what I'm holding constant in all of these plans I'm
21 comparing to each other is, as close as I can, the same
22 level of reliability. And that's what redundancy is
23 meant to do. It's meant to provide reliable water
24 service.

25 And those standards are not the State

1 standards. I think that they are more realistic than
2 the State standards for my purposes of economics. And I
3 would -- I think there need to be more rigorous -- not
4 more rigorous, but more well-accepted standards that can
5 actually be accepted by everybody and used. But
6 currently --

7 CHAIR ANDERSON: (Inaudible.)

8 MR. FREEDMAN: -- the bottom line is, you
9 know, if you were to -- if the Shaft 33 pump were to
10 stop, for example --

11 CHAIR ANDERSON: Right.

12 MR. FREEDMAN: -- which is a realistic
13 possibility --

14 CHAIR ANDERSON: Right.

15 MR. FREEDMAN: -- could the Water Department
16 continue to provide reliable service. Now, my answer
17 that I've gotten from the Operations folks is, yes,
18 they've run that scenario, they -- they know what they
19 would do. Right. So that, in one sense, is a very
20 functional look at redundancy.

21 Now, once Shaft 33 goes down and the
22 Department is doing that for some period of time,
23 whether something else happens, you know, there -- you
24 -- you know, then it's -- there's some scenarios where
25 things might not be re -- be reliable.

1 The question is, from a planning standpoint,
2 long-range planning standpoint, what's the right level
3 of redundancy to provide a reasonable level of
4 reliability? So the -- the question is, do we have
5 redundancy? Yes, we have redundancy.

6 Is it enough? Right now, I would say, by
7 where you'd wanna be, we're behind in Central in terms
8 of having sufficient redundancy.

9 Does that mean we should stop issuing water
10 meters? That's another question. I don't know how to
11 answer -- answer that, you know, right off the -- right
12 off the top.

13 There's enough source water and enough
14 capability to -- to produce water in the Central system
15 for the existing demands. The question of redundancy
16 then becomes a matter of extent. And so --

17 CHAIR ANDERSON: I think you've covered it.

18 MR. FREEDMAN: I kind of hedged it, but, you
19 know --

20 CHAIR ANDERSON: Yeah.

21 MR. FREEDMAN: It's -- it is kind of --

22 CHAIR ANDERSON: You certainly did.

23 MR. FREEDMAN: You know, it's a -- it's a
24 difficult --

25 CHAIR ANDERSON: Well, basically, are you

1 saying that two-thirds of two-thirds is too high a
2 standard?

3 MR. FREEDMAN: Well, the existing standard --
4 the existing standard is more rigorous than two-thirds
5 and two-thirds. The existing standard says that you
6 need to meet your day peak with your largest pump out in
7 16 hours of pumping. So the one two-thirds comes from
8 the day peak being three halves of your average. The
9 other two-thirds comes from 16 hours being two-thirds of
10 the day. And you're supposed to do that with your
11 largest pump out. So two-thirds of two-thirds doesn't
12 even include the pump out.

13 What I've used in the analysis that I've done
14 is two-thirds and two-thirds for groundwater.

15 CHAIR ANDERSON: Okay.

16 MR. FREEDMAN: Now, surface water is a
17 separate one. And it's even less meaningful, you know.
18 The surface water standard just says that you should --
19 that your demand should not exceed 80 percent of your
20 source. Which is almost precisely meaningless when you
21 try to apply it because it doesn't take into account any
22 infrastructure, it doesn't take into account any
23 reservoirs, it doesn't tell you what -- how you're
24 quantifying the source. Are we talking average drought
25 conditions? It's almost a meaningless standard for --

1 for -- for that.

2 Now, what I've done for Upcountry is I've
3 devised what I think is a meaningful standard for
4 purposes of economic analysis. But I think that,
5 really, this needs to be addressed at some more length
6 for purposes of regulation. And it's gonna become more
7 and more important. You have a "Show Me the Water" type
8 of approach. The Water Director has to make decisions
9 about sufficiency of source. I think something in
10 the -- you know, this is gonna be an issue that needs to
11 be directed with more -- with more standards, or we're
12 gonna get into trouble with -- in the future.

13 CHAIR ANDERSON: Okay. Thank you for that,
14 Mr. Freedman. We're all forewarned. Members, any
15 pressing questions? Start with Mr. Pontanilla.

16 COUNCILMEMBER PONTANILLA: Thank you,
17 Chairman.

18 During your presentation, you provided us with
19 the Central Maui as well as Upcountry development plans.
20 I -- I was just wondering, because both plans look at
21 basal ground variation, Central Maui would be looking at
22 East Maui -- and you showed us the map, you know, what
23 we need to do, yeah. And the Upcountry development
24 plans, you also, you know, provided -- provided us with
25 a possible use of basal water. Can -- did you ever make

1 a cost estimate to combine both of 'em, you know, to
2 come up with costs by combining both of 'em to see where
3 they're at as far as Central Maui, as well as Upcountry?

4 MR. FREEDMAN: Yeah, the interconnection of
5 the two systems.

6 COUNCILMEMBER PONTANILLA: Yeah.

7 MR. FREEDMAN: Yes. And I've done various
8 analyses of various concepts of interconnection.
9 Because when you talk about interconnecting the system,
10 there have been various ideas about how that would work.
11 And that's something that I'm trying to draft. I don't
12 know that it's gonna be part of the Central, or the
13 Upcountry, or maybe both of them.

14 But one concept, for example, would be to
15 expand the Kamole Water Treatment Plant so that, during
16 times of ample water supply, you could provide
17 economical water to the Central system. But that would
18 not reduce the amount of wells that you would have to
19 build in Central because, during drought periods, that
20 would not be available. So that actually doesn't solve
21 your problem in Central in terms of what you would have
22 to build.

23 Another concept that has been expressed is
24 interconnection so that, in times of drought, you could
25 pump water from Central uphill, and then, when you have

1 plenty of water, you flow it downhill. But I can't make
2 that work in -- from an engineering standpoint because,
3 basically, we don't have extra water on the Central
4 system to be pumping uphill in a time of drought. And
5 during a time of plenty of water, you could flow
6 water -- treat the water and flow it down the hill.
7 There would be that level of savings. But that pales in
8 comparison of the costs of the transmission pipe you'd
9 have to build for that purpose.

10 The last place -- and maybe the most practical
11 way to look at that -- is if you were going to build a
12 Haiku Wellfield for the Central system, and that were
13 your plan for meeting the new waters of the Central
14 system, then you would be essentially interconnected.
15 Because, geographically, you'd be close enough, the
16 interconnection of pipes would not be expensive.

17 And then the question then becomes a question
18 of how do you operate this combined system. Are you
19 gonna operate it for maximum drought reliability
20 Upcountry? Then that minimizes the benefit that -- or
21 are you gonna count on those wells for reliability for
22 Central? Then it becomes difficult to characterize that
23 interconnection scenario without making some assumptions
24 about how you're gonna operate the system. So I'm gonna
25 discuss that. But, basically, I haven't come up with

1 the scenario yet where interconnection solves any
2 problems with any great savings. I mean, you're still
3 gonna have to build the stuff.

4 The optimum might be that if -- if you were to
5 build Haiku wells for the Central system, you might also
6 be able to use those for drought backup for Upcountry
7 and you'd save a bit there. But so far, that savings
8 doesn't equal the extra costs of going with Haiku or
9 Central. So --

10 COUNCILMEMBER PONTANILLA: Thank you. Lengthy
11 answer. The other thing that I had -- you mentioned
12 about Nahiku going dry?

13 MR. FREEDMAN: Yes.

14 COUNCILMEMBER PONTANILLA: Can you explain?

15 MR. FREEDMAN: Yeah, I wasn't talking about
16 the Water Department's system for Nahiku. What we heard
17 was just from individuals who came to the Water Advisory
18 Committees -- committee meetings when we did the one in
19 Hana on the 10th of December. And, basically, people
20 came to tell us that they were having to haul water and
21 take their kids to Hana to shower because their springs
22 that they have used since they ever remembered, that
23 have never gone dry, are now going dry. And I think
24 this is a particularly dry period. And because of that
25 -- and I don't know what the facts are. The people will

1 say, you know, well, it's because they've drilled a well
2 here, or because EMI is spiffing up their system and
3 being more thorough. I don't know any of the facts
4 associated with that. But what is clearly true is that
5 people are hurting out there.

6 I asked the group for an estimate of how many
7 people are now hauling water, having to haul water
8 because of the conditions. And 100 -- about 100
9 families was -- was the answer there. And, once again,
10 I don't know if that was the number that's just thrown
11 out there. We haven't done any verification of
12 accuracy. But it is -- it is an issue worth -- worth
13 noting, for everybody to be aware, that in that
14 community there are people -- and they're angry about
15 it -- who are hurting for need of water.

16 COUNCILMEMBER PONTANILLA: Thank you. Thank
17 you, Chairman.

18 CHAIR ANDERSON: Thank you, Mr. Pontanilla.
19 And just to follow up on that. So, Mr. Freedman, could
20 these people hook up to the County's Nahiku system?

21 MR. FREEDMAN: Well, they're not -- we're --
22 we're in the service territory of the water system. The
23 Nahiku system comes from Makapi -- Makapipi Stream and
24 runs pretty much down towards the ocean along the Lower
25 Nahiku Road. And most of these people are along the

1 Hana Highway towards the east of that, but before you
2 hit the Hana Ranch system. At some point, the Hana
3 Ranch serves potable needs. But there's an area in
4 between where people count on their own wells and
5 springs. It's not currently served by the Water
6 Department.

7 The people at the meeting were saying, hey,
8 just bring the pipe, you know, just bring us some pipe,
9 we'll hook it up, we'll just run the hipe [sic] -- pipe
10 down the highway. You, and they're pointing at me. You
11 know, I'm the haole consultant when I go out there, you
12 know. "You go out there, you tell them, you just give
13 us the pipe and we'll run the pipe, just give us the
14 pipe." And, you know -- so, I mean, they're inspired,
15 but it's -- you know, it's four miles of pipe to just
16 go online. I don't --

17 CHAIR ANDERSON: Yeah, I would be inspired,
18 too, if I had to drive my kids into Hana --

19 MR. FREEDMAN: Yeah.

20 CHAIR ANDERSON: -- for a shower.

21 MR. FREEDMAN: So it's the area kind of from
22 Nahiku -- where the Nahiku Road takes off, going east,
23 up to the point where the Hana Ranch water system
24 starts.

25 And -- and, honestly, you know, when some of

1 the testifiers would talk -- or the -- I don't know if
2 they're testifiers, but the people at the meetings would
3 talk, you know, I don't have a good enough sense of
4 geography to know exactly where they're all talking
5 about.

6 CHAIR ANDERSON: Right. Okay. That's gonna
7 be another problem coming up, then. Thank you for that.
8 Any other questions, Members? Mr. Victorino.

9 VICE-CHAIR VICTORINO: Thank you. Thank you,
10 Mr. Freedman, for all this overwhelming information.
11 And I think the public at least has an understanding
12 that there's a lot of work to be done. And the other
13 part of that equation, it will cost money. And I think
14 that's something that we have to understand that, no
15 matter what we do, money is gonna be one of the driving
16 factors. Okay. Na Wai Eha and all the other State
17 Water Commission rulings, and all that, all gonna be
18 part of that equation, but money will still drive a lot
19 of these factors.

20 Putting that in perspective -- and I -- I
21 looked at all your numbers here. New source
22 development, especially for Central system, we -- we
23 understand that that side up north towards Kahakuloa,
24 not very economical, smaller overall wells that could be
25 drilled out there, and expensive to draw those lines

1 back in. But we have the other side, which is towards
2 Maalaea, which is Waikapu. And we've heard various --
3 and I don't remember on your map if Waikapu was put in
4 that. And I didn't see it, but was it? Was it
5 inclusive of that? Have you put that in the plan yet or
6 not?

7 MR. FREEDMAN: Yeah. In -- we -- in the terms
8 of the near-term options that were included in all of
9 them -- I didn't run through all the stuff that's in
10 there -- but we have -- on the near side, the north end
11 of Waikapu, there are several wells going in that are in
12 the Iao Aquifer to distribute pumping.

13 VICE-CHAIR VICTORINO: Uh-huh.

14 MR. FREEDMAN: And to replace, ultimately,
15 Shaft 33.

16 VICE-CHAIR VICTORINO: Right.

17 MR. FREEDMAN: And all of those wells are
18 assumed to go in, in all of the options.

19 VICE-CHAIR VICTORINO: Okay.

20 MR. FREEDMAN: In addition, there are two
21 wells, Waikapu 1 and Waikapu 2, which are assumed to be
22 in all of the options. And those would be in the
23 Waikapu Aquifer. And those would be additional source.

24 In terms of a resource strategy, the Waikapu
25 Aquifer -- and it -- and it actually may be able to

1 supply more than its current sustainable yield, which is
2 very low. And -- and now that the USGS has looked at
3 the amount of available water there, maybe there's more
4 water there than the current sustainable yield
5 indicates.

6 But in terms of characterizing the Candidate
7 Strategies, it did not seem to be a big enough source of
8 water to characterize a whole strategy. I think we're
9 looking at that as that's gonna be developed in any of
10 these scenarios.

11 On the south end of it, I think there are
12 several wells that have already gone in, and more
13 planned for an Atherton development -- set of
14 developments. And then we have the Waikapu South, 1 and
15 2. That may be it for that aquifer, or maybe a little
16 bit more. But it doesn't provide of any big source that
17 you could kind of characterize all of these -- you know,
18 a whole strategy to do.

19 So it was more of a matter of characterizing
20 these final resource strategies as things that were kind
21 of big enough concepts that they were an answer to the
22 question.

23 If you were to have the Waikapu strategy,
24 well, you would have it, but then what? Then you would
25 have to go to one of these strategies right away. So I

1 -- I think it's a matter of framing it.

2 Those -- those resources, I think, will be
3 developed to the extent that that aquifer will handle,
4 either by the Department or by developers. The
5 assumption that -- that is inherent is that, one way or
6 another, they will serve some of the new residential
7 growth, whether it's on our system or off the system,
8 that is, you know, part of the demand forecast which is
9 based on the general planning forecast.

10 VICE-CHAIR VICTORINO: And I also heard you
11 say that part of your strategy or part of the expend --
12 or the economic force that is put in these numbers is
13 that you're looking at any future development as far as
14 the types of fixtures being put in. We would,
15 hopefully, move to conservative, like low-flush toilets,
16 low-flow showerheads, et cetera, et cetera, making that,
17 for lack -- lack of a better term, mandatory for
18 anything that builds out from this point, retrofitted,
19 whatever, whatever. But that would be one of the
20 strategies that you would put as part of this economic
21 base for the future?

22 MR. FREEDMAN: Yeah. I think all of the
23 strategies include what you have to call retrofit type
24 scenarios, where you're actually taking existing
25 fixtures and replacing them with more efficient

1 fixtures. The new fixtures that are going in meet
2 current plumbing codes, which are, you know, on the more
3 efficient end of things. They're not the most
4 efficient. So that's something I did not look at. But
5 you could require that, instead of 1.6 gallons per
6 flush, for example, which is the current code, you could
7 require 1.2, or the dual flush fixtures. That would be
8 an example. And that would be a progressive step. And
9 that is not -- that is not considered in here.

10 VICE-CHAIR VICTORINO: Okay.

11 MR. FREEDMAN: And perhaps should be, yeah.

12 VICE-CHAIR VICTORINO: And then the final
13 question: With Central Maui and Maui County itself, our
14 ag industry, as you've well seen in the newspaper the
15 other day, layoff for seven days, HC&S, because of
16 drought conditions. Yet, we have been told that they
17 have a tremendous source of water coming from East
18 Maui, plus they have brackish water wells that they can
19 use. But, still, they choose to shut down because of
20 lack of water. Right? Drought. And with the downturn
21 in agriculture, especially in the sugar industry, what
22 profound effect -- oh, not profound. I shouldn't have
23 used that word. What effect would it have on water
24 itself? Because for the longest time, we were an
25 agriculture industry that used a lot of water,

1 especially sugar cane, an enormous amount of water. And
2 now we're cut back so much. And there is no green
3 fields along West Maui Mountains anymore like we grew up
4 with. So what is the basic premise of all that water?
5 What is -- what is the usage or where is that water going
6 to go? What is Na Wai Eha or whatever, I guess, in your
7 -- in your strategy, is that all part of that return to
8 user kind of -- or return to the people kind of
9 scenario?

10 MR. FREEDMAN: Right. In the -- the big
11 scenario -- picture scenario you were talking about,
12 what I've looked at in the strategies you've just seen
13 really are looking at one element of that. And that's
14 the Department of Water Supply's potable systems.

15 VICE-CHAIR VICTORINO: Okay.

16 MR. FREEDMAN: And the -- the interface there
17 is, in terms of looking at the -- a water treatment
18 plant that would use surface waters from Na Wai Eha,
19 under that scenario, that interfaces with the -- with
20 the big picture of what's happening with that water.

21 The assumptions in those scenarios are that
22 you have -- you have, I guess, three categories of use,
23 to put it simplistically. You have instream uses, which
24 would include kuleana uses, and that are dependent on
25 water flow being in the streams. Then you have

1 offstream uses, which I'll just divide into two
2 categories; one would be municipal use as the Water
3 Department would be putting it into pipes for potable,
4 and irrigation use which would be used for agriculture
5 or landscape irrigation, golf course type uses.

6 The -- where -- the analysis that we've done
7 looks at the municipal uses of those, taking into
8 consideration the -- the needs of the other uses. And
9 as you saw, in one case, providing a reservoir, and, in
10 other cases, just taking some of that and decreasing the
11 other balance of uses.

12 The other uses, I think, emphasize another
13 aspect of the Water Use Development Plan, which would be
14 the County's opportunity to state policy to the Water
15 Commission. Because the Water Commission now has two
16 proceedings that are addressing exactly your question,
17 what is gonna happen with all that water; one, how much
18 is gonna have to stay in the stream, and the other, in
19 terms of designation of the surface management area, of
20 what comes out of the stream, how is that distributed
21 amongst the other uses.

22 If the County wants too weigh in at the end of
23 that by policy, its mechanism that's recognized in the
24 Water Code is by -- by the Water Use and Development
25 Plan, and then the Water Use and Development Plan could,

1 to the extent that the Council wants to, make specific
2 allocations of water or policies of water, about what
3 the County thinks should happen about that allocation.

4 But I have not done any analysis of that. The
5 only assumptions I've made are the different scenarios
6 in the water treatment plant reservoir versus not
7 reservoir, in terms of how much of that would be used
8 and what part of that water would be used for municipal
9 use.

10 VICE-CHAIR VICTORINO: Thank you, Carl. I --
11 I think you've answered the question. And I think our
12 present Chair Anderson has brought forth at least
13 initial Water Use and Development Plan and some other
14 aspects of that for which the next group will have to
15 really weigh in and really set policy. Because we can
16 no longer guess at where we going and what we need to
17 do. I think the facts are there. We've got to have the
18 policy, we've got to know our plan and we've got to set
19 the direction. We, here, have to take charge. And we
20 can't wait for the State or the Feds or anybody else to
21 tell us where to go and how to go there. We've got to
22 do it.

23 Thank you, Carl. Appreciate it.

24 Thank you, Madam Chair.

25 CHAIR ANDERSON: Thank you, Mr. Victorino.

1 So, Mr. Freedman, when do you think that you
2 will even get to that point, when you will get the
3 Central and Upcountry drafts ready for review? Because
4 I think -- you know, I think we should have the Lanai
5 come -- I -- I don't think we should have -- well, I'm
6 not gonna be here, so it doesn't really matter. But,
7 you know, just in my scenario of how much time it takes
8 and what a complex issue this is, that it probably would
9 be best to look at each one of the water system areas
10 individually and then, you know, adopt the plan as a
11 whole, but not have the whole thing dumped on the
12 Committee at once.

13 MR. FREEDMAN: Yeah.

14 CHAIR ANDERSON: So if there's some way you
15 can like, you know, bring it forward in system sections.

16 MR. FREEDMAN: Yes. And I agree.

17 And for a practical standpoint, as a
18 consultant to the Water Department, and I think for the
19 Water Department, I think it would be helpful to have
20 some review by the Council in terms of feedback back to
21 us. You know, before we get the whole thing baked and
22 onto the table, it would be good to look at the
23 individual districts -- not just because of the workload
24 involved, but we need to hear from you, you know, are we
25 addressing the things that are important to the Council

1 in the way we're looking at it -- are there additional
2 types of analyses or additional things that you want to
3 see included. And how -- how it's framed is gonna help
4 us as we go forward.

5 The Central District, there's a draft that's
6 out under review. And I expect within the next couple
7 of weeks or so that should be public. And then it's
8 up -- I think the next step would be to go out to the
9 Water Advisory Committees. And I don't know that
10 there's any exact protocol, then, but we want to go to
11 the Board of Water Supply and the Council in the right
12 order. And perhaps, you know, the next -- the next
13 Council Water Resources Committee can help frame how
14 that, you know, sequencing is supposed to happen.

15 CHAIR ANDERSON: I think that's a good idea,
16 Mr. Freedman, because it's -- it's gonna be this body
17 who is gonna make the final decision. And there may be
18 directions or policies that several members might be
19 thinking of that aren't really included in here. And,
20 you know, that would forego a lot of time wasted if --
21 if maybe you come to the Council for discussions, just
22 like we've done today, and maybe take one meeting and
23 just focus on Upcountry and another one on Central and
24 such, so that you can get a better feedback from the
25 Members. And they can have a better understanding,

1 too.

2 This is a big deal. This has been 19 years in
3 the making. And I -- I don't think that anybody wants
4 to make any quick decisions, but, again, we're under
5 pressure in time, you know, to make those decisions. So
6 I would hope that the next committee would take up your
7 suggestion.

8 I mean, you know, one of the things that I
9 would like to see is a strategy for eminent domain, you
10 know. I mean, let's use our power of -- of authority as
11 a County, who is supposed to be the -- you know, the
12 overseer of this public trust resource, at least at the
13 County level. I think eminent domain is a -- a
14 qualified strategy that should be explored, especially
15 when you're looking at such extreme expense.

16 I mean, you're telling us it's gonna cost
17 \$9,000 for one 6,000-gallon-per-day dwelling Upcountry.
18 Well, and that's just the capital cost to get the water.
19 And right now, we're charging \$6,000; only \$2,000 of it
20 is for the water, \$2,000 of that is to go towards
21 storage costs, and another \$2,000, I think, is supposed
22 to be transmission lines. So we are way below
23 collecting the costs necessary to develop the source.

24 And I -- I hate to say this, but this could
25 be, coming up at the next budget, a huge bump in water

1 meter costs. So I think we need to look at a broader
2 strategy. And if eminent domain is one of 'em that
3 could lower our costs, we definitely need to consider
4 that in the whole mix.

5 So, Members? Mr. Mateo.

6 COUNCILMEMBER MATEO: Madam Chair, thank you.
7 And I also would like to commend Mr. Freedman because,
8 in addition to sharing the realities -- the realities of
9 the costs and giving us a better understanding of how
10 vulnerable we are in terms of us purchasing oil to -- to
11 continue to run our systems, I believe that your
12 reference to wind generation continues to provide
13 additional resources for us to take a look at. Because
14 in the future, that really is what we need to do in
15 helping to curtail some of the runaway costs, when
16 things like oil is virtually out of our control,
17 totally. So I think it -- it provides us another avenue
18 to take a look at.

19 And the fact that you have included it in your
20 analysis does provide a linkage and I hope a final
21 recommendation to the Department in taking a look at the
22 utilization of the so-called free source that's
23 available to us.

24 So thank you for that, regard.

25 CHAIR ANDERSON: Thank you, Mr. Mateo.

1 So, Members, I think this kind of wraps up our
2 meeting for this morning. And we want to thank
3 Mr. Freedman for bringing forward all this information.
4 It's a daunting task. It's no wonder it's taken so
5 long. But I think he's really accelerated the program.

6 I wanna thank him and Ellen Kraftsow from our
7 Water Department Planning and Resources for focusing in
8 on this and getting the information going and getting it
9 to a point where this body can move on it.

10 And we will have -- you know, this is to
11 everyone's advantage that we have some idea of where the
12 water resources are going to come from to further growth
13 of Maui County.

14 And I also want to thank all of you for being
15 such attentive members of this Committee during this
16 term. I really appreciate it, all of your participation
17 and support. And even the times you didn't support the
18 things I was trying to do, I still felt that we were
19 working together. So thank you, Members, for a great
20 term. I'm gonna miss all of you.

21 I think that for myself -- and I think maybe
22 Mr. Mateo, he probably can also confirm this -- I -- I
23 don't think there's been a more pleasant working
24 relationship with the Water Department than we've had
25 this term. And I've been around here about 11 years.

1 And I've watched this body struggle with the Water
2 Department. And this term has been a watershed for me,
3 no pun intended, in being able to move forward important
4 legislation, because I have been able to work, you know,
5 in concert with the Department. And I attribute that
6 entirely to Jeff Eng, the Director of our Water
7 Department. You know, he sets the tone. And I think
8 the whole Department is following his example. And so I
9 just want to thank him, even though he is not here, for
10 the leadership that he's shown and enabling us to get
11 our work done.

12 So -- and thank you, Mr. Freedman, for all
13 you've been doing.

14 And I can't go without thanking Ed Kushi.
15 He's been a real contributing force in this Committee
16 this term, and has really helped us formulate some
17 important legislation. So thank you very much, Ed, for
18 all your time and efforts. We really appreciate it.

19 And to my staff, Kim Willenbrink and Clarita
20 Balala, we thank you for all the hard work you've given
21 this Committee. It's very much appreciated.

22 Members, thank you for the beauty lei. I
23 really appreciate it.

24 COUNCIL MEMBERS VOICED NO OBJECTIONS. (Excused: GCB)

ACTION: DEFER PENDING FURTHER DISCUSSION.

25 VICE-CHAIR VICTORINO: Madam Chair?

1 CHAIR ANDERSON: Mr. Victorino.

2 VICE-CHAIR VICTORINO: You cannot stop that
3 way. No. Sorry.

4 CHAIR ANDERSON: What?

5 VICE-CHAIR VICTORINO: We all have to say
6 something.

7 CHAIR ANDERSON: You already said it already.

8 VICE-CHAIR VICTORINO: No, no, no, no, no, no,
9 no. I said there was accolades and I will say this.
10 When being the newest member so I will take the
11 liberty of being the freshman among the seasoned veterans
12 here.

13 CHAIR ANDERSON: Okay.

14 VICE-CHAIR VICTORINO: I have been able to
15 work and learn so much with you. And, now, I've had
16 many years of experience with the Water Board, and we've
17 been able to share ideas and concepts and the whole nine
18 yards. But you brought what I call the real realities
19 and where we need to go and the futuristic realities
20 that many of us sometimes fail to see.

21 And I think the public has to understand that,
22 you know, you're not thinking only short-term, you think
23 very much the long-term. And I think all of us realize
24 that's where we need to go. And that's what you tried
25 to bring forward. Whether we support it or not wasn't

1 the issue. The issue was you were foresight enough to
2 give us this -- this ability of a plan of action. And
3 now we've got to make sure that we take that plan and do
4 and refine it to the point of reality, making it
5 reality. Whether it's the Water Use and Development
6 Plan, conversation, you name it, you've left it on the
7 docket, and we need to take care of it. And I
8 appreciate all what I've learned from you. I hope
9 that -- at times when I asked questions that I really
10 didn't understand, you indulged me in my lack of
11 knowledge in as far as the system here in this Council.
12 But I thank you for everything you've done.

13 Maui County truly loses a -- a -- a leader
14 with a passion, a leader that has the knowledge and --
15 and willing to come forward and work with all parties.
16 And you demonstrated with the "Show Me the Water Bill" and
17 other things that you brought forth. You never just
18 said, "This is what I want," and that was it; you shared
19 it with all of the parties involved. And I think they
20 appreciate that.

21 And I think you've left us with a great
22 legacy. So the next group that coming behind you, we
23 gonna have to fill some major, major shoes. You don't
24 have big feet, just major shoes to fill.

25 And I -- I will close by saying thank you,

1 Godspeed, for your health, and your family, may you
2 enjoy all the happiness you deserve with your family
3 back in the mainland, and think of us all the time. And
4 I know your e-mail. I know you'll send me a little note
5 here and there whenever you hear what we're doing here.
6 And I will be always open to your idea and your manao
7 because you have truly been Maui's great inspiration,
8 not only in water, but in all aspects. And I thank you
9 very, very much. Mahalo, Chair.

10 CHAIR ANDERSON: Thank you so much, Mike.
11 Very sweet. Mr. Pontanilla.

12 COUNCILMEMBER PONTANILLA: Thank you.

13 CHAIR ANDERSON: Oh, you guys.

14 ...(chuckles)...

15 COUNCILMEMBER PONTANILLA: Thank you, Madam
16 Chair. What can I say after that?

17 (Laughter.)

18 CHAIR ANDERSON: I think it's all been said.

19 (Laughter.)

20 VICE-CHAIR VICTORINO: Oh, sorry, you guys.

21 Oh, sorry.

22 COUNCILMEMBER PONTANILLA: You know, it's been
23 a privilege over the last four years being on the Water
24 Resource Committee. I know we've had our wonderful
25 debates. And I really appreciate, you know, on the

1 final outcome. And in -- in most cases, you know, we go
2 on the next day. You know, we gonna miss you, that's
3 for sure. But I'll save some for Friday. But I -- I --
4 I just wanted to tell the public that, you know, you've
5 been a wonderful Chairman for the last four years that
6 I've been on this Committee. Thank you.

7 CHAIR ANDERSON: Thank you, Joe. Thank you
8 very much.

9 Danny, do you wanna weigh in?

10 COUNCILMEMBER MATEO: Madam Chair, thank you
11 very much. I don't know of any other more aggressive
12 chairpersons that we have had in any other committee,
13 chairperson with a passion and commitment. And I -- I,
14 too, thank you for sharing the last couple of terms with
15 you in this committee. You've pushed many buttons,
16 alarms have gone off from Kaunakakai to Hana to Lahaina
17 with some of the measures you have -- you have attempted
18 to get passed through various legislations. If
19 anything, Chairman, you have provided the awareness, you
20 have provided us with a wake-up call. I don't think
21 anybody in this County does not agree that water is
22 really the priority because you have brought it to the
23 light, to the forefront. And to you, Madam Chair, we
24 thank you. Good luck to you. You will be missed, my
25 friend. Aloha.

1 CHAIR ANDERSON: Aloha. Thank you, Danny.
2 With that, the Water Resources Committee
3 meeting of December 15th is now adjourned. ...(gavel)...
4 ADJOURN: 11:48 a.m.

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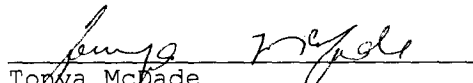
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CERTIFICATE

I, TONYA MCDADE, a Court Reporter of the State of Hawaii, do hereby certify that the electronically-recorded proceedings contained herein were taken by me in machine shorthand and thereafter was reduced to print by means of computer-aided transcription; that the foregoing represents, to the best of my ability, a true and accurate transcript of the electronically-recorded proceedings had in the foregoing matter.

I further certify that I am not an attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 12 day of January, 2009.



Tonya McDade
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