

BOARD OF WATER SUPPLY
County of Maui
Regular Meeting
Thursday, April 24, 2008
9:00 a.m.
Conference Room
Department of Liquor Control
2145 Kaohu Street
Wailuku, HI 96793

I. CALL TO ORDER

Chair Lee Aldridge called the April 24, 2008 Board of Water Supply meeting to order at 9:08 a.m.

II. ATTENDANCE

Board Members:

Chair Lee Aldridge
Vice Chair Carl Holmberg
Marion Haller
Michael Howden
Kui Lester
Scott Luck
Kelli Myers
Phyllis Robinson
Ted Yamamura

Staff:

Jeffrey K. Eng, Director of Water Supply
Eric Yamashige, Deputy Director
Edward Kushi, Jr., Deputy Corporation Counsel
Herb Chang, staff engineer
Gaye Hayashida, Commission Support Clerk

Others:

Madelyn D'Enbeau, Deputy Corporation Counsel
Paul Mancini, Attorney for the Appellant, Dawn Silva
Dawn Silva
Catherine Silva
Walter Silva

III. ANNOUNCEMENTS

A. Introduction of Returning Board Member, Scott Luck and New Board Member, Ted Yamamura

Chair Aldridge welcomed returning Board member Scott Luck. Member Luck stated that he was happy to be back and he felt that now he has a base of knowledge to start working from this time.

The Chair introduced the newest Board member, Ted Yamamura, who is the vice president and senior appraiser of ACM Consultants, Inc. and was a past member of the State of Hawaii Board of Land and Natural Resources. Member Yamamura stated that he is humbled and honored to be on this board.

IV. APPROVAL OF MINUTES

A. Minutes of March 27, 2008

Motion: By Member Howden to accept the minutes of March 27, 2008

Second: By Member Holmberg

Discussion: None.

Vote: Unanimous. Motion carried.

V. TESTIMONY FROM THE PUBLIC

A. None.

VI. APPEALS

A. Appeal 07-01 An appeal by Dawn Silva of the Director's decision/order dated April 16, 2007, denying her request for a water meter for her property located at 937 Kokomo Road, tmk (2) 2-7-011-031

Refer to Attorneys' Submittal of Proposed Findings of Fact, Conclusions of Law, Decision and Order; Oral Closing Arguments on Appeal 07-01, an appeal by Dawn Silva.

VI. UNFINISHED BUSINESS

A. None.

VII. OTHER BUSINESS

A. Discussion/possible action regarding Proposed Fiscal Year 2009 Budget As It Pertains to Revenues – Fees, Rates, Assessments and Taxes, specifically the Appeal Fee

Chair Aldridge stated that Michelle Anderson, Chair of the County Council's Water Resources Committee, had requested the Board's comments on the proposal to establish a \$300 filing fee for appeals heard by the Board of Water Supply and provide

for a filing fee refund in full or in part at the discretion of the Board if the appellant prevails.

Member Howden recommended that the Board return the appeal fee to the appellant when they are successful in their appeal.

Chair Aldridge stated that he believes it is specifically written into this proposed bill at this time, "fees for any filing appeal may be refunded if board members' final decision and order authorizing refund in full or in part of filing fee." He pointed out that they specifically struck out "shall" and put in "may", to leave it to the discretion of the Board.

Member Haller asked if anybody knows the origin of this and how this came about.

Director Eng replied that it came about last year ago when the Department was preparing the rates and fees for last year's fiscal year budget. When the appeal ordinance was passed last year, it was too late to incorporate the filing fee in last year's rates and fees. The Director further stated that the question about whether it should be refundable or not, came up in the Water Resources Committee meeting.

Mr. Kushi stated that the Director is correct as to why it is not in effect now. But he believes the Council just recently as of last Friday, passed this amendment for the Fiscal Year '08 Budget, which lasts until the end of June '08. What Councilmember Anderson is asking for are the Board's comments for next year's '09 Budget.

Motion: By Member Robinson to recommend approval of this bill as proposed.

Second: By Member Haller

Discussion: The motion was clarified to the Board accepts the wording as proposed in the amendment to the Fiscal Year 2008 Budget. The Chair will transmit the Board's recommendation in a letter via the Mayor to the Council's Water Resources Committee.

Note: No vote was taken. All members were in agreement.

B. Discussion regarding the Upcountry Water System with a Review of the Systems' Schematics

Chair Aldridge stated that there was some concern that this year we are already down to only 88 million gallons.

Director Eng corrected by saying it was 85 million.

The Chair recalls that last year at this time we were up over 150 million gallons and now we are definitely lower this year. He is concerned about the operations of the Upcountry water systems and why we can't maintain more water in the Kahakapao,

Piiholo and Waikamoi reservoirs. Chair Aldridge asked Director Eng to give a background on the systems and why the Department doesn't pump as much water from the Kamole Treatment Plant to the upper systems.

Director Eng stated that there are different approaches on when to pump. How much does it cost to pump a thousand gallons, a thousand feet in elevation? It is probably well over \$2.00 per thousand gallons. That is what they look at when they decide to pump. Do they want to keep pumping to keep everything full? They don't want to pump to keep things full when it may rain. Because when does rain the water has nowhere to go so it's just going to overflow and be dumped in gulches or into the streams.

Even now it is a tough call. They're happy when we get a little bit of rain. They want to keep some space for those opportunities when it rains.

As of yesterday, Piiholo Reservoir only had about 38 million gallons which really got their attention. At around 35 million gallons the Department will probably start pumping up and maintain it at that level. As far as pumping up to the Upper Kula system, they will have to monitor that closely but if they are not getting any inflow to Waikamoi or Kahakapao then at some point they may start pumping to the Upper Kula system. But they have to be really conscience of the electricity costs and how much they want to pass on to the rate payers.

Chair Aldridge asked if the demands are uniformly split between the Upper, Lower and Haiku system.

The Director replied that the biggest demand is off the Lower Kula system. At this time he referred to the last daily Upcountry Water Report.

Member Haller noted that this is the report the members receive daily by e-mail.

Director Eng explained that if they look at the box on the right, the Demand. This is assuming that they are not pumping up from Kamole. He then directed the Board to look at the column marked Olinda. That is the demand solely for the Upper Kula system. The demand for the Lower Kula system is the column marked Piiholo. The left column, Kamole shows the demand for the Makawao – Pukalani system. The Lower Kula system has the highest demand.

Member Haller asked where does the water go from the Kaupakalua, Haiku and Pookela wells?

The Director stated that those are all the Haiku system.

Chair Aldridge asked where does the water come from for the Piiholo Reservoir.

Director Eng replied that it comes from 7 in-takes which are separate from the 3 in-takes that serve the Waikamoi reservoirs.

Chair Aldridge stated that when there is good rainfall, the Wailoa Ditch runs very high and yet the upper reservoirs seem to run out of water sooner. It would seem that the higher elevation should have more rainwater.

Director Eng stated that for the Kamole sources starts from Nahiku where there are a number of in-takes from the EMI system. It is the probably our best collection system. The next most sufficient source is the Piiholo system because of the elevation of the in-takes relative to rainfall and rain related clouds. The Olinda/Upper Kula system's in-takes are actually a little bit above the rain producing clouds. It is just a nature of where the rain clouds form.

Member Howden stated that the Waikamoi flume system does not capture a significant amount of water when there is a storm and asked the Director for his comments.

Director Eng stated that regarding the in-takes, though he hasn't inspected them personally, he believes the one big issue is the Waikamoi flume itself. It is old and does need to be replaced. In the proposed Fiscal Year '09 Budget the Department has a request for \$1.5 million to construct a safety line for the Department's employee to get in there and work safely. So in Fiscal Year 2010 the Department will request money to design a brand new flume and hopefully in Fiscal Year 2011 they will be able to construct a brand new flume.

Chair Aldridge asked, where will the Piiholo Well water go.

The Director stated that the Piiholo Well water will first be pumped to a control tank mauka of the well and then from that control tank it will be transported to the Pookela Tank, which is the hub of the Upcountry system.

Member Robinson asked if there have been any discussion on the use of alternative energy to pump the water.

Director Eng stated that alternative energy sources are still not feasible. For instance, the amount of area you would need for solar panels would be prohibitive. He believes that down the road hydrogen fuel cells would be state-of-the-art. As far as the County as a whole, he is not sure what they are looking at right now, though he wishes that the County's energy coordinator would pay more attention to the Department because they are Maui Electric's largest customer and the Department's staff doesn't have time to explore these alternative energy sources.

Chair Aldridge asked what is the pumping horsepower (hp) at Kamole Weir Treatment Plant as in pumping to the Pookela Tank.

Director Eng stated the largest one they have is 700 hp.

Chair Aldridge noted that every 10 square feet collects about 1 kilowatt (kw) of solar energy. To simplify things if you figure 700 hp equals 750 kw then, to get 750 kw you would need 7,500 square feet of photo-voltaic cells at a 100% convergence for just one pump during the day. So it is easier said than done, unfortunately.

Member Howden suggested hydro-electric and micro-generation.

Director Eng stated that for hydro-electric, we need to drop water down to produce electricity and we will never have enough water to drop down to match what we would be pumping up.

Member Howden had questions regarding the Piiholo Well agreement but Chair Aldridge said that this will be an agenda item at another meeting and asked Member Howden to wait until then.

Member Howden asked if at that time, the Department could provide a map of the tax map keys where this water is meant to go and also a clarification on the actual discussions and negotiations and what the facts are.

Member Haller stated that we made this agreement and there is not much we can do but learn from it and go forward. She asked if another sweetheart deal like this could ever happen again.

Director Eng stated that there is now an ordinance in which the Council has to approve any new source agreements. So now there are opportunities for the public to get involved in these agreements.

Chair Aldridge asked if the Director has any idea of how many people on the Upcountry list are on the Lower or Upper Kula system versus the Haiku system.

Director Eng replied that he doesn't have the exact number, though he did look at the first hundred on the list to see how many were on the Upper Kula system. Out of the hundred there were less than 10 that the Department was obligated to provide meters for the Upper Kula system.

Chair Aldridge stated that the problem is improving the collection and storage of water in both the Lower and Upper Kula area.

The Director stated that they are getting a lot of support for this large Upcountry reservoir that will be situated on the Lower Kula system.

Member Howden asked if it would make sense to reconfigure the Upcountry list so that it accurately reflected where people are applying for meters.

Director Eng replied that it might be a legal question and asked Mr. Kushi for his opinion, but added that to reconfigure the list might make people on the list very angry so this is something he has no interest in doing.

Mr. Kushi answered that first of all you need to change the rule. The rule is what it is and it still exists in terms of a priority list which is not separated into these 3 systems. That rule is before the Council right now and they have been warned that if they change the list they would have a lot of angry people. For example if someone was number 52 now then after the list is reconfigured they may become number 352. The Council also looked at priority for what type of project is on the list and that is worse; small parcels versus family subdivision versus commercial properties.

At the time the Board established this list it was first come first serve. Now if you want to re-establish that list you will get into an argument that Attorney Mancini just tried to tell you folks. The office of Corporation Counsel will be skeptical in advising this Board, the Department or the Council in touching that list.

Chair Aldridge asked what will be the capacity of the proposed reservoir.

Director Eng stated that it will be up to 300 million gallon but it could also be two separate 150 million gallon reservoirs. Based on estimated growth and demand for Upcountry this size can meet any severe drought period.

Chair Aldridge asked if this would be sufficient to issue meters to the people on the Upcountry Priority List.

Director Eng stated that we have to look at groundwater sources even with a large reservoir because we would still be depending on rain. The future would be to have a dependable system that has more groundwater.

Member Haller asked what is the capacity of the Upcountry wells?

The Director stated that Kaupakalua and Haiku wells serve Haiku only. Kaupakalua Well has been operating at about .8 to .9 million gallons per day (mgd). The Haiku Well is at .3 to .4 mgd. The Pookela Well has a maximum pumping capacity of 1.3 mgd but remains only a back-up.

C. Discussion/possible action on the Central Maui Water System and West Maui Water Availability

Director Eng stated that for both the Central and West Maui System, the Department is still monitoring the demand. The Department has asked for conservation and has gotten some positive results. The Water Department is doing the best it can as far as

looking for new sources for Central Maui and is currently focusing on developing a new groundwater source in the Waikapu Aquifer.

The Department has money in the proposed '09 budget to develop a new groundwater source and is currently trying to find some available sites in West Maui.

D. Update on the Decision and Order of the Appeal by Joseph and Cheryl Medeiros

Chair Aldridge stated he met with the Director and Department staff with Corporation Counsel present. During that meeting they resolved any ambiguities in the Board's decision. So now the Department will be contacting the Medeiros' to discuss the Board's decision.

E. Receipt of Board Member request for agenda items to be placed on future agendas

1. Discussion on the Piiholo Well Agreement
2. Discussion on what happens with the Board's recommendation and resolutions and whether the Department acts on them. For possible executive session.
3. Discussion on what it will take to finally serve water to all on the Upcountry Priority List
4. Discussion on water for Wailea 670

IX. COMMUNICATIONS

- A. Resolution 1 (2009 regarding Kenneth M. Okamura's Five Years of Faithful Service as Approved by the Board Members on March 27, 2008).
- B. Resolution 2 (2008) regarding the Board's Proposed Water Conservation Plan as Approved by the Board Members on March 27, 2008.

These two items were for the Board members' information only.

X. DIRECTOR'S REPORT

- A. None.

XI. DIVISION REPORTS

Since there were no discussions on the Division Reports, Chair Aldridge asked for a lunch recess and when the meeting resumes, the Board will deliberate on Appeal No. 07-01, an appeal by Dawn Silva.

Refer to *Deliberations on Appeal 07-01, an appeal by Dawn Silva.*

XII. ADJOURNMENT

There being no further discussion, Chair Aldridge adjourned the April 24, 2008 Board of Water Supply meeting at 12:50 p.m.

Prepared and submitted by:

Gaye Hayashida
Commission Support Clerk

Approved on: _____