

WATER RESOURCES COMMITTEE

Council of the County of Maui

MINUTES

February 1, 2011

Council Chamber, 8th floor

CONVENE: 9:04 a.m.

PRESENT: VOTING MEMBERS:

Councilmember Michael P. Victorino, Chair
Councilmember Joseph Pontanilla, Vice-Chair
Councilmember Gladys C. Baisa
Councilmember Robert Carroll (out 10:10 a.m., in 10:18 a.m.)
Councilmember Elle Cochran
Councilmember G. Riki Hokama (out 10:14 a.m.)
Councilmember Mike B. White

STAFF: Michael Geers, Legislative Analyst
Yvette Bouthillier, Committee Secretary

ADMIN.: Kyle Ginoza, Director, Department of Environmental Management
Dave Taylor, Acting Director, Department of Water Supply
Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery:

Scott Rollins, Wastewater Reclamation Division Chief, Department of Environmental Management (WR-1)
Paul Haake, Captain, Department of Fire and Public Safety (WR-1)

OTHERS: **Item 1:** Irene Bowie, Executive Director, Maui Tomorrow Foundation
Rosemary Robbins, Upcountry Oversight and Advisory Committee
Michael Howden
Robin Knox
Others (3)

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

ITEM NO. 3: DEPARTMENT OF WATER SUPPLY RULES RELATING TO WATER SERVICES (C.C. No. 11-45)

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CHAIR VICTORINO: . . .(*gavel*). . . Good morning. The Water Resource Committee for February 1, 2010 [*sic*] will come to order. We have a quorum present so may I introduce the Members at this time. I'd like to introduce our Vice-Chair Joseph Pontanilla.

VICE-CHAIR PONTANILLA: Good morning.

CHAIR VICTORINO: Good morning. Also our Member from Upcountry, the young lady, Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR VICTORINO: Good morning. Our East Maui representative, Mr. Robert Carroll.

COUNCILMEMBER CARROLL: Good morning.

CHAIR VICTORINO: Good morning. Our West Maui representative, Ms. Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha. Good morning.

CHAIR VICTORINO: Good morning. Our Lanai representative, Riki Hokama.

COUNCILMEMBER HOKAMA: . . .(*Inaudible*). . . Chairman.

CHAIR VICTORINO: Good morning. And our...our Haiku-Makawao-Paia representative, Mr. Michael White.

COUNCILMEMBER WHITE: Good morning.

CHAIR VICTORINO: Good morning. And myself as the Chair, Michael Victorino. Non-voting Members, no one's here at this time and if they do show up, I will announce their arrival. This morning we have from Corporation Counsel, Deputy Corporation Counsel, Mr. Edward Kushi.

MR. KUSHI: Good morning.

CHAIR VICTORINO: Good morning. From the Administration, I have the representatives from the Administration. We have the Acting Director of Water Supply, Mr. David Taylor.

MR. TAYLOR: Good morning.

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CHAIR VICTORINO: Good morning. And the Director of Environmental Management, Mr. Kyle Ginoza.

MR. GINOZA: Good morning.

CHAIR VICTORINO: And I think joining us a little bit later will be the Chief...Fire Chief, Mr. Jeffrey Murray. Our Committee Staff, I have Mr. Mike Geers, as Legislative Analyst and Ms. Yvette Bouthillier as Committee Secretary. Okay, now moving right along.

Today we only have two items. And I would like your indulgence on item W-3 [*sic*] for the Department of Water Supply relating to water service. I was asked this morning by the Department, the Acting Director, he would like a little more time to work on this and come back with some other suggestions. So without any objections, I would like to defer number. . .RW-3 [*sic*] Department of Water Supply relating to water rules.

COUNCIL MEMBERS: No objections.

ACTION: DEFER no discussion.

CHAIR VICTORINO: Thank you. And I would take any testimony that is brought up for this item at this time, but if not, we will defer that and we will just strictly concentrate on WR-1, okay? And WR-1 is the Central Maui Recycled Water Verification Study for which we've been all waiting for, yeah. Okay, at this time I'd like to start up with public testimony if there's no objections.

COUNCIL MEMBERS: No objections.

CHAIR VICTORINO: Thank you. At this time, I will accept all public testimony. Those who wish to sign up should sign up with the table back in the eight foot...Eighth Floor lobby. Testimony will be limited...to three minutes and if you need one minute to conclude, we will allow that. There's a lighting system and when you have 30 seconds left, the yellow light will come on and the red light will tell you you need to conclude. Testifiers, please state your name and any organization for who you represent. And may I please ask everyone in the Chamber, both Members and as well as anyone in the gallery, to please disable their cell phones. Either put it on vibrate or turn it off entirely, decorum will be followed. With no objection, I'm gonna call up our first testifier. We have two testifiers at this point. We may have a few more before we conclude. Our first testifier is Ms. Irene Bowie. And she's representing Maui Tomorrow Foundation. She's the Executive Director. Good morning, Ms. Bowie. And she'll be testifying on RW-1 [*sic*].

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...BEGIN PUBLIC TESTIMONY...

MS. BOWIE: Good morning, Chair and Council Members. Irene Bowie, Maui Tomorrow Foundation. As Maui's population increases, wastewater volumes will also increase. It may be less expensive to develop recycled water distribution systems rather than developing new sources of water while we continue to pay effluent disposal costs. Although there's significant initial capital cost to develop recycled water distribution systems, the addition of recycled water into the community's water budget secures long-term solutions to sustainable economic growth plans. Iao Aquifer is showing signs of over pumping with indications that chloride levels are increasing and fresh water levels are decreasing.

The use of highly treated recycled water to recharge groundwater on Maui could become an important water resource management tool to combat depleted groundwater supplies associated with increased development.

We hear there're not enough customers in Central Maui for recycled water but we need to encourage the Department of Health to allow R-1 waters for single-family lot irrigation. At present DOH is uncomfortable with the concept of irrigating single family lots with recycled water due to lack of sufficient manpower to monitor for cross connection to the potable water system. But homeowners' associations could provide periodic cross connection inspection reports by licensed plumbers and require that new developments' single-family lots be designed and built with subsurface drip irrigation systems.

New office and commercial buildings with dual water supplies for flushing toilets with R-1 recycled water should also be required rather than continuing to use potable water for this purpose.

Recycled water for sugar cane irrigation doesn't necessarily need to be upgraded to R-1 capability but it does need to undergo additional nutrient removal as excess nitrogen decreases sugar yields. A constructed wetlands system would be potential means of nutrient removal and should be seriously considered.

There are a number of successful projects on the mainland that integrate constructed wetlands into a treatment scheme to reduce nutrient levels and organic carbon in the recycled water. There are also smaller pilot projects on Oahu and Kauai.

The County should encourage the use of...recycled water and include economic incentives into its recycled water rate structures and require recycled water be used for irrigation purposes as a condition of zoning for future commercial properties.

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Spreading the cost of financing water reuse projects is preferred rather than laying the entire financial burden on the recycled water user. Four potential sources of funds for water reuse projects are recycled water users, potable water users, sewer users, and government grants.

Federal funding sources for recycled water distribution system construction include the Clean Water State Revolving Fund; the Bureau of Reclamation, Title XVI; the USDA Water and Waste Disposal Systems for Rural Communities; the Public Works and Development Facilities Program; and Community Block Development programs.

Mahalo and please consider moving forward on the use of recycled water for Central Maui. Thank you.

CHAIR VICTORINO: Thank you. Any questions for clarification of the testimony?
Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And I do, would like to...clarify some of the testimony. Thank you very much, Ms. Bowie, for being here this morning. And I'm sorry I was distracted, or if you said it, you are speaking on behalf of your organization?

MS. BOWIE: Yes.

COUNCILMEMBER BAISA: I'm real curious. You know, I've spent some time trying to look at this study and see what it talks about. And while I think we all agree that it's something we wanna do, something that's very important. We all understand this is an issue of, you know, grave significance to all of us. It appears to me that looking at all of this, there...and you mentioned it in part of your testimony, was the economic issues involved with this. Does your organization have a position on the increase of water rates and fees in order for us to consider doing some of this?

MS. BOWIE: Yes, I think, as I mentioned in my testimony, as we look at this we think it should be spread out over a, a...or a, a selection of users rather than just the recycled water users. That the whole County benefits if we do this. I mean, you know, we're not even going into the issue of what can be recycled means less going out in the ocean and harm to the reefs and the tourist dollars, the value of all of that. So spreading it out...and the thing that I would like to really ask you to consider is looking outside of Maui County for where people are doing this across the country and internationally. The Water Reuse Association is a wonderful resource. The folks on Kauai, the, the County of Kauai at the Lihue Wastewater Treatment plant, they've successfully done a public/private partnership. So I

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think, you know, definitely it's a lot of money. But it's, it's necessary and we can't let that stop us because it's not gonna get any cheaper as, as our problems increase. And also, as development increases and the population increases the volume of wastewater increases. So I just think that it's something we have to seriously consider and not let the, the message that we continually hear of, we'd like to do it but it's too expensive keep us frozen in this position.

COUNCILMEMBER BAISA: Thank you for your answer. Unfortunately, what we hear a lot here is another message. And that is we want you to fix it but don't raise our rates and fees because we don't wanna pay any more. And that puts us in a really bad situation. And, you know, we can sit here and I heard all the sources that you talked about, many of them being Federal. And, you know, in these times the Feds don't have a whole lot of money. And we're all in competition for it. So it appears to me that if we're going to do this, there is gonna have to be some pain here to the beneficiaries. You know, we're gonna have to pay some more. And I've always gotten the message clearly that people don't wanna pay.

MS. BOWIE: I sat on the Wastewater Community Working Group and, and one of the points that we felt was really important and that was public education. That we have to really get the message out to people why this is important and why it's worth paying a little bit more on your bill. And put that in, you know, in relation to what you're paying for your cable TV service or, or anything else. This is something that we need to do. So...and I would also just add that Federal money I, I vividly remember a conversation that I had last year with Representative Hirono's office saying that Maui County did not aggressively pursue funding that could've been, could've been had in the last couple of years to...for this type of work and that other counties in Hawaii did. Kauai County did, they received the money. So again I think it's a mindset that has to shift on, on it needing to be done and then where and how do we find the money rather than it's just too expensive, we can't.

COUNCILMEMBER BAISA: Thank you very much for your --

MS. BOWIE: Thank you.

COUNCILMEMBER BAISA: --candid comments. I really appreciate it. This is a matter that we have to work together to solve. And I think we have a...an interim director who's very interested in pursuing other funding.

MS. BOWIE: I really hope so.

COUNCILMEMBER BAISA: Thank you.

MS. BOWIE: Thank you.

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CHAIR VICTORINO: Other questions for the testifier?

VICE-CHAIR PONTANILLA: Chairman, question.

CHAIR VICTORINO: Yes, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. Thank you, Ms. Bowie, for being here this morning. The question that I had was that, you know, we just completed the Water Use and Development Plan for Central Maui and one of the highest priority is to use recycled water in the Kihei system. In, in your working group, hopefully you guys took a look at the Water Use and Development Plan and kinda, you know, dovetail that thing so that we have a priority that will satisfy the Water Department as well as, you know, utilizing of the recycled water. Have you had really good discussion in regards to the Water Use and Development Plan?

MS. BOWIE: Honestly in the Community Working Group, I don't think we did have enough discussion of that. It, you know, was fairly frustrating that there wasn't a great discussion of it. But, you know, there was some discussion and certainly in that conservation along with reuse was discussed. And conservation fits back in with the public education that we have to get people to understand that, you, you know, banana trees growing in Kihei might not be a great idea. Or, you know, how, how...I think people just are, are fairly blasé about the use of water and we've gotta change that. So, you know, I wish we would've looked at that more than we did. We kinda went over it but it's certainly valuable. I mean, that the reuse and conservation makes, makes such sense that I hope that's the direction we go.

VICE-CHAIR PONTANILLA: Thank you. And, and the other thing that I'd like to pass on to you is probably looking at our ordinance in regards to those dry areas, South Maui and the like, that we take a look at maybe an ordinance in, in, you know, how much greenery should we put in a particular lot or, or development, so, something to be considered. The other thing that I...you, you made a comment that we don't aggressively seek Federal dollars. Some years ago, I, I tried to get some Federal dollars for utilization of the Kihei recycled water and, you know, no Federal dollars was, was the answer that was given to me. So we...I tried.

MS. BOWIE: No, I'm, I'm sure.

VICE-CHAIR PONTANILLA: It was part of my responsibility.

MS. BOWIE: My conversation was more, you know, within the last couple of years when there was, when there was actually some stimulus dollars to be had that, that we didn't actively pursue that. And, and I would just reiterate, I think, you know,

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so much needs to be done on a State level with the Department of Health and the regulations so that we can have more sources for the recycled water. And, you know, those of us in the community will certainly be asking for that at the Legislature.

VICE-CHAIR PONTANILLA: Thank you.

MS. BOWIE: Thank you.

VICE-CHAIR PONTANILLA: Thank you for your testimony.

CHAIR VICTORINO: Thank you. Further questions for the testifier? I have one, Ms. Bowie. You know, there are many areas that I have familiar working relationships throughout the nation through the AWWA for which recycled water is not used entirely for agriculture. It is actually used to recycle the soil and land. In other words, recycled water is pumped into barren areas so that it can actually recharge aquifers adjacent or within those areas. There is no agriculture on it. It's just pumped in these areas. It settles into the ground and, you know, does that. Are, are you familiar with some of these areas that I'm referring to?

MS. BOWIE: Is, is New Mexico one where they are doing that?

CHAIR VICTORINO: Yeah.

MS. BOWIE: I know they're pretty innovative with what they're doing with the water.

CHAIR VICTORINO: Arizona and New Mexico have been working on this for a long time. And so this is why I, I believe there may be some other alternatives not just *always* pumping. If we could get Kealia Pond and some of those areas and even Kanaha because I think the wastewater is cleaner than some of the water that goes into these systems right now off the runoff. So I think that's some area I'd ask you guys for some help in looking into and maybe we can work together --

MS. BOWIE: That would be good.

CHAIR VICTORINO: --because that's another possible solution without a lot of expenses because it's adjacent to. And if we could use some, I think this would be a good area. So I would ask for your help in that area.

MS. BOWIE: Absolutely. Thank you.

CHAIR VICTORINO: Thank you. Any other questions? Seeing none, thank you, Ms. Bowie, for being here.

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MS. BOWIE: Thank you.

CHAIR VICTORINO: Next testifier is Rosemary Robbins and she is a concerned citizen and also with the Upcountry Oversight Advisory Committee. Ms. Robbins?

MS. ROBBINS: Good morning. All of that was accurate. Nice to see folks who have been here before while I've been at this podium and for new people. Welcome, welcome back. In terms of what our public is hearing, this morning on public radio when I was coming down there was an identification from the Department of Agriculture that the State on the island of Hawaii itself had taken over some of the private water systems. And a week ago this past weekend I was at the University--I am an educator--was at the University of Hawaii and the Department of Agriculture was there. And they were talking about what happens with water made available from potable through all of the grades of recycled. And I think that our community, those of the people here in the Hawaiian Islands who show up at things like what the University is putting on, people who are watching programs--and I understand that this one comes on an in-house TV setup somehow--need to have better education as to what's really happening here.

And I truly appreciate the Environmental Management from Hawaii, thank you, for having made available to the public an Environmental Management Wastewater Reclamation Division report. When I went in to get this--I appreciate the fact that its availability was put in *The Maui News*--I was the only one who had gone in. It's like, where are the other nine? . . .(chuckles). . . So the fact that our Department is making information available but some of the members of the community are not picking up on it tells us something. I do my little best when I'm in classrooms from the little ones on up through high school to be able to make them aware of what's going and the fact that they don't even have to leave their computers in order to know what's happening. So thank you for making that information available those of you who do.

Also want to point out that in this morning's *Maui News* it said that the State needed to turn off irrigation water when it didn't need to irrigate. When I'm going from point A to point B on some of the campuses, I really have to be creative and dart through sprinkler systems that are going on and the rain that's falling on...boo. And when I speak to somebody in the Water Department sometimes I hear, oh, that's a State issue. And when I speak to somebody at the State, they say, well, that's on your turf. So somewhere in there is a football that's being passed that needs to be caught and handled well.

So we'd just like to make sure that you know that the community does care about this. I think your point is well taken that they say, yeah, but I just wanna know how much I'm gonna have to pay or for crying out loud, that education needs to be done maybe, maybe in some sort of a, a grid. I'm teaching grids to grade four.

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They know how to read that. So maybe that would be some sort of a intergenerational thing that the fourth graders--are we smarter than a fifth--that the fourth graders might be able to teach the parents and the kupuna about that. So count on the support of people who really do appreciate what you're doing.

CHAIR VICTORINO: Thank you, Ms. Robbins. Any questions for the testifier? Seeing none, thank you, Rosemary, for being here.

MS. ROBBINS: You're welcome.

CHAIR VICTORINO: And our last testifier to sign up at this time was Mr. Michael Howden. And he's again speaking on his behalf. Mr. Howden?

MR. HOWDEN: Thank you, Chair Victorino, Members of the Committee, Council Members. I agree very strongly with what Irene Bowie presented to you. I think when she gives it to you in written form it would be a very, very good reference. I'm...having dealt extensively with the Water Use and Development Plan for Central Maui and I think you guys are well aware of this as, as well. The Iao Aquifer, the Iao and Waihee Aquifers are basically jeopardized. We're overpumping them. The salinity levels in the aquifers has gone up, I believe, over 20 feet in the last 25 or so years. And those aquifers, the, the strongest and most powerful in Maui County, I, I think that we're really abusing them and jeopardizing their use for future generations. Anything we can do to take the pressure off use of those aquifers I think would be useful. Recycled water is very, very valuable but it's toxic in terms of its effect on our near-shore waters. I believe that EPA is looking very, very closely at UH studies that have taken place in Kaanapali near the Westin and also in the...Kihei-Wailea areas. I think basically it's a question of...it's a public health concern. And although Director Okuma's Environmental Management Department basically put their head in the sand and was in denial of, of massive fines that may face the County of Maui for infiltration of recycled water into the near-shore waters. I think it's really our duty to look at that in an intelligent way and to look at the studies that...the UH studies that have been published and try to address that. I mean, Councilman White recently said, you know, we need more money for the Maui Visitors Bureau. But the truth is, we won't have tourism and tourism will be very adversely affected if, if you begin to have it known how polluted some of our near-shore waters are. And that affects, of course, both tourism and our, our own residents.

The other thing that I...that Irene brought up that I think is very good. You know, we had these, these...the flooding in Kihei and Wailea areas because Kihei...we've never done anything mauka there. We've never done anything to, to kind of mitigate massive water and soil movement across what's a very, very...what are very, very workable slopes. And I think that we might look at,

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you know, taking the recycled water and using it to create shelter belts that would support, you know, within swales that would begin to keep the contaminated...you know, possibly contaminated soil but tremendous amounts of organic matter, tremendous amounts of water and keep that in the landscape where it can be a benefit to all of us. Thank you.

CHAIR VICTORINO: Thank you, Mr. Howden. Any questions for clarification for Mr. Howden?

VICE-CHAIR PONTANILLA: I got a question.

CHAIR VICTORINO: Yes, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. Thank you, Mr. Howden, for being here this morning. Just a simple yes or no...no. You mentioned that we are overpumping the Iao Aquifer. What is your thoughts about probably utilizing waters from the East Maui Watershed to provide water for this total island?

MR. HOWDEN: When you...one, thank you for the question, Councilman. The East Maui Watershed itself is jeopardized. I mean, Councilman Carroll drives that everyday. And I'm sure that over the years that he's driven it, over the years that I've driven it, you see a gradual decline in the health of the watershed. We've never maintained it. It's loaded with exotic species, primarily eucalyptus, which really doesn't...*(cell phone rings)*... oh, I'm sorry. Irene, it's in the side thing. I'm very sorry, I came, came late.

VICE-CHAIR PONTANILLA: ...*(chuckles)*... That's okay.

MR. HOWDEN: My apologies to everyone. ...*(laughter)*... You know, if we're looking for work in our community, if we're looking for sustainability over generations, we need to really take responsibility. And it's all our *kuleana*, really. But a lot of the...what we consider the near, you know, like the Near East and the Far East, but the near East Maui populations are generally completely underserved in terms of access to water. So to me it would be inappropriate to take even more water out of that watershed without dealing with the communities of Nahiku, Keanae-Wailua and also Huelo and parts of Haiku. And we do have that, I think, under the first Arakawa Administration, there, there is a stipulation. There was a legal agreement that we would not take water out of East Maui within certain areas. And also in the Haiku Community Plan it's specified that water will not be taken from that area until that community...those communities are better served. And some of them have no service at all.

VICE-CHAIR PONTANILLA: Thank you for your answer. Yeah, I understand that certain community plans do not allow crossovers. That I understand. And thank

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you for your response in regards to my question about East Maui Watershed. Yeah, we all know that East Maui...or like say Upcountry, you know, is presently fed through surface water. So that's the reason why for the question in regards to maybe additional resources that can be gotten from, you know, not all the way to Hana, but, you know, in that vicinity, anyway. We had hired a Dr. Thomas that was supposed to be investigating probably, you know, where's the best location for additional resources. And my last understanding and, you know, I'll be following up with the Water Department in regards to that study. And I think the study was done probably in Nahiku. So thank you for your testimony.

MR. HOWDEN: Thank, thank you for your questions.

CHAIR VICTORINO: Thank you. And, other questions for the member . . .(inaudible) . . .

COUNCILMEMBER COCHRAN: Yeah, Chair.

CHAIR VICTORINO: Wait there, yeah.

COUNCILMEMBER COCHRAN: Hi. Thanks, Michael, for being here.

CHAIR VICTORINO: Thank you, Ms. Cochran.

COUNCILMEMBER COCHRAN: And kinda following up on budgetary questions since it's just around the corner and Gladys touched on, you know, monetarily of funding and raising sewer fees and, and what not. But just curious what your take is on how to get, you know, transmission. It's...we just don't have the transmission to get the recycled water to get to where we...it can be used.

MR. HOWDEN: Well, we could always begin charging what water is worth. I mean, HC&S plays...pays two-fifths of one penny per thousand gallons for, for public trust water taken from the East Maui Watershed. I don't mean to pick on them but they are a handy target. You know, you...you know, and we wanna move the...we wanna be able to meet the Upcountry water list, right? That's, you know, like a crusade, and, and we can. We take the water simply from Kahului and also the water from Kihei. You know, a lot of that recycled water could serve the needs of HC&S. I mean I, I believe the objection of HC&S is that the...for the second year of a crop when you want the sugar...when you want the sugars to be enhanced in, in...within sugar as opposed to the first year when you're really looking for vegetative growth. But, I mean, there's so many fields.

There's so much that can be done with that and we could be using that to basically begin to grow shelter belts on either side of the isthmus which we desperately need, you know, and which we should've had for years. I mean you look at

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agriculture in New Zealand, for instance, which is a very windy place and, and in many places comparable to the isthmus. You know, shelter belts are everywhere, even on small holdings of five or ten acres. I mean, it's...I, I know sugar cane can take a lot of wind but basically that has a drying or desiccating effect.

And I think, you know, for all of us if we begin to look long term rather than, hey, this...I mean it's tough for a lot of folks. And for me, too, right? You know, meeting every month's financial demands are difficult. But if you don't look toward the future, if you don't look like, you know, I mean, you know, even the Abercrombie State Plan in terms of, of agriculture and feeding ourselves and taking care of the aina says, you know, you threaten our ability to inhabit the islands unless you take care of the aina. So it seems to me perhaps a tad more important--and I don't mean to pick on Councilmember White--than the Maui Visitors Bureau, that our infrastructure is really our foundation. You know, our relation to the aina, our...and also, of course, educating children.

But I think, you know, obviously we all need to make sacrifices. I don't think it's simply that there's a lot of fat in government. Perhaps things are, you know, money is thrown here, thrown there. But we don't have that anymore. You know, a lot of, a lot of land is considerably undertaxed. A lot of the land that's basically real estate holding operations for large corporations that's given agricultural rates year after year whether it's used for agriculture or not. And then next thing you know it's a subdivision. So I think the budgetary...it's a good question and, and, you know, I'm a little in over my head when it comes to, to budgetary questions so.

COUNCILMEMBER COCHRAN: Thank you, Michael --

MR. HOWDEN: Yeah.

COUNCILMEMBER COCHRAN: --for attempting to answer.

MR. HOWDEN: ...*(Inaudible)*...

COUNCILMEMBER COCHRAN: And I just, you know, I think Irene touched on it. Rosemary touched on it about educating and explaining to the community and the users the importance. I know there was a study--I can't recall the name of it--over in the Waihee-Waiehu area where the residents there were asked, are you willing to pay a little bit more for protection of your watershed area, your instream and things of that nature? And they said, by all means. So I think education is good and lay out the big picture of the consequences of everything. So thanks, Michael, for being here.

MR. HOWDEN: Thank you.

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CHAIR VICTORINO: Thank you. Other questions for the testifier? Michael, I'll, I'll say, you know, again you touched upon one of the issues that I had talked to Irene about. You know, basically using the R-1 water basically for these zones to protect the future from flooding and all that because the problem with, with Kihei and West Maui and even Central Maui, everything gets so hard and dry. When we do have big rains, where does it go? On the ground right straight to the ocean, right? And picks up everything in the meantime, so if we could do the swales using R-1 water and those protection zones I think overall we'd have a lot better results. And the water is there to be used. Isn't that true?

MR. HOWDEN: Yeah. And, and...I mean it's there.

CHAIR VICTORINO: Yeah.

MR. HOWDEN: It's a tremendous resource and it, it would help offset against use of treated water.

CHAIR VICTORINO: Right.

MR. HOWDEN: So...

CHAIR VICTORINO: Okay, thank you, Michael.

MR. HOWDEN: Thank you very much. Bye-bye.

CHAIR VICTORINO: Michael was the last testifier. Well, I think somebody's signing up late but...if you'll just come up and testify and you can sign up later. Please introduce yourself and who you representing 'cause I don't have your name yet, although I know who you are.

MS. KNOX: Thank you, Chair. My name is Robin Knox. I'm representing myself. Some of you who've been here in the past know that I'm a water quality consultant with about 30 years experience under the Clean Water Act. I wanted to testify today because I was very interested to see this report. But unfortunately I found out about it only through the newspaper and there was no link or any place for me to go on the Web and actually look at the report so that I could prepare any testimony for you. But I...I hope that there will be an opportunity for the public to do that. I know some other people had said they had the same problem.

My biggest concern just looking at the article and what the reporter said about the report is that it gives you kind of a slanted view if you don't know more of the story. And some of the work that was done on wastewater under Director Okuma

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had a very narrow focus. And that was for a purpose and it served its purpose. It enabled us to reach some conclusions. And one of those conclusions was talked about in the reporting on this report in *The Maui News*. And it said that one of the problems in getting people to reuse the water is that recycled wastewater costs more than their other sources of water. And that to reuse it for HC&S, for instance, to use it for irrigation wouldn't save any potable water because it would only be using ditch water. And to me that was kind of outrageous because it flies in the face of what we know in the modern world about integrated water resources management. And that all of our waters are connected and that ditch water came out of a stream. And it's stream water, it's a resource that is being taken from somewhere. So there is value to replacing the use of ditch water with wastewater. And it's of value to the greater society not just to HC&S.

So I just wanted there to be some chance for perspective that when they say that one of the obstacles is that the cost of the recycled water is so much higher than their other sources. Well, part of that problem is because we're not valuing our pristine water sources very well. We don't put a high dollar value on them. And so the wastewater is seen as less quality because we're not treating it to the standard of pristine pure water and higher costs. So you can't blame people for not wanting to buy it. But that's an imbalance that's because of the very free and available water resources that we have on this island. And it's really tough to try to value those water resources because there is a certain ethic in many cultures and I think here--it's in the State law--that water is a public resource. And so, you know, we have a, a lot of difficult things, challenges that you're gonna face when people are asking you for money for projects. So I would just like you to try to keep an overall picture of integrated resource management which means ecosystems, water supply, wastewater treatment, restoring ecosystems, even storm water management. All of these things are related and if we can just figure out the best way to use it all, we can afford it. So when they say we can't afford it, question that. What are the assumptions? Are you talking about using today's fossil fuel energy to pump it all around? We can't afford it. Or have we really looked outside the box? And ask the hard questions about this.

So I hope we'll have more time and so I can give you some more concise comments. But that's my biggest concern on it is that you really get a full view of some of the questions and, and whether or not this report is very focused. And I can't tell having not reviewed the report.

CHAIR VICTORINO: Thank you, Ms. Knox. Questions for the testifier? Seeing none, thank you very much for being here, Ms. Knox.

MS. KNOX: Thank you.

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CHAIR VICTORINO: Before I close public testimony, I'll afford anyone in the audience an opportunity to sign up to testify. Seeing no rush to the podium . . . (*chuckles*) . . . with no objections I would like to close public testimony at this time.

COUNCIL MEMBERS: No objections.

CHAIR VICTORINO: Okay, thank you.

...END OF PUBLIC TESTIMONY...

ITEM NO. 1: CENTRAL MAUI RECYLED WATER VERIFICATION STUDY
(C.C. No. 11-41)

CHAIR VICTORINO: Okay, let's move on to R...WR-1. R...WR-1 is the Central Maui Recycled Water and Verification Study. The Committee is in receipt of County Communication No. 11-41 from the Director of Environmental Management, transmitting a Central Maui Recycled Water Verification Study dated December 2010 prepared by the Department Environmental Management, Waste...Reclamation Division and the Department of Water, Water Resource Planning Division. The Committee may discuss this matter and all related...policies to this issue. At this time, I would like to call upon Mr. Ginoza who is our Environmental Management Director. And, Mr. Ginoza, I'd like to welcome you first of all to these proceedings. I know this is your first attempt. And don't worry, if they get really out of hand I will slow 'em down.

MR. GINOZA: Thank you.

CHAIR VICTORINO: But be prepared. Mr. Ginoza, please.

MR. GINOZA: Thank you, Chair Victorino and Members. The purpose of this study was to provide the Council with an analysis of what it would take to process and transmit R-1 water in Central Maui. As you know, the increased use of R-1 water will supplement Maui's limited water resources and will also help to reduce the use of injection wells for effluent disposal. As a little bit of background, there are three treatment plants on Maui, two of which currently treat to R-1 standard. That's Kihei and Lahaina. And right now R-1...or recycled water uses about 22 percent of what we take in at the County in the Wastewater Reclamation Division. And it saves about 400 million gallons of potable water per year. The Kahului plant, on the other hand, treats only to R-2 water quality which is below R-1. The Kahului plant processes approximately 4.4 million gallons per day of flow. And R...R-2 water use is about 3 to 7 percent of that or roughly .2 million

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gallons per day, or 200,000 gallons per day. It's primarily used for landscape irrigation at the plant as well as some industrial uses for processing in the plant as well as to...for construction as dust control. People can come in...or contractors can come in and take water for dust control on their projects.

There are limitations with R-2 water as compared to R-1 water as you can imagine. And primarily they are that R-2 water can be irrigated at night...has to be irrigated at night and there needs to be a buffer between where it's irrigated and...a 500-foot buffer between where it's irrigated and neighboring properties or roadways. So there is that limitation.

Some of the challenges for getting R-1 water at Kahului or just reused water to be more pervasive at the Kahului plant...or *from* the Kahului plant is to basically get a...the UV disinfection to get it to R-1 quality at the plant as well as to develop the transmission system to go from the plant to the eventual users of the R-1 water. Because as you know the plant where its location is, is basically where there...it's fully developed or next to the Kanaha Pond. So it'd be quite expensive to put that transmission system in. So that's kinda...couple of the challenges.

Right now the R-1 system that is on Maui for Kihei and Lahaina is subsidized heavily by other sewer users. It's about a 75 percent subsidy by sewer users. The current rates for recycled water are between 15 cents and a \$1.28 per thousand gallons depending on what kind of users they are, be it major...agriculture users or other users. And...but the current cost run roughly \$4 per thousand gallons. So that's where that subsidy comes in by other users.

So in order to implement the R-1 upgrade for Kahului Treatment plant, there're basically two big measures...or two measures. One is to upgrade the...the treatment at the plant with implementing UV treatment to go from R-2 to R-1. And then the other component of that is to develop storage and transmission to get the water to the users. So the study addresses these two components in an...a number of options available for you to analyze and discuss. Basically to upgrade the plant by including the components to disinfect using UV to R-1 quality is roughly \$5 million to, to get that going. So that's, that's a...that's what would be required with...in addition to the other options that I'll mention in a few minutes or right now.

Option 1 which is on top of that upgrade of the plant is to expand or...to expand the transmission system to Maui Lani along Kaahumanu Avenue. And the reason why we would expand that way, one is to be able to provide a storage tank, a 1 million gallon storage tank, in that area so that we can create enough pressure to, to have distribution to other areas. And what that will do is basically take this transmission from our plant along Kaahumanu Avenue to the Maui Lani area

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thereby serving businesses and parks along...Kaahumanu Avenue as well as...so for instance like Keopuolani Park and War Memorial and some of the other...Maui...UH Maui Campus and as well as the Maui Lani Commercial. So that's Option 1, which we estimate would displace basically a...approximately 2 million gallons a day of R-1 demand at the peak. And that would cost roughly 24 million on top of the 5 million that would be required to upgrade the plant.

Another option which would require Option 1 and the upgrade of the plant to be in...already implemented is to expand the transmission system in another direction toward Kanaha Wildlife Sanctuary or...sorry, to the Beach Park and to Kahului Airport. So that would reduce or basically displace the irrigation use of those two properties. And again that would require that Option 1 already be in place, and we estimate that approximately .2 million gallons a day of R-1 demand peak would be, would be accommodated at a cost of approximately \$4 million.

Another option is to expand the transmission to HC&S for its seed cane and to schools such as Maui High School, Kahului School and Kahului Community Center in trying to get to HC&S which would displace about 2 million gallons a day of, of non-potable water use at a cost of 1.9 million. So again, this an incremental cost on top of the upgrade of the plant as well as Option 1 which would include the storage and transmission there.

Another option which we call 3A in the study is separate from the upgrade of...sorry, up...separate from Option 1, 2 and 3 which would be an HC&S only option which would, in essence, pump water to the HC&S system and would displace 1.8 million gallons per day of non-potable water use at a cost of \$11 million. And for this option, unlike Options 2 and 3, it would not require Option 1 to be implemented for the storage and transmission. However, because we'd only be pumping to HC&S when they need it, it wouldn't be a constant pressure where other users would be able to use it. So that's the limitation of that Option 3A where only HC&S would be able to use it.

So that's kind of the study in a nutshell. Again this was, like Mr. Victorino said, it was a joint study prepared by Wastewater...Wastewater Reclamation Division from my...Department as well as Water Resource Planning Division from Department of Water Supply. And Mr. Taylor here, I don't know if he has additional comments. That's all I have at this time. Thank you.

CHAIR VICTORINO: I'll allow Mr. Taylor to add his comments before I will open it up to questions. Mr. Taylor, please.

MR. TAYLOR: Thank you, Mr. Chair. The only comments from the Department of Water Supply is our Department's primary role was to identify how much potable water would be displaced. So the numbers you see in here about potable water

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displacement came from the Department of Water Supply. Most of the, the work of the report was done by the, the Department of Environmental Management.

CHAIR VICTORINO: Okay, thank you, Mr. Taylor. I do have one quick question then I'll open it up to the Members. Mr. Ginoza, on this map that I'm looking at, that's the...almost to the end there's the nice map. And thank you, I like color maps 'cause it kinda graphically gives you where you're looking at and figuring out how these systems work. I like the first option which is the most expensive option but you take water and you take it to a, a tank. That would be a tank right there located on the...

MR. GINOZA: Yeah, shown in purple.

CHAIR VICTORINO: Purple, yeah.

MR. GINOZA: A purple dot, yes.

CHAIR VICTORINO: That's a tank.

MR. GINOZA: Yes.

CHAIR VICTORINO: A million gallon tank.

MR. GINOZA: Yes.

CHAIR VICTORINO: Okay. And approximately...I'm, I'm trying to figure out, this is right just beyond Maui Lani, right? On the upper side on that...the top of the hill, is that where this is more or less located? 'Cause I know the Memorial Park is down here.

MR. GINOZA: Yeah.

CHAIR VICTORINO: Okay. So this would be just above Maui Lani, right?

MR. GINOZA: Yes.

CHAIR VICTORINO: By the golf course, yeah?

MR. GINOZA: Yes.

CHAIR VICTORINO: Okay, okay. And I guess the, the question I have and it's, it's a little off the subject but it is a...viable question. If we were to do what we just did here and just extended a line right to Waiale Reservoir for which A&B and other entities have considered surface water from Na Wai Eha and taking that R-1 water

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and pumping instead of 1 million, 4 or 5 million gallons a day into that system for which we build a treatment plant which has been offered to us by A&B. Would that be viable and I guess the question would be how much more we need to, to run a line to that point? You see where I'm talking about, right?

MR. GINOZA: Yes.

CHAIR VICTORINO: And Waiale is right below there.

MR. GINOZA: Yes.

CHAIR VICTORINO: Okay. And we have talked about many times surface water and putting a treatment plant right there.

MR. GINOZA: I'm not...oh, go ahead.

MR. TAYLOR: Mr. Victorino, if I could address that generally.

CHAIR VICTORINO: Okay, go ahead, Mr. Taylor.

MR. TAYLOR: The Waiale Reservoir currently has water used for, for potable uses from streams and ditch system. Because of rules in engineering we have to keep the R-1 water separate from that water so we could convert that reservoir to only R-1 but we really couldn't mix it. I, I think that's really where that, that dilemma would, would surface.

CHAIR VICTORINO: Okay. So in other words, it would be an all or nothing issue as far as the Waiale Reservoir. In other words, R-1 water if sent would be...that would be the only source in the ditch systems and the other system that feed it right now would have to be changed.

MR. TAYLOR: If that reservoir was only used --

CHAIR VICTORINO: Yeah.

MR. TAYLOR: --for non-potable water it, it would essentially turn that entire reservoir and anything connected to it to an R-1 system or, or an R-2 system or something. But it would no longer, you know, it would be part of the reclaimed water system not...part of the, the water system anymore.

CHAIR VICTORINO: Okay, interesting dilemma. I just thought I'd bring it up. Okay, questions for the Departments, ladies and gentlemen? Mr. Pontanilla?

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VICE-CHAIR PONTANILLA: Thank you. Mr. Ginoza, you, you know that \$5 million that you talked about for upgrade to UV?

MR. GINOZA: Yes.

VICE-CHAIR PONTANILLA: For utilizing UV. That \$5 million, does it include the storage that you proposed?

MR. GINOZA: No, it does not.

VICE-CHAIR PONTANILLA: So the storage cost alone is...would you know?

MR. GINOZA: I think it's on the order of...oh, I...it's...it kind of goes...oh, Mr. Chair, may I answer?

CHAIR VICTORINO: Yeah, go ahead, go ahead. No, I mean go ahead.

MR. GINOZA: Basically the reason why we separated it as such is because...so for Option 1 is to get the plant --

VICE-CHAIR PONTANILLA: Upgraded.

MR. GINOZA: --to...yeah, upgraded to be able to provide R-1. And then Option 1 includes the storage as well as some transmission because we need a tank at a certain elevation. And so...would actually have two tanks, one by the treatment plant and one up at the Maui Lani area for some elevation. And so...and we just happened to be able to serve some along the way. So it's hard to really separate the, the storage and transmission in Option 1 because you need the transmission to get from the treatment plant to an elevation where we would have enough pressure to be able to serve the potential users with this R-1 water. So that Option 1 really rolls in the storage and transmission necessary to be able to implement the other options. But just so happens that by its nature of it running along Kaahumanu Avenue it's able to serve such properties like Maui Beach --

VICE-CHAIR PONTANILLA: Right.

MR. GINOZA: --or Keopuolani, or War Memorial or, you know, some of those things. So really Option 1 is your storage with...with transmission associated with providing that storage rolled into another benefit of having some users along the way.

VICE-CHAIR PONTANILLA: Okay. On, on your...on the handout that I got here and part of your report, you know, it says impacts 17--for Option 1--impacts 17 projects. When you mean...well, what, what do you mean 17 projects?

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MR. GINOZA: It's basically those, those properties that could be served by Option 1. So, for instance, like I mentioned some of 'em...UH Maui College, War Memorial. So if you look on Page 8 of the study we show some of the properties that would be served as part of the Option 1 upgrade. So, for instance, Hoaloha Park which is across of Kahului--excuse me--Kahului Shopping Center, First Hawaiian Bank, Maui Botanical Garden, you know, there's a bunch of properties that either are currently using potable water for their irrigation use or some that are already using some other source, brackish water, wells, as such.

VICE-CHAIR PONTANILLA: Yeah, I, I know one of the hotels there presently use brackish water because cheaper, yeah?

MR. GINOZA: Yeah, like Maui Beach, for instance.

VICE-CHAIR PONTANILLA: Yeah. So, thank you for the information that you provided us.

MR. GINOZA: You're welcome.

VICE-CHAIR PONTANILLA: And, and thank you for having the study completed, and, and this wonderful map give us, you know, options to look at. And like one of the testifiers had testified, in order for us to utilize recycled water as well as reduce the use of injection wells that, you know, these things doesn't happen overnight. It takes a number of years. So I expect some timelines in regards to, you know, how long it's gonna take this County to at least, you know, look at the issues of replacing injection wells as well as providing for recycled water. 'Cause I envision something like the South Maui Kihei Park where it took us four years just to set aside monies to complete that project. So I'm looking at long term over here. Thank you. Thank you, Chairman.

MR. GINOZA: Thank you.

CHAIR VICTORINO: Thank you. I think everything is, in this sense, long term. But if we don't start the journey today we never get to the end. And I think that's the thing. I'll just go right down the line. Mr. White, go ahead.

COUNCILMEMBER WHITE: Thank you, Mr. Chair. I realize these are big capital costs but just to try to get a sense. Some of the testifiers were mentioning that we should be willing to pay more in order to get this, this fixed. And I don't disagree with that at all. And I think as a...an entity that has dual, dual piping, one for irrigation and one for potable, we would be more than willing to take the water for reuse. The challenge is the, the question of cost, so a couple of questions for you. One is that if you were to take the cost of Option 1 and the cost of the upgrade to

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R-1, what impact would that have on the rate schedule of all the users Countywide if we, if we do what I think is appropriate and spread the cost throughout the County?

MR. GINOZA: Mr. Chair, may I?

CHAIR VICTORINO: Go ahead, Mr. Ginoza, please.

MR. GINOZA: I'm glad you asked that question actually because we did not address how to basically translate these huge capital costs into what it will...how it would impact users. But we did do that analysis since the report came out. And basically if you factor in design engineering costs as well as operating and maintenance costs and...with electricity it comes out to about 3.3 million a year that...of additional costs that would be required to implement this system in our estimation. That's based on have...costing roughly 2.5 million a year on principal and interest for the construction as well as approximately three quarters of a million a year for operation and maintenance, and electricity. And what that amounts to is basically a roughly 8 percent rate increase.

COUNCILMEMBER WHITE: And what would that 8 percent increase be for the average user?

MR. GINOZA: About \$5.

COUNCILMEMBER WHITE: I think that makes one of the --

MR. GINOZA: And so...oh...

COUNCILMEMBER WHITE: --it makes one of the points of one of the testifiers that this is, you know, if you look at \$5 per month?

MR. GINOZA: Yeah.

COUNCILMEMBER WHITE: Yeah. Compared to cell phone charges and things of that sort. The other...I'm glad you...the other question was...

MR. GINOZA: Can I follow up something on that too?

COUNCILMEMBER WHITE: Sure.

MR. GINOZA: The other thing is this is looking at only one component of trying to address increased reuse water. You know, if you look at 8 percent for Kahului only to, to have some usage of that but then you look at trying to expand other plants and such --

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COUNCILMEMBER WHITE: Yeah. Correct.

MR. GINOZA: --as well as other competing priorities like just maintaining our, our system to prevent spills and such, I mean that's kind of all in play as far as how we prioritize. But, yeah, that's for one component of it, it's roughly 8 percent. Sorry, go ahead.

COUNCILMEMBER WHITE: Okay, so if, if we were to add the Kihei, Lahaina, and whatever other places you were talking about, I don't expect you to have that number today but it would be interesting, I think, to this body as we move into this subject to know what the, the cost impact per month is for the, the variety of users. And, and I would...Mr. Chair, I don't know if you...I don't know what's appropriate here to ask for them to --

MR. GINOZA: Well, I can address that.

COUNCILMEMBER WHITE: --come up with those kinds of numbers but...

MR. GINOZA: Mr. Chair, can...

CHAIR VICTORINO: Yeah, if, if we can keep the discussion --

MR. GINOZA: Oh, okay.

CHAIR VICTORINO: --within the realm, yeah. And this is why I don't wanna stray off too far at this time. These are preliminary studies but go ahead and answer the question and if we start straying too far, I'll scale it back.

COUNCILMEMBER WHITE: That's fine.

CHAIR VICTORINO: Okay, go ahead, please.

MR. GINOZA: It, it is something that we have studied and I don't have the numbers here but we...the Division has taken a look at that because it is a major point of discussion from the public's perspective as well as from this body. And so we've had preliminary discussions with Councilmember Cochran about having that discussion maybe in the Infrastructure Committee or wherever it lands. But, yeah, that's something that we'll be prepared to discuss when that gets scheduled.

COUNCILMEMBER WHITE: Okay, thank you.

MR. GINOZA: Thank you.

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COUNCILMEMBER WHITE: Thank you, Mr. Chair.

CHAIR VICTORINO: Thank you, Mr. White. Mr. Hokama?

COUNCILMEMBER HOKAMA: Gentlemen, gentlemen. Thank you for your presentation this morning. Just so we can get a good understanding of the scope that you were tasked to work under. Was it this narrow? Or was it the...a more broad and general mission that you were given and, and the Departments decided to just come with this proposal this morning with the, the various options?

CHAIR VICTORINO: Mr. Ginoza or Mr. Taylor, whoever wants to answer it.

MR. TAYLOR: Thank you. In the transmittal and I, I think actually on the, on the...on Page 2 of the report, introduction, it has the, the exact wording of the proviso that the Council put in the budget requesting very specifically what, what they were looking for. And so we read this and tried to focus our efforts on providing the information that was, that was requested.

COUNCILMEMBER HOKAMA: Thank you for that, Mr. Taylor. So I'm just making an understanding...just trying to reach an understanding that you understand the premise was at the current location of the plant, that all things will work from.

MR. TAYLOR: That's correct. When, when the, when the proviso was put in I think that was basically the understanding of what was asked for.

COUNCILMEMBER HOKAMA: Did you folks look at ways of looking outside of just the traditional current siting as another way to address this problem?

MR. TAYLOR: I think I'm jumping into Department of Environmental Management role here but since I was in that Department for 19 years and in this Department for one month, I, I think I feel comfortable answering your question. We...the question of whether of not to relocate the treatment plant is sort of a separate issue. The water all goes to one place right now where the plant is. And even if the plant was relocated, we have to pump all that water to the new location. So basically what's in this report would have to be done anyway. You'd still have to build the pipeline from point A to point B and pump the water to that new location.

COUNCILMEMBER HOKAMA: Understood.

MR. TAYLOR: So...we felt we didn't really need to look at that to give the, the basic understanding that the Council was asking for. We felt that this was a more focused approach that really wrapped in what we could do now regardless of whether or not the plant was moved in the future.

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COUNCILMEMBER HOKAMA: So can the Committee have an understanding this morning from your comment then, that if we decide as a policy as a Council to move forward to a new site to get out of the tsunami zone, to get to a more centralized area that we can consider other uses of the reclaimed water such as...I already know we have farmers willing to farm around a green belt around the plant with agricultural water rates. That this...that can happen because it, it can be tied to an...be part of an expanded from this initial step?

MR. TAYLOR: If the plant was relocated to a higher elevation more inland, this whole study would become moot and a whole different recycled water study would become necessary. And exactly the, the option that you just talked about would all of a sudden become possible.

COUNCILMEMBER HOKAMA: So it's an either/or for me right now. Is that right?

MR. TAYLOR: We can always pump water from one point to another. I mean the water from the Kahului plant with a long enough pipeline and enough energy, you know, that water can get to Pukalani if it's really wanted. Obviously, that's gonna be enormously expensive in the short term and long term.

COUNCILMEMBER HOKAMA: Mr. Taylor, you, you understand the dynamics that...because you have years of experience with your former Department that for people like me, the issue is, is of a longer term, bigger picture and how to finance required infrastructure. If I'm going to look at potential revenue bond considerations or a general obligation bond obligation or I'm gonna go out and look for hedge fund in Europe or China to help pay for our projects, I would hope that we would still look at the big picture and if we need to, to then to scale it back. But I would hate to start from small and then if we decide we should move forward to the bigger scale be told that all our little steps in between is a waste of time and money.

I think we need a better approach, gentlemen. I think we need to have a little bit more options and opportunities. And I think one of the most immediate ones that can make an impact for you without getting CIP money from us is how are we gonna strategize and work and get the State Department of Health to open up their brains and start looking at different ways in this 21st century on how to use various sources of sheet flow, surface water, artesian water. And what are our other sources, whether we...reclaim it, whether we desal it or what. We need the Department to be more focused on how to assist the counties, the communities and be able to use multiple sources of water. I think you brought it up or the testifier brought it up, you cannot mix certain things.

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You know, even on Lanai with our wastewater plant there, if we give it to Castle and Cooke, we say take 100 percent. We ask them why don't you capture the sheet flow from the rain through, through the drainage system? Department of Health says then if it's mixed it cannot be used to be pumped up to Koele for irrigation. It's, it's what...I don't know what's the word. Contaminated? Or...but it's, it's an inability to use resources. I think that's something you should be recommending to this Committee on how we can get through administrative revisions or ask the Legislature to make a statute adjustment. For us to immediately look at how to use these resources that we...in my opinion, we wasting away because a bureaucrat is sitting behind a desk saying, well, this is the law and you can't do it, so tough. Well, let's go and change the law, if it makes sense.

I...I would hope you guys would spend the time and come to us with something that for me makes sense for the long term also and not look at an \$11 million investment that maybe five years from now, we're just gonna flush away. I know what you were working through but I am asking you gentlemen this morning that it's, for me, it's not good enough. I want something better. If I'm gonna ask people to pay more, if I'm gonna go out there and secure property to assist the County to make a better wastewater program for this island I need some visioning, people. You know, you folks have that ability. We are part of the General Plan Review. We're gonna go community plans. And I hope you folks will consider when talking to communities that if there are communities that wish not to, as we say, have water transported from one community plan to another, what do I tell people then on the other side of the spectrum that says I don't want our tax revenues to go from this community plan to another community plan region then?

CHAIR VICTORINO: Mr. Hokama, I...I'm gonna stop you right here and I don't, don't mean to be disrespectful, but I think you're moving away from what we're trying to discuss. And in defense of these gentlemen, this plan was...and I happened to be on the Council that put out the parameters...

COUNCILMEMBER HOKAMA: Then, Chairman, you gotta do it from the time we do testimony --

CHAIR VICTORINO: Yeah.

COUNCILMEMBER HOKAMA: --because we let everybody to stray.

CHAIR VICTORINO: Well, yes...I, I...and again, Mr. Hokama, I, I don't mean no disrespect but I, I have to stop when I believe you are getting into subject matter that is not...pertinent to what we're discussing.

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COUNCILMEMBER HOKAMA: Fine.

CHAIR VICTORINO: Okay, so thank you, Mr. Hokama, for your understanding. I appreciate that. Moving right along, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair Victorino. And, yeah, this is a...definitely a, a deep subject. And I think Mr. Hokama does touch on some good points, though, as in...and, and I also understand that proviso and the scope of what this study was...is meant to do. And, yes, we've talked. First of all, that was a concern about the report not being on the website. I believe if there's a way...I don't know who's in charge of it, but that would be nice if the public can view and review what we're all talking about.

And also. Mr., Mr. Ginoza, you mentioned that since this report was done, you folks have come up with more facts and figures and a more updated sort of report. I'm hoping in future discussions on any matter that we get, if we can get the updated, you know, most accurate up to, up-to-speed information for us to discuss and work with.

And, you know, I understand that...so I looked at all the options and there's, you know, I mean I would like to see a 100 percent phasing out of and, and recycled, using all the water but I know, of course, that concerns more money, more...and more budgetary, you know, costs. So...and I know the pumping thing, utilities, you know, it takes utilities to pump and, and all that. The...so looking at the...all the options, it seems the closest from point A to point B to get water from A to B is, I believe, in 3. And that does service places where...they're probably not going to leave Hale Mahaolu, Kahului Park, Kahului School, Maui High. Then you have HC&S at the tail end of it. And it kinda reflects on what Mr. Hokama was alluding to where things may not be there in the far future looking at HC&S being cane. So I feel that to put all recycle into their hands at this point, for me anyways, wouldn't be the best option. But, you know, I, I see you folks put a lot of work into this. Community Working Group, you know, did a lot of discussion and all that. So in the end I just wanna say that we need to...question to you folks, David or...or Kyle, where do *you* folks feel...what...what's your inclination to, to figuring what the best option is at this point and, and in relation to where we're at money-wise and what's gonna be best for the overall big picture...*future*, you know, picture? Do you folks even have a...you gotta be neutral on this or do you have a say?

CHAIR VICTORINO: Mr. Taylor?

MR. TAYLOR: I, I think the best place to look is the Central Maui Water Use and Development Plan, because that's a really big picture document, that these options though not in detail are part of that document. It talks about different

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options of whether it's conservation, recycled water, desalination, different, different water sources, how the integration of that with the General Plan, with the community plans, with future growth. And I think that's...that document that the...that this body recently passed I think is really the big picture that we're, we're looking at, at following. So once that translates down to the Maui Island Plan, community plans, and the annual budgets, I think that's how the direction gets set. But I think the Water Use and Development Plan is by far the most visionary water resource document that we, we currently have. And I think that's where we should look for that direction.

MR. GINOZA: Mr. Chair, could I?

CHAIR VICTORINO: Go ahead. Mr. Ginoza, go ahead.

MR. GINOZA: Couple things first. We will try to get that on the website.

COUNCILMEMBER COCHRAN: Thank you.

MR. GINOZA: And the other thing is we didn't update the report but just in preparation for this meeting I suspected that a Member or two would ask what are the, the rate adjustment costs. And that's, that's why I had it. It wasn't like we updated and provided you an outdated version. But regarding your question on priorities, I mean I agree with Dave. And it's a matter of you need to look at all the competing priorities for this money and not look at just one by itself, because, you know, one other thing we always look at is to maintain the existing system to insure health and safety of our current infrastructure which requires a certain level of funding every year. So this is one in the bucket of options that we have. Thank you.

COUNCILMEMBER COCHRAN: And also looking into...I mean the protection of the actual existing site as in a, a revetment wall and also, you know, tsunami potentials. But also reflecting back on Mr. Hokama, you know, the, the relocating of the entire system, I believe, is being looked at too. Is that kind of a...an option? I mean not...it's not part of this report but I don't...sorry, am I veering?

CHAIR VICTORINO: No, you're veering but that's okay.

COUNCILMEMBER COCHRAN: ...*(laughs)*... Sorry.

CHAIR VICTORINO: I'll, I'll allow you to answer the questions but...because it has been discussed many times. And part of the Water Use and Development Plan and I would encourage you to take some time to go over the Water Use and Development Plan. That is part of the plan for relocation of treatment plants, you know, that...the overall long-term goals. I think this plan was something that was

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more immediate to address immediate concerns and to look at some options *now* because building a new plant and all these other things will take us time. And as time is of the essence at this point in time, we wanna look at some immediate solutions, plausible solutions now. And that's what this was all about, okay? So go ahead and answer the question as far as the opportunities to relocate treatment plant.

MR. GINOZA: As, as you may...oh, as you may know, a few years ago this body had passed a resolution after much discussion about whether we should move the plant or not. And it was decided--although it's not law--it was decided that the direction that the County would go at the time was to not relocate the plant. And that's why our Department and our Division has taken measures to reach that goal or, you know, to follow along that direction. And so, you know, if it is this body's...this current body's intention to reopen those discussions then that's something that we'll support and provide information on. But as Mr. Victorino said based on what we were asked, we're looking at based on the current constraints of what we have existing what would it take to, to get this to be implemented. So that's basically the direction we took.

COUNCILMEMBER COCHRAN: Thank you. And reason why I was kinda veering that way is because if that is going to be in the future discussions and this is the more immediate picture of what we need to address here and now, are we taking it into consideration though? You know what I mean? In, in deciding what these options are and what would be the most...if we...I mean if we need to tie in to some new plant somewhere else later down the future and we ran all these transmissions lines a certain way, is that just gonna be that much more costly and, and what have you? So, you know what I'm asking? Was that put into the picture when deciding on these different options and what have you in case that does come up again in the future?

MR. GINOZA: Mr. Chair?

CHAIR VICTORINO: Yes, go ahead, Mr. Ginoza.

MR. GINOZA: Well, well my understanding of what's kind of transpired is that only recently have we...oh, that I've heard publicly that we will reopen the discussion on moving the plant. You know, I was in Wastewater last year and the year before and such and the direction that we got was that we...the plant is staying where it is. And until we had direction otherwise, you know, we won't change direction and basically disrespect this body and what they told us, you know, what was passed through resolution. So as I mentioned, you know, at the time when the, the report was prepared we were still along that path. And, you know, if we're gonna rehash that discussion it will not be a one to two to five year type scenario, and is there something we wanna do in the meantime?

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COUNCILMEMBER COCHRAN: Okay. Thank you.

MR. TAYLOR: If I may, Mr. Chair.

CHAIR VICTORINO: Mr. Taylor, go ahead.

MR. TAYLOR: I'll also just add a little bit. To answer your question, Member...Cochran more, more specifically, if it was decided to relocate the treatment plant inland somewhere, there would have to be a pipeline from the existing site to the new site. Basically when that pipeline was being put in...if, if one of these options already existed, we would just add a second pipe that would bring the recycled water back from the new site to connect to this. So it's not, in the scope of moving the treatment plant which is a 300 to \$400 million project, you're talking about adding a, a small percentage for one extra pipe along the alignment to keep any existing recycled water systems active. So it's not a, it's not a game changer. This would still be able to be used. It would just mean the detailed engineering of that project would be...just be a very little bit different.

COUNCILMEMBER COCHRAN: Okay, thank you for that clarification, Mr. Taylor. Mahalo, Chair.

CHAIR VICTORINO: Ms. Baisa?

COUNCILMEMBER BAISA: Yes, Chair, thank you very much. And I'm really glad that I'm asking my question at this point 'cause now I'm really clear. My question is similar to Member Cochran's was how does this idea of...relocating the plant affect any of these options? Because that's really important. I mean we wouldn't, wouldn't want to spend millions of dollars and then it becomes obsolete and we have to put money in a new plant. So it doesn't make sense. But this is my question and I think Ms. Cochran alluded to it but I'd like to take it a little farther. Along with this report, I'm interested in a departmental recommendation. If you had to choose an option and, you know, keeping in mind the, the resources and the big picture, what would that be?

CHAIR VICTORINO: Mr. Ginoza, would you like to take a opportunity --

COUNCILMEMBER BAISA: I wanna know.

CHAIR VICTORINO: --to answer that?

MR. GINOZA: I, I...I'd, I'd...my...I feel that my job is to provide you options and I don't wanna make the call of how much to either adjust rates to accommodate as such. Basically, you know, if we had all the money in the world, we'd wanna be

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able to use these resources that are otherwise not used. But like I mentioned, if it's at the expense of maintaining our existing infrastructure, then that's one thing. And I know that in current economic circumstances that, you know, any rate adjustment would impact taxpayers. And I know that this body feels more of that impact than me and my office. So I know it's kind of a wishy-washy answer but it's, it's kind of a difficult position because I don't think it, it is my job because you guys will feel the impacts. These are all worthwhile options if financial resources were unlimited, but if we're gonna have to trade off then that's what we have to look at is all the options. I don't know if Mr. Taylor has another response.

CHAIR VICTORINO: Mr. Taylor?

MR. TAYLOR: I, I wanna add a little bit and mine will also be a little bit wishy-washy but...

...*(Laughter)*...

COUNCILMEMBER BAISA: That's all right. We're discussing water. ...*(laughs)*...

MR. TAYLOR: I think the questions themselves leads to kinda what the core problem is. In the community we tend to go right to solutions and what I'll call implementing actions. This pipeline, that windmill, you know, this photovoltaic system rather than taking a step back and saying, what financial resources do we wanna put to what problem? And then leave the...and once that's defined by policy, by the policymakers, let us technical people say, okay, you wanna spend \$2 million to address this problem. We'll go back and look at the different technologies and then we can recommend one. I think the difficulty we have is people come with specific technologies that they read about or seen on Discovery Channel and then sort of start advocating for them. And we're put in a position of, of saying, well, that's a fine technology but what exactly is the problem you're trying to solve? What exactly are the resources you're willing to commit? And I think if we can kinda shift the discussion a little bit away from particular technologies, tools, and implementing actions and focus more from a policy issue, what money from what source do you want to put to what problem. We can then evaluate the various technologies and options to see, you know, which one's the best one to meet those needs. And I think that, that change in direction on discussion is how we can move forward on all these issues, recycled water and water and the environment and energy. They all kinda fit into that same, that same methodology, and I, I think that's my comment to that.

COUNCILMEMBER BAISA: Thank, thank you very much for your answer. I have a follow up. If this is kind of a proposal for us to look at, if it's informational so that we can use this to make decisions, my question that I'm following up is, do...what is the time constraint we're under? I'm here to understand that one of

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the reasons that is driving this study and why we need to do something is because we have EPA requirements to meet. Do we have time?

CHAIR VICTORINO: Mr. Ginoza or Mr. Taylor, whoever would like to take that one.

MR. TAYLOR: I...I'll answer that just really for the Department of Environmental Management is there are no current EPA requirements that this is needed to comply with. There may be in the future, there are not at the present time.

COUNCILMEMBER BAISA: So we do have time to assess this, look at it, and make better decisions?

MR. TAYLOR: That's correct.

COUNCILMEMBER BAISA: Thank you very much. Thank you, Chair.

CHAIR VICTORINO: Mr. Carroll? You have no questions? All right, thank you. And, and, and gentlemen, I have couple of quick follow-up questions for you. Again, going back to the study itself and trying to focus on the study itself. These recommendations and the cost involved with these recommendations were basically driven because we in this Council were looking for some "immediate solutions". Am I correct, Mr. Ginoza?

MR. GINOZA: Yes.

CHAIR VICTORINO: Okay. And, and, and as you've stated and Mr. Taylor has stated that a lot of times that has been our biggest challenge. We look for immediate solutions because, A, the public calls for it or some people in the public call for it. EPA may call for it which right now it's not, maybe in the future. But someone is driving this and drives us to go and look for answers for an immediate solution. Being what it is, what you're trying to tell us today, if I'm correct in understanding what you and Mr. Taylor are saying, is you come up with what you'd like us to do and also put some money with that and then we can get technical and, and tell you what we can do. Is that more or less what you're saying? Mr. Taylor?

MR. TAYLOR: I, I think my comments were that let's look at this, this report specifically. If the intent is to put community financial resources to developing potable water and the point of recycled water is to displace potable. You can read this and say, does it meet those goals? If your goal is to not have water go down the injection wells, you can look at this and say does it meet those goals. If the point is to make...to put water into ditches so we don't have to take as much from the streams, you can evaluate how does it meet those goals. This...these efforts are possible solutions to those three problems. Those are three very different

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issues. Each of those issues has many other possible solutions. The real role of this is to compare it to other solutions to those same problems. But without being very clear about very specifically, what, what is the goal? Is it to not have water go down the injection wells? Is the goal to make more potable water available for people who need it? Or is the goal to, to have more water or have less water be taken out of the streams? There needs to be some clarity of exactly what...why do we want to do this. And if we are doing it for all three, you know, somebody's going to have to split hairs and say what percentage of the effort is for which one so we can compare it. I think that's what we're saying is this is how much it would take to do this thing. And why do you want to do this is really the key question that I think people are being a little bit vague on and, and they kind of saying all three in the same sentence. But I don't think we're really clear about what exactly we're trying to accomplish. And I think that's why we're not exactly sure of, of a recommendation.

CHAIR VICTORINO: Thank you, Mr. Taylor. I think that sums it up in a nutshell. I think we...we've never been able to decide what way...which way we wanna go. I think, for myself, if I was to start right off the top I'd say injection wells is where we should be, reducing the water that goes into injection wells. All the rest comes to play thereafter if I'm correct in saying that, Mr. Taylor. But if we were focus on one thing, that would be the first place I would like to. And, and that's up to the Committee and, and then, you know, where else we wanna go with this.

The other question I had for you is, Mr. Ginoza, this study and, and it's, and it's dollar amounts are based upon current rates and current structure as far as construction costs and other best case...best, best management practice. Am I correct in saying that?

MR. GINOZA: Yeah, basically our Division researched our other CIP projects and what it costs. For instance, we had a project that...Wailuku Force Main Project that basically dug up along Kaahumanu Avenue and what that cost per linear foot roughly to, to factor in how much it would cost to install transmission line for this R-1 system. So, yeah, we used basic information that we got from our other projects that we currently either are engaged in or just completed.

CHAIR VICTORINO: Okay, so in other words, realistically these numbers have factual background, not something that sometimes we get and later on find out that it's a lot less or a lot more because it was not based upon some hypothetical instead of some actual, real, real, real live working prices.

MR. GINOZA: Yeah, I mean that's not to say that when we actually go out to bid for something like this that if...I mean we've seen it in our other CIP projects that, you know, now when construction's down we get bids that are much lower than we had five years ago. So based on when this report was written towards the end

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of last year, I mean that's the data that we had. So, yeah, it was data driven but, again, we cannot control what the bids will actually come in at.

CHAIR VICTORINO: Okay, thank you. And again I, I appreciate you guys bringing this forward. I think this was something that the public has to understand that we need to work on these issues, money's gonna be a part of the issues, and like a testifier said, if we can share the cost amongst all no one really bears the entire brunt of it. But it's, it's a starting point. And, and again if we're gonna say we're gonna move plants, we're gonna do this, we're gonna do that, all those come with years and years of planning and years and years of, of work. In the meantime what happens to our reefs in the immediate near shore? And so, to me, this is the no-brainer. One of these will have to become one of our options in the very near future. It's just that we have to decide where we wanna go with this and what we want the final results to be. And I guess that's the, that's the million dollar question. Once we get that...oh, and how much money we wanna...willing to spend for it, then you guys can get more technical and come back and say, yeah, this is how we can achieve it, okay? Mr. Pontanilla, you had a question?

VICE-CHAIR PONTANILLA: Thank you, Chairman. You know, I tend to agree with both David and as well as Kyle. Number one, you know, when we look at trying to get rid of injection wells that...I, I think David had alluded to the Water Use and Development Plan and I also did that because it gives us priority for the...Central Maui, at least. So because it's a real in-depth study that was created by not only people of this Administration but also people that represent the community. The other thing, when I look at what is being discussed this morning is basically a proviso that was provided to the Department in regards to creating some study in regards to reuse of recycled water at the, at the Kahului Treatment Plant. And that's the study that we have in front of us and all of the options. It, it would be this body's decision if we move forward on any of the options that we have before us. And I, I gotta say, you know, thank you to Kyle because what David and I, you know, I, I worked with David--I don't know, what, five years ago--in regards to utilizing recycled water for irrigation. And at that time, you know, Mr. Taylor told me that we needed to upgrade the facility and, and the one option that I had in my mind at that time was basically Option 3, I think, the one that utilized Maui Land & Pine existing lines that goes to the cane fields fronting Maui Lani. So, you know, there's lot of options that are provided to us that we need to take a look at, you know.

Also, you know, in regards to the treatment plant being relocated, that's another question that I brought forward to Mr. Taylor way back when, you know, how much it's gonna cost this County to relocate that plant further inland. And we decided through resolution to harden the existing plant so that at the same time we harden the plant it give us time to plan, plan properly in regards to moving this treatment plant. So I gotta commend, you know, Mr. Taylor for having that

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foresight, and, and for Kyle coming in here with, you know, the different proposals that you presented us this morning. Mr. Chairman, I'm ready to move on.

CHAIR VICTORINO: Okay, thank you very much. And you summed it up in a nutshell. Yes, Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Just a point of clarification. When I look at Options 3 and 3A, the, the cost...the estimated cost is significantly different although the...can you explain the difference in the cost of doing HC&S seed cane --

MR. GINOZA: Sure.

COUNCILMEMBER WHITE: --and the others at a cost of 1.8 million versus 11.3 or 11.4?

MR. GINOZA: Mr. Chair, may I?

CHAIR VICTORINO: Mr. Ginoza, go ahead.

MR. GINOZA: Option 3 relies on Option 1 already being implemented.

COUNCILMEMBER WHITE: Okay.

MR. GINOZA: So that, you know, there...there's already storage and transmission from Option 1 as well as the upgrade of the plant, of course.

COUNCILMEMBER WHITE: Okay, so...

MR. GINOZA: But Option 3 basically depends on there being a...elevated storage to...to provide the pressure to Kahului Community Center and Kahului Community Park, Kahului School, Maui High School and such, versus Option--and HC&S--versus Option 3A --

COUNCILMEMBER WHITE: Is totally . . . *(inaudible)* . . .

MR. GINOZA: --is just to HC&S only, and so it's going to the existing system but providing only water to them when their reservoir needs water basically. And so we wouldn't put in the elevated storage and transmission in Option 1 for that option. And that's why Option 3 is basically just to connect to that transmission from the plant to the existing system for Maui Land & Pine and HC&S versus...I...yeah, and then for Option 3A is basically just providing it to HC&S. And that's where because it wouldn't be that elevated constant pressure you

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couldn't serve these other establishments like Kahului School, Maui High School, and such.

COUNCILMEMBER WHITE: Okay, so if we add the Option 1 and Option 3 then we're dealing with roughly four million gallons?

MR. GINOZA: Yes.

COUNCILMEMBER WHITE: Okay. Thank you, Mr. Chair.

CHAIR VICTORINO: You're welcome. Any other questions for the Department?

COUNCILMEMBER COCHRAN: I...yeah, Mr. Chair. I'm just bouncing back to when Gladys mentioned the EPA and you mentioned there are no requirements at this time but possibly in the future, I just...if you have a timeline. Mr. Pontanilla was looking for a timeline also in the implementation of these different options, what have you. So is there a, a date on that?

CHAIR VICTORINO: ...*(Inaudible)*...

COUNCILMEMBER COCHRAN: If we don't...

MR. TAYLOR: There are currently no detailed dates and any sort of requirements from our regular...regulatory authorities to do these things. They're just sort of being talked about. At the same time the...all of the departments, both Departments' CIP projections are really just visions and are approved in a year by year approval process through the Council's Capital Improvement Budget. So we have all sorts of options that we're, we're sort of...are constantly being investigated. But until they're approved in the CIP Budget, they're only that, they're visions and options. So there are no hard and fast plans to build anything beyond what's in this year's budget. And there are no hard and fast regulatory requirements that we have to. So the whole discussion is still in the, in the on-going stage.

COUNCILMEMBER COCHRAN: Okay. And also you're saying how...what's, you know, we all gotta focus on one purpose and one reason for, for why we wanna do this recycled thing. And I think it's...we're, we're wasting a valuable commodity, a resource, which is water. And I think that's the main overarching reason and, you know, the...in reflection of positive impacts to streams, you know, freeing up potable water, you know, phasing out injection wells, and this and that, that all comes *with*. So for me it's all inclusive. The answer to what we're looking for here is going to reflect in a positive way *all* the above.

MR. TAYLOR: May I answer?

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CHAIR VICTORINO: Go ahead, Mr. Taylor.

MR. TAYLOR: The, the, the, the point I, I was trying to make, and let me try to be a little more clear...if...I, I agree with what, what you just said. Obviously you get something for all, for all of the, the options by, by taking some action. If, for example, the primary goal of recycled water is to displace potable, then the Water Use and Development Plan compares that directly to different wells, to storage, to desalination, et cetera, et cetera. So if the primary reason of why we would do recycled water in your example is to displace potable and make more water available, it might be that we don't choose it at all. It might be that we choose desalination or a new well or something. And then we wouldn't get any of them. So that's my point of saying it's really important to say is the sole criteria, the primary criteria going to be is it a better water source? Or is the primary criteria, not putting water down the injection wells? That choice of what is the primary decision criteria will affect how you compare it to other ways to achieve the same goal that will lead us in a direction. And it's, it's that, that . . .*(clears throat)*. . . that primary decision criteria that is really what we all have to have a common understanding on before we can discuss whether or not any particular implementation option is the best way to achieve that goal. So I completely agree. . .I mean I think we all agree that a lot of these actions have many impacts of many positive impacts. So it's really important to focus on, you know, why are you trying to do this? This proviso was very clear because it asked for the Department of Environmental Management and the Department of Water Supply to work on this together. It was very clearly focused on displacing potable. That was really why this was put in. And so again we, we focused on that and to look at that you would really compare this with the Central Maui Water Use and Development Plan about how this compares to those, and so it adds more detail on to some of the, the greater. . .the bigger picture evaluation that was done in the Central Maui Water Use and Development Plan comparing recycling to some of these other options.

COUNCILMEMBER COCHRAN: Okay, thank you, Mr. Taylor. Thank you.

CHAIR VICTORINO: Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. Looking at all the proposals over here it's fairly obvious that it probably would not be enough money to do any one of these, especially if you went to No. 1 in its entirety at one time. Was any consideration given to the feasibility of first step, second step, third step? Like, for instance, Option 1 that we gave \$6 million this year to do the first step and for the buildout? It would seem that in drafting this plan that would've been, would've been one of the considerations because in these tight times it's...would be very difficult to come up with the total amounts. Was any consideration given to this?

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CHAIR VICTORINO: Mr. Ginoza?

MR. GINOZA: Basically for...we, we basically would have to float...I mean we wouldn't just come up with the \$30 million just from the sewer users up front. I mean that's why it would be over time paying back the, the monies from the principal and interest like I explained, the 2.5 million over the 30...\$30 million. But it's kind of an all of nothing for the upgrade of the plant and Option 1, because you cannot...without upgrading to R-1 quality there's limitations on use on the R-2. And then without providing the elevated storage there's limitations on how you can provide that, that resource because you would either have to have these pump stations running for certain providers and such. And so we tried to compartmentalize the options as best we could by providing upgrade of the plant versus storage and transmission versus additional transmission versus if you don't want to do storage, there's another option that requires a pumping station and going to HC&S but solely that customer only. And so to compartmentalize further would be to further restrict the system, and so that's kind of where we're at where we would not be...we as a County would not be asking the rate payers to, to have like a, you know, tripling of their rate this year to accommodate the \$30 million cost. But that if do...pursue one option that it would be amortized over time, but to compartmentalize any further, I think, would kinda jeopardize the, the intent of wanting to use as much water as possible for, for a certain...for a particular cost.

COUNCILMEMBER CARROLL: Thank you, Chair.

CHAIR VICTORINO: Thank you, Mr. Carroll. And, yeah, I know time, and I, I...well what I wanted to know is if...is there a lot more discussion that wants to be done on this matter, 'cause my intention is to make a recommendation to defer this matter so that it can be brought up at a later date with more information. But, you know, it's already ten to...

COUNCILMEMBER WHITE: I, I have just one more question.

CHAIR VICTORINO: Go ahead, Mr. White.

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Have you done the...I think your point about the choice being do we...are we looking at just displacing potable water or are we looking at removing it from going down the injection wells. Have you done...or can you compare the cost of, of getting rid of the...well, if you're dealing with 4 million gallons, you have a cost of this program until you get rid of \$4 million...or 4 million gallons so that you're, you're displacing 4 million gallons of potable water. What is the cost to develop that same amount of potable if you were to expand the water system to, to generate 4 million gallons more?

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MR. TAYLOR: The Central Maui Water Use and Development Plan actually tries to answer exactly that question. There is a sister study to the one in front of you that we did last year for South Maui which has much greater potable displacement. And so that was more of the baseline that's used in the Central Maui Water Use and Development Plan looking specifically at recycled water displacement versus conservation versus different source development, so that's very clearly laid out in the, in the Water, in the Water Use and Development Plan. And basically for some of the sources are so inexpensive, like Na Wai Eha water if it could be developed is so much less expensive than anything. But then as you start getting into East Maui wells and those kinds of things that have higher and higher costs, all of a sudden recycled water starts becoming, you know, competitive, so there's a series of comparison graphs in the Central Maui Water Use and Development Plan that compare basically everything to everything and, and over the short term and the long term.

COUNCILMEMBER WHITE: Okay, good, thank you.

CHAIR VICTORINO: . . .*(Inaudible)*. . .

MR. GINOZA: Mr. Chair, could I provide one, one remark for clarification?

CHAIR VICTORINO: Sure, go ahead, Mr. Ginoza.

MR. GINOZA: Just, just...I don't know if I misrepresented but the 4 million gallons that we...that you referenced is not how much water...not how much potable water that would be displaced if we did Options One and Three. It's basically how much water both potable and non-potable. So for instance, most of that 4 million gallons originates from either ditch water or brackish water wells. So it's not 4 million of...yeah...so we're talking about under a million gallons as potable.

COUNCILMEMBER WHITE: Thank you for the clarification.

MR. GINOZA: Thank you.

COUNCILMEMBER WHITE: Thank you, Mr. Chair.

CHAIR VICTORINO: Okay, I'm glad we got that clarified. You know, so without any further questions or discussion, I'll close the meeting by saying, first of all, thank you, gentlemen.

MR. GINOZA: Thank you.

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CHAIR VICTORINO: I know both of you gentlemen are basically coming in to a new era and a new...and, and taking new positions, one in a different department and one stepping up. And so I...this is another reason why I would allow clarification from them and to please allow them the opportunity because they are taking reports that was done by another...administrator and they're now bringing it forward. So I appreciate that. And I also appreciate the fact that we staying in areas for which we can and have probably the report to control with. And I will apologize upfront, if a Member does go off track I have never been shy to say, I think you're off track, please come back, okay? And I want that known that, you know, I, I, I wanna keep the meetings organized and keep on the subject matter at hand, okay? So and I wanna thank the two Departments for being here. Mr. Kushi, thank you very much for being here. We never had to call you at once today. That's, that's good news. Thank the Staff very much for our first meeting. Both Yvette and Michael, welcome aboard. And thank you very much for your diligence. And I --

COUNCILMEMBER COCHRAN: Chair?

CHAIR VICTORINO: --would like at this time to, with no objections defer this matter...

VICE-CHAIR PONTANILLA: Chair?

CHAIR VICTORINO: Yes, go ahead.

VICE-CHAIR PONTANILLA: Before you make that decision --

CHAIR VICTORINO: Yeah.

VICE-CHAIR PONTANILLA: --I'd just like to ask the Department one fast question.

CHAIR VICTORINO: Sure.

VICE-CHAIR PONTANILLA: Because this is a proviso that is placed in the 2011 Budget --

CHAIR VICTORINO: Right.

VICE-CHAIR PONTANILLA: --looking at the, the proviso here, you know, my, my only concern is that if we don't approve this particular matter--I don't know when you plan to bring it up--the ability for the Department to spend funding for I, I think some of the treatment plants would be jeopardized. Maybe Mr. Ginoza can provide us some clarity.

CHAIR VICTORINO: Mr. Ginoza, could you get clarification on that, please?

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MR. GINOZA: Thank you. Actually the proviso just states that the Department of Environmental Management shall transmit a status report regarding this matter to the Council by January 1, 2011. So that was kind of what our Department was on the hook for which we provided to you in December.

VICE-CHAIR PONTANILLA: Yeah, I, I was just reading the first sentence --

MR. GINOZA: Oh.

VICE-CHAIR PONTANILLA: --where it just said, provided that prior to expending funds from the Department of, you know, your, your Department. . . .*(inaudible)*. . .

MR. GINOZA: Well we took it to mean just that as long as we provide that report.

VICE-CHAIR PONTANILLA: Okay.

MR. GINOZA: So we're clear.

VICE-CHAIR PONTANILLA: So you're free to expend?

UNIDENTIFIED SPEAKER: . . .*(laughter)*. . .

MR. GINOZA: Yes.

VICE-CHAIR PONTANILLA: Okay.

MR. GINOZA: If that's your understanding, then great.

VICE-CHAIR PONTANILLA: Okay.

CHAIR VICTORINO: Are we clear with that, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Yeah.

CHAIR VICTORINO: Okay.

COUNCILMEMBER COCHRAN: Chair?

CHAIR VICTORINO: Yes, Ms. Baisa...Ms. Cochran.

COUNCILMEMBER COCHRAN: . . .*(laughter)*. . .

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CHAIR VICTORINO: Excuse me.

COUNCILMEMBER COCHRAN: I...thanks. I just wanted to say thanks for deferring this but this will also come up in front of my Infrastructure Committee...Infrastructure Management Committee, this particular study, and...because it has a lot to do with infrastructure. So I just wanna comment on that.

CHAIR VICTORINO: Thank you.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR VICTORINO: Okay, seeing no. . .I'm...I would like to ask for, with no objections, to defer this matter. Can I have a motion, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: I move that we defer this matter.

COUNCILMEMBER COCHRAN: Second.

CHAIR VICTORINO: It's been moved and seconded. . .moved by Mr. Pontanilla and seconded by Ms. Baisa [*sic*]. Any further discussion? If none, all those in favor?

COUNCIL MEMBERS: Aye.

CHAIR VICTORINO: Opposed? Okay, thank you. Let the record show six ayes. . .one excused and Councilman Hokama and no noes.

VOTE: AYES: Chair Victorino, Vice-Chair Pontanilla, and Councilmembers Baisa, Carroll, Cochran, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Hokama.

MOTION CARRIED.

ACTION: DEFER pending further discussion.

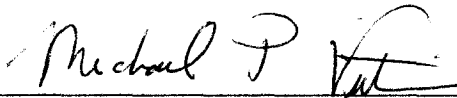
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CHAIR VICTORINO: And I will thank everybody again for our first meeting. I think this was a very interesting and informative meeting. Without no further questions or comments, this meeting of the Water Resource Committee for February 1, 2011 is now adjourned. . . .(*gavel*). . .

ADJOURN: 10:54 a.m.

APPROVED:



MICHAEL P. VICTORINO, Chair
Water Resources Committee

wr:min:110201

Transcribed by: Reinette Kutz

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CERTIFICATE

I, Reinette Kutz, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 15th day of February 2011, in Wailuku, Hawaii.


Reinette L. Kutz