

BOARD OF WATER SUPPLY

COUNTY OF MAUI

STATE OF HAWAII

REGULAR MEETING

Held at the Department of Liquor Control Conference Room,  
2145 Kaohu Street, Room No. 107, Wailuku, Maui, Hawaii,  
commencing at 9:00 a.m. on April 28, 2011.

REPORTED BY: RACHELLE PRIMEAUX, RPR/CSR NO. 370

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A P P E A R A N C E S

CHAIRPERSON: Phyllis Robinson

BOARD MEMBERS: Kevin Boteilho  
Donald Gerbig  
Ted Yamamura  
Kelli Myers  
John Hoxie, Jr.  
William Kamai

BOARD SECRETARY: Gaye Hayashida

DEPUTY CORPORATION COUNSEL: James Giroux

DEPARTMENT OF WATER SUPPLY  
DIRECTOR: Dave Taylor

TRANSCRIPT OF PROCEEDINGS

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3 CHAIR ROBINSON: This meeting is called to order,  
4 Board of Water Supply on April 28th, 2011. And I want to  
5 introduce to you a new Board Member. And welcome new Board  
6 Member William Kamai. William is going to tell us a little  
7 bit about himself. I'm going to say a few words, and then  
8 he'll fill in the blanks to that. I believe you reside in  
9 Wailuku.

10 MEMBER KAMAI: Yes, I do.

11 CHAIR ROBINSON: And you're currently employed  
12 with the Hawaii Carpenter's Union as a service  
13 representative?

14 MEMBER KAMAI: Yes.

15 CHAIR ROBINSON: And Bill is a former member of  
16 the Board of Variances and Appeal. So, he's not totally new  
17 to boards, which is great.

18 MEMBER KAMAI: That's how I know James  
19 unfortunately.

20 MR. GIROUX: He knows Robert's Rules of Order.

21 CHAIR ROBINSON: Good. Well, you can be of help  
22 to me, William. Do you prefer to be called Bill?

23 MEMBER KAMAI: Bill, yeah.

24 CHAIR ROBINSON: So, Bill is currently a member of  
25 the State of Hawaii Contractor's Licensing Board. He's also

1 on the Maui Coastal Land Trust and the Maui Island Labor  
2 Alliance.

3 He's a volunteer with the Maui Mental Health  
4 Association, the March of Dimes, Relay for Life, Bailey  
5 House Museum and the Maui United Way. His educational  
6 background is he's a graduate of Kamehameha Schools and Maui  
7 Community College. So, anything else you would like to --

8 MEMBER KAMAI: No, that's about it. That's more  
9 than I was going to say.

10 CHAIR ROBINSON: Well, we would like to welcome  
11 you to the Maui County Board of Water Supply.

12 MEMBER KAMAI: Thank you.

13 CHAIR ROBINSON: So, we also have present John  
14 Hoxie, Kevin Boteilho, Donald Gerbig, Ted Yamamura, and Jim  
15 Giroux, who is our counsel, corporate counsel today. And  
16 I'm Phyllis Robinson, and I'm your new Chair, and this is my  
17 first time chairing. So, I hope you will all bear with me.

18 And I believe the first order is business is  
19 whether there's any public testimony. No public testimony.  
20 None today. Okay. So, we have a need to approve our  
21 minutes. Is there anyone who has anything that needs to be  
22 added to our minutes from our board meeting from the  
23 previous month on March 24th? Any additions or changes to  
24 the minutes? No, okay. So, would anyone like to --

25 MEMBER YAMAMURA: I'll move to approve.

1 MEMBER GERBIG: I second.

2 CHAIR ROBINSON: So, the minutes are approved.

3 MEMBER GERBIG: All those in favor?

4 CHAIR ROBINSON: All those in favor?

5 VOICES: Aye.

6 CHAIR ROBINSON: Thank you, Don. Okay.

7 So, the next order of business is to accept the  
8 dismissal of appeals. And the first of those is by the  
9 Appellant Robert Horaco.

10 MEMBER HOXIE: Horcajo.

11 CHAIR ROBINSON: Horcajo. And the board --  
12 there's a move to dismiss his case due to a settlement  
13 agreement between the parties. Stipulation to dismiss  
14 appeal was signed by Robert Horcajo on 4/5/2011. So, we  
15 need to, first of all, rule to dismiss and then make a  
16 decision about whether or not to return the \$300.

17 So, do we have to have a separate ruling for each?

18 MR. GIROUX: You don't have to, but you can  
19 separate the question.

20 CHAIR ROBINSON: Okay. So, first to dismiss the  
21 appeal, I'm asking -- taking a vote on I guess I have to do  
22 it one person at a time.

23 MEMBER HOXIE: You need a motion. I move to  
24 dismiss the appeal.

25 MEMBER BOTEILHO: Second.

1 CHAIR ROBINSON: All those in favor?

2 VOICES: Aye.

3 CHAIR ROBINSON: Okay. So, the second is whether  
4 or not to return the appeal fee, which is \$300. We can vote  
5 to do it in the full amount or partial amount or no refund.  
6 So, is there any discussion on this before we move to make a  
7 decision?

8 MEMBER YAMAMURA: We need a motion.

9 CHAIR ROBINSON: Do we need a motion first before  
10 discussion?

11 MEMBER HOXIE: Yeah.

12 CHAIR ROBINSON: So, would someone like to make a  
13 motion about the --

14 MEMBER HOXIE: I move that we do not return the  
15 \$300.

16 MEMBER BOTEILHO: Second.

17 CHAIR ROBINSON: All right. And any discussion?

18 MEMBER GERBIG: I think it's -- for discussion  
19 purposes, I think it's only fair that, you know, the County  
20 and the department and everybody has gone through all of  
21 this process. And it's not free. That \$300 probably  
22 doesn't even come close to the cost. And so, I follow along  
23 that as part of the discussion that it not be refunded.

24 CHAIR ROBINSON: Any other discussion?

25 So, all those in favor of not refunding the \$300

1 amount, say aye.

2 VOICES: Aye.

3 CHAIR ROBINSON: Any opposed?

4 (None.)

5 CHAIR ROBINSON: Okay. So moved. So, it has been  
6 determined there will be no refund, and do we need to pass  
7 this around for each person to initial?

8 No, okay.

9 MS. HAYASHIDA: As long as you sign it, then it's  
10 unanimous.

11 CHAIR ROBINSON: Okay. The next in the appeal  
12 process is regarding the Molokai Veterans Caring for  
13 Veterans, the Appellant Larry Helm with the attorney James  
14 Fosbinder. There has been a -- there has been a request to  
15 allow this hearing to be continued, and we don't have a date  
16 about that continuance.

17 Is there a date that's been stipulated, or is that  
18 up to us?

19 MS. LOVELL: Good morning, Board Members. Good  
20 morning, Mr. Kamai.

21 MEMBER KAMAI: Good morning.

22 MS. HALEV: Good morning, everyone.

23 MS. LOVELL: We are asking for a continuance to  
24 the next convenient date to the Commission. Basically, the  
25 purpose for the request is, as you know, the passage of

1 changes to the Water Code, particularly Ordinance 3819, and  
2 we believe that we may be able to work out an agreement that  
3 would allow the new ordinance to apply to the old building  
4 permit request in such a way that the building permit can be  
5 issued without further processing by the Water Department.

6 MS. HALEV: That -- I'm Suki Halev representing  
7 Molokai Veterans Caring for Veterans. Good morning,  
8 everyone. That would be great if that works out. We would  
9 like to see if that's possible, so we agree for a  
10 continuance, not too long a time to see if that works.

11 CHAIR ROBINSON: So, will there be time for those  
12 deliberations between now and our next board meeting?

13 MS. HAYASHIDA: Our next board meeting is May  
14 26th.

15 MS. LOVELL: I would think so, if you have room on  
16 the calendar.

17 MS. HAYASHIDA: Yeah.

18 CHAIR ROBINSON: Okay. So, the Board is then  
19 asked to rule on the appeal to have -- have the appeal  
20 continued until May 26th, 2011. And I'm asking for a motion  
21 to have this continuance for May 26th.

22 MEMBER GERBIG: So move.

23 MEMBER HOXIE: Second.

24 CHAIR ROBINSON: All those in favor?

25 VOICES: Aye.

1 CHAIR ROBINSON: So, this has been continued  
2 through to May 26th.

3 MR. GIROUX: As far as the parties, it's clear  
4 that all of the deadlines for filing are not being moved,  
5 and all subpoenas.

6 MS. HALEV: Well, wait a minute. We had a brief  
7 deadline that we did not meet because we signed a  
8 continuance.

9 MR. GIROUX: So, that needs to be put on the  
10 record as far as the parties need to come to an  
11 understanding about this.

12 MS. HALEV: I think it's just that second  
13 deadline.

14 MR. GIROUX: Because we had subpoenas that were  
15 rushed. We had discovery that was rushed.

16 MS. LOVELL: Right.

17 MS. HALEV: There was no rush on discovery. The  
18 subpoenas were filed timely. The request for subpoena was  
19 timely filed. There was some delay in getting those  
20 subpoenas signed, but we did get those signed. And those  
21 subpoenas will be fine if we need to continue with this  
22 proceeding.

23 This next deadline had not yet passed when we  
24 entered into the joint stipulation. So, we did not meet  
25 that deadline.

1 MR. GIROUX: Are both parties in agreement with  
2 this?

3 MS. LOVELL: Actually, Mr. Giroux, if you look at  
4 the small Roman Numeral 2 on the bottom of Page 2 of the  
5 stipulation, it indicates that the scheduling order issued  
6 by the Board of Water Supply on October 28th be revised, so  
7 that all references to January 21st, 2011 be replaced by the  
8 date, which is six days prior to the hearing date.

9 So, that means that the -- any trial brief,  
10 witness lists and exhibit lists will be due six days prior  
11 to the 26th, and I don't have a calendar with me.

12 CHAIR ROBINSON: That would be May 20th, unless  
13 that falls on a weekend.

14 MS. LOVELL: That's what I wanted to know.

15 MS. HAYASHIDA: May 20th is a furlough Friday. I  
16 won't be here, so it would have to be the 19th, May 19th.

17 MS. LOVELL: So, if we can agree that May 19th is  
18 the new deadline for submission of any trial briefs, witness  
19 lists and exhibits and exhibit lists.

20 MS. HALEV: Thank you, Jane. That's what I  
21 thought we agreed.

22 MR. GIROUX: I just wanted it really clear on the  
23 record, because I don't want to be dealing with this at  
24 midnight trying to figure out who agreed to what and why  
25 and, you know, trying to find the Chair.

1 MS. HALEV: I'm sorry, you threw me for a loop.

2 It's already in the stipulation.

3 MR. GIROUX: All right. We just need a meeting of  
4 the minds.

5 MS. LOVELL: Thank you.

6 CHAIR ROBINSON: So, was this the -- is this the  
7 document I've already signed?

8 MS. HAYASHIDA: Yeah, you signed this. And I will  
9 make copies for the parties as for their records.

10 CHAIR ROBINSON: Very good. So, as far as I know,  
11 that's all that we have to rule on in terms of appeals. I  
12 do want to draw attention to our appeal schedule. So,  
13 everyone can plan ahead if we have other appeals coming  
14 forward. I believe you had said that there's only one,  
15 Gaye, and that one --

16 MS. HAYASHIDA: Noel Johnson Hui.

17 CHAIR ROBINSON: Yeah, Noel Johnson Hui and John  
18 Pollack.

19 MS. HAYASHIDA: That appeal is scheduled for July.

20 CHAIR ROBINSON: July, okay.

21 MS. HAYASHIDA: At the request of their attorney.

22 CHAIR ROBINSON: All right. So, and that's it  
23 right now in terms of our appeal schedule.

24 MS. HAYASHIDA: On June 23rd, Mr. Blietz was going  
25 to have to make a decision on whether he's going to sign off

1 on that decision to dismiss his case. That's what we're  
2 waiting for. That's the only thing.

3 CHAIR ROBINSON: That's the one up above request  
4 to waive the department's requirement?

5 MS. HAYASHIDA: Yeah. And the everything else is  
6 in the process of either being settled or withdrawn.

7 CHAIR ROBINSON: Aren't we lucky.

8 MEMBER HOXIE: Does he have a deadline that he has  
9 to sign?

10 MS. HAYASHIDA: Well, we put the deadline on him  
11 for June 23rd. He's got to either -- he's going to come  
12 back and either sign it or say I want to continue with my  
13 appeal or something.

14 CHAIR ROBINSON: That's great.

15 MEMBER YAMAMURA: Is the issue still the conflict  
16 of interest? Is that what he's pursuing?

17 CHAIR ROBINSON: I believe so.

18 MS. HAYASHIDA: Yeah, but that's not in his  
19 original appeal to the Board. My understanding his original  
20 appeal to the Board was pressure-reducing valve and whatnot.  
21 The conflict of interest he brought up later.

22 CHAIR ROBINSON: Okay. Moving right along, there  
23 doesn't look like there's any unfinished business. So, our  
24 other business is to talk with Director Taylor, and the  
25 Department staff regarding the Director's recommendations to

1 the County Council for the Lanai Water Use and Development  
2 Plan.

3 Director Taylor, are you ready to share that with  
4 us?

5 DIRECTOR TAYLOR: Sure.

6 CHAIR ROBINSON: Keep in mind that we do have a  
7 new member, and that person -- hi, Kelli. I just want to  
8 for the record, Kelli Myer, our new Deputy Chair is present.

9 But, yeah, so maybe you can give some background  
10 to bring William up to speed. That would be great.

11 DIRECTOR TAYLOR: Sure, that's exactly what I was  
12 going to do. Just in general, without going into the  
13 details of dates and things, Bill, especially for you, the  
14 Lanai Water Use Development Plan was written in conjunction  
15 with the Lanai Water Advisory Committee for a period of  
16 years.

17 When that was finished, it was brought to this  
18 Board. And by ordinance, the Board had a certain amount of  
19 time to review that and make recommendations to the  
20 Director. Once I received it or once the Director's office  
21 received it, there was a certain amount of time, I think it  
22 was 60 days, for the Director to look at those comments,  
23 look at the recommendations and pass on the Director's final  
24 document to the County Council.

25 In this case, what I did and what staff did is we

1 took the -- I don't remember exactly which day we received  
2 it from the Board, but it was due to the Council on February  
3 25th, maybe February 26th. I can't remember exactly the  
4 date.

5           Anyway, on February 25th, we submitted to the  
6 Council the Director's final report. And that had some  
7 reformatting from what the Board saw, so the Board voted on  
8 something. We saw that. We reformatted it and sent it to  
9 the Council on February 25th.

10           The document that the Board saw, discussed and  
11 voted on as well as the Director's final document as well as  
12 the letter of transmittal to the Council, which went through  
13 point by point the changes and reformatting that was made  
14 are all on the Department's web site. I don't know who has  
15 seen what.

16           So, I just wanted to point that out, that all of  
17 the details were immediately, I believe on that day, on the  
18 25th, were put immediately on the web site where everyone  
19 can see them, so that's where we are now.

20           In general, what we did is we were certainly aware  
21 that the Council had passed the Central Maui Water Use and  
22 Development Plan a couple of months previously, and they had  
23 accepted that. So, we looked at format of that, what was  
24 its -- how was it organized, what was its -- what was its  
25 purpose and compared that to the draft Lanai Water Use

1 Development Plan. And one of the things I wanted to do was  
2 make sure it had the same level of clarity, the same level  
3 of detail, the same purpose. And so, we reformatted it.

4 We didn't take really anything out. We moved  
5 things around, put some things in the appendices, so it has  
6 the same purpose. And we felt that as the Council already  
7 approved the Central Maui Water Use Development Plan, we  
8 felt that this reformatted draft fit more closely with the  
9 Central Maui Plan. So, it would essentially read the same  
10 way.

11 So, the details of exactly what we changed again  
12 are in this letter. They're on the web side. I can  
13 certainly answer any specific questions.

14 CHAIR ROBINSON: Any specific questions?

15 MEMBER GERBIG: Nothing -- nothing was really  
16 removed from the plan at all, it was just reformatted?

17 DIRECTOR TAYLOR: There were a few things that  
18 were removed. In our letter on page -- starting on Page 2,  
19 it says things like several substantive changes were made to  
20 the plan in response to recommendations.

21 Words like allow or do not allow were removed.  
22 The reason for that is, you know, I felt that this is not  
23 supposed to be a regulatory document. And so, I thought  
24 that allow, do not allow does not really belong in the water  
25 use development plan, because it doesn't have the force of

1 an ordinance. So, we thought -- I thought that was very  
2 confusing. So, some of that language was removed. Things  
3 like the proposed allocation table in Chapter 7, that could  
4 be interpreted to allocate water according to specific  
5 schedules was changed and removed, so that no one would  
6 misinterpret this document as saying this water, that we're  
7 allocating water.

8 The directive to raise the water shed protection  
9 fence was deleted. So, all of those ideas are still put in  
10 the appendix. They're there. If you read them, you'll see  
11 it was discussed, and people have concerns about them. But  
12 essentially, we removed the shall, shall not, must type of  
13 language so that no one would interpret this as a regulatory  
14 document, which, you know, by law it is not.

15 So, that's what I mean by reformatting for  
16 clarity, so we were very concerned. I was very concerned  
17 that in the future somebody may look at this, not  
18 understanding that adoption of the plan is not the same as  
19 adoption of a law with the same language. And because there  
20 seems to be so much confusion about what adoption of the  
21 plan was, we were very concerned to be very, very clear to  
22 take that stuff out.

23 And then if in the future through either a  
24 community plan, specific zoning ordinances, et cetera, the  
25 Council wants to pass specific laws with that language,

1 they're obviously free to do so. And that will be very  
2 clear that that is an ordinance, and that just because it  
3 says shall in this plan, we thought that could be  
4 interpreted that acceptance by the Council of that meant it  
5 was an ordinance.

6 So, we really felt it was confusing to the general  
7 public, who doesn't know the in's and out's of laws, rules  
8 and regulations of the County. And that's essentially what  
9 the clarification of the formatting was for.

10 CHAIR ROBINSON: I would like to just -- I know  
11 that there was a piggybacking of the budget and finance  
12 committee meeting discussion with the Water -- what are they  
13 called?

14 DIRECTOR TAYLOR: The Lanai Water Advisory  
15 Committee.

16 CHAIR ROBINSON: Yes, thank you.

17 DIRECTOR TAYLOR: Member Victorino was going to  
18 try to do that, but it didn't happen. Member Victorino was  
19 going to try, because the Council budget meeting was in the  
20 evening on Lanai. So, he was trying to schedule the Water  
21 Resources Committee hearing on Lanai for that day. So that,  
22 you know, when the Council was there, we would all be there  
23 together. But the timing and logistics didn't work out.

24 So, there has yet to be a Council Water Resources  
25 Committee on this type. So, my understanding is that after

1 budget is over and the Council committee on water  
2 resource -- the Water Resources Committee of the County  
3 Council, that I believe is going to be one of the early  
4 things that is scheduled once those meetings start happening  
5 again after budget is finished.

6 CHAIR ROBINSON: And is there any reason for us to  
7 have representation as a Board for that meeting?

8 DIRECTOR TAYLOR: You are free to. I think you  
9 can ask Mr. Giroux about any details. But essentially, if  
10 you folks wants to vote to allow someone to represent you  
11 and make statements on behalf of the Board, you are allowed  
12 to do that. If you want to write a letter to the Council as  
13 a Board and vote to send it to the Council, you can do that.

14 As individuals, you are allowed to say I am here  
15 to give my individual thoughts. I'm a Board Member. I do  
16 not represent the Board. I believe that's the correct  
17 methodology of how you can interact with the Council on this  
18 matter.

19 MR. GIROUX: Yeah, and that's accurate. I'm just  
20 going to expound on the first option of developing what they  
21 call an investigatory team. Basically, it's your quorum,  
22 less than quorum. Two -- two, but less than quorum for this  
23 would be three. You send three people up to form a team.

24 As long as the members are voted on by this body,  
25 their scope of representation is clearly made as far as what

1 you want them to be representing and that they come back,  
2 and they do a report to this body in order to -- so that we  
3 know that what they were sent to do is what they did.

4 And as far as the discussion, I think that it has  
5 to be the same as if you were going to send a letter. You  
6 want to have everybody on the same page. You don't want to  
7 send three people up who have three different ideas, and so,  
8 what you want is that you want the discussion to happen  
9 here. And then you want to make it clear that that is the  
10 direction that the Board wants to go.

11 DIRECTOR TAYLOR: And for your information, the  
12 County Council was given the minutes of your meetings and  
13 discussion of the Lanai Water Use Development Plan as well  
14 as your recommendations. So, in writing, they have a record  
15 of this Board's discussion on the topic.

16 CHAIR ROBINSON: Yes. We actually ended up going  
17 to Lanai twice. We also in our -- in our time about with  
18 the public there, it was made very clear to us that, you  
19 know, no -- no decisions should get made before we go back  
20 there. And I don't think that we were actually allowed to  
21 go back, because there wasn't money in the budget for that.

22 And so, the fact that they were pretty strong with  
23 us as a Board, that they wanted this document to, you know,  
24 be held in its integrity and not be messed with, Your  
25 changes, even though they're reformatting changes could be

1 perceived by the public as messing with it. So, we just  
2 want -- I personally feel that I would like to remain  
3 accountable to that process. And if there's a questioning  
4 of whether the Board did not remain accountable, I want to  
5 be able to be there to represent the Board if there are  
6 questions or issues raised.

7 And I understand from you, Jim, that it's very  
8 important for us to come to an agreement as a board as to  
9 what these -- if it's one person -- it has to be three?

10 MR. GIROUX: No, no, it's -- if it's more than  
11 two -- well, I should have it in front of me. But less than  
12 quorum, but more than two. Because then that would be a  
13 meeting. So, this is an exception to the Sunshine Law, so  
14 it's got to be followed very -- very closely as far  
15 as because you're not going to have minutes. You're not  
16 going to -- you're not going to follow all the rules of a  
17 meeting.

18 Once this team is given the authorization, meaning  
19 that if the Council meeting were going to be continued, you  
20 don't need to come back to get reauthorization. It's until  
21 that task is completed that you can meet, you know, multiple  
22 times, so that's the purpose.

23 CHAIR ROBINSON: Does anyone want to comment on  
24 this besides myself?

25 DIRECTOR TAYLOR: I have another comment that may

1 help for clarity. We were certainly aware that any major  
2 changes could be interpreted as having to start the process  
3 over, go back to LWAC and come back to the Board. So, we  
4 had discussions of the modifications, reformatting and the  
5 clarity changes we were making with Mr. Kushi, our  
6 corporation counsel, to make sure that what we were doing  
7 was considered a reformatting and was not restarting the  
8 process.

9           So, we were very aware and concerned that we  
10 weren't looking to rewrite the document. We were looking to  
11 reformat it again for clarity and things like that so that  
12 we wouldn't have to start the process over and that all the  
13 folks who put so much effort into it would not feel like  
14 their work was thrown out. There really aren't, in my  
15 opinion, any substantive ideas, concerns that are -- that  
16 have been lost. They have been moved from one chapter to  
17 another.

18           There's some words we felt had some legal meaning  
19 that really were inappropriate. We sort of changed those a  
20 little bit. But I find it difficult that anyone who had any  
21 real concerns about issues feels that they can look at the  
22 originals, the final and say, wow, my concerns disappeared,  
23 where did they go.

24           I don't think anyone will say that. And I've had  
25 interaction with some of the LWAC members, and that's what

1 I've heard in feedback. So, I don't want to speak for  
2 anyone else, but I want everyone on the Board to know we  
3 were very, very concerned about not losing any of that sort  
4 of group information.

5 We just wanted to make sure it was in the right  
6 place and, you know, formatted appropriately.

7 CHAIR ROBINSON: And using the right language that  
8 didn't feel like an ordinance was being put forth, or a  
9 should.

10 DIRECTOR TAYLOR: We were very, very concerned  
11 about exactly the issue you're talking about.

12 CHAIR ROBINSON: And that's part of where my  
13 concern lies also is that, you know, the public hearing was  
14 pretty strong in that regard. So, any other --

15 MS. LOVELL: I have a comment. I think that, you  
16 know, we have spent a lot of time in discussion on Lanai  
17 Water Use Development Plan. And we all had different views.  
18 I think that we did our job and passed on our views and our  
19 discussion and our recommendations to the Director.

20 I think the Director has gone through it and has  
21 tried to make, you know, tried to make everything fit  
22 together and move it forward. I think we've done our job,  
23 and I personally don't think we need to do anymore. I think  
24 our efforts should be better spent waiting to get the  
25 Upcountry plan that's coming. We need to look forward, and

1 I commend Dave and, you know, the work that they did to get  
2 that plan to the Council. So, I think we've done our part  
3 so far.

4 CHAIR ROBINSON: Okay. Other comments?

5 MEMBER GERBIG: I agree with John. I think that  
6 if any individual wants to testify before the Council, they  
7 have that right, you know, as far as the plan when it goes  
8 before the Council. I don't think -- my personal opinion, I  
9 don't think, like John says, we should continue on with this  
10 thing.

11 I feel the obligations have been met with their  
12 reformatting. It hasn't changed anything, except like what,  
13 taken some of the things that could have been interpreted as  
14 law out, which in my opinion, shouldn't have been there  
15 anyway. But I think that's the correct thing to do. But  
16 from what Dave said, they have not changed the whole thing.

17 I feel comfortable with what they have done is  
18 within the same parameters as it was written.

19 DIRECTOR TAYLOR: And there's one other issue  
20 going on maybe I should just bring up for your information.  
21 We did, and I signed a letter to the members of the Lanai  
22 Water Advisory Committee explaining to them that -- they're  
23 still meeting. The members, these people are still meeting  
24 on a regular basis.

25 And they're writing documents that have a LWAC

1 heading. And I felt obligated to write to them to explain  
2 to them that those are not officially LWAC meetings. In the  
3 same way that you folks are a Board, you have -- by Sunshine  
4 Law, you have agendas. You have minutes being taken.  
5 There's notice. There's public notice.

6 There's all these rules of public meetings. These  
7 people who are on LWAC are having meetings, and I had to  
8 explain to them that those are not LWAC meetings. They are  
9 not happening under Sunshine Law. They are not posting  
10 agendas. There's no corporation counsel there. There's no  
11 public testimony. They're not being noticed, et cetera,  
12 et cetera. So, they are not officially LWAC meetings.

13 In fact, by the ordinance, only the Director can  
14 call an LWAC meeting the same way that only, you know, we  
15 have to staff, and we have to all these meetings. So, I did  
16 have to tell them they're free to meet as individuals, but  
17 the work they are doing is not LWAC. And that protects the  
18 entire process as well as them, so that no one can say,  
19 well, you know, these guys are meeting and not following  
20 Sunshine Law, and therefore, their result has no validity.

21 The people are meeting, but it is not LWAC. And I  
22 had to inform them of that. So, I just wanted you folks to  
23 realize that this is still -- there are still some  
24 outstanding issues tied to the Lanai Water Advisory  
25 Committee and the Lanai Water Use Development Plan that

1 we're dealing with in that way.

2 So, we're looking forward to going to Council  
3 where really the next real step happens of discussion and  
4 acceptance or rejection of the plan.

5 CHAIR ROBINSON: And there's a public part of that  
6 process as well. Other questions or discussion about the  
7 Lanai Water Use Development?

8 MEMBER KAMAI: So, it's at this point the LWAC  
9 members have a chance to give testimony on behalf of the  
10 plan?

11 DIRECTOR TAYLOR: They are really in a very  
12 similar position as this Board. They can come and testify  
13 as individuals and say, you know, here is what I think. I  
14 was part of LWAC, but here is my personal thoughts. That's  
15 kind of where -- their input that's left for them, unless  
16 there's another meeting called, which, you know, hasn't  
17 been, you know, put together yet.

18 So, they're really individuals who, you know, may  
19 or may not choose to testify as individuals when it gets  
20 heard by the County Council. Because that is the next step.

21 MEMBER KAMAI: So, who is going to be there to  
22 explain what you just mentioned about not throwing out their  
23 ideas, reshuffling them, putting them in different  
24 categories?

25 DIRECTOR TAYLOR: Well, they're -- I will go to

1 the County -- I will be with the County Council explaining  
2 that. I will be up front. The County Council has seen this  
3 letter. I know all the LWAC members have seen this letter.  
4 They actually got together to talk about this letter.

5 So, the exact changes we've made are well-known to  
6 everyone who is involved. And again, I will be at -- I will  
7 probably be on Lanai, unless something -- I plan to be at  
8 that meeting on Lanai with the Council. And I will plan to  
9 be at the Council meeting where decisions are made. That's  
10 my role. So, unless something happens where I can't be  
11 there, one of our staff or myself will be there.

12 CHAIR ROBINSON: And during the process, the  
13 public process, you aren't there to answer questions by the  
14 public, you're simply there to answer questions by the  
15 Council?

16 DIRECTOR TAYLOR: Officially how those meetings  
17 work, they open with public testimony just like yours, and  
18 the Council asks us questions as resources.

19 CHAIR ROBINSON: Okay.

20 DIRECTOR TAYLOR: So, realistically, the questions  
21 that people ask are written down by the Council Member and  
22 then asked to us as staff later. I think you guys have all  
23 watched Council meetings. Usually important questions  
24 brought up by the public are asked to staff by the Council  
25 Members. But that is -- you're correct on the form.

1           MEMBER KAMAI: That's kind of my point is why have  
2 this scope committee if we did our due diligence and handed  
3 it over to you when you're going over there with the  
4 Council?

5           MEMBER GERBIG: Could we get a copy of your  
6 letter, the LWAC letter?

7           MEMBER HOXIE: It's on line you said?

8           DIRECTOR TAYLOR: Yes, it's on the DWS web site.

9           MEMBER GERBIG: Thank you.

10          DIRECTOR TAYLOR: And what's on there is the draft  
11 you reviewed, the draft we reviewed and this letter.  
12 They're all right next to each other on the web site.

13          MEMBER GERBIG: Okay. Thank you.

14          CHAIR ROBINSON: Bill, I just wanted to clarify.  
15 Can you repeat your statement again as to what --

16          MEMBER KAMAI: Explaining what you did with the  
17 Lanai Water Use Development Plan about reshuffling, not  
18 taking out verbiage that says shall and shall not was done  
19 by the Department.

20          DIRECTOR TAYLOR: That's correct.

21          MEMBER KAMAI: And I think he should be  
22 accountable for what this Board is going to adopt, and any  
23 questions regarding the Lanai Water Use Development Plan  
24 should be answered by him and not a scope committee to field  
25 questions. One, we're not comfortable answering, and we

1 don't know what the final document read. So, why have a  
2 scope meeting?

3 DIRECTOR TAYLOR: There's one reason you might  
4 want to have one. And I'm not trying to make more work for  
5 you. I don't think you're going to go here, but let me  
6 throw this out.

7 Let's say you folks unanimously agreed to support  
8 some document. And I had said I think you're wrong, and I  
9 completely changed it. It would make sense for you folks as  
10 a Board to say he completely changed what we approved, and  
11 we're not happy. You know, that would be a reason that you  
12 would want to do that.

13 I can tell you I read every word of your verbatim  
14 minutes from these meetings. I took that very much into  
15 account, and I personally think that if you folks read it,  
16 you'll see that we really tried to address your comments.  
17 And the things we did change, I don't think, you know, just  
18 from my thoughts of reading your verbatim minutes that most  
19 of you are going to have a real big problem with what we did  
20 change.

21 If you feel differently, that will be a good  
22 reason for you to say, hey, we don't like the changes the  
23 Department made. But if you feel that, you know, this is  
24 basically what we approved and we like these changes, then  
25 there really isn't a whole lot of value of you folks going

1 there unless it was to support the changes. But again,  
2 that's up to you.

3 I've seen it before where there's been committees  
4 that don't like what the Department has done, and the  
5 committee itself has said, you know, we need to go and say  
6 we don't like what the Director has done. And that's really  
7 up to you folks.

8 CHAIR ROBINSON: So, is there anybody who feels  
9 that that is the case and would like to move forward with a  
10 scope committee?

11 MEMBER YAMAMURA: With the Central Maui Plan, none  
12 of us were there. And they didn't ask for any board members  
13 to be in attendance, nor did they complain. My take is I  
14 think we did our job, and we move on.

15 CHAIR ROBINSON: Okay. So, I realize we don't  
16 have to necessarily vote on this. This is just a  
17 discussion. And I'm getting a pulse of the group that  
18 there's no one, including myself, who feels like we need to  
19 go to Lanai to answer to any of the changes that were made,  
20 and that Dave will represent, you know, the changes, that  
21 he'll be able to answer any questions regarding those  
22 changes.

23 So, I think we can move on, unless there's  
24 anything else that you wanted to ask about that.

25 MS. HAYASHIDA: If the Board Members like, I can

1 e-mail you the link to the Lanai Water Use Development Plan.  
2 That way, you know, you can go directly to that instead of  
3 searching for it on the County web site. And also, if you  
4 don't like reading stuff on line, I do have one hard copy at  
5 my office. If you want to come in, you can review it also,  
6 and also I have it on the little USB jump drive, flash  
7 drive.

8 CHAIR ROBINSON: William, you're probably the only  
9 one sitting in this room that hasn't got the big binder.

10 MS. HAYASHIDA: I also have that at my desk, too.

11 CHAIR ROBINSON: So, if you would like a copy of  
12 that just so that you have some idea of what -- what we all  
13 went through.

14 MEMBER KAMAI: I trust you folks.

15 DIRECTOR TAYLOR: I have the verbatim minutes if  
16 you want to read those.

17 CHAIR ROBINSON: Yes, yes, we have it all.

18 MEMBER GERBIG: Does this mean we have to give the  
19 binder back?

20 CHAIR ROBINSON: Would you like the binder back?

21 MS. HAYASHIDA: You can use it to store your  
22 meeting agendas for everything. And that's why the  
23 ordinances I sent you are all -- have all hole punches in  
24 it, or you can keep it attached.

25 CHAIR ROBINSON: What I would like to know is when

1 the meeting is going to happen, you know, just in case I did  
2 want to just go and be an individual out in the audience or  
3 join the public in giving testimony.

4 So, if we could just be told when the Board --  
5 when the Council is going to go over there, that would be  
6 great.

7 MEMBER HOXIE: Your testimony will be your own  
8 personal testimony.

9 CHAIR ROBINSON: That's right. It will be my own  
10 personal testimony. It will have nothing to do with my  
11 position as a board member. I won't even identify myself as  
12 a board member, just as an individual.

13 DIRECTOR TAYLOR: If I recall, I think the next  
14 Water Resources Committee meeting is scheduled mid June, and  
15 I think it's probably going to be postponed, because both  
16 Council Member Victorino and myself are going to be at the  
17 AWWA conference on the mainland that day. So, he's probably  
18 going to postpone that.

19 So, you're probably talking about the very first  
20 meeting late June, or maybe even early July. And that will  
21 probably be in the County building, so I can't imagine  
22 they're going to be on Lanai until at least July or possibly  
23 August, even if it's a early thing that Council Member  
24 Victorino would have scheduled early. So, I think that's  
25 the earliest it would be.

1 CHAIR ROBINSON: And that's in compliance with any  
2 rules that have to do with the scheduling. After you  
3 deliver your recommendations, the Council has a certain  
4 amount of time under which they have to operate also?

5 MS. HAYASHIDA: Well, originally they had 180 days  
6 to review it and make a decision. But I think they passed  
7 an ordinance that kind of basically gave them forever.

8 CHAIR ROBINSON: Forever, oh, good.

9 MS. HAYASHIDA: It extended their 180 days. So --

10 DIRECTOR TAYLOR: Council Member Victorino told me  
11 it's something he wants to get finished with. It's high on  
12 his priority when budgets finish and they go back to having  
13 water resource committee meetings. So, I believe that he  
14 wants to get it finished. He knows you folks did the work.  
15 He knows it's in his committee's responsibility, and he  
16 wants to get it finished and get it moving.

17 I just wanted to inform you about when the  
18 earliest would be, just to give you an idea it's not  
19 happening tomorrow. We'll know when it happens, but it  
20 probably won't be until at least July.

21 CHAIR ROBINSON: And when are we going to have the  
22 Upcountry Water Use Development Plan on our hands? Is there  
23 any indication from Carl about when that is going to happen?

24 DIRECTOR TAYLOR: Let me ask Corp Counsel. Are we  
25 getting off agenda? I have no problem answering these

1 questions, but that's not the agenda item. And I just want  
2 some --

3 MEMBER GERBIG: It's not on the agenda.

4 MR. GIROUX: What was the exact topic?

5 DIRECTOR TAYLOR: She's asking about the time line  
6 for the Upcountry Water Use Development Plan.

7 MR. GIROUX: Well, I think that if you guys go to  
8 Item B under Subsection 7, line eight, Receipt of Board  
9 Member request for agenda items to be placed on future  
10 agendas, you might want to limit that to that.

11 CHAIR ROBINSON: Okay. So, are there any requests  
12 for agenda items to be placed on future agendas?

13 MEMBER HOXIE: Upcountry plan.

14 DIRECTOR TAYLOR: I just was following the rules.  
15 That's all I'm asking.

16 MEMBER GERBIG: I second it.

17 DIRECTOR TAYLOR: We -- our consultant, which is  
18 Carl Freedman, is working on the Upcountry Water Use  
19 Development Plan. There's a draft of that on the web site.  
20 We ended up hiring that consultant to work on the  
21 reformatting of the Lanai Water Use Development Plan. So,  
22 because of his scheduling, that basically took time away  
23 that he was going to be working on the Upcountry Water Use  
24 Development Plan.

25 So, I take responsibility for that decision, and I

1 said, you know, that's what we have to do. So, basically,  
2 we have to wait until a future hole in his schedule for him  
3 to get back to that. Because he had some other professional  
4 and personal commitments. So, I do not have a date for you.  
5 I don't have an estimated time line. We are working with  
6 our staff and our consultant on that estimated time line.

7 But basically, just so you know the truth, the  
8 time line got bumped because of the reformatting of the  
9 Lanai Water Use Development Plan.

10 And we'll get back to you as soon as we have a  
11 better idea what the new schedule for that is.

12 CHAIR ROBINSON: Other requests for agenda items  
13 to be placed on future agendas?

14 I actually, because all of the water use  
15 development plans talk about conservation, and we haven't  
16 actually heard from Tui and Cole, you know, in a long time  
17 about conservation efforts being made by the department. I  
18 would like to put that on as a future agenda item to invite  
19 perhaps Tui and Cole to talk a little bit about some of the  
20 ideas that they're working on regarding conservation. Would  
21 that be appropriate?

22 DIRECTOR TAYLOR: I would prefer that you folks be  
23 very clear about asking just the Department for a  
24 presentation on XYZ, just list what those are. And rather  
25 than listing specific staff names or positions, just leave

1 it up to us to bring the appropriate people. I think that's  
2 better than you folks asking for specific staff members to  
3 talk to.

4 But the more clarity you folks can give of exactly  
5 what you want to know, the better we can bring the right  
6 people. Because, for example, conservation, that could be  
7 tied to a number of different things. It could be tied to  
8 CIP projects. It could be tied to operations, could be tied  
9 to how we're restructuring financial things, et cetera,  
10 et cetera, rate structures.

11 So, the more clarity you folks have about what  
12 exactly do you want to know, the better we can bring the  
13 right information and bring the right people to explain it  
14 to you.

15 CHAIR ROBINSON: Right. And I think I did preface  
16 my statement with, because conservation seems to be an  
17 important part of every water use development plan that  
18 comes across to us as a Board, that I would be interested in  
19 knowing more about what some of those conservation plans are  
20 that relate to some of the recommendations that we've  
21 already heard on the central plan.

22 And I believe there were conservation plans for  
23 Lanai as well. And those are the two plans that we've had  
24 exposure to. I don't think that we can speak to the  
25 conservation plans, the Upcountry one yet. But I think that

1 there's maybe some carryover in all the plans around what  
2 conservation means, and just so that we can educate  
3 ourselves more fully about conservation efforts.

4 DIRECTOR TAYLOR: So, the Item B for Gaye to write  
5 for the Item B would be?

6 MS. HAYASHIDA: Would be a conservation  
7 presentation as it relates to the Upcountry and the Lanai  
8 Water Use Development Plan.

9 DIRECTOR TAYLOR: How about just departmental  
10 efforts relating to conservation? I would be very happy  
11 with that.

12 MEMBER GERBIG: Yeah, I think it should be a broad  
13 brush. Don't take specific areas. But my thinking is that  
14 if you're going to talk about conservation, bring us up to  
15 date, what methods of conservation is the Department  
16 utilizing at present; and if there's any other methods that  
17 they're looking at or in process, explain that. Just give  
18 us an update that would be overall. We can get specific  
19 later if we wanted to. Does that sound all right?

20 DIRECTOR TAYLOR: Gaye, just something just like,  
21 you know, efforts and future endeavors for water  
22 conservation by, you know, DWS, something very broad like  
23 that. That's fine with me.

24 MEMBER GERBIG: Because the laws and ordinance is  
25 what are there.

1 DIRECTOR TAYLOR: Sure.

2 CHAIR ROBINSON: Great.

3 DIRECTOR TAYLOR: We understand what you're  
4 asking.

5 CHAIR ROBINSON: Does that fulfill what you're  
6 requesting?

7 MEMBER GERBIG: That's what I would like to see,  
8 the overall, not the specifics.

9 CHAIR ROBINSON: Yeah, I would say that fulfills  
10 my --

11 MEMBER GERBIG: We'll put it on the agenda.

12 MEMBER HOXIE: I have another item.

13 CHAIR ROBINSON: Yes.

14 MEMBER HOXIE: I would like to get an update on  
15 the Waikamoi project, whatever is going on also.

16 CHAIR ROBINSON: A future agenda item.

17 Any other requests for agenda items, future agenda  
18 items? Okay. So, that moves us to the Director's report.

19 DIRECTOR TAYLOR: I've given a bunch of  
20 information in front of you about ongoing operations and  
21 things. I think a lot of it speaks for itself. I can  
22 certainly answer any questions on it. There was nothing --  
23 there was nothing special I want to call your attention to,  
24 so just sort of take any questions.

25 CHAIR ROBINSON: Any questions for Dave? We have

1 the -- we have these charts here that relate to production  
2 of the different water treatment facilities. We have a  
3 financial summary, and we have our division reports. So,  
4 those are the documents that you might have questions about.

5 MEMBER HOXIE: I have a question. This is a trend  
6 line, the black line?

7 DIRECTOR TAYLOR: That's correct. It's a  
8 mathematical best fit curve.

9 MEMBER HOXIE: Yeah, yeah.

10 DIRECTOR TAYLOR: These graphs you're looking at  
11 are overall. They're one piece of a puzzle trying to look  
12 back in time at each plant, each well production facility.  
13 We're going to compare that to overall use and try to kind  
14 of put together a better mathematical simplified model, if  
15 you will, of supply and demand versus water reliability, you  
16 know, which sites back each other up.

17 Try to kind of mathematically look at quantity,  
18 reliability versus demand and better quantify our supply  
19 versus demand volumes, so this is just one piece of that  
20 ongoing effort to try to do a little better job at  
21 quantifying how much water do we need versus how much water  
22 do we have.

23 MEMBER YAMAMURA: Dave, I have a question. I'm  
24 not sure if I'm violating notice requirements, but you  
25 brought up the fact that you would be attending the AWWA

1 conference in June. Previously, I think the Chair or the  
2 Vice Chair were invited to also attend. Is that now out the  
3 window?

4 DIRECTOR TAYLOR: This year, we did not invite  
5 anyone from the Board to attend. In fact, only two of us  
6 from the Department are going. As you can imagine, travel  
7 is pretty strict in the County. And it's really being  
8 looked at as a do you need this to do your job, you know, is  
9 it important for you to do your job, and who are the right  
10 people to go to what, especially on the mainland travel, to  
11 get the right information and bring it back. And that's  
12 being looked at obviously very carefully.

13 CHAIR ROBINSON: Other comments regarding the  
14 Director's report?

15 MEMBER KAMAI: This chart that shows the pumpage,  
16 why the wide fluctuations?

17 DIRECTOR TAYLOR: In pumping?

18 MEMBER KAMAI: Yes. Like Central Maui and Mokuhaul  
19 well, December, 25,000 gallons. The following January, the  
20 following month it's in half?

21 DIRECTOR TAYLOR: A lot of the well fields back  
22 each other up. So, for example, there's redundancy. So,  
23 you might have -- so Mokuhaul feeds Central Maui as do a  
24 whole bunch of other sources. So, they're could have been a  
25 mechanical problem where the disinfection system was broken,

1 and it was shut down. It could have been that there was  
2 more water from one of other sources, or it rained a lot and  
3 we didn't need it.

4 Any one source isn't supposed to be constant  
5 depending on all these factors. So, those are juggled by  
6 our staff. You know, things are taken down for pump  
7 replacement, et cetera, for maintenance, those kind of  
8 things. So, that's why looking at any one system about its  
9 functioning doesn't really give a very good vision. That's  
10 why we're kind of graphing these things, adding them  
11 together. You have to know a lot more about what's going on  
12 than just what number it is to really make any sense of it.

13 Frankly, those numbers you're looking at, I never  
14 look at those. I have the guys graphing them, the things  
15 like this, so I can look at trends where I put little notes  
16 about when things are out of service. I think it's very --  
17 from my point, from an engineering perspective, it's almost  
18 impossible to look at that and see any cause and effect from  
19 that kind of thing, which is why I like these where you can  
20 really see trends, cause and effect. You see major changes,  
21 and again, we put them together, but I'm not really sure  
22 what anyone can tell just from a monthly chart of a bunch of  
23 different things.

24 CHAIR ROBINSON: What do these trends say in terms  
25 of the piece of the overall puzzle? What do some of these

1 graphs say to you, Dave, anything?

2           DIRECTOR TAYLOR: Those are surface water  
3 treatment plans. Surface water is cheap. When it's raining  
4 a lot, it's cheaper. Obviously, we want to use that rather  
5 than pumping. So, what these are saying is are the water  
6 sources constant, or do they go through large fluctuations  
7 from seasons.

8           And so, for example, if had a year surface water  
9 source very constant year after year after year, you don't  
10 need a lot of backup from expensive well sources. Whereas,  
11 if you have a surface water source that's only good in the  
12 rainy season, you need to completely back that up in the dry  
13 season with well pumping. So, it's a way to look at  
14 reliability, redundancy, and those essentially get added to  
15 the wells that serve the same areas so you can start saying  
16 what's your primary source, what's your backup source,  
17 et cetera, in the same way that if you look at MECO's  
18 graphs, you would see the wind turbines being fluctuated.  
19 They're only good when it's windy

20           But the diesel turbines at the power plant are  
21 constant. And so, they would know from that, okay, we can  
22 only count on the wind turbines when there's wind. So,  
23 surface water is a lot like that. It's when there's water,  
24 it's cheap. But how often is there not water? How do we  
25 back that up? How much does it cost? So, that's really

1 what you're looking at the trend lines for, surface water.

2 CHAIR ROBINSON: So, why is the Olinda's trend so  
3 much down like this? Was it taken off at certain times?

4 DIRECTOR TAYLOR: Where you see it really low,  
5 June, July, August, September, and there's no water coming  
6 out of Waikamoi. So, it dries out in the summer, and  
7 there's no water. So, what you can see from these graphs  
8 when you look at that with an eye, you basically see dry  
9 weather or wet weather surface flow out of the Waikamoi.

10 So, you can see from here that, okay, we either  
11 need a huge reservoir to get us through this dry season, or  
12 we're going to need to pump. And so, that's what you see  
13 from a graph like this.

14 CHAIR ROBINSON: Sure.

15 MEMBER BOTEILHO: Dave, under your projects in the  
16 division report, they mentioned monitoring flow and run time  
17 for the DHHL well in Honokowai. What is that well as far as  
18 will it feed the County system as well DHHL, or what is the  
19 results of the test?

20 DIRECTOR TAYLOR: I do not know the results of the  
21 test. That is a kind of standard operational aspect that  
22 plant operations does. You know, what does the well  
23 produce, what can we count on it for.

24 MEMBER BOTEILHO: Will it be another source for us  
25 or Honokowai?

1           DIRECTOR TAYLOR: So, that's what they're testing.

2           MEMBER BOTEILHO: So DHHL put in the well?

3           DIRECTOR TAYLOR: You know, I don't recall the  
4 details of that well, of exactly what the deal is with that,  
5 whether they put it in or we just call it that. I really  
6 don't remember. Unfortunately, having only been here four  
7 months, I am still struggling a little bit with not knowing  
8 the names of everything or exactly what the history of each  
9 system is.

10          CHAIR ROBINSON: We have moved into division  
11 reports.

12          MEMBER BOTEILHO: Oh, sorry.

13          CHAIR ROBINSON: It's okay. I combined them. So,  
14 I'm also learning. It's my first time. So, we are moving  
15 into division reports, and the quarterly financials. So, if  
16 there are any questions about those two reports. Did you  
17 have any other questions, Kevin?

18          MEMBER BOTEILHO: No, I just found it interesting.  
19 Hopefully, there's another well coming on line.

20          CHAIR ROBINSON: It's a standard test.

21                 Any other comments or questions on our division or  
22 quarterly financials?

23                 So, is the statement here regarding the cost to  
24 the electrical expense, it was 2.9 million more; is that  
25 just a direct reflection on the cost of electricity, which

1 is related to a barrel of oil, or is there some other reason  
2 why that was -- you said that on an annualized basis, the  
3 expense was below the current operating budget projections.

4 DIRECTOR TAYLOR: Electricity is -- the cost for  
5 electricity is driven really by two things. One is the cost  
6 of oil. And when you folks all get your MECO bill, there's  
7 something called the fuel oil charge adjustment, fuel charge  
8 adjustment, which basically the PUC says MECO can pass  
9 through the cost of fuel to the customer. And I think if  
10 you -- if you ever graph your bills, and you graph the  
11 global -- the price of oil in the global market, you'll see  
12 it's offset about two or three months.

13 So, what you can see from that, MECO/HECO seems to  
14 be buying their oil three months before they're burning it.  
15 That seems to be the phase difference between the price of  
16 oil in the global market and your bill going up and down  
17 because of that. So, that's just kind of my guess from  
18 looking at those numbers. So, basically, as the oil price  
19 goes up, our cost per kilowatt hour goes up. So, that's one  
20 reason that our cost goes up and down. The other is how  
21 much we have to pump.

22 So, the other is just direct precipitation. If it  
23 rains a lot, people aren't using as much water. There's a  
24 lot of water Upcountry. We don't have to pump from Kamole  
25 up the hill. So, if that happens, so if both of those

1 happen, you have low oil prices and it rains a lot, our  
2 kilowatt hours are going to be down, and our cost per  
3 kilowatt hours are going to be down. That's the good side.

4           The bad side is both bad things can happen. It  
5 can not rain a lot, so we have to pump. And the price of  
6 oil can go up, meaning we're using a lot of kilowatt hours,  
7 and we're paying a lot per kilowatt hour, so the costs go  
8 up. So, essentially what we have is our estimate every year  
9 for the next year. And if you think about that happening  
10 evenly over 12 months, the question is are we above that at  
11 any time or below that at any time. And so, it fluctuates  
12 with precipitation and cost of oil.

13           CHAIR ROBINSON: You had mentioned that, and I  
14 think I saw this, I don't know if it was in the paper, or  
15 maybe Tina Rasmussen mentioned it to me. But Doug McLeod is  
16 actually actively becoming involved in looking at  
17 alternative energy, clean energy solutions to some of the  
18 department pumping facilities. Is that happening? Is that  
19 looking like it may go into --

20           DIRECTOR TAYLOR: The Mayor's Office of Economic  
21 Development, where this man Mr. McLeod is the alternative  
22 energy coordinator, is putting together  
23 a countywide photovoltaic and/or wind request for proposal.  
24 They've identified a number of sites of a number of County  
25 facilities that seem to fit wind and/or photovoltaic. And a

1 couple of our sites are definitely on that list.

2 So, they're going to be bundled. So, that rather  
3 than Department of Water Supply just looking, here is for  
4 our site, it will be a County -- a County request for  
5 proposal that looks at a number of County sites to try to  
6 get some critical mass to make it worthwhile for these  
7 companies to do.

8 So, there are some Department of Water Supply  
9 sites that will probably make it into this set of proposals.  
10 Our involvement is we are getting the blueprints and  
11 electrical use patterns and things like that as they're  
12 packaging this with some other County facilities. So,  
13 hopefully this will happen. It's the kind of, you know,  
14 synergy for lack of better term, that really helps.

15 We're not experts in this. He is. He's working  
16 with all of the departments. We're using our expertise  
17 operationally and trying to put this together. So,  
18 hopefully we will see something in there.

19 CHAIR ROBINSON: Any other comments or questions  
20 about division reports? Okay. I'm moving that we adjourn  
21 this meeting.

22 (Meeting ended at 10:05 a.m.)

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C E R T I F I C A T I O N

I, RACHELLE PRIMEAUX, Notary Public for the State of Hawaii, certify:

That the proceedings contained herein were taken by me in machine shorthand and were thereafter reduced to print under my supervision by means of computer-aided transcription; that the foregoing represents, to the best of my ability, a true and accurate transcript of the proceedings had in the foregoing matter.

I further certify that I am neither attorney for any of the parties hereto nor in any way concerned with the cause.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_

NOTARY PUBLIC, State of Hawaii

My commission expires 6/14/2012