

WATER RESOURCES COMMITTEE
Council of the County of Maui

MINUTES

September 13, 2011

Council Chamber, 8th floor

CONVENE: 9:04 a.m.

PRESENT: VOTING MEMBERS:

Councilmember Michael P. Victorino, Chair
Councilmember Gladys C. Baisa
Councilmember Robert Carroll
Councilmember Elle Cochran
Councilmember G. Riki Hokama

EXCUSED: VOTING MEMBERS:

Councilmember Joseph Pontanilla, Vice-Chair
Councilmember Mike B. White

STAFF:

Michael Geers, Legislative Analyst
Yvette Bouthillier, Committee Secretary

ADMIN.:

Dave Taylor, Director, Department of Water Supply
Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation
Counsel

OTHERS:

Sally Raisbeck
Steven Bumbar, Managing Director, Castle & Cooke Resorts, LLC
John M. Stubbart, Director of Utilities, Castle & Cooke Resorts, LLC
Wayne Ishizaki, Vice President of Financial Management, Castle & Cooke Resorts, LLC
Ralph Matsuda, Consultant, Castle & Cooke Resorts, LLC
Kristofer Baptist, Senior Project Coordinator
Others (5)

PRESS:

Akaku: Maui Community Television, Inc.

CHAIR VICTORINO: ...(*gavel*)... Good morning. The meeting of the Water Resources Committee for September 13, 2011 will come to order. We have a quorum present. Let me start by introducing the Members in attendance. First of all I'd like to introduce the Member from East Maui, Mr. Bob Carroll.

COUNCILMEMBER CARROLL: Good morning.

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CHAIR VICTORINO: Good morning, sir. The wonderful young lady from Upcountry, Ms. Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR VICTORINO: Good morning. Our young lady from West Maui, Ms. Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha. Aloha, Chair.

CHAIR VICTORINO: Good morning. And our representative from the island of Lanai, G. Riki Hokama.

COUNCILMEMBER HOKAMA: Chairman.

CHAIR VICTORINO: Thank you. Today excused will be Vice-Chair Joseph Pontanilla. Also, Member White will be joining us a little bit later, so. And the two non-voting Members are not present. So those Members that are here constitutes a quorum. We also have here today, from the Department of Corporation Counsel, Mr. Edward Kushi, Deputy Corporation Counsel. And representing the Administration, the Director of the, of the Department of Water Supply, Mr. David Taylor.

MR. TAYLOR: Good morning.

CHAIR VICTORINO: Good morning. Also our Committee Staff, Legislative Analyst Mike Geers and the Committee Secretary, Yvette Bouthillier. Today we have just one item on the agenda, and that will be WR-4, the Draft Lanai Water Use and Development Plan. We will be taking public testimony in a few minutes. First of all I'd like to remind everyone if you have a noisemaking device, cell phone or anything else, either put it on the vibrator modem or the silent, or...stop it or some other non-noisemaking ability. Decorum will be kept in the Chambers. Also, for public testimony, we allow three minutes per testifier and we will be talking about just the subject matter at hand, which is the Lanai, Lanai Water Use and Development Plan. At this time we have no written testimony that I know of, so we have one testifier that's signed up. So, with no objection, I'd like to start public testimony.

COUNCIL MEMBERS: No objections.

CHAIR VICTORINO: Thank you. The one testifier that signed up is Sally Raisbeck, and she's testifying on WR-4. And she's testifying on her behalf.

...BEGIN PUBLIC TESTIMONY...

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MS. RAISBECK: Thank you, Mr. Chairman. My name is Sally Raisbeck. I live in Wailuku. I've been on Maui about 30 years. Back in the '90s, I remember being on Lanai for a meeting of the State Water Commission. I gave away all of my files a few years ago, so I cannot refresh my memory about that, the details of that event. The company at the time was Castle and Cooke. The pineapple plantation was the major employer. This was before the hotels. I think the issue was water for golf courses, and whether that would kill the plantation. The union was still strong, Goro Hokama had been Chair of the Council for 40 years. There was a lot of sentiment against giving golf courses any of the high level water. I really remember only three things quite vividly. I remember having breakfast and seeing the Water Commission members at breakfast with the people from Castle and Cooke. The Commission spent all day with them, touring the island. The Commission had dinner with them. Testimony from the public was confined to 7:30 p.m. till about 9:00 p.m. because the Commission closed the hearing so they could make a plane. That's one thing I remember. I also strongly remember the Castle and Cooke representatives promising the audience that the pineapple plantation would not be closed. I also remember there had been an organization formed to oppose the water use for golf courses. I think it was about 150 people. As a relative newcomer from the mainland at the time, I was amazed that all the members thought their identities had to be kept secret with only one woman, who was a State employed teacher I believe, as the spokesperson for the group. The, a court had agreed that the organization could keep the identities of the members secret. And this fact really impressed me because it was a wise precaution for the members who opposed the company. Of course, we know what followed. A few years later, Castle and Cooke closed the plantation, promising jobs in the hotels for displaced workers who qualified. Not many field workers could qualify as waiters in their four-star restaurants. I quote this because this is the reason I really have very little trust in the Commission on Water Resource Management, although Mr. Taylor has, says he trusts them very much. I have very little trust in any of the big corporations that own so much land on Maui, Maui County. I have seen, over the 30 years I've been on Maui, promises broken. The welfare of the rich groups emphasized at the expense of the welfare of the workers. I have not been able to read the present document you're considering because it's on a CD. And there are only two copies, hard copies, and I will be asking to look at them. But I know that nothing I say is gonna make any difference to the Council or to Castle and Cooke, or to David Murdock. And I've seen it happen before. Thank you.

CHAIR VICTORINO: Thank you. Any questions for the testifier? Seeing none. Thank you, Ms. Raisbeck. I have no other testifiers who've signed up. I will give one more opportunity to anyone in the audience who feels like they would like to give testimony on WR-4. Seeing no one approaching the podium, with your permission and no objections, I'll close public testimony.

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COUNCIL MEMBERS: No objections.

...END OF PUBLIC TESTIMONY...

ITEM NO. 4: DRAFT LANAI WATER USE AND DEVELOPMENT PLAN
(C.C. No. 11-86)

CHAIR VICTORINO: Thank you. Good morning, gang. Remember last week Friday, we were on the island of Lanai. And I really felt that we had a very open discussion with all parties in regards to this Water Use and Development Plan. Whether it was LWAC, unions, the company, and individuals, individual citizens, we had given everyone an opportunity to give their manao to us last week Friday. So today, we are at the point of now looking to accept the ordinance for the draft plan for the Lanai Water Use and Development Plan. At this time I will give the Director of the Department of Water another opportunity to discuss the matter. And if you have questions, we have company representatives here today. We have the Director here today. I feel like, and I hope most of you got your answers, your questions answered when we were on the island of Lanai. But I will give the Department, and if you have questions for the, the company, I have representatives available. Mr. Taylor?

MR. TAYLOR: Thank you, Mr. Chair. And good morning, Committee Members. I think most of what the Department and the Administration has to say we've already put on the record in Friday's meeting and in the earlier meeting in this Chamber that we had a few months ago. The only point of clarification I'd like to make, because there have been some questions brought up between Friday and today, about the plan and the appendix and exactly what authority it has. I wanna be really clear that when we reformatted the original document that the LWAC had seen, that the Board of Water Supply had seen, we wanted to make sure we didn't lose any of the hard work that everyone had put in. And yet, at the same time, we didn't want to have confusion that certain documents, for example, there's a couple of draft ordinances in there. We didn't want anyone thinking, well, just because the plan was passed, those ordinances are in effect. There was some language in there of shall this or shall not that. We didn't want anyone to misrepresent that just because the plan was passed by ordinance, that those were regulatory statements. So a lot of that information was put into an appendix so that the work that the LWAC and the Department and the community had done together wasn't lost. It doesn't mean that anything in the appendix necessarily means that, you know, we think it should be passed or we don't think it should be passed. We wanted to make sure, I wanted to make sure that none of that hard work was lost for people discussing this in the future. So I just want to take this opportunity to be very, very clear that we're not saying just because it's in the appendix that it A, either becomes law or B, you know, we're recommending that it should be law. It's work product that the LWAC did and we don't want it to be

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lost. So I, I just wanted to clarify that because those questions have come up in the past couple days. And those are my only comments, Mr. Chair.

CHAIR VICTORINO: Thank you, Mr. Taylor. Questions from the Committee for Mr. Taylor. Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, I just have one question that would give me better comfort with this consideration this morning. And again it just comes from my perspective of the requirements. I do know that we heard from Mr. Ice and his associate last week Friday from the Commission on Water Resources. And if I can just paraphrase it, that this meets the statutory requirements to be part of the State water plan. Pretty much, more or less. I believe that's what the comment from those representatives said. But I do know, or it is my understanding, that our Planning Department must also give comment in the review of this document from a land use perspective. And so I haven't seen anything in this consideration before the Committee this morning with some type of confirmation or statement that the Planning Department did its part in its requirements for this submittal to be updated. And if I'm in error, I stand corrected. And, and...but that would at least reassure me that all of those components have been addressed and will not be able to be challenged down at a later time because of a shortcoming or a discrepancy in the requirements of approving this document. So I would like to ask our Administration, either the Director or Mr. Kushi, or if there's someone from Planning that can verify that we've taken care of all these, in my perspective, Mr. Chairman, and respect to the water requirements to pass this consideration possibly this morning.

CHAIR VICTORINO: Well, let me, let me start before I call upon Mr. Kushi, you know. I'll let Mr. Kushi answer this one, and if you don't mind. All of the water use and development plans that are being brought forth is being reviewed by the Department of Water and by this Committee. Okay. As far as I know, land use, I mean, not land use, the Planning Department and other departments are part of it but they don't have to comment. They don't, you know, they don't have to approve it. It really falls to the Department of Water. They're the ones that are the final entity that brings it forward. And then it goes to, if I'm not mistaken, the Board of Water Supply for their review. Okay. So these are the steps: Goes, the plan is formulated, sent to the Department of Water. They look it over, they make whatever adjustments they think. They send it to the Board of Water Supply, they look it over. They review it, they make whatever recommendations, send it back to the Department, and then it's brought forward to us. Now, if I'm incorrect, Mr. Taylor, you correct me on that one, but that's the procedures we've been using on all the other plans at this point.

MR. TAYLOR: That, that's consistent with my understanding.

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CHAIR VICTORINO: Yeah. Okay. So, Mr. Kushi, since Mr. Hokama has brought up a question in regards to the Planning Department and their involvement, I would like to ask you to give your legal opinion on that. I just gave you my overall perspective.

MR. KUSHI: Good morning, Mr. Chair. Members, Member Hokama specifically. Good hard question for this morning. Obviously I can't give you a legal opinion because I'm just referencing the statute, which is 174(C)-31, which is entitled Hawaii Water Plan, and that's the requirements for a, the water use and development plans for all islands, which would then be incorporated into a State water use and development plan. In that, there is some language regarding land use entitlements and just, and, and unless I'm, I'm incorrect, you know, there's some contrary opinions. I'm just looking at what the statute says. And it's under...pardon, Mr. Chair, but obviously I'm not prepared for this.

CHAIR VICTORINO: Mr. Kushi, would you like me to take a recess and --

MR. KUSHI: No.

CHAIR VICTORINO: --give you an opportunity?

MR. KUSHI: No. I think I can, I can go along.

CHAIR VICTORINO: Okay. All right. Thank you.

MR. KUSHI: It's under Section 174(C)-31, subparagraph F as in Frank. It basically says each county water use and development plan shall include but not be limited to: One, status of water and related land development, including an inventory of existing water uses for domestic, municipal, industrial uses, et cetera. So it does reference land, related land development. Two, future land uses and related water needs; Three, regional plans for water development, et cetera, et cetera, et cetera. So that's the only reference I can see to land related issues in a water use and development plan. Now to my knowledge, in this process and, and also in the process that you guys passed in the Central Maui Water Use and Development Plan, I don't recall the Planning Department being involved at all. I do recall in the Central Maui Water Use and Development Plan, as well as this plan, it does make references to land uses, which are documented and may be subject to change based on this body's adoption of the general use and development plan areas, which is in Ms. Baisa's committee, I believe. So, that, that being the case, I think that's the only contact that I know of. Now, whether or not the Planning Department and, and once you involve the Planning Department, I imagine you, you'd have to involve the Planning Commission, and Lanai has its own, then you open it up to not only a water use and development plan, but a land use document, which I don't believe the Code calls for at this point in time. So, Mr. Hokama, that is my response offhand.

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CHAIR VICTORINO: Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, I thank the Corporation Counsel for his comments. And I just bring it up because in portions of the proposal before the Committee, there is comment in this plan regarding the inability of the current resource to fulfill the proposed build out of our approved projects. And I would have hoped that the Planning Department might have maybe given us comment to further allow this Committee to make a, the best-informed decision as possible. Because even the Water Department's own motto, from all things, what, water is life, so for us on Lanai with our one aquifer, two subzones, and again you heard me question the State Commissioners on, the State Water Commission --

CHAIR VICTORINO: Representatives.

COUNCILMEMBER HOKAMA: --representatives about that 6 million sustainable yield, and they said, they will continue to stay with that number. You know, for myself, again, knowing that it also depends upon the depth of our wells, where we put the pumps to get that 6 million gallons. And so, you know, for me, I wanna make sure that the decision now we'll be making is the best informed I can for the best result for our community and our island. And that is why, you know, I'm asking these questions that I believe is very important for not only myself, but for my community to hear the responses to. And also to assist my fellow colleagues to be able to make, as I said earlier, the best informed decision, Chairman. I don't know if Mr. Taylor has some comment on what I just shared regarding my perceptions or my understanding of the proposal at this time regarding the yield and the ability of those lengths. See, 'cause I find it, that land use component, that it is not sufficient to support the build out of our projects. And this, it's in this document. And so, did Planning give you that, some, some indication, that you can support this position this morning?

CHAIR VICTORINO: Mr. Taylor, would you like to comment on that please?

MR. TAYLOR: I think I can, I think I can address that generally.

COUNCILMEMBER HOKAMA: Thank you.

MR. TAYLOR: The information of zoning and, and what exists there clearly came from the Planning Department. Back in my past position as Wastewater Chief, when we were working with the Water Department on water use and development plans for Central and even Upcountry, the staff from the Water Department, you know, came to Wastewater, said, you know, how much reclaimed water do you have. And we gave them that information. At some of those same meetings, the Planning folks were there, giving them their information. The Water Department, and this, this draft was basically put together by one person who doesn't work for

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the Department anymore, but she got a lot of this information from the other departments. I mean, the Water Department isn't the owner of zoning information. So clearly there was discussion and the information came from these other government sources. It wasn't developed in a vacuum. So I would say that, that clearly there was input from the Lanai Community Plan, and also from the Planning staff about what is the information. And that was put together in this plan. How it will be utilized is as an informational document. As, as we talked about on Friday on Lanai, as there are applications and requests for entitlement type projects on Lanai, the Planning staff will be looking at this document as a resource to make their decisions. So, Mr. Hokama, I think in a general way, I would say the base information of planning issues came from the Planning Department and ultimately recommendations about the consistency of land use and economics and water will be put together in their recommendations before any further action. So I think from a general standpoint, I can't speak from legal definitions, but I think land use is absolutely incorporated in the preparation of this document and will certainly be incorporated in the usage of the document.

COUNCILMEMBER HOKAMA: And I thank you for that, Director Taylor. You know, I understand and appreciate, but that was one of my concerns, too. That one employee that took...I won't say it in a public meeting but, you know, my concern about how that one employee did this work is of a concern to me. But part of what I had hoped this document would also reemphasize is the allocation of its resource, of our, that main resource into the components of prioritization that if, for whatever reason a situation arises, the document will give guidance not only to the County, but to those on the island of where and who gets what waters from the, from the aquifer. For me it's always been residential first and top priority, and then from there we go down what we can or what I would consider a prioritization of importance in an allocation table. Or to adjust the allocation table to ensure that the key priority one, which is the residential requirement, is always maintained and fulfilled by, by not only the water company, but to also ensure that the County supports the community in receiving that top allocation requirements. And that is something that I still believe it's a key component of any water use and development plan, is the prioritization of its allocation and to what sectors will get the water when there is not enough water to be provided. Thank you, Chairman.

CHAIR VICTORINO: Thank you, Mr. Hokama. Other questions for the Department or Mr. Kushi? Is there any need to bring any of the company representatives forward? Are there any more questions for the company representatives? Yes.

COUNCILMEMBER HOKAMA: I would like to ask a question to a person that would like to speak on behalf of either, more than likely the water company.

CHAIR VICTORINO: Okay. We have five individual members. Any member in particular you would like to call up?

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COUNCILMEMBER HOKAMA: Whoever can speak for the water company, Mr. Chair.

CHAIR VICTORINO: Okay. I will open up the opportunity for any of the...John, you wanna do it?

MR. STUBBART (*From the audience*): Yeah.

CHAIR VICTORINO: Okay, John Stubbart, Director of Utilities for the Lanai Company. Good morning, Mr. Stubbart.

MR. STUBBART: John Stubbart, Director of Utilities, Lanai Water Company and Wastewater.

COUNCILMEMBER HOKAMA: Yeah. We thank you for being here this morning. Castle and Cooke Lanai has and you have submitted a letter supporting the Director's draft. And we have that on record, so I appreciate you folks taking a position. And so on Page 31 of this plan, which is under land use entitlements. It's in black and white, first sentence, water demand for build, build out of projects with existing land use entitlements would exceed the capacity of the existing water system infrastructure. Black and white. So, Mr. Stubbart, if possible can you share some information with the Committee this morning on how would the Lanai Water Company move forward to, if it is still the company's or Castle and Cooke's desire to build out their entitled projects, is there a current plan to proceed forward to ensure that the system can deliver the waters required as well as maintain and enhance the watershed and the protection of the aquifer?

MR. STUBBART: The plan outlines that the development on the island would surpass eventually a set point that we put of 4.3 million gallons per day from the aquifer. The limit is 5.4 from the Commission on Water Resource Management. At that threshold, our plan is to develop other resources, such as reverse osmosis. We would be capturing more reuse water as the population grows. So the intent of the plan is to not outstrip the water resource issue in the groundwater, but maintain a reserve, number one. And to look at other resources that are not from that high level groundwater allocation. So to meet the build out, it's, the statement's correct, but said in a kind of negative way, 'cause it says it will outstrip the, that resource or will pass that resource. But the intention of the plan is to provide other resources and, and, I think one of the primary ones that we would be familiar with is reverse osmosis from the basil brackish lands around the perimeter of the island.

COUNCILMEMBER HOKAMA: And I glad that you made that, for me, clarification point, Mr. Stubbart, because that is definitely not desalinization, right? Your reverse osmosis, that is not another fancy term for --

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MR. STUBBART: It, it is.

COUNCILMEMBER HOKAMA: --desalinization.

MR. STUBBART: Desalinization is, it's not knowing what the technology may be at the time, I'll, we can use the word desalinization, of brackish water and removing salts to, to make it potable water.

COUNCILMEMBER HOKAMA: And that's the extent of your current projection is to just deal with the brackish? You're not looking at ocean conversion to potable?

MR. STUBBART: It could be ocean water. I'm looking more the brackish water and the basil lens, not the high level.

COUNCILMEMBER HOKAMA: Right. Yes.

MR. STUBBART: Because that way Mother Nature's polished some of that water to reduce the, the cost to filter that water further. So going straight to seawater, the costs goes up quite a bit.

COUNCILMEMBER HOKAMA: Right. Right, right. From an island consumer standpoint, Mr. Stubbart, can, can your water company customer base...how is the customer base gonna deal with this increased type of costs to provide, since we have a very small customer base, to be able to deal with this improvements and requirements for assuring good potable water for our island?

MR. STUBBART: I would have to respond that in today's technology, the cost for desalinized water can take several different types of technology. The time that it would take for the demand to get to the point where that technology would have to be implemented would be many years in the future, and I'm not giving a specific, if it's 10, 20, 30, 40 years. But I would suspect that the technologies have changed so much in the last several years. We did a project with a company I was with on the Big Island, and the cost to do water polishing desalinization was reasonable to, I guess, compared to other costs for potable water. I would say that in the future, for when we...let me go back. When we did that project, already the advancements in the technology for the membranes, just membrane technology alone, the new Pukalani Wastewater Plant is an example of a reuse application from wastewater. But the technology of those plates is, is well advanced and the cost to produce that, that reclaimed water is very reduced. I would suspect that in the future, that the technologies hopefully would advance enough so that the cost to, to manufacture water from brackish water, or even from seawater, may be...would be economically viable.

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COUNCILMEMBER HOKAMA: That, that would include the power component to, to do this conversion from the desalinization?

MR. STUBBART: And that's where the technology has advanced so much. Before you used to use 400 to 600 psi of pressure to go through membranes, now you can do it for 110 pounds. So I would have to say that that energy component wouldn't be as significant a factor as it used to be.

COUNCILMEMBER HOKAMA: And, you know, with, with things being relative, yeah, Mr. Stubbart, we still pay high utility bills on the island. You pay to the Maui Electric your monthly electrical bill, too. So, you know, I still have a concern. You know, the utility is going through the PUC right now for a rate increase, you know, you know. And then I know, you know, you're gonna need to pass on to the water customer base some additional fee increase, you know. Maybe some incremental adjustments. And so, you know, I just wanted to be able for you to share to our Committee that's paying attention to this meeting. Because it's always concerned me that, you know, we need to make our community be aware of what we are paying, what we're getting. And yet, with all this plans to provide additional potable resources comes a cost factor and our water will not stay at the same rates. And I don't know if that is something that you might wanna, you are able to give comment on this morning regarding what is the near term future of water rates on Lanai with this plan potentially being approved and moving forward.

MR. STUBBART: I think this plan identifies in one of the appendix sections about the rates and supports the idea of having rates that support the infrastructure, that support the utility operation. Because it is, water, as we all know, provides an economic engine for having that water available for agricultural, business, residential, fire protection, public health, drinking water, just having that convenience at your doorstep. But all those things, yes, have costs to, to make sure that it's running well and it's sustainable. In the report identifies that need and we are looking at a rate case that I would say in the next several months we'll be filing with the PUC, as a private water system, we have to file with the Public Utility Commission for our rate case, that will ask for that rate to go up. We haven't had a rate increase since the mid '90s. And so, on one hand, the public has been, the customer has been reaping that benefit of low water, lower than needed water rates. And yet we needed to be applying and building that so that we can make sure that the water company is a sustainable entity.

COUNCILMEMBER HOKAMA: And last one quickly so the other, my peers can ask their questions. How long do you think the, your, the water utility will take to bring down its...what's that phrase?

MR. STUBBART: Unaccounted for water?

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COUNCILMEMBER HOKAMA: Unaccounted for water, to a percentage that is pretty much...you know, to me, nothing is acceptable when we waste water, but to a percent that is, I guess, at this point in time may be more reasonable from the 20 something percent down to maybe, what, 12 percent. I don't know what, what the, our Department will say is a reasonable percent of unaccounted for water. But do you have some kind of timetable that you could share with us on how you looking at conserving some of our line losses and unaccounted for waters to maximize the utilization of our portable [*sic*] water please.

MR. STUBBART: Absolutely. Let me organize.

COUNCILMEMBER HOKAMA: Thank you, thank you.

MR. STUBBART: Since this, I got involved with this report, and 'cause there's wonderful information in the appendix here of opportunities for water conservation. And one of the things we first tackled were the leaks in the Palawai Basin, and overall unaccounted for water. And we, when...the 2008 report, the data that was used, at the time the overall island unaccounted for water was 28.36 percent in 19...oh, wait. I mean, 2008. We're down to 17.1 percent in 2010. And my expectation is when we do our numbers for 2011, so that's just over, that's about 11 percent drop. Our target is to get down to 10 percent or below. So my next target is 15 percent for 2011. The brackish water has, was pretty much the same for the, for 2008, and when we did the numbers it was about the same for unaccounted for water. And we're still adding meters and looking for any lost water. The potable water had dropped, it was 16.7 percent and previously...it was 16.7 percent and it had been up in the 20s beforehand. I forgot to write that number down on this sheet. But it drops quite a bit. And so a lot of our conservation activities, especially during the drought, were with irrigation activities, the golf course, the hotel. We do, in the newspaper, we put conservation ideas in there, a little article that we got out to the customers. So we have seen conservation drops. We're looking at dual flush toilet. It's an adapter that goes in your toilet. It's very cost effective. And so, programs like that to get those out to the public are things that we're planning on doing, that are in our plan to do once this plan's approved. It outlines some of those objectives in the plan that we are already following.

COUNCILMEMBER HOKAMA: So, hearing that statement, can I be reassured that you have the financial resources to implement what you just said you would like to do once we, the Council, considers approving this plan?

MR. STUBBART: Yes. In my budgets, I have in there plan money for conservation activities on an ongoing basis for every year into the future.

COUNCILMEMBER HOKAMA: Okay. Mr. Stubbart, I thank you for responding to my questions. Chairman, I, I thank you for my opportunity.

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CHAIR VICTORINO: You're welcome. Any other Members have any questions for Mr. Stubbart?

COUNCILMEMBER COCHRAN: Yeah. Thank you, Chair. And so, you know, what does the company feel is probably the, the number one threat or highest priority to address the, the watershed, the declining watershed? You know, enhancing it, protecting it type of actions.

MR. STUBBART: Speaking from the water company, I'm not necessarily speaking from the entire company at this moment, but for the water company, the watershed protection, I think you heard Brian Plunkett on the public testimony on Friday speak to the fence, finishing the four miles of fence. He's looking for that budget to complete that. And the control of ungulates within the current sections that are fenced. And so I know that that's an ongoing. Between the two of 'em, and I know that they're doing both, they finished some sections of the fence, from the water company's perspective, the watershed is key and critical to the future. And I work with Brian, we meet on a regular basis to talk about what they're doing. I ask questions on their planting program, 700 trees a year they replant, getting the fence fixed, on coordinating our, our capital expenditure budgets and our requests to, to try secure that money, looking for funding if there's any avenues I can help him with. So that watershed protection and its enhancement is truly something that I am a proponent of and want to see happen, and is a discussion item that we have on an ongoing basis.

COUNCILMEMBER COCHRAN: Thank you, Mr. Stubbart. And, because I'm looking at Ms. Costales' testimony, and it mentions that Castle and Cooke is seeking funding. I mean, I really think that that is the number one priority. Without water, obviously nothing will happen, no development, nobody can survive, I mean, so on and so forth. So it amazes me that the company with the person who's in charge and the owner himself has a lot of money, that this wouldn't be something that you'd have to beg and, and, you know, shuffle budgets around for in particular. Because everything he's invested in could just die if that aquifer completely dries up, so.

MR. STUBBART: In fairness, I'd say that they have built the fence all the way. And it's got four miles left, which is a very difficult section to get in. And I can't speak to Mr. Murdock's wealth or cash. But it is an issue that we are definitely have high on our priority.

COUNCILMEMBER COCHRAN: Well that's good to hear, but also in the past minutes that I was reading through, it's many years behind schedule. And that sort of frightens me, too, because obviously it hasn't been on the high priority list all these past years. So hopefully, I mean, I don't wanna get to that critical point or

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that panic point to where, oh, we gotta, you know. It should be an ongoing, and I, and I see that you are, so I just hope to ...*(laughs)*... urge it on.

MR. STUBBART: For me it is --

COUNCILMEMBER COCHRAN: Good.

MR. STUBBART: --and I try keep it there. And I know that people in the audience that are also hearing your concerns.

COUNCILMEMBER COCHRAN: Yeah. Thank you. Thank you, Chair.

CHAIR VICTORINO: You're welcome. Any other questions for the company representative? Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: That reforestation. You know, I do know that whether it's your entity or Ms. Costales' entity that applies for the County's funding for watershed protection. Is most of that money used for the fencing that you're aware of, Mr. Stubbart? Or is that used for actual replacement and adding additional Cook and Norfolk pines on our hale? Because I see a lot of planting, but it's not on the mountain. It's along the highway to the airport, the highway along Manele Road and, you know, you know, it's beautiful and I'm sure it may eventually around those trees be very green. But does that really, is that part of your, the reforestation program?

MR. STUBBART: I'm gonna say that the, the planting along the airport and those was not a separate issue because it's not in the watershed area. The watershed area is defined as up on the hale and above certain elevations. So those trees are...were separate.

COUNCILMEMBER HOKAMA: It's a separate project.

MR. STUBBART: You know, not part of that. The ongoing planting is up in the hale. They have a nursery. They, you know, do raise the trees and plant 'em. As far as the financing, the...on the funding, I know that some of the funding is for eradication of certain species, the strawberry guava, the waiawi and the other invasive species, and expanding habitat for native species and/or species that are gonna enhance the watershed. I can't speak to the funding to the fence specifically.

COUNCILMEMBER HOKAMA: Okay. Not a problem.

MR. STUBBART: I don't know.

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COUNCILMEMBER HOKAMA: Not a problem. Is conservation under your direction, or that's under the...?

MR. STUBBART: It's under Brian Plunkett.

COUNCILMEMBER HOKAMA: Which...and that is under the Lanai Water Company structure?

MR. STUBBART: No, it's not. It's not under, it's a separate division or, or department. So the water company is over here with all, with the utility operations. And Brian Plunkett, who you met, is the person that runs the conservation programs because of the extensive nature of the game management and the ungulate control, and the reforestation and these other, other activities that would...it's, it's separate. And we meet to go over where he's at and trying to coordinate our activities.

COUNCILMEMBER HOKAMA: Okay. Thank you very much, Mr. Stubbart. Thank you, Chairman.

CHAIR VICTORINO: Thank you. Thank you, Mr. Stubbart, for being here today. Appreciate it.

MR. STUBBART: Thank you.

COUNCILMEMBER COCHRAN: One more, sorry, Chair. Can I ask him another?

CHAIR VICTORINO: Is it germane to the, to the discussion?

COUNCILMEMBER COCHRAN: Right. Yes. Can I...

CHAIR VICTORINO: Go ahead.

COUNCILMEMBER COCHRAN: Thank you. You know, I asked you on Lanai about Well 15, 'cause in these documents it was talked about.

MR. STUBBART: Yes.

COUNCILMEMBER COCHRAN: But I guess it's officially been done.

MR. STUBBART: Yeah. It has, it has been. The well drilling has been completed, the well has been tested.

COUNCILMEMBER COCHRAN: Tested, but not online and being used at this point?

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MR. STUBBART: Not online. The pump has been ordered. The pump will be installed, it's planned to be online in March. It takes quite a while once you order the pump to actually get, get built and delivered.

COUNCILMEMBER COCHRAN: And the exploratory portion so far has shown a particular yield at this point? I mean...

MR. STUBBART: Our planned pumpage is about...it is 325 gallons per day. Sorry, correction, gallons per minute from the pump. Our expected production, our use is about 300 to 400,000 gallons a day. It is part of a well field, so its intent is to be used in combination with the other wells, so that I can run a well and let another area rest, another well rest for...and, and we manage the aquifer by having enough wells. That's always what you wanna have in a water system is to be able to manage the system, and allow recovery and recharge, and in different places so you'd have to have those tools in order the do that. By having Well 15 online, we aren't increasing the capacity, 'cause we have set limits on what we can remove from the aquifer for use. And so, what it allows us to do is to, I can take a well down to do repair. I can move, withdrawal from that area to allow recharge. It allows me to manage the aquifer and the well field.

COUNCILMEMBER COCHRAN: And so, by this new well, 'cause I, I see that you have five or so wells that have been in decline and continue to decline. So...

MR. STUBBART: They were.

COUNCILMEMBER COCHRAN: They were. Not any...no longer?

MR. STUBBART: Right now, the decline, we're stabilizing wells. There is a slight drop in one of 'em, in one of the brackish wells. And that's where we, by having Well 15 I'll be able to stabilize and/or increase aquifers. I don't wanna go into it too much here, but it's like having cups, your water bottle. If you put two water bottles together and the water doesn't move between 'em a lot, I can pump too much or take too much from that one water bottle and the other one stays full. And so, you can have wells in decline, and that's because of that, you wanna have the tools to manage the aquifer. And I think Charley Ice mentioned, it's in the Water Use and Development Plan, that issue of having the tools, the wells to have aquifer management. That's a key issue, not to be over pumping one specific aquifer chamber.

COUNCILMEMBER COCHRAN: Thank you. Thank you, Mr. Stubbart. Thank you, Chair.

MR. STUBBART: You're welcome.

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CHAIR VICTORINO: Okay, sir, thank you very much. I think you've helped us tremendously today. Thank you.

MR. STUBBART: Thank you to the Members of the Committee.

CHAIR VICTORINO: Okay. Seeing...I think we've about questioned everything out. And so, if there's no further questions, I would like to make my recommendation.

COUNCILMEMBER BAISA: Recommendation.

CHAIR VICTORINO: It's the recommendation of the Chair to entertain a motion to, for the passage of this bill, and the filing of the communication.

COUNCILMEMBER CARROLL: So moved.

COUNCILMEMBER HOKAMA: Second.

CHAIR VICTORINO: Oh, okay. Okay. I was waiting for the second. Thank you. Okay. It was moved by Member Carroll, and seconded by Member Hokama. Any other discussion? Yes, Ms. Baisa?

COUNCILMEMBER BAISA: Yes, Chair. Before we take the vote, I just wanted to make a few comments. I've been kind of quiet because I think most of the questions that I've had as we began reviewing this have been resolved or answered. And I've reached a certain comfort level although I still have a little bit of unease about this. And of course, my first questions, of course, were in regards to that legality of us approving this and because it is a private system and we've heard a lot of from Corporation Counsel. So I think that I'm at a comfort level now because this is a State requirement. We have to do it, and so, that's what we have to do. We have to do what you have to do. I have a little bit of comfort also because this has been approved by the Board of Water Supply. It has been looked at by the Lanai folks. And the company has also changed their position, and now has encouraged us to approve it. We had that wonderful meeting on Molokai and I'd like to thank you very much for scheduling and for taking us there so that we could listen to the people and, actually, you know, it, it really helped me to have the people that were there and the things they had to say. It was important also to have people from CWRM there. I thought that was very good also. And to have the discussion we had about LWAC. And to listen to their concerns about being involved in the monitoring of implementation. And I fell fairly assured that they will be allowed to do that. And it's important that we have them doing it, because they are onsite. I also have a clear understanding that this is what we'll be using as a guide as they come to us for permits that we will want to take a look at this and use it as we, as we process applications. So, at this point, Chair, I will be able to support the approval of the plan. And I'd like to

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thank all of my colleagues and you, and everyone, who's contributed to this very difficult review of the plan. Thank you.

CHAIR VICTORINO: Thank you, Ms. Baisa. Any other comments?

COUNCILMEMBER HOKAMA: Chairman?

CHAIR VICTORINO: Yes, Mr. Hokama?

COUNCILMEMBER HOKAMA: Well, it's been a long time in reaching this point, Mr. Chairman. A long time. Many, many years. I'd hoped this would have come [sic] up years ago. But for whatever reasons, it is what it is. I'm in support of your motion, Mr. Chairman. But there are components that I think I would like to share and that, you know, one of the unique things about our island is that, like anything else, we've got approximately 3,000 free inspectors of anything the government or the company does. So I'm sure we'll have a lot of free water inspectors monitoring the implementation of this plan, watching the programs that will enhance the watershed, the projects that will reduce line loss and unaccounted for waters, as well as how we manage the two sub zones for our community and island's future. I will share with you and the Members of this Committee at this time that it is my intent to draft a proposal to have the Lanai Water Advisory Committee to continue in an advisory role to give comments and their perspectives on various applications that are pertinent to water issues for our island. And also to have a public venue for residents and the general business community to share their desires on potential adjustments to the plan that we potentially will approve at the next Council meeting. So I will share that. I will state though, for the record, that I'm aware of some of the constraints and parameters that the Charter places us on a County created board or commission, or is it advisory committee, regarding Sunshine requirements, regarding tenure and membership. It is my position to make it like our other advisory committees whereby it will go through a confirmation process, and that again, in the future, we would need to appropriate enough resources that a supporting administration, department or agency will have the resources to be able to provide the resources and support staff to make this advisory committee work. And that, again, it is something that has been working for the last few decades, I don't see why we would not like to make it continue. It has proven to be a community benefit. It has also included the community to be more participatory and more aware of our one precious resource of one aquifer, and that is our water resource. So I thank you for moving this forward, Chairman. And I ask my colleagues to support Lanai and support this plan. Thank you.

CHAIR VICTORINO: Thank you, Mr. Hokama. Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Mr. Hokama, for your comments. You know, I'm reading the opine from Mr. Ed Kushi here and

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stating that this is a, you know, a primary guide to the County, public funds are strictly used for public water systems, and that we do not have jurisdiction and authority over privately owned/operated/maintained water systems. That still kinda concerns me in regards to what happened to us with Molokai Water System. And so, you know, there's no protection in this whole document in reference to that. So, you know, hopefully it never comes to that point, but it's just, if this is the guide, I can live with that. There's a lot of unanswered questions still for me and, but I know this has been through a long, grueling process and I appreciate everybody who's put their heart, soul, time and energy into it. So, you know, I too will be supporting. It is a State mandate for us to do so at this point. So thank you, Chair.

CHAIR VICTORINO: You're welcome. Mr. Carroll, do you have any comments?

COUNCILMEMBER CARROLL: Thank you, Chair. Just that I was thinking along the same line of Mr. Hokama about leaving the committee in place after talking with them on Lanai. And I think that's probably one of the most important things that we can do to keep in contact with the island and the water usage over there and the demands, and hopefully that we can be of assistance to them. Thank you.

CHAIR VICTORINO: Thank you, Mr. Carroll. Just to finish the, the comments. First of all, there is a PAF, Mr. Hokama, that I put out a year and a half ago that still exists for this same purpose. So you might wanna look at that and whatever manao you wanna put in there. That's fine, you know. They were never lost in the shuffle, and I assured them that we would not lose them. And so I thank you for making sure that will come forward. As far as, again, a plan is a plan is a plan. This is a guide. Again, you know, sometimes we get wrapped up in guides being the ultimate final decision making process, but it's not because there's other entities and other involvement throughout the process. And this goes through for here on Maui, Lanai and any water system throughout this County. We're fortunate that we have a very proactive Council that takes water as a major issue. This is not so true in other counties. First of all, other counties have water boards that control it, not councils. Water boards are appointed, not elected. Water boards work under the auspices of separate and autonomous. I don't know if I like that idea. I rather have the idea that we control what belongs to the people. So I wanna thank everybody. Fifteen plus years working on this plan. That's an awful long time. Awful long time. I was on the Water Board with Ms. Raisbeck when this first came out. That's how long ago that was. We both had a few less gray hairs. But the point I'm trying to make is the process is there. We've gone through, boy, both going to the island of Lanai so the people could speak. We've gone through all of the various entities. That's why I was very happy Ms. Ohye and Mr. Ice came from the State. I think that was very important. They gave their manao. And so all the other water issues that are out there, they're gonna go through the same process. There's not an automatic this solves everything or this ends everything. There is a process in place. And it's a process I can, well,

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there's some people don't trust it or not. It's a process we have, and we have to make it work. So with that, I will call for the question. All those in favor of WR-4, the Draft Lanai Water Use and Development Plan, signify by saying "aye".

COUNCIL MEMBERS: Aye.

CHAIR VICTORINO: All those opposed? Let the record show five ayes; two excused, Mr. White and Mr. Pontanilla.

VOTE: AYES: Chair Victorino, and Councilmembers Baisa, Carroll, Cochran, and Hokama.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Pontanilla, and Councilmember White.

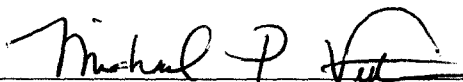
MOTION CARRIED.

ACTION: FIRST READING of revised bill; and FILING of communication by C.R.

CHAIR VICTORINO: Anything else, ladies and gentlemen? Seeing none, I know we have a 1:30 committee meeting for you. . .for Ms. Baisa. You guys have changed all the meetings around so I don't know who's where now. Okay, so we have a planning. . .General Plan meeting at 1:30. So this Water Resources Committee meeting for September 13, 2011 is now adjourned. . . .(gavel). . .

ADJOURN: 10:04 a.m.

APPROVED:



MICHAEL P. VICTORINO, Chair
Water Resources Committee

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CERTIFICATE

I, Amanda Kaili, 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 3rd day of October 2011, in Kahului, Hawaii.

