# WATER RESOURCES COMMITTEE

**Council of the County of Maui**

# MINUTES

## October 4, 2011

## Council Chamber, 8th floor

**CONVENE:** 9:03 a.m.

**PRESENT:** VOTING MEMBERS:
Councilmember Michael P. Victorino, Chair
Councilmember Joseph Pontanilla, Vice-Chair
Councilmember Gladys C. Baisa
Councilmember Robert Carroll (in 9:05 a.m.)
Councilmember Elle Cochran
Councilmember G. Riki Hokama

**EXCUSED:** VOTING MEMBERS:
Councilmember Mike B. White

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

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

**PRESS:** *Akaku*: Maui Community Television, Inc.

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CHAIR VICTORINO: . . .*(gavel)*. . . Good morning. The Water Resources Committee Meeting of October 4, 2011 will come to order. We have quorum present at this time and I'd like to introduce the Members that are present. First of all, our Vice-Chair and the Vice-Chair of the Council, Mr. Joseph Pontanilla?

VICE-CHAIR PONTANILLA: Good morning.

CHAIR VICTORINO: Good morning. Our Member from Lanai, Mr. Riki Hokama.

COUNCILMEMBER HOKAMA: Chairman.

CHAIR VICTORINO: Good morning. Our lovely young lady from the west side, Elle Cochran.

COUNCILMEMBER COCHRAN: Good morning, Chair.

CHAIR VICTORINO: Good morning. And our young lady from Upcountry, Mrs. Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR VICTORINO: Good morning. I know Mr. Carroll will be joining us shortly and excused today will be Mike White. No non-voting Committee members are present this morning. So I'll introduce the Department of Corporation Counsel, Mr. Edward Kushi.

MR. KUSHI: Good morning.

CHAIR VICTORINO: And the Directors are both, the Director of Water Supply and the Director of Environmental Management, the Water Supply, Mr. Dave Taylor.

MR. TAYLOR: Good morning.

CHAIR VICTORINO: And Mr. Kyle Ginoza, Director of Environmental Management, yeah.

MR. GINOZA: Good morning.

CHAIR VICTORINO: And the Committee Staff which is super important, I want to thank them for all their continuous diligent work, Mike Geers, Legislative Analyst, and Yvette Bouthillier, Committee Secretary. We only have one item this morning and it's really an update on the Central…Central Maui Recycling [*sic*] Water and Verification Study. Both Departments have made some inroads. I'll stop here and I'll take a moment to introduce Member Carroll. Thank you, Member Carroll, for being here this morning.

COUNCILMEMBER BAISA: Good morning, Member Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair.

CHAIR VICTORINO: You're welcome. I'll give you a moment to get settled, okay. And by the way, the meeting started at 9:06, so let that be noted in the record, yeah?

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

CHAIR VICTORINO: At this time I would like to call upon, I guess, Mr. Ginoza. I'll let you lead off and Mr. Taylor can join you so that you can give us an update of

how much and where we are with this, this, this study and what else, and if the, the Members have questions specifically for your Department. So Mr. Ginoza, thank you for being here and good morning.

MR. GINOZA: Chair, good morning. Thank you very much for the opportunity to discuss this Verification Study. As you know, as we increase…

CHAIR VICTORINO: Mr. Ginoza, excuse me, I hate to interrupt, but I did something I forgot.

MR. GINOZA: Oh, sure.

CHAIR VICTORINO: I forgot something every important.

MR. GINOZA: Public testimony.

CHAIR VICTORINO: Public testimony. Is there anyone here to give any public testimony, Committee Secretary?

MS. BOUTHILLIER: No.

CHAIR VICTORINO: So with no objections, I will close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR VICTORINO: Okay, thank you and I apologize. I saw no one around and I just kinda just went on the assumption. So I apologize for that mistake. Now, Mr. Ginoza if you may proceed.

MR. GINOZA: Sure. As you may know, of our three wastewater treatment plants on Maui, at two plants, Kihei and Lahaina we provide R-1 recycled water. But at Kahului treatment, Wailuku-Kahului treatment plant, we only provide R-2 quality water. And so we did this Verification Study to first figure out what it would take to, to upgrade the plant to be able to provide R-1 recycled water and then what kind of projects we'd be able to serve and transmit the recycled water to. Right now, the current, currently the Kahului treatment plant utilizes about .2 million gallons per day or about 3 to 7 percent of the flow at the treatment plant to be used for R-2 recycled water. So we process about 4.4 mgd, million gallons per day, and we utilize roughly .2 mgd. And that's for landscape irrigation, for some industrial purposes at the plant as well as for construction for dust control. And as you may know, R-2 water, there are some limitations on its use such as use it at night and there needs to be a 500-foot buffer, and we can get into the specifics if you'd like, but there are some limitations as opposed R-1 recycled water.

In order to develop R-1 capability at or to use R-1 water at Kahului, there are some logistical challenges. Like I said, we have to upgrade the plant, we also have to lay transmission lines through basically a developed area of Kahului, and one other challenge is that currently a lot of users of, of water use cheaper alternatives such as brackish, brackish wells or, or ditch water which are currently much cheaper. Currently the recycled water system on Maui is subsidized roughly 75 percent by sewer users, and the current rates are between $.15 per thousand gallons up to $1.28 per thousand gallons depending on if it's a major agricultural user or other users. The current cost for providing R-1 for us is roughly $4.00 per thousand gallons, and that's in comparison to potable water use which is under $2.00 per thousand gallons.

So in order to upgrade to R-1 at Kahului, it's basically two measures. One is to do the upgrades at the plant, and while there are some other in, in-plant improvements, the main one is to develop ultraviolet disinfection capacity at the plant which we currently do not have. Another challenge is, as I mentioned, to develop a transmission system, transmission and storage system to, for users to be able to utilize the R-1 water once we have that quality water at the plant. So generally speaking, we estimate that the upgrade to the plant would cost roughly $5 million to develop two UV channels as well as some other in-plant upgrades that will be required. And as outlined in the Verification Study, we offer three options as far as users of the recycled water once we develop the in-plant capacity.

Option 1 is basically to run a transmission line along Kaahumanu Avenue to a developed storage in the Maui Lani Islands area, I mean that, basically in that general vicinity so that we can have a pressurized system to provide to different users along that, along that line. And we estimate that, that option would cost roughly $24 million and would have a peak demand of roughly 2 million gallons per day of R-1 recycled water.

Once we get that implemented, we could expand to Option 2, and Option 2 relies on Option 1 being implemented in order to go forward. And Option 2 would be to run another transmission line to the Kanaha Beach Park area as well as the Kahului Airport. So it basically would serve those two properties, and we're look, we're looking at the transmission for that would cost roughly $4 million and would utilize approximately .2 million gallons per day of R-1 water.

Option 3, which again would require Option 1 to be already implemented, would expand R-1 recycled water via transmission to HC&S for their seed cane operation and for schools between the treatment plant and the HC&S operation, which would be like Kahului School, Maui High School, et cetera. And we're looking at a peak of roughly 2 million gallons per day of recycled water to be used at a cost of $1.9 million.

The, the last option is what we call Option 3A, which would not necessitate Option 1 being utilized or being implemented. It would just require the in-plant storage of roughly, I mean, sorry, the in-plant improvements of roughly $5 million as well as the transmission to HC&S. So it will be an HC&S only option, where we'd pump just to HC&S when they need the water, and that would be roughly 1.8 mgd is what we estimate at a cost of about $16 million. And again, that option would not need Option 1 with the, with the storage at Maui Lani, in the Maui Lani area but would just need the in-plant improvements.

So that's kind of the specifics of the recycled water implementation. However, there's kind of an overarching discussion or goal that, that we we kind of want to discuss is whether or not we would pursue recycled water as a method to increase resource or as a disposal issue, because as you may know, you know, as we use more recycled water we could potentially free up some potable water, we could restore stream flow, or we could reduce injection well use. And if you look at it just from the potable water standpoint, it's roughly $30 million investment to save 600 -- 600,000 gallons per day of potable water. So, I mean, that's something that we'd like to kind of talk about as far as a policy as well as to look at in order to kind of contemplate this, this step of going to increased or developed recycled water. I think the first step is to kind of talk about whether or not we're gonna really move the treatment plant, because what we don't want is to invest a lot of money in developing the R-1 recycled water at this location and at the same time or in the near future move the plant and not utilize this investment to its full potential.

So that's kind of where we're at as far as, you know, we've done the preliminary analysis of what it will take to develop recycled water, and we've also contemplated or tried to update ourselves on what it would take to move the treatment plant. And while I know that's not for discussion for today, it's something that the Division and the Department would like to or would be happy to revisit if this body or another committee would like to revisit that. So thank you very much.

CHAIR VICTORINO: Thank you. Again, thank you, Mr. Ginoza for that update. I'll open the floor to questions at this time from the Committee members. Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. Thank you for the review of the various options for utilizing recycled water in Kahului. In, in, in regards to the construction from Kahului wastewater treatment plant to the junction of Kaahumanu, Waiehu Beach Road and then going towards Maui Pine, you're going to be utilizing pipes, transmission pipes rather than excavating in Option 1?

MR. GINOZA: Option 1, we -- in Option 1, oh…

CHAIR VICTORINO: Go ahead, go ahead, no, go ahead.

MR. GINOZA: In Option 1, we're looking at not utilizing the existing infrastructure we have. I think what you're referring to is our, our old Wailuku force main?

VICE-CHAIR PONTANILLA: Yeah.

MR. GINOZA: Basically, we -- a few years ago, we up, we upgraded our or we replaced our Wailuku force main which runs from the, that Y. Hata area where is our Wailuku pump station to the treatment plant. And we actually left the, the exist, what was existing pipe as a backup and we valved it such that in case something were to happen to our force main we could utilize that as a backup. So this alternative actually looks at using, laying a new pipe. I mean, it is something that we could explore maybe slip lining it or, or rehabilitating that line in order to, to at least save that stretch of transmission.

VICE-CHAIR PONTANILLA: Yeah, basically I was looking at, you know, the cost involved and the disruption on Kaahumanu --

MR. GINOZA: Sure.

VICE-CHAIR PONTANILLA: -- Avenue. And when I look at the extension towards Baldwin, Baldwin High School, you know, and, and Maui Memorial, you know, as you said, the transmission line that we, we have from Y. Hata to the Kahului treatment plant is also there and the possibility if we go that route, if you guys decide to go that route by shoving in another pipe into that existing transmission, kind of utilize, you know, on Waiehu Beach Road the same transmission line to cut across Keopuolani Park to serve Memorial Gym and, and Baldwin High School which is more or less disruption --

MR. GINOZA: Yeah.

VICE-CHAIR PONTANILLA: -- in regards to construction work. But I'm glad that you guys have all these options, but the thing is we need to, you know, agree on, you know, where we want to go. In regards to the movement of the plant itself, I know it's gonna cost money and it's already identified in the General Plan, Maui, Maui Island Plan. And that's one of the criterias that they look at. So, you know, it will be, you know, you folks as well as this Council to decide if we really want to do it. So, you know, I, I thank, yeah, the last question I have, it kind of bothered me here, so we're that we, if we were to do one of these options or Option 1, I guess, we're gonna invest $29 million to get 600,000 gallons per day of potable water?

CHAIR VICTORINO: Mr. Ginoza, go ahead.

MR. GINOZA: It, it isn't only Option 1, it's basically you're doing all three options.

VICE-CHAIR PONTANILLA: All three?

MR. GINOZA: Because as I had mentioned that a lot of the properties currently, currently utilize brackish water, brackish water wells for their irrigation, as we provide R-1 water, you know, it doesn't supplant any potable water because they already use brackish water for irrigation. So it's limited to, limited to those properties that utilize potable, potable water currently for their irrigation which if you look in the study, we, we kind of outlined the properties we would serve, and if you look at the asterisk, there's a number of the properties and basically more of the major properties already utilize brackish water. So if you look at what we would actually gain in terms of potable water saved, it's much less than the R-1 water that we're delivering, because a lot of it is supplanting currently, brackish water currently being used.

VICE-CHAIR PONTANILLA: Thank you. Maybe a fast question for Mr. Taylor?

CHAIR VICTORINO: Go ahead.

VICE-CHAIR PONTANILLA: So, you know, as we move into a plan, whatever option that we have, and we, let's say, pump that recycled water towards West Maui, will the recycled water provide some kind recharge to the aquifer?

CHAIR VICTORINO: Mr. Taylor?

MR. TAYLOR: The effluent from the treatment plant can…depending on where it's…I, I suppose you, you, you would still somehow be putting it into the ground is what you were saying?

VICE-CHAIR PONTANILLA: Yeah, yeah.

MR. TAYLOR: Groundwater recharge is one of the nationally and global accepted uses of treated wastewater effluent. You can either do what they call, "indirect reuse" where you put it in kind of upstream in an aquifer, let the ground filter it, and then you pull it out, you know, a year later and use that as a your drinking water source, or depending on the hydrogeology, it can create a barrier to keep salt water from intruding and that way, you know, sort of prop up your aquifer. So there's a number of uses depending on the, the, the hydrogeology of that site where effluent is used to help your potable water situation.

VICE-CHAIR PONTANILLA: Good. Thank you. Thank you, Chairman.

CHAIR VICTORINO: You're welcome. Other questions from the Members?

COUNCILMEMBER COCHRAN: Yeah.

CHAIR VICTORINO: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, Department, for being here. I think we went through all this during budget and it just seems like a big, seems like it falls more in line with my Infrastructure Committee, but I'm just trying to…if these numbers in here for the project are still accurate, because this was done, you know, last year. It's almost a year later and we're still looking at the same study. So I'm just curious as in dollar amounts for upgrades and what have you? Is that, is this like really currently numbers we should be looking at?

CHAIR VICTORINO: Mr. Ginoza?

MR. GINOZA: I mean, we completed a study in December, and while it is true it is like nine months old, I guess, it's something that, I mean, we didn't feel the need to keep refining it. I mean, just the rough order is still valid, you know, in terms of we estimate it will still be roughly, you know, for Option 1, whatever, 29 million roughly. I mean, it could be a little bit more, a little bit less but it's on that order. And so I mean, if, if you desire us to have better accuracy, I mean, we could revisit it, but it was a matter of we wanted to do a first, kind of a first run at, you know, what we think it will cost, and we can explore it further, and that's, that's kind of where we are. I mean, we're looking for some guidance from this body as far as, I mean, you know, as we prepare for the Fiscal '13 budget we could definitely look at inclusion of some of these things, but, you know, as a Department and as a Division, we focus on more the, the reliability and the health and safety measures, and these kinds of things come out a little bit less of a priority just with the current rate structure.

COUNCILMEMBER COCHRAN: Thank you for that. And also I think the key question that we all need to be focusing on is if this is going to be relocated. And I mean, if so, then we really need to be looking into those options and costs and what have you. You know, I'm wondering the, you were saying Mr. Pontanilla has doubts about the amount of money we're gonna put into this infrastructure versus how much, you know, potable will free up or, or the use of the R-1, and I think there's a lot of projects coming down the line. The A & B Business, you know, Park, that can be utilized with the R-1. So I don't think those numbers are quite in here. I think there's some positives to getting R-1 which gives more flexibility of use of that recycled water, and of, of course the, the reduction of use of those injection wells. So I think it's important Chair that we look to see if we are entertaining the idea of relocation. I don't really know the history about that topic, so I'd like to maybe explore that a little more, and that way we can better know should we really be honing in on this right now or should, you know, look at the other option of relocation and then take those a step further. So I don't know, Kyle, Mr. Ginoza, are you -- has there been dialog about that?

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

MR. GINOZA: Yeah, I think, as I mentioned in my intro, I think really fleshing this out, this study further is premature at this point, because I mean I think because this is in Water Resources Committee, I looked at it from the perspective of how much potable water would we save for other uses, and that's why I kind of brought up that number. But, you know, the study that we did as far as moving the treatment plant was a number of years ago, and we, we've been approached by a number of entities, you know, asking us are we thinking about moving it, and I know Members of this body, you know, would like to revisit that. So we, we as a Department and at the Division level are exploring, you know, to, to basically get better information on what it will take to, to move, move the treatment plant, and it is something that, I think, in your Committee it will be appropriate to kind of revisit that. And we can have a…you know, we can discuss that among other issues, but I think until we fully discuss that one at least in the Central Maui area, it's a little bit premature at this point to talk about expanding recycled water at that treatment plant. Because what I would hate is for us to invest taxpayer dollars in developing this infrastructure at the plant and then come back, you know, one or two years later and embark on moving the treatment plant. Because it is something that while it requires a significant amount of analysis still in order to make that decision, it's not on the order of decades, you know, it's, and so we wouldn't fully utilize that infrastructure and pay back what it will take to invest into it.

COUNCILMEMBER COCHRAN: Uh-huh.

MR. GINOZA: So it is something that, I agree, until we really look at these issues in totality, it's very difficult to look at one without looking at another.

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

CHAIR VICTORINO: Thank you. And I guess the question begs to be asked, you know, Mr. Ginoza, if all things were right, life was fair, and we had unlimited amount of money, what is your best guesstimate that we could move this treatment plant in totality?

MR. GINOZA: Well, well based on the study we did, it was on the order of like $400 million and, and…

CHAIR VICTORINO: Okay, yeah, no, no, but that's, that's not the question. The question is the optimum, we got all the money we need, we're going to do it, no problem. How long would it take us not only to build but then to reroute all of these…see, because everything's going one way now, now we've gotta reroute it. What would be the timeframe because that's important. And that's more

important than all the other questions. How long would it take us if optimum and I got you $400 million tomorrow morning which I'm, I'm going, I'm gonna go right now and see if my checking account has that much in it.

COUNCIL MEMBERS: …(*Laughing*)…

CHAIR VICTORINO: Okay, but you know, I'm making a joke of it but I'm, I'm really serious. Everything is optimum, you got the money, we say go for it. How long would it take to get all of this completed? How many years?

MR. GINOZA: Well, knowing…

CHAIR VICTORINO: And realistically.

MR. GINOZA: Knowing that we don't have entitled lands and we'd, we'd have to go through the environmental process, to the point where we actually switch over --

CHAIR VICTORINO: Yeah.

MR. GINOZA: -- you're probably looking at on the order of ten years.

CHAIR VICTORINO: Okay.

MR. GINOZA: I mean, it's gonna, just to get through entitlements and the environmental document, I mean, that's going to take some number of years, and then, I mean, to, to lay the transmission and fortunately we have a functioning plant.

CHAIR VICTORINO: Right.

MR. GINOZA: And so we can do something, you know, we can do the construction in parallel.

CHAIR VICTORINO: Right.

MR. GINOZA: But just knowing that there's so many factors involved --

CHAIR VICTORINO: Right.

MR. GINOZA: -- it would take on that order --

CHAIR VICTORINO: About ten years.

MR. GINOZA: -- more or less.

CHAIR VICTORINO: Yeah, more or less ten years and, and that's what the public needs to understand that it's not just a money issue, it's a big time issue, and the reality is, if everything went _____, ten years. But you know things don't always go right in this County and in a lot of governmental processes, so we may be looking at 15 years. And do we want to wait that long or could we do some retrofitting here so we could augment and decrease the amount of water going into injection wells? I don't know. But Ms. Baisa, go ahead.

COUNCILMEMBER BAISA: Thank you very much, Chair. It is a very complicated issue, and it may sound simple, you know, to come up with a study and say, well we have Options 1, 2, 3, 4, let's pick one and go, but it's not that simple. Because we've been talking about moving the plant for a long, long time, and I do know that we'll be addressing it shortly, because we're beginning the chapter in the General Plan where we are going to talk about facilities and infrastructure. And I think that, that will be a very important discussion from the Committee, because it will give us an idea of where the Council is going in terms of do we leave it alone or do we move it? And I think that's a critical piece of your decision-making in terms of what your Department needs to do and in cases like this where we look at these options. And the big key is do we move the plant first or do we do some of this first? And that's my question to you, you outline and the study outlines several options. Is there any of it that would be practical to begin even doing something small while we wait to, you know, get more direction and, and, you know, deal with this time issue and money issue that we have. Is there any of it that we could do practically?

MR. GINOZA: Mr. Chair?

CHAIR VICTORINO: Go ahead, Mr. Ginoza?

MR. GINOZA: I think one of the big challenges for utilizing the system, one is just doing the upgrade of the plant which is, like I said, on the order of 5 million, because we have to do some in-plant stuff as well as develop the UV. Well, that's also in-plant. But, I mean, that we could do. The, the challenge we have is that where the plant is located and where the general vicinity, I mean, of the plant where it's basically all sea level for quite a ways around, and so for us to develop a pressurized system so that people could utilize that recycled water is really the challenge in order to…you know, we need a pressurized system, so elevated storage in order to be able to have multiple users utilize the system. Otherwise we'd have a system where only when we pump would we have people be able to have pressure in the lines. And so there is really no easy, I mean, and that's why we looked at, looking at something on the, you know, in the, near the Kahului/Wailuku junction in that Baldwin High School/Maui Lani area as providing storage, because that way at least those users along the way could utilize it. But as we had previously discussed, because it's just fully developed, you know, as Mr. Pontanilla had mentioned, I mean, the disruption to the public

would be quite immense. And if you look at where else could you go, I guess you could go toward the Haleakala side, but there aren't really users that would want the water on that side of the, the community. And the other thing that I forgot to mention that is also a point to consider is while it would cost on the order of, you know, 20 something, $30 million dollars for the, for the actual CIP project, I mean, to actually implement, there's also a, a cost increase in, in the actual per gallon charge. You know, like I said, roughly we, it comes out to about $4 per thousand gallons for us to provide recycled water, but as we develop the infrastructure at Kahului, there are increased…UV is quite expensive to operate because it requires a lot of electricity, and so we estimate that it will be on the order of $6 per thousand gallons to provide recycled water. And so, you know, as an, a $6 per thousand gallons so it's not only the, the capital expenditure, but it's the ongoing operation expenditure that also makes it that we want to make sure that, you know, we, we're in it for the long term before we embark on something.

COUNCILMEMBER BAISA: I, I hear you and it's really sad because, you know, we're sitting here discussing this thing and we're talking about do we need bigger, longer, more important studies, but what I'm hearing is all the reasons why it won't work. So, you know, are we really spinning our wheels here or should we kind of put this on the shelf for a while until we figure out what we're going to do with the plant and then proceed, because, you know, I'm not into, you know, spinning wheels. If, if we can do something then I'm ready, I'm ready to be involved, but what I'm hearing is we cannot this, we cannot do that, this isn't going to work, that's, you know, it's too expensive and all the, all the concerns. I don't hear anything that we can take out of this and do something. That's what I'm trying to find out. How can we help? Can we make something happen? Are we going to see something in the budget that maybe we can deal with?

CHAIR VICTORINO: Mr. Taylor? Let, let…if you would, Ms. Baisa, let Mr. Taylor?

COUNCILMEMBER BAISA: Not, not a problem. I'd like to hear.

CHAIR VICTORINO: Yeah, please. Yeah, go ahead, Mr. Taylor.

MR. TAYLOR: Thank you, Mr. Chair. I think something Mr. Ginoza said earlier really needs to come back and that is what is the reason we want to do this? The reason can be either to generate more potable water; two--that's number one--number two, not put water down the wells; or number three, get water back into the streams. I think we go back to saying what is our purpose? This document is something that is sort of a, we're using to glue our Departments together. From a water supply standpoint, if that's our purpose getting more water to people who need it, when you hear the numbers, the costs that Mr. Ginoza mentioned, that same money given to our Department to develop new wells, whether it's in Waikapu or expanding the Iao treatment plant or going out to Haiku with wells. We can generate far more potable water per dollar by using that money in the

Department of Water Supply, because we can use the existing tanks, the existing pumps, the existing pipelines. So if the goal is water supply, we look at these numbers saying we can beat all of these. If the goal is stream restoration by getting this water to HC&S so their water can go back in the streams, well, that's a different goal. And if the goal is simply not having the water go down the injection wells, well, that's a different goal. So, I, I, think Mr. Ginoza and I are on the same page, and our advice to the Council is talk about those three goals and what are you really trying to accomplish from a policy standpoint, and whichever you choose, you know, we can help you choose the right alternative to meet those goals. But I think this is sort of a cart before the horse is we're sort of picking a technology saying how can we use it, where we're saying, what are you trying to accomplish and we'll help you pick the right technology.

COUNCILMEMBER BAISA: Thank you very much. I think that's a very wonderful answer, and it does make us stop and think about what are we trying to do here. And then maybe we can decide how much we want to spend and what kind of effort we want to put in it. So thank you. And thank you, Chair, for Mr. Taylor's input.

CHAIR VICTORINO: You're welcome. Mr. Carroll, you have any questions? None? Any other questions? Mr. Hokama?

COUNCILMEMBER HOKAMA: Chairman, the gentlemen gave us some very good comments this morning. So let me just share how I, how I see it, because I think Water Department and Environmental Management gave good comments this morning. So for me, the long range definitely is relocate the wastewater plant. That's a good long-range project. I think makes sense to us. So, of course, I don't want waste money and do all of this small, temporary investment in something gonna be relocated once more down the road. And interesting you show an existing line, and I don't know if this is what the Maui line, the cannery line is that you show on Figure 3-1, gentlemen? Although it's under recycled water, isn't that line part of their brackish water system.

MR. GINOZA: Are you talking about the Maui Land and Pine line?

COUNCILMEMBER HOKAMA: This nice blue line on, on, on this nice, colored map you gave us.

MR. GINOZA: Yeah, that's actually not our line but it's a line that it currently exists.

COUNCILMEMBER HOKAMA: It's a 12-inch line.

MR. GINOZA: I think it's two 14-inch.

COUNCILMEMBER HOKAMA: Two 14-inch lines. Okay.

MR. GINOZA: And the alignment isn't actually…what we found after meeting with the owner of that, that the alignment isn't perfect. I mean, it deviates some --

COUNCILMEMBER HOKAMA: More or less.

MR. GINOZA: -- but, we got the, we got the drawings so.

COUNCILMEMBER HOKAMA: ... less.

MR. GINOZA: It was something just to show that there is an existing line or a set of two lines that are currently not being utilized that may be a potential for acquisition and incorporation into our system to be able to transmit from our plant to the HC&S fields. Oh, and there currently is a, I think it's a 2-mgd well that's at the cannery site that is--I don't think it's being utilized--that if we wanted brackish water for--I don't know what the quality is--but we needed water to provide for irrigation. I mean, it would be a shorter run and it would be from the line is connected to that well currently.

COUNCILMEMBER HOKAMA: Okay, okay.

MR. TAYLOR: Mr. Chair?

CHAIR VICTORINO: Go ahead.

MR. TAYLOR: And, and that well I think is important to note that it's on the site of, it's right behind Kaahumanu Center at the site there and I think it's about 2 million gallons. Maui Land and Pine used it for decades. Though when we looked at using it as a possible water source, we would have to treat it as--I think what Department of Health called it--groundwater under the influence of surface water, meaning it would need treatment. You could use it as irrigation water right now. So from a comparison standpoint, if you really wanted to get 2 million gallons through that pipeline, it would be far more cost effective to use that well and just pump it directly rather than, you know, treating the effluent to a higher quality and using that. So it's important to know if there's any end user who's going to have to pay for this, if they're looking for 2 million gallons a day of irrigation water it's a much better deal to, you know, to acquire that Maui Land and Pine well and, and use that. So that's another option, again, that, that's sort of if you're looking for a water source, that's a much more cost effective option. So it, it also puts a little bump in the road to try to sell that as a, as a -- sell recycled water as a, as a source through that pipe when there's a much more economical source that could be put through the same pipe.

COUNCILMEMBER HOKAMA: But seeing how the existing, the line is currently laid out which passes large parcels, Maui High School, Kahului School, Kahului Park,

Hale Mahaolu, there wouldn't be a problem would it for us to mandate that if you're next, you're adjacent to this line you gotta use this line for irrigation use at a prescribed rate set by law?

CHAIR VICTORINO: Mr. Ginoza?

COUNCILMEMBER HOKAMA: If part of this plan is also to free up potable water, because the easiest thing for us to do for potable water is set a policy nothing on this island gets shipped off. We save half a million gallons right there minimum.

MR. TAYLOR: I would say that whether it's hooked up to -- if it's hooked up to recycled water, the law already dictates that. And for example, if you wanted to make the same case, we could buy that well, that Maui Land and Pine well, put irrigation water through that, the Department of Water Supply could run that system, and you could pass a similar ordinance saying the same thing. So that's clearly within your purview because you already, you know, do that for -- the law already says that for, for R-1 water and I suppose you could also say it for non-potable, DWS water.

COUNCILMEMBER HOKAMA: Are they currently still using it to flush their lines? Are you aware if they're still flushing this line out occasionally for, for the safety precautions?

MR. TAYLOR: My understanding is it's, it's been out of service for a number of years, the well and the pipeline.

COUNCILMEMBER HOKAMA: Okay, okay. Well, thank you very much gentlemen, I appreciate your responses.

UNIDENTIFIED SPEAKER: Thank you.

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

CHAIR VICTORINO: Thank you. And I guess, you know, the, the whole idea behind of this was so that the public understands the demographics and the challenges that we face not only financially and timeframe-wise, but also, you know, the other options that we have out there which are much cheaper than some of the options we are being shown right here. And so they, I just wanted the public to understand because I'm constantly bombarded by people saying use the water for…recycle the water, recycle the water, don't pump it into the injection wells. Well, if it was as easy as everybody said it is, we'd have no problems, but we heard differently today haven't we? And that makes it a lot more thought provoking. I think now people have to start on, you know, start thinking what do we really want, build a new plant, spend 400 million and get this once and for all taken care of or piecemeal 5 million here, 14 million here, 20 million here, you

know, and how long will it take? You know, Mr. Hokama, you bring up a good point. Let's focus on making a new one, but how long, 10 years, 12 years, 15 years? What happens during this period of time? What happens to the reefs during this period of time? What happens to all the other issues that occur during this period of time? Interesting dynamics. You have a question, Ms. Cochran?

COUNCILMEMBER COCHRAN: Sure. So, you know, we're talking about the long-term plan would be of moving this. Am I correct, I believe in the A & B business project, there is a condition that states if you, the Department, Environmental Management chooses a site, they are…I guess it's a condition to give us no less than 20 acres for this … relocation of the plant?

CHAIR VICTORINO: Mr. Ginoza?

MR. GINOZA: My understanding is we cannot just pick a site and they have to give it to us. They, the condition and maybe Mr. Hokama knows better because, but I believe they, they need to give ten acres if we need it for the relocation of a treatment plant. And I actually just met with A & B, I don't know, a few weeks ago. and they reiterated that, you know, it is a condition that we're aware of. So when you are ready to proceed in discussing where you want to move the plant to, you know, we're, we're receptive to it. So I believe it is ten acres, it is not something that we can just say we want it here, give it to us, but that we need to work with them to see where it might be available.

COUNCILMEMBER COCHRAN: Okay, and so, would, will you be following up? I mean, I guess I can pull this into my Committee and then that, I guess, discussion could occur…

MR. GINOZA: That would be great actually --

COUNCILMEMBER COCHRAN: Okay.

MR. GINOZA: -- because we, we as the Department and like I say, the Division are exploring getting it up, getting, you know, just more updated information since the study was like five years ago, and I know that it is the will of this, a lot of Members on this body that, you know, we want to revisit it.

COUNCILMEMBER COCHRAN: Right.

MR. GINOZA: So it's something that we are consciously trying to update our information so that we can…because especially in Central Maui, we, we realize that any kind of expansion or upgrades really, you know, you gotta look at whether we're going to move the plant. You know, do we really replace everything or just keep it going, you know, like there's different ways of us trying to, to maintain our infrastructure. And if the long-term goal is to move it, I think

now is a good time to really look at it again, because at least in my understanding of the situation as, you know, people have told it to me, because of just low interest rates, I mean, private equity is looking at places to invest. And so, you know, like this kind of municipality where they're guaranteed a rate of return is attractive to them, and I'm not saying we should go with a private equity option but it's something that costs may drop, you know, versus other times. And so it's something that we are revisiting and yeah, I welcome, you know, a discussion in your Committee.

COUNCILMEMBER COCHRAN: Right, I mean, 'cause I just want to maybe try and shed a little positive light on the, on the situation we have here and Ms. Baisa stated that as a concern. I believe there are--I know Federal Government is in the condition it's in--but there are Federal funding sources to address these types of capital improvements--are there not?--that we could actually be looking into?

MR. GINOZA: Not really, I mean, there are, we, we have been in the past few years able to get some Federal funding, but it, it's on the order of a million or less, I mean, and that was just kind of fortunately we got like an earmark here or earmark there. And so there's not any kind of dedicated funding at the Federal level. You know, one thing about the movement of the plant and I realize it's just, it was with a different Council but there was a resolution passed, I forget, five years ago regarding not moving the plant. And until, I mean, when, when I came along, there was -- I, I had some discussions with different Members of this body and we want to revisit moving the plant, and so we have taken the initiative to do that, but it's something that we want to make sure that, you know we're not trying to go against the will of this body by, you know, there is an existing resolution. And just real quick to address Ms. Baisa's comment, I'm not trying to spin a negative light on this. I just wanted people to know that, you know, it's I want to be fiscally responsible in the sense of as we, you know, we can do any project that we get funding for, but it's a matter of we just need to keep in mind that if, if, you know, there's competing factors in, in terms of as we develop the infrastructure. So we just want to make sure that everybody knows the total picture and that, you know, we are committed. If, if we get funding for this, you know, we can do the project. It's just something that we know that, you know, last year we didn't get a rate increase, and it would require a substantial rate increase to implement this project. So we want to get an idea as we start to develop the Fiscal '13 budget, what is the sense of this body as far as receptiveness to a rate increase in order to incorporate a project like this.

COUNCILMEMBER COCHRAN: Right. Thank you, Mr. Ginoza.

MR. GINOZA: Thank you.

COUNCILMEMBER COCHRAN: And Mr. Taylor had something?

CHAIR VICTORINO: Ms. Baisa?

MR. TAYLOR: Mr. Chair, can I, can I add something?

CHAIR VICTORINO: Okay, one moment. One moment. You wanted to add something?

MR. TAYLOR: Just some historical perspective. Although this report is the most comprehensive, thorough submitted report that's ever been done, a report like this in sort of a more draft format was done a very long time ago which is why we pursued reuse in Kihei and Lahaina and not in, in Kahului. Because right from the beginning when we ran some rough numbers, you know, 10 or 15 years ago, these facts that Mr. Ginoza is talking about became very obvious that it was going to be very expensive, the plant was very far from potential users, and when we compared that to Kihei which where the plant is up on the hill and all the users are below, most of the users are below and then Lahaina which had a big user which is the golf course, it became evident that from a cost benefit standpoint, we could really get a, stretch our dollar a lot further in West Maui and South Maui which is why Kahului wasn't pursued for recycled water. So this isn't really new information and it isn't really being put in a negative light. It's just sort of the reality that's always been there from the beginning which is why we pursued it in the other areas. Lanai is a 100 percent reuse, you know, then Kihei and Lahaina, where Kahului was left for exactly the reasons Mr. Ginoza was, was talking about that are detailed in the report.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR VICTORINO: Ms. Baisa?

COUNCILMEMBER BAISA: I understand the, you know, the reaction about negativity. I think what I'm, what is bothering me is I was here the last meeting we had on this report and I essentially heard the same things. I heard about the options, I heard about the debate about moving the plant, I heard about the cost, I heard about the time. And we're here today and we're looking at the report and we're kind of talking about the same kind of things. What I'm trying to come, you know, figure out in my mind is what can this Committee do to help a decision be made? What do we need? Do we need another study so we can say okay, move the plant, not move the plant? And a study, of course, would obviously have to include a lot of information about how we could pay for something that big. But I think we have to take some steps now that we've heard this and we've seen this, we know what we have to do. The question is how do we begin so that we make a decision and we can move forward? And, you know, Mr. Taylor threw out I thought some really good information when he offered the idea of what is our goal, you know? And I think we have to be clear of what our goal is. I know we want to move the plant for lots of reasons, one of them is the danger of having it

wiped out by some natural disaster which would be terrible, and I remember all the discussion we had in here about hardening the plant as an alternative to moving it. And so…you know, this conversation we're having, as Mr. Taylor says, is nothing new, but what is concerning me is I'm afraid we're gonna be here right through the budget and maybe we'll do nothing in regards of, you know, helping you move towards a decision from this body so that we can go forward and realize some of these goals. If it is that we want no more water going into the injection wells and I don't even know if that's practical, is that the goal and how do we move to this? Is the goal to move the plant? If the goal is to move the plant then what do we have to do to move it? You know, where do we get the money, what do we do? But I think I'm, I'm looking for some step one, step two, step three, and, and let's go, because, you know, I think we all know what is involved in this situation. We all know, we've all heard it, we've heard it a lot. Question is, how do we solve it and where do we begin?

MR. TAYLOR: Member Baisa, I think I have a easy step one which will, which should shave some, some time off of this. Your first decision is do you want to pursue this as a water supply, most cost-effective water supply issue? And if that's your goal, then we'll simply compare these to the other water supply options that we're working in, in the Department of Water Supply. And if these are more cost effective, you know, we'll pursue them. We'll, we'll, we'll want to pay for them with our user fees, because it's our best way to get water. And if, if you just want to leave it at that, of saying look, if this is the most cost-effective way to get water for people, let Department of Water Supply handle it. Frankly, that's, that's the methodology that most recycled water systems in the country operate under. They're run under their water department not under the sewer department and they're used for water supply, and they're, they're run on sort of a cost-benefit basis. So if that's what you want, I can tell you it will probably lead not very far, because there's probably much more cost-effective water supply options for us as a community. So if you say, well we're willing to pay a 10 percent premium on this, because we like it so much, well we'll take that into account. But if you want to pursue it as water supply or water supply with a premium, just let us know that and either it works or it doesn't, and if it doesn't, then the water supply option's out and then you're really just dealing with Environmental Management about, you know, those issues, the, the disposal issue. So I think, you know, separating the resource issue from the other issues first is probably the easiest thing you can do.

COUNCILMEMBER BAISA: Thank you.

MR. GINOZA: Chair, could I?

CHAIR VICTORINO: Okay, go ahead, Mr. Ginoza then Mr. Pontanilla.

MR. GINOZA: And that was my hope with this meeting was to basically get that first step done. Is, is it a disposal issue or resource issue? And that's why I had outlined that it's roughly $30 million to save 600,000 gallons per day of potable. And if it's something that we don't want to pursue along that lines then I think we should go forward with the discussion in maybe Ms. Cochran's Committee to really flesh out what the goal is for, for my Department in terms of wastewater use. Thank you.

COUNCILMEMBER BAISA: Thank you, Mr. Ginoza. I think that, you know, it's practical that we all know what we're trying to do and let's all get going. Thank you.

CHAIR VICTORINO: And you know, maybe really this should really go to the Policy Committee so the policy, all nine can make up their minds together. Because we have two separate committees, right? You're talking Environmental Management and we're talking Water. Now Water might say give it to Environmental Management. What if Environmental Management said or Infrastructure Committee I should say, said differently, you know? I don't know. It's a policy call, isn't that what I've been hearing today? Have I not heard that many times today? What is the policy call of this body, right, okay? So I'm mucking up the water a little bit but I am being honest, right? You did, and both of the Department heads have said it's a policy decision. Mr. Hokama said it's a policy decision, you know. No, no, I'm, I'm, I'm not trying to be, you know, trying to be a stick-in-the-mud, but, you know, I'm really trying to get…because I can send it to someplace else or, you know, we can keep running around in circles with this. But Mr. Pontanilla will tell you many years ago we talked about it and the, the resolution was not to move the plant. Mr. Hokama, you were here. That's before you and I came in. Mr. Carroll was here. Okay, so that's what, five, six years ago and we're still here today, you know. So it's not going to change and sending it to one committee or another doesn't make a difference. It's gotta be the policy of the Council to say what we need to do, what we want to do. Do we want to do it for recycling, do we want to do it for environment, environment purposes, what do we want to do? I think that's what I'm trying to bring out today and if you hear the discussion, it's going back and forth. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. I think it's a combination. I mean, do we really need to hone in on just one, because it, it all relates to one another, it all connects. If you look at the objective of this report, it states, R-1 … would allow R-1 recycled water to replace current or projected future potable and/or non-potable users used at commercial properties and reduce the use of injection wells. And it's also already been voted on and passed in our Countywide Policy Plan. Mr. Pontanilla mentioned movement of the plant and it's also in there to reduce the use of injection wells. So, and of course, we need more potable water. I think

it's a combination, Mr. Taylor. I don't think, I mean, yeah we can hone in, but it all connects.

MR. TAYLOR: I think my point is if you look at the…we're gonna get back to funding one way or another because eventually the money's going to come from one pot or another. Wastewater is a completely self-funded entity as is the Department of Water Supply. So if you felt for example, if the Council as a body felt, that it's 50/50, okay, it's 50 percent Water Supply and so you said, okay, compare this to other potable uses and even if it's 50 percent more expensive, that's okay. Well, we would pay that extra 50 percent. And if you said to Environmental Management the same thing, so if those numbers worked where, you know, they paid half and we paid half or our customers paid half and it became viable we would do it. Then if it didn't even meet those criterias it would still not be done. So we, we really need the Council to split hairs about is it 50/50, it is 90/10, even if it's a combination, because that's going to come into our engineering analysis about whether or not it's, it's still financially feasible and so if it's better than other options. So we agree that it could be looked at as both but we're still gonna have to split hairs about the assigning how much of both, because otherwise we still can't do our budgets and, and bring our budgets to present in, in Mr. Pontanilla's committee to show how we're taking your policy, formulating into an actual implementable plan.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR VICTORINO: …(*Laughing*)…

COUNCILMEMBER COCHRAN: But also, Mr. Ginoza, you mentioned that we sell our R-2 at $4 per thousand right now?

MR. GINOZA: No, that's what it costs us to develop.

COUNCILMEMBER COCHRAN: Oh, okay.

MR. GINOZA: We sell --

COUNCILMEMBER COCHRAN: Is that --

MR. GINOZA: -- for like, there's three different rate classes. One is, and it ranges from like $.15 to --

COUNCILMEMBER COCHRAN: -- right, 33 --

MR. GINOZA: -- $1.28.

COUNCILMEMBER COCHRAN: and $1.28.

MR. GINOZA: Yes.

COUNCILMEMBER COCHRAN: So these numbers are what they're being charged, but it costs us four.

MR. GINOZA: Yeah, and so that's why, you know, if you look on average it costs under a dollar, and that's why we, the rest of the ratepayers subsidize that operation on the order of three-quarters of it, because it costs us so much more to produce, but we need to provide an incentive for people to want to utilize it. And as I mentioned, if we do embark on this endeavor, the cost will increase further to roughly six, $6 per thousand gallons in our estimation because as we add this UV and, and so forth, we factor everything else in, but we'd still charge based on what this body or Mr. Pontanilla's Committee decides upon with the rates and fees discussion during budget.

COUNCILMEMBER COCHRAN: What, can one last question, Chair? Just to remind, follow up, the 750,000 you got for Kahului treatment, what has that been applied to at this point?

MR. GINOZA: We haven't used, used it yet but we're looking at -- and that's why I want, it would be nice to have the discussion again as to whether we want to move the treatment plant, because it's something that we can explore, use that money to help explore really what it will take and update the, the numbers we have currently. But as far as actually implementing a project, we kind, we really have to have some direction, have, have an understanding from this body whether or not it will be supported or there's at least interest in supporting it in budget. Because we don't want to spend, you know, "X" amount of dollars in really refining this or doing some design of this and then find out that, you know, we, this body would not support a, you know, so many percent rate increase for this. But we were hoping to be able to utilize that in we can expand recycled…you know, say we move the plant, I mean, by moving it more inland, you know, that would, that would help, you know, in more virgin lands. It would help in trying to develop the transmission system there. So we're hopeful that if the decision is to move the plant, that there will be cheaper opportunity once the plant is there to provide recycled water to users in this community.

COUNCILMEMBER COCHRAN: Sorry, but I thought the 750 was, was determined to be used for upgrading Kahului treatment, 450 went to Lahaina, the 750 went to Kahului to start getting something rolling. That is why we all voted to put it there in the budget. So I'm sort of stuck at why it hasn't been used and why nothing's been implemented yet with the money, and now you're saying because we haven't decided if we're moving the treatment plant or not. So I'm kind of confused I guess at this point.

CHAIR VICTORINO: Now I'm going to stop it right here because then, you know, to make no more confusion, what you would do, Ms. Cochran, is put that in writing to the Department and get a response, okay? And I think, Mr. Ginoza has made it pretty clear what his intent is, although we don't agree with it, the money was put there and it's his discretion to use it for whatever improvements he feels necessary. So, you know, if you really want that, please put that writing and send it to the Department so that we can get a response in writing, okay?

MR. GINOZA: Thank you.

CHAIR VICTORINO: All right. Any other discussion?

VICE-CHAIR PONTANILLA: Chairman?

CHAIR VICTORINO: Yes, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. You know, Mr. Taylor provided us with some pretty good insights in regards to looking at, you know, what goal we want to tackle first, and, and all of these goals that, you know, both Mr. Taylor as well as Mr. Ginoza talk about, one is water, one is treatment, all costs money. So you know, it's, it's going to be the will of this body to see what we really want to do, $30 million to provide 600,000 gallons of potable water, $30 million to clean up the environment. So, you know, those are the kind stuff that we gotta start thinking about. The Water Use and Development Plan that was completed for Central Maui, you know, one of the plans was to utilize reuse water from the Kihei treatment plant as a means of increasing potable water for South Maui, in fact, Central Maui. So, you know, we have a lot of plans out there that we need to really take a look at, because some of them do have some good information as well as, you know, set some, maybe help us set some priorities as we move forward. You know, yeah, the question is do we wanna spend a lot of money on providing more potable water, do we wanna spend a lot of money in cleaning the environment? Both of them are very important. You know, it's going to be us to determine that. Question that I have for Mr. Ginoza, though is that going forward as we look at new developments, what is your comments or if you have any comments in regarding small sewer plants being operated by developers?

CHAIR VICTORINO: Go ahead, Mr. Ginoza.

MR. GINOZA: It has been in the recent past, the comment, the comments have been that for a decent size development that they go with a private treatment plant to develop more sewer infrastructure, and so that is still a consideration that, you know, for instance like Wailea 670 was conditioned to have a private treatment plant. So that helps in utilization of, of recycled water because instead of, you know, gravity feeding all the sewage from wherever it is to our treatment plant and then having to pump it to where the recycled water might be utilized, it is a

more arduous process for the water. Whereas if the treatment plant is co-located within the development then the, the recycled water is there for utilization there. And so, it's something that we're not against and we support that as well.

VICE-CHAIR PONTANILLA: Thank you. You know, I, I look at our General Plan and, and the areas of possible new development, and one of them is, you know, in my area in Kahului, the Waiale project. My, my question to you is that would it be much cheaper to hook up to the County system and allow us to gain revenues or do they provide their own treatment plant? And, and, and I ask you this question, you know, because of the number of homes that is being planned, you know, are all of those effluent goes to Kahului treatment plant?

CHAIR VICTORINO: Mr. Ginoza?

MR. GINOZA: It's, it's a matter in the short term it's better to increase the user base because that, that new, that infrastructure would be new connecting to our system. But it's that much more that would…I don't know what I'm trying to say, it's hard to say, I mean, I don't know the answer to that whether or not…I mean, it is a big investment to develop a treatment plant onsite and you can utilize more of the water. But it's a matter of, you know, we have some capacity like in Kahului. Do we utilize that capacity or do we move the plant and do we have, say, two regional plants in the Central Maui area? I mean, that's the kind of discussion that I really would like to have, because we have opinions in the Division and, you know, we, we just haven't had a thorough discussion here. Do you have any comment on that?

CHAIR VICTORINO: Mr. Taylor.

MR. TAYLOR: I have one thing to add just because I used to deal with that so much. It's important to get your options to be apples and apples. If somebody just ties into the system and that water is treated and goes down the injection wells, okay, that's the whole system. If somebody ties into the system, they help pay for recycled water and pay for the pumping costs back to their site, that's something different. It's that option you have to compare with building their own plant and using the recycled water at the site. We have to be careful not to compare somebody just tying into the system and not reusing the water to the cost of somebody building a fully R-1 plant at their site and reusing the water. Those are apples and oranges. It's always going to be cheaper, you know, if they use DWS water and, and just dump theirs down the injection wells. So I think when you look at, when you look at it apples and apples, as you get further and further away from the treatment plant, you look at that cost of bringing the recycled water back, it's going to lead towards a small treatment plant at the site is of course going to be more cost effective. And that's why, you know, when I was Wastewater Chief, I, I spoke pretty strongly that Wailea 670 should build their own plant, because it was that, it was putting on apples and apples or bringing it back. That's really

what, what, you know, the straw that broke the camel's back. So I think you, whenever these discussions come up and I've urged the Planning Commission to do the same, look at the whole picture. You need to look at water supply, wastewater treatment, and recycled water and put them all on the same page and then you can compare them. And again, the further you get away from the, the wastewater treatment plant, the more it's going to push it towards having their own wastewater treatment plant. The closer to the wastewater treatment plant, the more it's going to push towards tying in. So I think in general, I think that's, that would be my advice of how to look at that holistically.

VICE-CHAIR PONTANILLA: Thank you. Thank you for your comments, both of you. Thank you, Chairman.

CHAIR VICTORINO: Yeah and that's something also that has been discussed a number of times is there are A & B, Waikapu, and the Puunene development, all want to put in treatment plants, small regional treatment plants for which the only discussion I would have with the Department is the connectability [*sic*] should something go wrong in one area, how could that be connected together and how we could build a new one maybe with less capacity because we had all these other regional plants to not only disseminate R-1 water but to take up and not take -- pumping it all to one location even if we're talking a new location, yeah? So there's a lot of things on the table gang and this is why this was brought up today, because we're gonna have to give these gentlemen some direction in the very near future for budget purposes. That's what this is all about. It's not about what we want. It's what we need to give them so they can start doing their budgets and they're already starting the process. So I think it's important we give them guidance and, and, you know, whether it's from infrastructure, whether it's from water resource or a policy in itself, and I think that's where I would like to see this go as a policy. What does this County want to do? And I think that's where the end result will be, Mr. Hokama, is a policy. This is what this County wants to do, we want to take our treated water and do this, this, and this. That's the policy, okay? Then it's all inter-connectible, it's all inter-connectible at that point. As long as we keep, we don't want to spend 30 million but we want to spend 400 million, but 15 years down the road but in the meantime we have all these challenges in what we're doing presently. You know, I think that's what it comes down, what is the policy and then taking it from there. Then each Committee could take up whatever separate section. The other suggestion one of these days is to…I want to look at…like Mr. Taylor said, many municipalities throughout the nation, wastewater is under water not under sewer. More and more the municipalities have moved that because of the concurrency of using the wastewater with water and the irrigation potable and all of that treating process, yeah. So that's another policy that we may have to look at and that'll be something I'll be putting out very near future as far as another issue to be discussed, yeah? Any other questions?

VICE-CHAIR PONTANILLA: Chairman, just a comment?

CHAIR VICTORINO: Sure, go ahead.

VICE-CHAIR PONTANILLA: Thank you. The resolution that we passed, I don't know, five, six years ago, the intent was to harden the plant until we really decide what we want to do on that new wastewater treatment area. This will give us time to think about it or, or to plan, and that's the reason why for the $20 million I think we, we budgeted to harden Kahului treatment plant. Thank you.

CHAIR VICTORINO: Thank you. And thank you for that clarification because the public has to understand the resolution was not saying we didn't want to move the treatment plant, but it was to delay the action until we had the resources and the studies to do it. Mr. Ginoza, Mr. Taylor, anything else you'd like to add before we adjourn the meeting?

MR. TAYLOR: I just have one comment and one question that I think maybe would help us because everyone was…we talked about a lot of different issues and they're all sorted of mired together. You heard Mr. Ginoza say that, that expansion of the recycled water system would end up with a cost of water at about $6 per thousand gallons. Okay. From Department of Water Supply we're looking at new options. Right now our, our sources cost, you know, under $2 per thousand gallons. The next range is probably gonna be in the $3 per thousand gallons range. So to really simplify this whole discussion to sort of one question is if Department of Water Supply can develop water source at $3 per thousand gallons, and the cost for recycled water is about $6 per thousand gallons--that's what it costs to do all the capital and operations over long periods of time--is it worth to the Council, from a policy standpoint, developing water sources at about twice the amount at $6 per thousand versus $3 per thousand? And if not having the water go down the injection wells is worth that then we have a pretty clear direction and we, I think, know how to work out our budgets. So I would ask that you focus on that question. Assume that potable water, we can expand those sources at about $3 per thousand gallons, and assume that recycled water we can expand those resources at about $6 per thousand. And if you can just answer that and give us some guidance of do you think that's worth it, you know, what about $4 per thousand? What about $5 per thousand? If we got a rough break point and I don't think we even need it legislated, we don't need it written down. We just need a rough idea of where is that breakpoint? We can coordinate our, our efforts and our budgets to, to implement that.

CHAIR VICTORINO: Thank you, Mr. Taylor.

COUNCILMEMBER COCHRAN: Chair? Oh.

CHAIR VICTORINO: Go ahead, Ms. Cochran. I saw her first before I saw you, Mr. Pontanilla, please.

COUNCILMEMBER COCHRAN: Thank you, and thank you, Mr. Taylor. What I would like to see is how that's really broken down to the cost. You know, how are you folks coming up with it it's only two bucks, you know, for the Water Department and $6 will be…I mean I want to see that, that we figured all the best economical, up-to-date tech, whatever ways in order to produce this. Also, if there's any outside funding because I really believe there is and, and so on. So I, I'll submit that I suppose as a question to the Department to get further details...

CHAIR VICTORINO: Not necessary. It's been made public and they will follow up on that and they will give you the best answers they can give.

COUNCILMEMBER COCHRAN: Okay, thank you.

CHAIR VICTORINO: Okay. And as far as other funding, let me tell you so long as Congress as it is now, you can kiss outside funding, okay, and I'll put it in that poignant way, okay. Unless Congress changes, you should see what they're doing right now. If you read the paper and you listen to the news, there's nothing in the pipe and they want to take the pipe away and shut it down forever. Thank you. Go ahead, Mr. Pontanilla?

VICE-CHAIR PONTANILLA: Thank you. Just a fast question for Mr. Taylor?

CHAIR VICTORINO: Go ahead.

VICE-CHAIR PONTANILLA: Now that we know that one, one of the plans for the Central Maui Water Use Development Plan is to provide more recycled for Kihei, who takes the lead?

CHAIR VICTORINO: Mr. Taylor?

MR. TAYLOR: Thank you for that question. I'm glad you brought that up. If you look in the actual Central Maui Water use Development Plan, which is, I brought with me --

UNIDENTIFIED SPEAKER: Right.

MR. TAYLOR: -- I was just reading through as you were talking about that, it says very specifically, it brings up usage of the water from the Kihei treatment plant as an option that could provide up to one-and-a-half million gallons a day. But it says very specifically in there that it needs to be looked at whether or not this could actually be supplied, and if you look at the timing, it was after this was written that Water and Wastewater did the first verification study, not the Kahului one,

but the Kihei one. That happened after this was written, and I believe that that document says there isn't quite enough water available at the Kihei treatment plant to actually do this because of the, how much water there is in the winter versus the demand in the summer and those kinds of things that this isn't really feasible. So I think it's important to know and, and I know these things, these different reports happen at different times, not everybody remembers them all because you guys have a lot of other things to do, but I, I think that plan isn't quite as solid as maybe some people think it is because of the work that was done afterwards showing that it, it really may not be feasible unless there's more flow into the Kihei treatment plant, again, but that more flow is going to mean more potable water. So I'm not sure that that's actually feasible. We're evaluating it as a option from a water displacement standpoint, but again that 1.5 million gallons doesn't seem like it's in the cards right now. There just doesn't seem to be enough, enough water to support the Wailea displacement.

VICE-CHAIR PONTANILLA: Good. Thank you for that information. I was of the understanding of the older study, not having that report. Thank you.

CHAIR VICTORINO: Thank you very much. Other questions?

COUNCILMEMBER COCHRAN: Just real, just last, one last one Chair, I think.

CHAIR VICTORINO: Yes.

COUNCILMEMBER COCHRAN: Is there not a Lahaina Water Verification Study out or is it in the process? Where is that?

CHAIR VICTORINO: Mr. -- are you talking wastewater or water --

COUNCILMEMBER COCHRAN: Yeah, was there a waste --

CHAIR VICTORINO: -- the Water Use…

MR. GINOZA: I can --

COUNCILMEMBER COCHRAN: --water done, a recycled water verification study?

CHAIR VICTORINO: Okay, Mr. Ginoza, then, yeah, just so I don't get mixed up.

MR. GINOZA: Yes we, I, I mentioned in budget that we are in the process of doing a West Maui Recycled Water Verification Study, and a draft is completed that we're currently reviewing in the Department. So we're looking at probably later this month, early next month we'll have it available.

COUNCILMEMBER COCHRAN: Okay, great.

MR. GINOZA: And so we'll, we'll definitely make sure that you're aware of that.

COUNCILMEMBER COCHRAN: Okay, thank you.

MR. GINOZA: But yeah, we do have it.

COUNCILMEMBER COCHRAN: Thank you.

MR. GINOZA: Thanks.

CHAIR VICTORINO: Is there one for South Maui also?

MR. GINOZA: Yeah, as Mr. Taylor had mentioned, we did the South Maui one and I, I think we discussed it in Ms. Cochran's Committee.

CHAIR VICTORINO: Yeah, okay. I thought so too, but I just…

MR. GINOZA: Yes, so we have the three regions on Maui now.

CHAIR VICTORINO: Yeah, you know, you're correct. And one of the other things I'd like to ask both Departments, if we could somehow--I hate the word "matrix" I hate that word--but something that would have everything together so that this study and this study and this study kind of like all in front of us so that, yeah, you're absolutely right to remember what was said two weeks ago, two months ago, two years ago, I'm fortunate we have a lot of historians in here but some of the historians are gonna be leaving and then what happens? So, I mean, all joking aside, some way when you guys put this, this whole study together because they work concurrent, how does this all work and what this means to Mr. Taylor, to you, Environmental Management, and the money. If it's $400 million, 30 million, 20 million, 50 million, I don't care what, but what studies determine how we got to this point and putting the two studies together, if there's three studies, four. I, I, I have no idea. But it's really frustrating sometime because we talk about something and we talk about something and then we don't remember that study and then all of sudden, oops, it comes up so somehow that be done. Okay.

UNIDENTIFIED SPEAKER: Chair?

CHAIR VICTORINO: So the next time we have such a meeting for infrastructure, water, I don't care what, that the whole, the historic is there, the whole historic plan is there, Mr. Ginoza and Mr. Taylor, the two of you, and that that way we're not, we see the whole picture and the public needs to see the whole picture. They pick up piecemeal but they don't pick up the whole picture. Okay. If we can do that, I'd appreciate that and I think the Members would appreciate that. If not, is there any other questions, if not I'm going to…Ms. Cochran?

COUNCILMEMBER COCHRAN: I found one. It states in Chapter 4, No. 3, Item B, it says that some distribution systems owned by HC&S are considered State waterways. Can I get a little more elaboration on what that means, what, which are these distribution systems? I guess because the recycled water may not be able to be used within their distribution lines. Is that…but if I can just get clarification?

CHAIR VICTORINO: Mr. Ginoza, if you can answer that question?

MR. GINOZA: My understanding is part of their ditch system is actually classified as waterway that does not allow recycled water to be, to be put into that kind of State waterways. And so -- yeah, because it connects, eventually goes to the ocean and so we cannot just inject the recycled water that we produce anywhere into their system. So we just have to be cognizant of where we want to put it and whether or not that, that part of the ditch system is classified as a State waterway, so that you know, because we can't put it in there. And so it's just basically saying that, one, HC&S only wants . . . could only use our recycled water in certain locations, but even then we may not be able to provide it at that particular location because the ditch system might be a classified waterway.

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

CHAIR VICTORINO: Okay. Seeing no more questions, I would like to thank both Departments you, Mr. Ginoza, and, Mr. Taylor, from Environmental Management and Department of Water, for your insights. Again, I truly believe eventually this should go to Policy and we have a policy set by this Council, because then it could direct Mr. Pontanilla's budget, it could direct Ms. Cochran's infrastructure, and direct me in water resource what specifically aspects do we have to continue to move on. So I, I will look to talk with the Policy Committee Chair and, and, and discuss that a little bit more.

Other than that, I would like to thank everybody and say have a good day. And this Water Resource Committee meeting of October…

MS. BOUTHILLIER: Mr. Chair, are you going to defer the item?

CHAIR VICTORINO: Oh, thank you for reminding me. Thank you. I would like to ask with no objections to defer this matter.

COUNCIL MEMBERS: No objections.

**ACTION: DEFER pending further discussion.**

CHAIR VICTORINO: Thank you. Now, I will adjourn the meeting of October 14th [*sic*], 2011. Meeting adjourned . . . *(gavel)*. . .

**ADJOURN:** 10:23 a.m.

APPROVED:

MICHAEL P. VICTORINO, Chair
Water Resources Committee

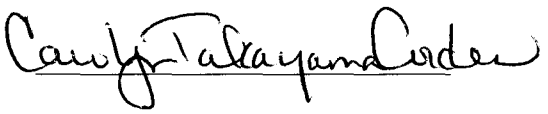
wr:min:111004: ctc

Transcribed by: Carolyn Takayama-Corden

CERTIFICATE

I, Carolyn Takayama-Corden, 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 the 24th day of October, 2011, in Makawao, Hawaii



Carolyn Takayama-Corden