

INFRASTRUCTURE MANAGEMENT COMMITTEE

Council of the County of Maui

MINUTES

October 29, 2012

Council Chamber, 8th Floor

CONVENE: 9:00 a.m.

PRESENT: VOTING MEMBERS:

Councilmember Elle Cochran, Chair
Councilmember Michael P. Victorino, Vice-Chair
Councilmember Robert Carroll
Councilmember Donald G. Couch, Jr.
Councilmember Danny A. Mateo
Councilmember Joseph Pontanilla

NON-VOTING MEMBERS:

Councilmember Gladys C. Baisa (in 9:53 a.m.)

EXCUSED: VOTING MEMBERS:

Councilmember G. Riki Hokama

STAFF:

Scott Jensen, Legislative Analyst
Regina Gormley, Legislative Attorney
Yvette Bouthillier, Committee Secretary

ADMIN.:

Kyle Ginoza, Director, Department of Environmental Management (IM-47, IM-58)
Jo Anne Johnson Winer, Director, Department of Transportation (IM-21)
Richelle M. Thomson, Deputy Corporation Counsel, Department of the Corporation
Counsel (IM-58, IM-47)
Michael J. Hopper, Deputy Corporation Counsel, Department of the Corporation Counsel
(IM-21)

Seated in the gallery:

Dave S. Taylor, Director, Department of Water Supply

OTHERS: (2)

PRESS: Akaku: Maui Community Television, Inc.

CHAIR COCHRAN: ...*(gavel)*... Good morning, will the Infrastructure Management Committee meeting now come to order. I am Councilmember Elle Cochran, Chair of the Infrastructure

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Management Committee. It is Monday, October 29, 2012 and 9:00 a.m. Before we begin, Members and audience, please silence all cell phones and any noise making devices. And let me introduce the Members that are present. I have Vice-Chair of the Committee, Michael Victorino.

VICE-CHAIR VICTORINO: Good morning, Madam Chair.

CHAIR COCHRAN: Good morning. Don Couch.

COUNCILMEMBER COUCH: Good morning, Madam Chair.

CHAIR COCHRAN: Chair of the Council, Danny Mateo.

COUNCILMEMBER MATEO: Good morning, Chair.

CHAIR COCHRAN: Good morning. And Bob Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR COCHRAN: Good morning. And joining us is also the Vice-Chair of the Council, Joseph Pontanilla.

COUNCILMEMBER PONTANILLA: Good morning.

CHAIR COCHRAN: Good morning. And at this point, I have from the Administration, Director of Environmental Management, Kyle Ginoza. Good morning, Director.

MR. GINOZA: Good morning.

CHAIR COCHRAN: Hi. And Deputy Corporation Counsel, Richelle Thomson.

MS. THOMSON: Good morning.

CHAIR COCHRAN: Good morning. From the Committee Staff, we have Legislative Analyst, Scott Jensen, and also Committee Secretary, Yvette Bouthillier. Good morning, everyone. Thank you for being here. At this point, I'll run the rules of testimony, if we have any testifiers? No? Looks like no one has signed up for testimony, Members. So then without objections, I shall close the floor for public testimony.

COUNCIL MEMBERS: No objections.

CHAIR COCHRAN: Thank you. Moving on then, we have--it's a busy morning here, guys--three items on our agenda, and the first will relate to sewerline easement transmitted by Department of Environmental Management. The second relates to a proposed resolution regarding wastewater reclamation transmitted by Committee Chair--Vice-Chair Victorino. Finally, we'll be continuing

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the discussion initiated on October 15th, this time as it relates to a performance evaluation of the Department of Transportation. And let me break down the items. IM-58, Relocation of Sewerline Easement for Maui Lani Shopping Center in Wailuku reads, let's see that one is the Committee is now in receipt of County Communication 12-213, from Director of Environmental Management, transmitting a proposed resolution entitled, **ACCEPTING GRANT OF EASEMENT FOR SEWERLINE PURPOSES AND APPROVING PARTIAL CANCELLATION OF EASEMENT FOR THE MAUI LANI SHOPPING CENTER, PURSUANT TO CHAPTER 3.44, MAUI COUNTY CODE.** And the purpose of this proposed resolution is to accept a perpetual, non-exclusive sewerline easement for public purposes from HRT Realty, LLC, and approve the partial cancellation of an existing easement within the same parcel, situated in Wailuku, Maui, Hawaii, identified as TMK: (2) 3-8-007:121, to enable the sewerline to be relocated. And at this point we may recommend adoption of the proposed of the proposed resolution, with or without revisions. The Committee may also consider filing of this County Communication. IM-47, Public-Private Partnerships to Develop New Wastewater Reclamation Facilities. And this one is County Communication 12-49 from Councilmember Victorino, transmitting a proposed resolution entitled, **URGING THE ADMINISTRATION TO PURSUE PUBLIC-PRIVATE PARTNERSHIPS TO DEVELOP NEW WASTEWATER RECLAMATION FACILITIES.** And the purpose of proposed resolution are to repeal Resolution 6-12, entitled, **ACCEPTING THE CENTRAL MAUI WASTEWATER RECLAMATION FACILITY STUDY AND CONCURRING RECOMMENDATIONS AND LONG TERM PLAN,** and to urge Administration to pursue public-private partnerships to develop new regional or neighborhood wastewater reclamation facilities. Again, we may recommend adoption of this resolution with or without revisions and filing of County Communication. Lastly, IM-47...wait, where am I? Sorry, I just said that one. IM-21, Performance Evaluation of the Department of the Transportation. The Committee reviewed Department of Transportation's organization and responsibilities at the Committee's meeting of October 15, 2012. Today, we again have with us, will be having with us, Director of Transportation to present an update and to respond to some of the questions raised at our last meeting.

ITEM NO. 58: RELOCATION OF SEWERLINE EASEMENT FOR MAUI LANI SHOPPING CENTER (WAILUKU) (CC 12-213)

CHAIR COCHRAN: So at this point I will go ahead and start with IM-58, the Relocation of Sewerline Easement. And at this point, I will open the floor up to Director Kyle Ginoza.

MR. GINOZA: Thank you, Chair Cochran. The purpose of this relocation is to allow an existing sewerline that serves the old Sandhills residential neighborhood to be relocated that such that it doesn't cut across the Maui Lani property as shown in Exhibit A, Page 4 of 6 in the handout or in the transmittal. As you can see, it kind of diagonally goes across the corner of the property. So we're looking at changing it to Exhibit A, on Page 10 of 12 where the sewerline would be relocated to be along the property line of this parcel. It actually results in a larger easement area and HRT will be or is in the process of upgrading the sewerline in that area to actually execute

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this. And so the Department is in support of this relocation and canceling...partial cancelation of the existing easement. Thank you.

CHAIR COCHRAN: Is that it, Mr. Ginoza --

MR. GINOZA: Yeah, thank you.

CHAIR COCHRAN: --you're done? Yes, Members, the floor is now open for questions. Mr. Victorino?

VICE-CHAIR VICTORINO: Thank you, and thank you, Mr. Ginoza. So this serves the Sandhills area at the present time, this sewerline?

MR. GINOZA: Yes, yes.

VICE-CHAIR VICTORINO: And it would serve that subdivision or that neighborhood?

MR. GINOZA: Yes.

VICE-CHAIR VICTORINO: This has nothing to do with the development of Maui Lani?

MR. GINOZA: No.

VICE-CHAIR VICTORINO: The shopping center itself, yeah?

MR. GINOZA: No.

VICE-CHAIR VICTORINO: Would they be connecting to this sewerline?

MR. GINOZA: I don't believe so. I think their connection is on the other side.

VICE-CHAIR VICTORINO: On the other side, yeah, okay. So this is just to get that straightened out so that it would be along the property line --

MR. GINOZA: Yes.

VICE-CHAIR VICTORINO: --instead of running concurrent --

MR. GINOZA: Yes.

VICE-CHAIR VICTORINO: --across the property line. Okay, I see no problem with that. Thank you. Thank you, Madam Chair.

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CHAIR COCHRAN: Okay, thank you, Mr. Victorino. Members, any further discussion? Yes, Chair Mateo?

COUNCILMEMBER MATEO: Thank you. Mr. Ginoza, is the developer's realignment of the line complete enough?

MR. GINOZA: The, oh...

CHAIR COCHRAN: Go ahead, Director.

MR. GINOZA: They should be completed next week. They're like 85 percent done or something--90 percent done, and they'll be completed next week.

COUNCILMEMBER MATEO: Okay. And you're comfortable that it will be completed next week? 'Cause I hate to receive something that's not even completed yet knowing that, that really was a requirement.

MR. GINOZA: Well, they're actually doing it at risk right now because if...

COUNCILMEMBER MATEO: They want something, yeah.

MR. GINOZA: Yeah. So I mean we're confident that they'll complete it.

COUNCILMEMBER MATEO: Thank you. Thank you, Madam Chair.

CHAIR COCHRAN: Thank you, Chair Mateo. Members, any further...Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Ginoza, you showed us the old Exhibit A, and the new Exhibit A?

MR. GINOZA: Yes.

COUNCILMEMBER COUCH: I just...my concern is and maybe they did move it but we have a portion of the existing sewerline easement to remain as I'd say, I don't know how many feet away from the, the Lot 3 line. And then you move the new easement to much closer to the Lot 3 line. So what happens to the, the line? Does it...since we're keeping the existing easement over Kaahumanu Avenue, do you have a big right-hand turn or what's--how does that work?

MR. GINOZA: You mean along the Kaahumanu Avenue side?

COUNCILMEMBER COUCH: Yes.

MR. GINOZA: Yeah, so it will just connect on that side. I mean, it will be kind of extended along Kaahumanu Avenue.

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COUNCILMEMBER COUCH: Okay. Looks like it's gonna make a big right angle, two right angles. Unless the easement on Kaahumanu is extremely wide?

MR. GINOZA: It's a wide...I mean, it won't be a sharp...I mean, it's gonna--

COUNCILMEMBER COUCH: Oh, okay. All right, thanks.

MR. GINOZA: --make it good.

COUNCILMEMBER PONTANILLA: Chair?

CHAIR COCHRAN: Thank you, Mr. Couch. Yes, Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Yeah, fast question. So easement through the private property right-of-way on Kaahumanu Avenue?

MR. GINOZA: Yes.

COUNCILMEMBER PONTANILLA: Okay, thank you.

CHAIR COCHRAN: Thank you, Mr. Pontanilla. Members...you had...

VICE-CHAIR VICTORINO: No, no, no more questions, just recommendation, Madam Chair.

CHAIR COCHRAN: Okay. So Members, seeing no--do you have anything more to add, Mr. Ginoza?

MR. GINOZA: No, thank you.

CHAIR COCHRAN: Anything from Corporation Counsel?

MS. THOMSON: No, nothing, Madam Chair.

CHAIR COCHRAN: Okay, just to, just keep you involved. And okay, well at this point then, I shall entertain a motion to, to adopt the proposed resolution and filing of this County Communication.

VICE-CHAIR VICTORINO: So moved, Madam Chair.

COUNCILMEMBER COUCH: Second.

CHAIR COCHRAN: Thank you. Thank you, Mr. Victorino. It's been moved by Mr. Victorino and seconded by Member Couch. Members, further discussion?

VICE-CHAIR VICTORINO: No.

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CHAIR COCHRAN: Seeing none, then all those in favor, say, "aye".

COUNCIL MEMBERS: Aye.

CHAIR COCHRAN: Any opposed, say, "no". Seeing no opposition, motion carries with three, six "ayes". Looks like we have one excused and zero noes. Mr. Hokama is excused. Thank you, Members.

VOTE: AYES: Chair Cochran, Vice-Chair Victorino, and Councilmembers Carroll, Couch, Mateo and Pontanilla.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Hokama.

MOTION CARRIED.

ACTION: ADOPTION of resolution and FILING of communication.

CHAIR COCHRAN: Okay, next item on the agenda is the IM-47, and this one is the Public-Private Partnerships to Develop New Wastewater Reclamation Facilities.

ITEM NO. 47: PUBLIC-PRIVATE PARTNERSHIPS TO DEVELOP NEW WASTEWATER RECLAMATION FACILITIES (CC 12-49)

CHAIR COCHRAN: And I read the description, so I shall open the floor again to Director Ginoza...or sorry, for Vice-Chair Victorino, who is the proposer of this resolution.

VICE-CHAIR VICTORINO: Yeah, thank you, Madam Chair. I will yield to Mr. Ginoza --

CHAIR COCHRAN: Okay.

VICE-CHAIR VICTORINO: --'cause we've had some discussion. I'd like him to present then I'll ask some specific questions if you don't mind?

CHAIR COCHRAN: Okay, sounds good then. So Mr. Ginoza, you can go ahead.

MR. GINOZA: I...okay, so for regarding public-private partnerships, I think different entities may have approached different Members of this body as far as engaging with the County to work hand in

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hand on developing CIP projects particularly in this case with the relocation of the Kahului...Wailuku-Kahului wastewater reclamation facility. And so in looking at our Code, we realized that, and while I don't think you need to urge us, I mean, we're doing that. We realize that there isn't a stated mechanism in the Code to allow us to do this kind of public-private partnership. So it's something that we're in support of to have that flexibility and Ms. Thomson here can elaborate further later on as far as the Water Department, Department of Water Supply does have a public-private more like a cooperation or to work kinda hand in hand that we'd try to mirror something like that in our section of the Code to allow us to, to engage in a public-private partnership. As far as the relocation of the treatment facility, at any time I could provide an update of...I mean, we've updated our numbers since the 2006 study, so we have some numbers as far as, you know, what we think it would cost and the mechanisms that would be available to actually execute the project. Thank you.

CHAIR COCHRAN: Thank you, Mr. Ginoza. Yes, Mr. Victorino?

VICE-CHAIR VICTORINO: Yeah, thank you. And thank you, Mr. Ginoza. My main reason to bring this forward was--actually there's two reasons. First and foremost is the fact that just this past weekend we're all aware again of what a tsunami warning does to this County especially most of our sewer system especially in Central Maui which is the bulk of it, right? And of course, your side, Madam Chair, west side was also shut down and I think the Kihei was also shut down. So we have two out of our three in immediate inundated zones, and I think Kihei even though I don't think it's in, but some of the pump stations run along the beachfront or at least close to tsunami zones so I think that's the reason. Am I correct in my evaluation, Mr. ... I don't wanna give misrepresentation, misinformation, I'm sorry, Mr. Ginoza.

MR. GINOZA: I believe only the Kahului one is in the tsunami inundation zone.

VICE-CHAIR VICTORINO: Honokowai is not?

MR. GINOZA: No.

VICE-CHAIR VICTORINO: Okay, that's surprising because I thought Honokowai was. Okay...

MR. GINOZA: But you're correct that our pump stations are located near the ocean to utilize gravity flow.

VICE-CHAIR VICTORINO: Which forces us to close anyhow. Yeah, which forces us to close anyhow in that respect. And so this is the first reason is knowing that this is the third tsunami warning we've had in the last three years. And let's be honest, it's not if, it's a matter of when. And if we do have a major one, I mean, just shutting it down for a little while, lack of power, and this and that and we've discussed that, Mr. Ginoza, and I know you guys done a lot of work, but it's still a real threat to this County should that be shut down for any extended period of time since a big portion of the population lives within my district and Mr. Pontanilla's district, and you know, that's concerning knowing that. Secondly, there are a number of large, futuristic development

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that want to come up in Central Maui such as Michael Atherton's up in Waikapu, Waiale with A&B, and on, and on, and on. And so I figure now's the time to let's...before we let these guys do anything, let's put them on notice and you, you're working on that that so I know Mr. Ginoza, that's not something new, Madam Chair. I'm not chastising the Department 'cause they are doing a yeoman's job trying to look for solutions. But to put people on notice and make everybody aware that if you're gonna develop now in Central Maui that a waste treatment facility is gonna be part of the conversation not just water, not just roadways, not just parks, not just schools, but really a waste treatment facility. 'Cause we have to in the not too distant future move that plant or at least our total dependency on that plant away to an area where we could use if not redundancy, at least a good portion of our sewer would go somewhere else which would be closer to agriculture, irrigation uses, you know again, not pumping it into the ground, but using it for R1 water for other means like landscaping and all that. So all of that put together, sum total was the reason for this and it's just another mechanism and again, resolutions have no force of law, Madam Chair, we all know that. It's just to make the...just to say the urgency from this Council to the Administration and to anybody out there, Madam Chair, that wants to build, that wastewater facilities, treatment plants are gonna be part of the equation. It's gonna be part of the conversation and not a real small part of it, a real major part of it 'cause it's something that needs to be done. And we know how much it would cost, I think it was we looked...I forget the number, 400 million or whatever it is. You know, the County could do it themselves and could do it tomorrow, but we'd be making our, our folks pay an awful lot. And then I'll close with this also, this thought, I don't want to have a one point something billion dollar consent decree with EPA like Oahu has because we've waited so long to do something about it. And that's not all total what our problem with our treatment plant is, but there are some challenges coming up in the future that could, could lead to other things and we already just got through with the landfill, we don't want anything else. So that was my rationale, Madam Chair. It was a kinda like a whole picture, just to make everybody aware that eh, it's just time to really to put it in the forefront; put it on the front page, this is not in the back, Page 99 of the newspaper. This gotta be front page from now on and they gotta know whatever they what to build here, they gotta be a part of either by fee, in lieu of, partly helping us build it, I don't know, but it's got to be done and it has to be made aware of, the awareness has to be made now, Madam Chair. So that was the whole purpose behind of this is to have the support of the Council saying to the Administration and as well as private developers, now's the time. We're not going to let it slide any further, now's the time to really discuss and to put it forward. Thank you, Madam Chair.

CHAIR COCHRAN: Thank you, Victorino. Yes, Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you. This is a good resolution. Mr. Ginoza, your predecessor also spoke about smaller units out in development areas. You know, we've all gone through different NACo conferences and we talk in regards to capabilities of a smaller plant. So I think this is a right move. But my question to you is that, what is the capacity at this time at the wastewater treatment plant in Kahului?

MR. GINOZA: I believe the stated capacity is eight, eight million gallons per day.

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COUNCILMEMBER PONTANILLA: Eight million gallons per day. So any room for receiving more from future developments in Kahului?

MR. GINOZA: Well--oh, can I?

CHAIR COCHRAN: Oh yeah, go ahead, Director.

MR. GINOZA: We basically reserve a lot of the existing or excess capacity for infill development, and the direction that we've been taking as well as the direction that the Department of Health has been urging us to take is to pursue these types of not small treatment plant but more, you know, "to serve a development" treatment plant where it's easier to reuse the water in the development rather than to transmit all that water through your pipeline system to a centralized plant and then pump the water back out to be reused. And so as these developments have been proposed that has been a recommendation to have these treatment plants that serve the development.

COUNCILMEMBER PONTANILLA: Thank you. It kind of brings back memory maybe eight, ten years ago because we put in a lot of investments in creating treatment plants that, you know, at the time, you know, some of the Members were looking at the investments that we put in, and now we're gonna do something else. How do we recover our so-called investment was an issue at the time. But I believe in the smaller treatment plants, yeah, that would probably be something that we can look forward to. Again, let me ask you this one last question. In regards to the Maui Island Plan, how active are you folks in regards to the areas that we identified for future urban growth and the ability of the Department to look in the Island Plan and start negotiating with property owners?

MR. GINOZA: It is something that...I mean, we've, we've, you know, coordinated with the Planning Department but, you know, a lot of these, these new development areas, we'd...for these new development areas, we would advocate that they develop a smaller treatment plant to serve their subdivision or their development. We are starting a process to or a study to look at a regional plan on the southern isthmus or like, you know, toward the Maalaea area to see if that was the direction that the County wanted to take to build another regional plant what would it entail, you know, but right now what we're looking at is in order to promote reuse within the property boundaries of the development to have a treatment plant co-located there so that the water may be reused.

COUNCILMEMBER PONTANILLA: Good. Yeah, I know in the Island Plan, you know, we haven't come up with all the different costs in regards to infrastructure and if we can plan it such that, you know, we take advantage of this new technology, it could save the County a lot of money so in the future. So again, thank you. Thank you, Chairman.

CHAIR COCHRAN: Thank you, Mr. Pontanilla. Members? Yes, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Ginoza, if we have these...or you're saying that we should have individual plant, mini plants at each subdivision or...

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MR. GINOZA: No, I mean, like for instance, like the A&B project by--what is that road--by Waiko Road, you know, that area, we had them...we recommended that they do their own treatment facilities. So it wouldn't be like for, the Island of Maui Lani would have their own versus the Greens of Maui...but you know, for a larger development --

COUNCILMEMBER COUCH: Right.

MR. GINOZA: --they would have their own treatment facility.

COUNCILMEMBER COUCH: But it would be theirs. It wouldn't be part of the County or is it going to be turned over the County?

MR. GINOZA: Right now we're looking at it being a private facility. I mean, it remain private. I mean, that's not something that they've come to us to ask for, you know like how Makena is private or you know we were looking at it remaining private.

COUNCILMEMBER COUCH: Okay, and does that affect our system in any way, you know, because of the, the reuse and potential, you know, connections or no connections to our lines whatsoever?

MR. GINOZA: There wouldn't be any connections to our lines and they would be able to utilize the treated effluent for reuse onsite.

COUNCILMEMBER COUCH: And this, this resolution would encourage that which you guys are doing anyway. What is the...where you say, Resolution 6-12 could be regarded as misleading, why?

MR. GINOZA: I'm sorry, could you repeat that?

COUNCILMEMBER COUCH: Why do you think that 6-12 is misleading and counterproductive?

MR. GINOZA: That was actually Mr. Victorino's statement.

COUNCILMEMBER COUCH: Oh okay. Okay. 'Cause I looked at 6-12 and it didn't look too bad, I mean...

MR. GINOZA: Well, I believe because 6-12 recommended that we keep the plant where it currently is and that we fortify it, that was I think what he was thinking, and he's here so you can ask him, but to try to re, reexamine whether or not we should remove the treatment plant. And while we're on the topic, you know, we've relooked at how much it would cost to relocate the treatment plant and it's looking like it's on the order of \$220 to \$270 million to relocate the plant because it will entail building a new facility, converting the existing facility into a pump station and then installing a force main that would pump the sewage to the new treatment plant as well as we would need to have new injection wells and, you know, to be able to dispose of the treated

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effluent at the new plant. So we're looking at it being on the order of \$220 to \$270 million and that's not inclusive of any kind of transmission system to be able to send treated effluent to, to be used for irrigation. That's looking at the effluent being to R2 quality so it will be another, you know, 30 or so million dollars to upgrade that plant, that new plant to R1 standards and then to also install the transmission lines. So it is still a significant capital investment that does not go away just because we investigate or examine a public-private partnership type arrangement. You know, it's in the discussions we've had with a couple of these private entities, basically it's looking at, you know, adding to the real property tax to be able to finance this type of project in order to, to keep sewer user fees, you know, at a manageable rate.

COUNCILMEMBER COUCH: Yeah, the thing that concerns me is that, you know, we had a big ____ working group, they studied this and they understood what was happening with tsunamis and whatnot, and they recommended to leave it as it is and shore it up, and we've actually spent the money to shore up most of, most of the current plant up. Is that correct?

MR. GINOZA: Yeah, basically over last...little less than a decade, we spent...we will have spent on the order of \$28 million in beefing up or fortifying the plant to withstand the 100-year tsunami which, you know, kinda like the 100-year storm, the 100-year tsunami is a wave height of 20.1 feet.

COUNCILMEMBER COUCH: Right.

MR. GINOZA: So we are doing the, kinda the final activities to fortify the plant to withstand a...to weather a tsunami of that magnitude which, you know, was the direction that we, you know, we've been on for the last, you know, over a decade and, yeah, we've invested that much money or will have invested that much money.

COUNCILMEMBER COUCH: Yeah, Madam Chair, I just don't like the portion of about repealing 6-12 because, I mean, that is something and the study happened and people made the recommendation so I don't know, I'd like to discuss that further, but I think Chair Mateo has a few questions and Mr. Carroll, so...

CHAIR COCHRAN: Okay, thank you, Mr. Couch. Just briefly, just briefly I wanna say that Director Dave Taylor is here in the audience. I'm not sure if he...you want me to call him as a resource or some questions from him in particular?

UNIDENTIFIED SPEAKER: Chair?

CHAIR COCHRAN: But I just to say that he is in the house and I guess I put him on the spot now. Anyway, did Mr. Mateo, did you have something that Mr. Couch volunteered you for?

COUNCILMEMBER MATEO: Yeah, no, Madam Chair, I agreed with Mr. Couch in part. You know, my only concern in looking at the repeal was of the study. And I think the study really was the driver in getting all of this work done. So my concern was I don't know why it needs to be

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repealed in terms of putting the study away, because it's such an intricate part of the direction we're headed at. So I don't know what difference it makes whether we just look at a whole new direction and the repeal of this resolution, because it will impart more or less set aside the study that was done on the work that's already been progressing. Thank you, Madam Chair.

CHAIR COCHRAN: Thank you, Chair Mateo. Members? Yes, Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you. Yeah, just brief history, maybe seven, eight years ago, as you know, as a Council member at the time we were looking because of the public interest in moving this treatment plant, you know, at a higher ground, getting away from the tsunami zone at the time the Council had allocated and supported the Department in the tune of \$20 million at the time, but now you've spent 28 to 45 on this particular treatment plant in Kahului giving the County an opportunity to start on a plan to move the plant further inland. So you know, like Mr. Ginoza had said, you know, the County has been working hard on this here. It's just a matter of, you know, do we wanna invest the money to relocate this plant? Because again, it's gonna cost the users of this new plant, you know, a great deal of money. So as we move forward, hopefully we move forward and relocate in the future that you know, the burden, you know, well, the burden is gonna be on the users, but the burden hopefully can be, you know, minimized somehow, somewhere through private-public partnership in the future. So thank you.

CHAIR COCHRAN: Thank you, Mr. Pontanilla. Members, any further...yes, Mr. Victorino?

VICE-CHAIR VICTORINO: Madam Chair, you know, I hear my colleagues and again, the study would stay. All we were looking to do is really kind of replacing this with this. That's why repealing 6-12 was to...and to replace with this new resolution to bring it to the forefront, we know definitely it's gonna take time, but if we don't put it on the front burner right now and make it a priority, maybe even Mr. Ginoza will agree some of this won't happen. We have these developers that want to come in and develop and they...public-private partnership whether they develop them themselves or work with us, and I have been a strong proponent of working with us to build it to our standards so that if the day comes that we have to take over which may come just like water systems, it is time we realize that if we're gonna let anybody do it, it's gotta be done our way. It's gotta be done the right way. 'Cause we are now paying and all these Council members in this office, in this Chamber right now and listening know we are paying for water mistakes that we allow people to do. And it's time we make things right by saying if you're gonna be a public-private partnership, number one, you gotta do it by our standards. No ifs, buts or ors about it. It's gotta be that way 'cause we can't let private systems just be built and then one day they get tired and they say, here County, just like Molokai, here County, dump it in our lap, and you figure it out. No, no, no, if at least to our standard, at least to what we want it to used, like we would build it ourselves, at least then we get something that hopefully halfway decent and at least something we can protect the public with. Now that's all part of it and no matter how we treat these smaller regional or one or two more larger ones, I mean, the whole issue right now is to move forward. Okay, the study doesn't disappear; repealing this doesn't make the study go away. The study is the whole predication, right, Mr. Ginoza? That's what we're basing our whole future on that study isn't that correct?

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MR. GINOZA: For this.

VICE-CHAIR VICTORINO: Yes, yeah. So again, that was not the intent, but to replace that one with this new one to make sure that the public-private partnership rises to the top and is being...gonna be actively pursued by no matter what Administration, no matter what Council is sitting here, it would be on the forefront when some developer came and says, oh, this is Waiale and we wanna build 1,700 new homes. Okay, do you understand that we would like a waste treatment plant adjacent to this to help us augment that and we cannot, we cannot continue to doing that...continue to take all of the sewage in our plant down in Kahului. I understand about reinforcement, I understand, I've been here for six years and I've seen all the monies we've spent to reinforce to protect that, but you and I both know there is no tsunami proof. So long as you're in a tsunami area there is no tsunami proof waste treatment plant, right? Hundred years, what if it happened to be a 150...what if it was something like what hit Southeast Asia, tsunami of magnitude that nobody even dreamed of, what would happen then? Again, a whole large community would be shut down with no treatment. I mean, you get all these homes up here that are not in tsunami areas. I've got, I've got almost two-thirds of my...oh, three-fourths probably, maybe more of my population in Wailuku District is outside of the tsunami zone, but where does all their--pardon the expression--crap go? That-a-way. It all goes one way. And the same thing in Kahului, not all of Mr. Pontanilla's district is in a tsunami area, a tsunami zone I should say, so all I'm saying is I'm not trying to get rid of the other one, the repeal was to replace this and the study has to stay. The study is what we're using. And Mr. Ginoza guys are working hard at it and I'm all for this. I just wanna reinforce and keep it in the forefront so future Councils and future Administrations will see the intent, because sometimes people read this and say, oh, okay, oh, we reinforce it, okay, that's enough. We no have to worry. And that's not true. Eventually, and even you, Mr. Ginoza has admitted it, eventually one day we should and must move our waste treatment plant somewhere, because injection well is another issue that so long as where it's at, it can't be really utilized in...for ag and for irrigation, and if we do, it's very costly. Isn't that correct, Mr. Ginoza?

MR. GINOZA: Can I?

CHAIR COCHRAN: Sure. Yeah, go ahead, Director.

MR. GINOZA: I think what is, what is important in the discussion, and maybe we cannot just complete it in this short period of time is--

VICE-CHAIR VICTORINO: Yeah, okay.

MR. GINOZA: --you know, the reasons or the objectives to consider relocating the treatment plant, you know, some people look at the fact that it's in a tsunami inundation area, but you know, a lot of our pump station infrastructure is also in that inundation area. So like you said, if we had a tidal wave or a tsunami like the scale that was last year in Japan--

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VICE-CHAIR VICTORINO: Right.

MR. GINOZA: --I mean basically if we sited a relocated treatment plant, you know, at a higher elevation, that's true that, that tsunami may not hit it, but it's also true that we likely would not get any sewage to be treated at that treatment plant because the rest of the infrastructure is in low lying areas and so, you know, that doesn't solve all of the problems by relocating the treatment plant, because we still have a lot of our facilities at low lying areas to utilize the gravity flow nature of the business. And so we would be looking at, you know, do we move all of our pump stations and pay more on an ongoing monthly basis by pumping all the time or you know, I mean, does that really protect us from a tsunami? I mean, that's one thing. Another thing is if you're looking at just increasing reuse, we do through the Central Maui Recycled Water Verification Study, we have put forth options to upgrade the existing facility to the tune of about \$30 million I think it was, to be able to utilize increased recycled water. And so there are other options depending on what the objective is. And so I think it's something that warrants further discussion as far as, you know, what are some of the pros and cons of if we try to be bulletproof for any kind of tsunami there are ongoing costs to our, to our community that we have to weigh is it worth that cost at this time? As well as if we look at, you know, just trying to increase recycled water there are options that do not necessitate the relocation of the plant but even if we do, that number of 220 to 270 doesn't include the increase of recycled water, so that's another cost on top of that. And so, you know, there are a number of reasons such as like if you wanted to use the existing plant site for other development, well, you know, we would need to create a pump station at that site and so there still would be a major piece of infrastructure in that tsunami inundation area. And you know, taking all, taking all of these factors into account, is kind of why at the time we said, okay, let's...at the very least we're gonna have to fortify the plant.

VICE-CHAIR VICTORINO: Right.

MR. GINOZA: And like I said, we have been as a Department trying to gather the information so that we could have a healthy discussion in this Committee to revisit that as Mr. Pontanilla had mentioned that, you know, the first step was to fortify because no matter what we gotta protect our existing infrastructure, but we are ready as a Department to engage in that discussion as far as, you know, what are the pros and cons of moving it, how much would it cost? I mean, you know, I don't feel that the sewer users should bear the full brunt of the cost. I mean, to me, it should be a General Fund type endeavor. I mean, if you look at a sewer...if it was 100 percent sewer user, you would double the...in essence, double the existing rate, I mean, existing base charge, so you'd go from a roughly \$60 per month residential rate to like 100 something per month. And it's something that I don't think that sewer users are the only ones that should bear that cost, but there are a number of factors that warrant further discussion and the relocation of the plant does not tsunami proof the system is I guess what I'm getting at.

VICE-CHAIR VICTORINO: And thank you. Madam Chair, you know, and I appreciate the discussion with Mr. Ginoza and if nothing else, I agree with Mr. Ginoza. I would have no problem in with your permission and your recommendation deferring this to get more information, some more study because it is something...again, I want to be out there. I think you and everyone in this

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room wants it to be in the forefront because we know more development is coming and we don't want to wait till after they build and then try to ask for it --

MR. GINOZA: Right.

VICE-CHAIR VICTORINO: --and it's not going to happen, you know. I think we've seen that in your district kinda like behind the eight ball and I wanna prevent that from happening this time around. So that was the whole purpose to get the discussion, I thank you, Mr. Ginoza, and I think you've heard the other Council members, they all have their specific ideas and rationale behind of it and I concur. You know, it's not an easy, oh, this is the answer. However, I think discussion has to continue and come up with something that, you know, for future Councils and future Administrations to know this is a priority. It has to stay in the forefront. It cannot slip behind and go behind the cracks or slip in the cracks and then all of a sudden 20 years come and EPA is saying oh, you'll do this or you get a billion-dollar fine like what they have down in Oahu which is a little different than ours, but again, if we don't pay attention, that comes at us and then a billion-dollar consent decree is not something any of us would like to have on our back. That's a big 800-pound gorilla to live with. So again, I have no problem in putting this, deferring this, and doing more discussion, doing more research, and coming back with the Department, but I will leave that up to you Madam Chair, thank you.

CHAIR COCHRAN: Thank you, Mr. Victorino. Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Thank you. This is good discussion though, I gotta say that. In regards to the pump station, Mr. Ginoza, I know 99.9 percent is in low lying areas. Is there any plans or are those pumping stations all reinforced for tsunami?

CHAIR COCHRAN: Go ahead, Director.

COUNCILMEMBER PONTANILLA: Or can we do it?

MR. GINOZA: What we've done is we've converted a lot of our pump stations to what is called, wet pit submersible pump stations so the pumps are, you know, in the wet wells. I mean, there, there still necessitates, you know, electrical equipment and control systems that are above-ground that, you know, are quite vulnerable in case of tsunami and that's where, you know, if it's powered up and a tsunami hits then it would fry, you know, the equipment. So like the former Wastewater Reclamation Division Chief, the sage in the audience had said, you know, it's...the way he kinda framed it to me is if you like threw a plugged-in, on hair dryer in the bathtub, you know, it would fry it, but if it was unplugged and you put it in, if you were able to dry it out, you could still have it work. And so that's the risk that...that's with our current protocols that's kinda the risk we take is kind of a temporary risk, you know, in the short-term, but in case of something kinda big happening that we can still power up and get back on line as quickly as possible. And so, you know, I would not advocate for us to relocate our treatment plants outside of the tsunami inundation area because then we'd be pumping all the time and the ongoing costs to our community would be quite substantial. We have done what we could as far as, you know,

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locating things underground, but you know, in the case of a large tsunami, I mean, I think our sewer system would be flooded anyway so you wouldn't wanna put the electrical stuff underground anyway. But just by nature of what we've been trying to do to upgrade our pump stations and our infrastructure in general, you know, we are quite well-equipped to shoulder or to sustain any kind of, you know, smaller tsunami. Of course, any very large one, I mean, you can imagine...you know, I don't think our community would be prepared for it and we should invest to go against like a 50-foot tsunami, and that's kinda where we kinda drew the line.

COUNCILMEMBER PONTANILLA: No, and I agree you, and thank you for your insights and you know I see Kahului plant as far as emergency generators being above, I don't know how many feet from the ground, probably 20, 25 feet. But again, yeah, if a water and electricity, you know, don't go together. The other thing is that, you know, you know, I agree that we should have like private-public partnership because we had an opportunity 10 years ago in regards to a private-public partnership in Lahaina. And the developer wanted to create affordable housing, he was going to do a treatment plant, but you know, at the time the technology is not like what it is today, but you know, all fell through the wayside. And whenever we have private-public partnership, you now, we gotta be sure that the public side, us guys, the County, is willing to do that. Sometimes we agree on certain things and when time comes, you know, we all...some of us disagree. So --

MR. GINOZA: Just...oh sorry.

COUNCILMEMBER PONTANILLA: --you know private-public partnership is good when you can have agreements.

CHAIR COCHRAN: Thank you, Mr. Pontanilla.

MR. GINOZA: Can I make a comment?

CHAIR COCHRAN: Yes, Mr. Ginoza.

MR. GINOZA: Just kind of generally speaking as we explore these public-private partnerships, you know, some of the...generally speaking, the pros are that, you know, they insist that the development time would be shorter with private involvement and maybe some of the construction cost might be smaller than if government did it ourselves. But some of the drawbacks are, you know, the cost of financing for them, you know, would have to be, they'd have to--the private equity or private financing would command the higher rate of return than like a municipal bond or a state revolving fund loan. And we, we lose some control of the process where, you know, even in our discussions, you know, they...the private side has their own inclinations as far as how a plant should be designed and, you know, we have certain standards that, you know, basically each have their own preferences. But I think one of the--another large issue is, when you do a private-public partnership, the private side would want a established rate increase over the next 20 years. And so we as the community would not be able to say or you as the policymakers couldn't say that, oh you know, these are tough times this year,

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we don't want a rate increase. They would demand that as part of the agreement. So that's the kinda things that we're trying to work through as we try to further these discussions so that when we do have the discussion with you folks, you know, we have that information available. And so, you know again, I offer up at anytime if you'd like to schedule something for us to give a more complete update on where we are as far as relocation or as we explore these public-private partnerships further, you know, we're fully here and, you know, ready to do so.

CHAIR COCHRAN: Thank you, Director. Yes, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Ginoza, when you say public-private partnership and you're talking about the private builds the thing and private runs the thing and private does everything, what is the public part?

MR. GINOZA: The public part is that we basically pay user fees to them, and so a couple of the scenarios that we looked at or have approached us would be that private would fund, design, build, operate, maintain a facility and that we would, we would basically pay them a user fee for that service.

COUNCILMEMBER COUCH: Why would we when we're not using it? It's that development?

MR. GINOZA: No, we would be using it.

COUNCILMEMBER COUCH: Oh, we would also...

MR. GINOZA: No, this is looking at a relocate--sorry, if we're looking at the relocating of the Kahului treatment plant, for an example.

COUNCILMEMBER COUCH: Oh, okay, oh.

MR. GINOZA: As far as the private development side of it, I mean, we would be totally hands off on that. You know, it wouldn't affect our system. Yeah, we...the State DOH would regulate that, not us.

COUNCILMEMBER COUCH: Okay. So this is only in the relocation if...

MR. GINOZA: Yeah, sorry. I should have clarified that.

COUNCILMEMBER COUCH: Is that your understanding on what we're urging the Administration to do to pursue...yeah, see 'cause I'm reading this is that we're urging some sort of public-private on new developments coming in. I don't see...I don't see where this actually saying that we should move it other than there's a couple things mentioning this study and that's it, so...

MR. GINOZA: Yeah, so as far as the public-private partnership side of it, I mean, I think it's a great idea to give us the flexibility to present to you, hey, there are options instead of just issuing

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bonds or...you know, and so forth. And maybe Richelle can explain a little bit further that the Department of Water Supply does have a mechanism in the Code to allow this type of cooperation between the public and private sectors. And that type of language is nonexistent in the wastewater side of things and so that, that is something that I think would be worthwhile as far as giving us the flexibility to present to you options. But if you don't mind, I'd rather defer to Ms. Thomson here.

CHAIR COCHRAN: Yeah, I was...well, Mr. Couch, are you done?

COUNCILMEMBER COUCH: Well, just a follow-up and then I would love to hear from her, is that would a change...an ordinance to change some portion of our Code be more apropos or in conjunction with this, would that help you out?

MR. GINOZA: Frankly, I didn't realize we couldn't do it--we didn't have the mechanism existing to do the public-private partnership so this resolution actually kinda brought, like clicked the light bulb on for me, and I, and I talked to Richelle about it. Yeah, she said that we don't have that mechanism. So --

COUNCILMEMBER COUCH: Okay, so you would...

MR. GINOZA: --I mean, we are gonna pursue that, and it would be drafting an ordinance through Corporation Counsel to allow us that mechanism. So I don't--basically without this resolution it's still something that we'd, we'd pursue. And like I said, I just assumed we could do that until I found out from my, my lawyer that I can't. So that's kind of where it is.

COUNCILMEMBER COUCH: Okay.

CHAIR COCHRAN: Thank you, Mr. Couch. So Members, I'll go ahead...oh yeah, then I'll have Ms. Richelle...

VICE-CHAIR VICTORINO: I was going let her --

CHAIR COCHRAN: Oh, okay, yes.

VICE-CHAIR VICTORINO: --I wanted her to...

CHAIR COCHRAN: Yeah, we'll have Ms. Thomson if you don't mind to elaborate more on that discussion please?

MS. THOMSON: There are public-private partnerships as you know out in the Kaanapali area. You know, just recently we're doing some upgrades to the R1 system and that agreement and the discussions from--I wasn't here at that time--but I understand that the Council considered it. And so there, it's the what direction Mr. Ginoza was referring to is there's no provision in the Code right now that really facilitates public-private partnerships for wastewater facilities. For

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R1 it's a little different. At the time I believe the Code was written, it was really, you know, R1 water was a problem and the environment now is that R1 water is a commodity. So there's more, more impetus on the private side to work with the County and I think an ordinance change would be the way to go.

CHAIR COCHRAN: Thank you, Ms. Thomson. Mr. Victorino?

VICE-CHAIR VICTORINO: Is Mr. Couch done?

COUNCILMEMBER COUCH: Yep.

VICE-CHAIR VICTORINO: Okay, I will allow anybody else to go first.

CHAIR COCHRAN: Before we...I just wanna announce that Councilmember Gladys Baisa has joined us.

COUNCILMEMBER BAISA: Good morning, Chair. Thank you.

VICE-CHAIR VICTORINO: Yeah again, Madam Chair, you know, I thank you, Mr. Ginoza because again our discussions also that was brought up that we don't have the ordinance or the ability to make these changes and so I think we're gonna work on something of that nature. Remember you and I discussed that? And I will be working on something in the near future to come up with something for the, for the County. Again, going back to this, Madam Chair, I think this is a good discussion. I think this is something that needed to be discussed, and I just want if, with your permission I'd like little bit more time with Mr. Ginoza and the Department to work on a little refining of this language and you know, maybe somehow that study to be put in to say the study will exist. I think that's one of the concerns right now is that the study...like we were gonna throw it away. And no, that was never the intent, but I apologize we never put it in to say, even though we take back the resolution, the study still is applicable and it's something that we want to base our whole future as we move along, because that was a lot of money spent on a great study and I think all of us who have read it and gone through it with you, Mr. Ginoza and the former Environmental Management Director also agreed it was a very good study and something that we can take off from. So I don't have anything else to say. I thank, you know, you, Madam Chair for allowing this discussion, and I would like to make sure that in the future, that's why I'm asking for a deferral because I'd like to work on it so in the future we could bring back a more solid resolution and make sure that it always stays in the forefront for Councils in the future and Administrations in the future. Thank you, Madam Chair.

CHAIR COCHRAN: Thank you, Mr. Victorino. Yes, Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. Only one thing. For years and years we have...this has been a concern. We did site inspections over there and all of that and I'm glad it's getting some attention now. The main reason not too much is done has always been because of financial constraints. But the resolution over here, his recommend...what came from