

BOARD OF WATER SUPPLY  
COUNTY OF MAUI

REGULAR MEETING  
MINUTES OF JANUARY 15, 2015

The regular meeting of the Maui County Board of Water Supply was held at the Department of Planning Conference Room, 250 South High Street, Wailuku, Maui, on Thursday, January 15, 2015.

CALL TO ORDER

The meeting was called to order by Chair Kamai at 9:17 a.m.

ATTENDANCE

Members present: William Kamai  
Sylvia Ho  
Cyrus Kodani  
Anders Lyons  
Michael Suzuki

Staff present: David Taylor, Director  
Edward Kushi, First Deputy Corporation Counsel  
Gaye Hayashida, Commission Support Clerk

APPROVAL OF MINUTES

Minutes of December 15, 2014

Chair Kamai asked for a motion to approve the minutes of December 15, 2014 as submitted.

Motion: Member Lyons moved to approve the minutes of December 15, 2014 as submitted

Second: Member Kodani

Discussion: None

Vote: Unanimous. Motion carried. The minutes of December 15, 2014 were approved as submitted.

Chair Kamai asked for a motion to approve the executive session minutes of December 15, 2014 as submitted.

Motion: Member Lyons moved to approve the executive session minutes of December 15, 2014.

Second: Member Kodani

Discussion: None

Vote: Unanimous. Motion carried. The executive session minutes of December 15, 2015 were approved as submitted.

### TESTIMONY FROM THE PUBLIC

Written testimony was submitted by fax from Jeff Marsh, Site Manager for The Palms of Wailea regarding water rate increase in the event of a drought emergency. A copy of his testimony is attached and made a part of these minutes.

No other testimony was given.

### UNFINISHED BUSINESS

#### Review and discussion on the Committee's points on the Department's future rates and fees

No report was submitted and none of the investigative committee members were present at this meeting so Chair Kamai deferred this matter to the next meeting.

### OTHER BUSINESS

#### Receipt of Board Member request for agenda items to be placed on future agendas

1. Review and discussion on the Committee's points on the Department's future rates and fees to be placed under Unfinished Business.

### DIVISION REPORTS

#### Operational Division Reports

Director Taylor reported that there is nothing exciting to report as far as operational issues go.

A lot of key personnel left the department in 2014. In the last several months 2 employees moved to another department and 4 employees retired -- 2 engineers, the plant operations division chief and a senior customer service manager.

There are changes in the council's committee assignments as well. Council Member Victorino is no longer the chair of the Water Resources Committee. He is now the chair of the Policy and Intergovernmental Affairs Committee. Council Member Baisa is now the Water Resources Committee chair.

The director clarified what Deputy Director Meyer reported at the last meeting. Though he and the deputy director have been re-appointed by the mayor, his position as the

Director of Water Supply must be confirmed by the county council. The deputy's position does not need council approval.

The department has filed briefs on the East Maui Instream Flow Standards contested case hearing before the state Commission on Water Resource Management. This involves 27 streams in East Maui -- how much water stays in the streams and how much gets diverted by East Maui Irrigation (EMI). The Director noted that EMI serves the county with water from those streams and the majority of Upcountry surface water comes from those diversions.

The department is gearing up for the next budget which will be similar to the current budget that this board made a recommendation for approval last fall. The rates and fees will be one of the central issues.

#### ADJOURNMENT

There being no further business the regular meeting was adjourned at 9:25 a.m.

Prepared by:

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Gaye Hayashida  
Commission Support Clerk

Approved for distribution:

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David Taylor  
Director

## Written Testimony

THE PALMS

Aloha Board members,

January 14, 2015

Back in April 2013, the Water department proposed a drought rate which promoted an across the board water rate increase in the event of the declaration of a self-defined 'Drought Emergency'. As a multi-unit condominium complex with four domestic and three irrigation meters, that proposed rate hike would have nearly doubled our water costs while not providing a way to conserve our way out of the punitive rate.

Please refer to the The Maui News article is below:

[http://maui.news.com/page/content\\_detail/id/571516/Water-fees-set-to-curb-usage-in-shortage.html?nav=10](http://maui.news.com/page/content_detail/id/571516/Water-fees-set-to-curb-usage-in-shortage.html?nav=10)

As it stands, condominiums pay a disproportionately high water rate/ user due to the small number of meters servicing multiple units. This results in the top-tier rate being applied *days* into the billing period. An across-the-board rate hike would make it impossible for condominiums and other multi-unit family housing properties to conserve their way out of the highest tier because water costs are assessed as a function of the gallons consumed per meter, not the gallons used per apartment or household. For example, a drought surcharge rate increase from \$5.65 to \$7.42 / thousand gallons beyond the 15k gallon threshold would effectively be a 24% increase – an amount the Association would be unable to conserve it's way out of. The recent July 1 rate hike effectively raised our costs by 9%. We were able to conserve to match utilizing irrigation refinements we had budgeted earlier for the year – but at a cost to certain elements of our landscaping.

As condominiums are entities operating on a fixed annual budget, most cannot absorb the additional unplanned operating costs without initiating special assessments, which rattle mortgage banks and lower unit market values.

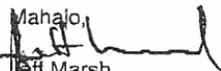
Below is the link to the City and County of Honolulu Board of Water Supply rate page which lays out the rate structure for all users including multi-family residential water rates.

[www.hbws.org/cssweb/display.cfm?sid=1175](http://www.hbws.org/cssweb/display.cfm?sid=1175)

At first glance, the rate schedule provides a valid comparison as a County that has a mix of single and multi-family units, which more fairly apportions the costs across all users.

I believe it is time to engage a rate schedule review and build drought-trigger proposals to incentivize conservation and *equitably allow all to shoulder the costs of addressing our water supply / treatment / reuse infrastructure*. This means that condominiums would be charged for water and sewage per unit, just as every homeowner, and be able to reduce consumption to get to the lower rate, reducing the strain on Maui's water supply infrastructure, just as every homeowner would be encouraged (and able) to do.

As the site manager of a condominium complex, I am interested in seeing you plan to more equitably distribute the responsibility of water conservation and water infrastructure costs amongst Maui rate payers and the specific methods you would employ to achieve this goal.

Mahalo,  
  
Jeff Marsh  
Site Manager  
The Palms at Wailea  
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