

**WATER RESOURCES COMMITTEE**  
**Council of the County of Maui**

**M I N U T E S**

**Council Chamber**

**February 1, 2017**

**CONVENE:** 9:02 a.m.

**PRESENT:** VOTING MEMBERS:  
Councilmember Alika Atay, Chair  
Councilmember Robert Carroll  
Councilmember Kelly T. King  
Councilmember Yuki Lei K. Sugimura  
Councilmember Mike White (arrived at 10:20 a.m.)

**EXCUSED:** Councilmember Elle Cochran, Vice-Chair  
Councilmember Stacy Crivello

**STAFF:** Kimberley Willenbrink, Legislative Analyst  
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)

Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

Brian Bardellini, Executive Assistant to Councilmember Atay

**ADMIN.:** Edward Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel  
Jennifer Oana, Deputy Corporation Counsel, Department of the Corporation Counsel  
David Taylor, Director, Department of Water Supply  
Gladys Baisa, Deputy Director, Department of Water Supply  
Holly Ho, Waterworks Fiscal Officer, Department of Water Supply  
Helene H. Kau, Assistant Waterworks Fiscal Officer, Department of Water Supply

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

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CHAIR ATAY: . . .(gavel). . . I'd like to call this Water Resource Committee meeting to order. The time now is about two minutes past the hour of 9:00. I'd like to ask everyone to turn off or silence their cell phones. Identifying the Committee and voting members. I

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wanna introduce myself as Alika Atay, Chairman of Water Resources Committee. Roll call: Elle Cochran, Vice-Chair, excused. Robert Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR ATAY: Good morning. Stacy Crivello, excused. Kelly King.

COUNCILMEMBER KING: Good morning, Chair, and I apologize for being late. I was return ...I had a phone call from the State that was finally returned to me, so I apologize for being late.

CHAIR ATAY: Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Aloha, Chair.

CHAIR ATAY: And Mike White for now absent. We...Staff, do we have quorum here? Okay. We have --

MS. WILLENBRINK: Yes, Mr. Chair.

CHAIR ATAY: --four out of seven in attendance, meeting quorum. I wanna also recognize this morning from the Administration in attendance, Director of Water Supply, Dave Taylor.

MR. TAYLOR: Good morning, Chair.

CHAIR ATAY: Department of Water Supply, Fiscal Officer, Holly Ho. Assistant Fiscal Officer, Department of Water Supply, Helene Kau. And Deputy Corporation Counsel, Jennifer Oana.

MS. OANA: Good morning, Chair.

CHAIR ATAY: Also wanna recognize the Committee Staff, Kimberley Willenbrink, Legislative Analyst.

MS. WILLENBRINK: Good morning, Chair.

CHAIR ATAY: Pauline Martins, Committee Secretary.

MS. MARTINS: Good morning.

CHAIR ATAY: Also wanna recognize the outlying areas, District Office Staff, Dawn Lono, Hana Office.

MS. LONO: Good morning, Chair. This is Dawn Lono at the Hana Office.

CHAIR ATAY: Denise Fernandez, Lanai Office.

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MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez at the Lanai Office.

CHAIR ATAY: And Ella Alcon, Molokai Office.

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai.

CHAIR ATAY: Members, this morning we have three items on today's agenda. Before we move on to the agenda, I wanna do a quick shout out of recognition to Keiki O Maui. Wanna recognize Trucker Dukes and the rest of his family and supporters to keep on fighting. Now, we will begin by taking public testimony. I wanna recognize that the testimonies will be limited to the items on our agenda today. If you wish to testify, please sign up at the desk located in the 8<sup>th</sup> floor lobby or at one of our District Offices listed on this agenda. Testimony is limited to three minutes, and upon request, up to one minute to conclude. At three minutes, the light will turn yellow, and at four minutes, the light will blink red. If you are still talking at the four-minute mark, I will kindly ask you to stop. When testifying, please state your name and who you are representing. We have established a connection to the District Offices. To be fair, we'll now rotate through each of those sites. For testimony, I wanna reach out to the Hana Office. Do you have anyone wishing to testify out in Hana?

**. . . BEGIN PUBLIC TESTIMONY . . .**

MS. LONO: Aloha, Chair. This is Dawn Lono at Hana, and there is no one here waiting to testify.

CHAIR ATAY: Thank you. Reaching out to Lanai Office, do you have anyone wishing to testify?

MS. FERNANDEZ: There is no one waiting to testify at the Lanai Office.

CHAIR ATAY: Thank you. And, Molokai Office, do you have anyone wishing to testify?

MS. ALCON: There is no one here on Molokai waiting to testify.

CHAIR ATAY: Thank you. Returning now back into the Chamber, do we have any testifiers?

MS. WILLENBRINK: No one has signed up to testify, Mr. Chair.

CHAIR ATAY: Thank you. If there is no one else wishing to testify in audience, and if there are no objections, I will close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

**. . . END OF PUBLIC TESTIMONY . . .**

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## **WR-1 MONTHLY SOURCE AND GROUNDWATER USE REPORTS (CC 17-30)**

## **WR-2 WATER USE REPORTS (CC 17-32)**

CHAIR ATAY: Now, I'd like to take up Items 1 and 2 as they are both related. We have before us WR-1 and WR-2. The Committee is in receipt of the following: County Communication 17-30, from the Director of Water Supply, transmitting Monthly Source and Groundwater Use Reports for the month ending November 2016. The purpose of the report is to comply with the provisions of Section 2.90A.050, Maui County Code, relating to reports of water use. Item 2, County Communication 17-31, from the Director of Water Supply, transmitting Monthly Source and Groundwater Use Reports for the month ending December 2016. The purpose of these reports is also to comply with the provisions of Section 2.90A.050, Maui County Code, relating to reports of water use. Now, I'd like to turn to allow Mr. Taylor, may I please ask you to provide an overview of these reports, why they are necessary, and if everyone is reporting regularly to your knowledge?

MR. TAYLOR: Thank you, Mr. Chair. And, Mr. Chair, if I may, can I give a brief background about general State oversight of water and why these are generated in the first place?

CHAIR ATAY: Yes.

MR. TAYLOR: Okay, thank you. In the State of Hawaii, by the State Constitution, and by the State Water Code, water is called a public trust resource, meaning the actual water no one owns. And the State, through the Department of Land and Natural Resources is the steward of that water and allocates water for uses. Under the Department of Land and Natural Resources is what's called the Commission on Water Resource Management, also called CWRM. Some people call it COWRM or the Water Commission. Those all mean the same thing. And that's actually a Commission. There are nine members. I think, one is the Head of DLNR. One is the State Director of Health. And the other seven are appointed by the Governor and confirmed by the Senate. They make the actual decisions. So, there are two types of water sources in Hawaii. There is aquifer water, groundwater, and the aquifers are designated by CWRM. Sorry, I don't want to use the term designated. It's a legal term. Each aquifer is defined geographically, where it is, and the State Water Commission says here's how much water is allowed to be taken out. They set what's called the sustainable yield, to say, this is how much water if you take out it will be naturally replenished. So all of the groundwater in Hawaii is divided into these aquifers, which all have a sustainable yield set by State Water Commission. There's also surface water. Every stream is surface water. So in order to take any water from either a stream or a groundwater source or an aquifer, you have to have a permit from the Water Commission, either a diversion permit from, for surface water or a well permit for groundwater. So, the Water Commission, you apply to drill a well. There's all sorts of various rules, laws, and regulations about this. But everybody who is taking water from either an aquifer or a stream is supposed to have a permit from the Water Commission. The Water

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Commission requires people to report about how much water they're taking to make sure they are within those permits and those allocated amounts. What you see in the first item, the Monthly Surface and Groundwater Reports, those are the Department of Water of Supply usages that we report to the Commission. And the second item, water use reports, are what everybody, the non-County entities are taking in Maui County. What you'll see if you add up the numbers is you'll see that the Department of Water Supply provides roughly 30 to 35 million gallons of water per day to our customers. That is only about 10 or 15 percent of the total amount of water used in Maui County during that same time. The great, great majority of water is by non-County users. So, in order to really understand how much water is being used and where it's going, the County Department of Water Supply, we are relatively...although we're the largest municipal supplier, we're still only 10 or 15 percent of the total use. So, in order to get your arms around how much water is being used and where it goes, you really have to look at the non-County users, which are the majority. So with that as background, if you look at the first set of groundwater reports titled, the first sheet, County of Maui, Department of Water Supply's Monthly Source Reports (Gals X 1000). It lists each of our wells and for each time period how many thousands or millions of gallons are being pumped out of that. If you go to the next sheet, which says DWS Groundwater Use - Island of Maui, it has the well name, the number which is the CWRM number, the total pumping in the last 12 months. It says pumpage MAV, which is moving average. It's a 12-month moving average, which is how the permits are given, and the percent of the sustainable yield, so you can see how much of that water is being pumped as a percent of the sustainable yield that CWRM sets. One thing interesting on that first sheet if you look under Central, Kahului, you see that the Kahului Aquifer, just our wells are pumping at 109 percent of the sustainable yield. This is a rarity. If you look in the Kahului Aquifer, which is essentially the aquifer under the sugar fields, I think, CWRM has a sustainable yield of 1 million gallons for that. Historically, there's been closer to 20 million gallons pumped out because ditch water, stream water from East Maui and West Maui, run through ditches, has been watered over the cane fields, soaked into the ground, and then there's a series of wells that take that water again. So although the numbers may have made it look over the last couple of years like people are pumping, you know, 20 million gallons a day out of that, for example, that's really overwatered stream water that's being counted twice. So, you have to really look carefully at these numbers in order to understand really the infrastructure that's moving this around. There's things like that that look out of place, but if you understand it's really water being counted twice. So there's a lot of nuances and things like that. But, again, if you go through you'll see everything follows that format, where it is, how much is pumping, percent of sustainable yield, and then as we get into the reports of water use, and the County, which include things that aren't ours, you see all the private wells. The well name, who the person is, the period of time reporting pumpage, what chlorides, meaning how much salts is in there, and the water level which is used by CWRM to judge whether or not these are being over pumped. These are passed on for information. The Department of Water Supply does not have any regulatory authority over non-County systems. The Council, itself, doesn't really regulate them though the Council in all sorts of land Use decisions may wanna take these things into account in your decision making on zoning and land use designations and things like that. So,

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it's background information. Also when you review the Water Use and Development Plan, the Water Use and Development Plan is not the Department of Water Supply Infrastructure Plan, it is the County of Maui Water Use Plan. So, it includes all of the non-County users. So, with that, Mr. Chair, we're certainly open for any questions. I hope that overview helps understand our roles and what these reports mean.

CHAIR ATAY: Members, any question for Mr. Taylor? Mr. Carroll?

COUNCILMEMBER CARROLL: No.

CHAIR ATAY: Ms. Sugimura?

COUNCILMEMBER SUGIMURA: So, Dave, the Water Use Report, how do you identify HC&S in this? How are they... 'cause they span through...

MR. TAYLOR: There are so many pages, let me look here. It looks like Garret Hew, which is the EMI President, is the one listed. So, I just tend to look for his name.

COUNCILMEMBER SUGIMURA: Okay.

MR. TAYLOR: I see him under Iao Tunnel, Kailua Gulch, and then this whole page I see all of the Garret Hew and HC&S Sugar Company. There's a whole, almost a half a page, filled with all of their wells. Sorry, these are computer reports so there's no page numbers. I see a sheet that starts with Kihei Shaft and ends --

COUNCILMEMBER SUGIMURA: I found it. Thank you.

MR. TAYLOR: --on that. Okay.

CHAIR ATAY: Any more, Member Sugimura? Member King?

COUNCILMEMBER KING: Yes, thank you, Chair. Just a couple questions, when you started out you said that the aquifers are not defined by CWRM, but I'm assuming they're defined by, what, State legislation? I mean what...

MR. TAYLOR: I'm sorry, the aquifers are defined by the State Water Commission.

COUNCILMEMBER KING: Okay.

MR. TAYLOR: I used the term designated accidentally. Designated is a legal term when the Water Commission looks at a particular aquifer and says this aquifer has some special circumstances. The Commission reaches in and looks at the end users of the water from that aquifer and gives water use permits for volumes. So this term designated has a meaning within the State Water Commission that is a fundamentally different meaning than just identified. So --

COUNCILMEMBER KING: Okay.

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MR. TAYLOR: --the State Water Commission works a lot with the US Geological Survey to look at what the actual geology and hydrogeology is of the island. They use that data to define the aquifers. They are geological formations, not political designations.

COUNCILMEMBER KING: Okay.

MR. TAYLOR: So, they set that by their actions and they also use data from USGS. plus their own staff to take action to define what the sustainable yield is.

COUNCILMEMBER KING: Okay.

MR. TAYLOR: So, Water Commission defines this is the Iao Aquifer, this is the sustainable yield, and it all starts from there.

COUNCILMEMBER KING: Okay, thanks. Thank you for that clarification. And I wanted to kind of go back to your statement about certain water sources being counted twice and how that affects the decisions of CWRM and how that affects Maui County. If it's a detrimental thing, can we stop doing that? I mean, is that something that's not...that's unavoidable?

MR. TAYLOR: The folks at the Commission are well aware of this. We're in a number of contested case hearings and this comes up all the time. When there's a pump, the person who owns that pump is reporting that data. Everyone's aware the HC&S pumps were pumping water that was overwatered from ditch water. Everyone knows it's counted twice. Exactly how much of it no one knows the answer to that. What we know is now that HC&S is ceasing sugar operations, we're all expecting that over the several years, that water will no longer be available. But on the hand, that's not going to be pumped anymore. So probably what we'll see over the next several years is that sustainable yield of 1 million gallons a day, there won't be...that won't be supplemented by external surface water. It will really be limited to 1 million gallons a day. That's just something that I don't think anyone knows exactly how that's going to turn out. I know they've tried to look at some numbers and modeling. But I don't think anyone knows the answer to how the Kahului Aquifer, for example, is going to change once sugar irrigation stops.

COUNCILMEMBER KING: Okay. And why I was curious about that because, I know, you know, like in business we have situations like that where we're actually paying twice, taxes on something twice because of that kind of, so I wanted to make sure that's not an issue with, for the County that we're not having some kind of a designation that's detrimental. I mean, I know, sometimes it's unavoidable, but sometimes not. Sometimes . . .(inaudible). . . to clarify those double accountings.

MR. TAYLOR: In this case, no one's paying for this. It's really just to make future pumping decisions and allocation decisions. But, again, it's just something that when you look at those numbers I just wanted to point it out 'cause it looks like, you know, it's over 100 percent, which would normally trigger your mind to look at it. And I just wanted

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to point that out because that's why it's over 100 percent.

COUNCILMEMBER KING: Okay. May I, Chair, just one more question?

CHAIR ATAY: Yes. Yes.

COUNCILMEMBER KING: We're dealing with an issue, you know, in talking about the non-County users, which I'm assuming are mostly private wells.

MR. TAYLOR: Correct.

COUNCILMEMBER KING: Okay. We're dealing with at least one situation, I know of, in South Maui where there's a private well owned by a condo association who wants to use that, and you and I have talked about this in a meeting, wants to use that water in lieu of water that the County is trying to force them to, R-1 water that the County is trying to force them to use as part of this system that it's developing. And, you know, my question is do we have...are there other situations like that that, you know, if we come into conflict with a private user who wants to use it and also around this issue is wanting to maintain their grounds and the County grounds around that condo area at their own expense. And so there was a little tug of war about the County saying no, we have to do it ourselves. And then looking at the, you know, I walked the land myself and I saw the end of where this condo association or this particular condo was maintaining it. There's a clear line of nice lush grass on their side and, you know, scruffy, weedy \_\_\_\_\_ grass on the County side. And so, you know, their argument was if want to do it and we want to spend the money, we want to use our own money, our own well water, why shouldn't we be able to? And so, I guess, I'm wondering if this is a one-time situation or this is happening in other areas? And can we quantify this issue? Is it a policy indication of, you know, in a situation where a private entity wants to utilize their own resources and save the County some money that maybe we should have some kind of a policy about these types of partnerships?

MR. TAYLOR: That's probably the easiest question I'm gonna get today because...in all seriousness, because my answer is that may be an item you wanna take up in a different Committee with Parks Director and the Environmental Management Director. Recycled water is not under the Department of Water Supply's jurisdiction. So, the issue you're talking about has to do with a County park, a recycled water system, and how the County is dealing with that private owner relative to those things. I can tell you that there's a County ordinance that says if there is a recycled waterline fronting your property you must use it for commercial and irrigation uses. That law is administered by the Department of Environmental Management, not by the Department of Water Supply.

COUNCILMEMBER KING: I understand that, Mr. Taylor, but my question to you is, you know, can we find out if this is a situation happening in other areas in our County? If there are other private wells, well, you know, owners who have this similar situation and because if it's a one off then, you know, is it really a policy implication. But if there are several other private wells that you can identify that have this same situation



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then perhaps we need to quantify this under a policy. And understanding it would not be your department, but your Department might be the one that might identify other private well users who might have the similar issue.

MR. TAYLOR: All private well permits are on file with the State Water Commission. I think, they are listed by latitude and longitude. So, I'm not sure if CWRM generates a map or people within the County have made maps from time to time. I'm, I guess, by definition of my job, I'm not aware and I don't track where all private wells are. Though from time to time we're asked are there wells in this area and people on our staff, you know, do some research and find them. It's all publicly available through the State Water Commission, whether or not there's any policy issues with the County I really wouldn't know. But there are a lot of irrigation wells, privately owned, all over the County. I do know that, and many of them are listed on these sheets. Technically they all supposed to be listed on these sheets. I'm sure there's a lot of the small ones that aren't. But, again, all that data is on file at the State Water Commission about all the private well ownerships.

COUNCILMEMBER KING: Okay, so, and you have no personal knowledge of other situations that are in this dilemma?

MR. TAYLOR: I don't.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR ATAY: Members, you folks have any other questions pertaining to this item? Yeah, I do want to share this, Chair wants to share this. We did visit with the Director, and we are both aligned towards our commitment for the County of Water Supply to be focused on being at our best in delivering the safety, addressing the safety and the health of our constituents of Maui County, and primarily as we can use some hindsight and say we agree that our goal is to avoid Maui County in being another Flint, Michigan. So with that, I am aligned with the Director as far as all the water in the pipes. However, I'm also concerned for the water resources of our County for future generations. And, I think, the issues that Member King brings up, if we do not have an entity in the County we need to figure this out of how do we protect the different water sources. And even the monitoring of the different aquifers as to at what level should we be concerned about the amount of wells that are located in each aquifer. Director, would you have any knowledge of the amount of wells that we have on Iao Aquifer, for example?

MR. TAYLOR: We...Mr. Chair, for example, in Iao Aquifer, most of the wells are ours. Iao Aquifer is unique on Maui island in that it's the only aquifer designated by the Water Commission, meaning the Water Commission has made it a special aquifer that everyone wanting to take groundwater from the Iao Aquifer must have a water use permit. We have the water use permits for the great, great, great majority of the water. So most of the wells in the Iao Aquifer are ours and they are shown on this pumping report.

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CHAIR ATAY: So, is there an agency or I would assume is it CWRM or is there an agency that would be able to monitor and limit the amount of wells that are in each aquifer? For example, you know, you're saying that the Kahului Aquifer is only capable not counting the waters that come from the stream but is only able to provide us 1 million gallons a day. And the current wells that are there now are pumping out X amount of gallons. At what point should we be concerned about the safe levels of water that's in that aquifer, most especially for the future generations?

MR. TAYLOR: Excellent question and let me try to explain it this way. The Water Commission first sets based on hydrogeology, the sustainable yield of the aquifer. So let's say they pick an aquifer and say it has a sustainable yield of 10 million gallons a day. What that means is they're saying that if we pull, 10 million gallons a day is pulled out, there's enough rainfall to replenish it, and it's sustainable forever at 10 million gallons a day. So, the Water Commission sets that number. And their job is to make sure that is never ever, ever gone over. Okay. So now say the first guy comes in. He wants a 1-million-gallon pump. CWRM will give them a well construction permit for a 1-million-gallon pump. Another guy comes in for a million gallon pump, they'll say yes. So they'll keep doing this, yes, yes, yes. And they might allow, for example, 20 people to put in 1-million-gallon pumps. But what they're doing is they're watching the actual pumpage of the aquifer. So maybe you have 20 million gallons of pumps installed that are permitted in a 10-million-gallon aquifer. As CWRM is watching that level come up over the years, 2 million, 3 million, 4 million...the Water Code allows them to designate an aquifer. I think, one of the triggers is 90 percent of its sustainable yield. There's some other ways to trigger it before that. But when it reaches 90 percent...so when this aquifer, even though it's mechanically capable of pumping 20 million gallons out, the first time it gets to 9 million gallons, they will move towards designation. And at that point, every user has to come in to say, hey I'm worthy of getting this water. And they come in with a water use permit. And at that point, the Water Commission gives the end users permits to say you're only allowed to pump this much thereby keeping it at that 10-million-gallon mark. So what's difficult for a lot of people to understand is the Commission will give the actual construction permits much in excess of what the sustainable yield is, but most people are pumping their wells at a much lower rate. So, there's these two levels to make sure this doesn't happen. The Chair asked should you be concerned? I think, we're all always concerned. The big question is do you feel that the State Water Commission methodology to use science to designate sustainable yield and to manage it through administrative process, do you feel that is protecting the aquifers? If you do, then the Council needs to do nothing. And if you don't, well the Council might want to do something. My professional view is, I think, what they do is very rigorous. They work with USGS. Anyone who's worked with US Geological Survey, they're a Federal agency, but they are famous for doing pure science. When we hire USGS to do a study, it's not like hiring a consultant where we get to review a 50 percent draft and a 90 percent draft. We get no editorial rights. We come up with a scope of work. We pay them and when they're finished, they publish. And that's the first time we get to read it. So, they are known to be scientists, not politicians. And we get no editorial rights. That's the basic science that the Water Commission uses. Then they have their own hydrogeologists. They put their own safety factors on. They do what they do

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as a Commission. I can tell you I personally feel very confident that when they're setting sustainable yields, frankly, we tend to think they're a little overly conservative, not under conservative. So, I don't feel there's any need to add extra restrictions. And, as the Water Director, I look at the hard line they're setting when they say a sustainable yield is 10 million gallons, I just use that as a fact. So, I'm not concerned about their process. Whether or not, you know, you are, is up to this Committee. One thing you may want to do is request personnel from CWRM to come and talk to you about how they do this. That may be beneficial so you have your own, you know, degree of confidence or not in what they're doing. But I feel, as a professional, very confident using their numbers.

CHAIR ATAY: Thank you. Member King?

COUNCILMEMBER KING: Thank you, Chair. I'm smiling because that was going to be my comment that, Chair, maybe we should consider, this Committee should consider hosting a meeting in the Chambers, or out in the public somewhere, where CWRM could come and explain their process and how they interact with our needs and our Water Department. Because I don't think it's...I mean it's great to be able to, you know, we've had meetings...some of us has had meetings directly with Director Taylor, and they've been extremely enlightening. So, thank you for that. But, I think, the general public doesn't understand the processes we use. I personally am a big fan of science as well, but I usually deal with the science of climate change in my personal profession. So, but, I think, there's a lot of people who don't understand that and don't understand that, how the decisions are being made. I don't know if this is an appropriate time, but at some point, I think, we need to have a discussion about the value of the proposal to purchase Wailuku Water Company and whether that actually will result in more water designations, or if that is just a conduit for the water and doesn't have an effect on the water designations. I don't want to create a whole new issue that's outside the scope of this agenda today. But, I think, that would be a valuable discussion to have in this Committee as well. And I would suggest that for both of those two things if we can get CWRM over here maybe we want to do that in conjunction, and we also want to make sure that we publicize it to the, you know, the public of Maui County, so that people can be here or be viewing it and become more informed about our water issues. Thank you.

CHAIR ATAY: Duly noted, Member King, on both of those items. We will be scheduling a visit with CWRM as well as putting on the agenda eventually the topic of the purchase of Wailuku Water Company. But for today's purposes, we're here with the water reports. Any other Members have any other discussions? No. Okay. So the other item you probably covered it too, but it was Water Use Reports (WR-2). The Committee is in receipt of a County Communication 17-32, from the Director of Water Supply, transmitting the State of Hawaii Commission on Water Resource Management water use reports for October and November of 2016. The purpose of the Communication is to comply with the provisions of Section 2.90A.050, Maui County Code, relating to the reports of water use. Director, you wanna? Same thing?

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MR. TAYLOR: Mr. Chair, yeah, I basically, because you introduced them both together I went through them all --

CHAIR ATAY: Okay.

MR. TAYLOR: --sort of together.

CHAIR ATAY: Members, any questions in regards to Water Report 2? No, no further? Okay, so, rather than filing these items, I would like to keep them open for now until we see what changes will be occurring with the closure of HC&S and the County's possible purchase of water. And with no objections, WR-1 and WR-2 are deferred.

COUNCILMEMBERS: No objections.

CHAIR ATAY: Okay.

**ACTION: DEFER.**

## WR-3 MEMORANDUM OF AGREEMENT BETWEEN THE COUNTY OF MAUI AND THE KAUAI BOARD OF WATER SUPPLY (CC 17-60)

CHAIR ATAY: Okay, next item. We have...Committee is in receipt of the following: 1. County Communication 17-60, from the Director of Water Supply, transmitting a copy of the Memorandum of Agreement with the Board of Water Supply of the Department of Water, County of Kauai. The purpose of the Agreement is to enter into a cost-sharing agreement for various water billing costs, including software licensing costs, annual software and maintenance and support costs, project management, and technical support. Item 2, correspondence dated January 25, 2017, from the Department of the Corporation Counsel, transmitting a proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement with the Board of Water Supply of the Department Of Water, County of Kauai. The purpose of the proposed bill is to approve an intergovernmental agreement with the Board of Water Supply of the Department of Water, County of Kauai, pursuant to Section 2.20.020, of Maui County Code. Before we proceed, I do wanna recognize that other individuals that are also in the Chamber. I wanna recognize the presence of the First Deputy Corporation Counsel, Ed Kushi.

MR. KUSHI: Good morning.

CHAIR ATAY: And we also want to recognize Deputy Director of Water Supply, Gladys Baisa. Good morning.

*[Note: Ms. Baisa waved from the gallery.]*

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CHAIR ATAY: Returning back to the agenda. Mr. Taylor, may I please ask you to provide background information or if you have any other staff related to this water billing through the Honolulu Board of Water Supply?

MR. TAYLOR: Thank you, Mr. Chair. I'm going to hand it over our staff in just a minute. Let me give you some background. This is, I think, the final Council action in a project process that's been going on for many, many, many years. So, let me catch everyone up. For a number of decades, the Department of Water Supply paid the Honolulu Board of Water Supply to do our billing. Everybody has a water meter at their house and business. Our staff has gone around, taken those readings, sent that data to Honolulu where it's processed into what the bill should be. That data is sent to the mainland where a bill is printed and mailed. And then that payment comes to us. Okay. So, Honolulu has been paid for decades to do that. A couple of years ago Honolulu, you may have seen this in the media, in the news, and in the paper, they made a new billing system, and there were all sorts of problems with it. If you remember, a lot of people were being misbilled. It was on the news a number of times. During that process, we were renegotiating our payments, how much we would have to pay them every year to continue doing our billing. And that was the first time, just a few years ago, that Honolulu Board of Water Supply told us that they would prefer if we would go do our own system, and not contract with them anymore. They essentially told us to make other arrangements. So, the contract that we signed with them, that was approved by the Council a couple of years ago, had escalating costs every year. Basically saying that they...we signed a ten-year contract with the Honolulu Board of Water Supply to continue to do our bills, but every year the cost increased more and more to light a fire under us to do our own thing. Same thing happened with Kauai. Kauai also had the same arrangement with Honolulu we had. Big Island has always done their own thing. So simultaneously, both County of Maui Department of Water Supply, and the Kauai Department of Water Supply were looking for alternatives for their own billing system. We looked at a number of options. We looked at building our own system from scratch versus migrating the Oracle-based system Honolulu was using into the cloud to directly serve us. We did some cost benefit analysis and the bottom line of it was if we were to build our own system from scratch, we would have needed a lot of staff time, and essentially have to redo all the work that Honolulu had already done, do it ourselves, and possibly have the same problems they had. But more importantly, we didn't really have anyone on staff to lead this. We met with IT Services saying...I remember it was the morning after we found out that Honolulu didn't want to serve us anymore, and we looked at their projected workload over the next couple years. And because of the MAPPS program and the IFAS replacement program, IT told us they couldn't really take a leadership role in helping us with this for at least a couple of years, which didn't fit our timeline. So, we said we need to migrate to a new system. We need to do it relatively quickly. We don't have a lot of in-house staff that knows how to do system conversions. We don't have a lot of extra staff to put a lot of time in. At the time, our former Deputy Director who just retired, plus our lead accountant who just retired, those two had some significant experience in billing system conversion and construction. So, we wanted to get something done while they were there to take the lead. And this led us to the decision to stick with the basic system Honolulu had developed, transfer it over

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to the cloud, do an upgrade, that way we would need the minimal amount of staff time, the minimal amount of overlap, and had the highest degree of probability of success with the least likely failure. So, we made that decision really for those reasons from a reliability standpoint. We sole sourced this rather than going out for an RFP because really there was only one vendor who could this. And that was the Oracle-based conversion. So that's how we got here. We've talked about this at Council a number of times and mostly in Budget, in Budget proceedings to get the money. So, we went live with the conversion in November?

UNIDENTIFIED SPEAKER: October.

MR. TAYLOR: October, in October. So, we've been using this and it was seamless, no one noticed. Even our staff, how they interact with it is roughly the same. So moving forward now, there are ongoing licensing and maintenance contracts that have to be done. Because Kauai had exactly the same problem and independently and parallel came to the exact same conclusions, we both independently decided to do the same thing. So, there is some cost savings for some synergy to have us and Kauai get together with these licensing things. That's how we got here. That's what's in front of you today. That also exhausts my total knowledge of this because the former Deputy really led this. It was his expertise, not mine. So for the details of what exactly this is about, and what it's for, what's in front of you, I'll turn that over to our Fiscal Officer Holly Ho.

MS. HO: Good morning.

CHAIR ATAY: Good morning.

MS. HO: Basically, as Director Taylor just mentioned, we have, you know, converted the system without any problems. Kauai took the lead on it. We followed with them. We've been working to try to get this intergovernmental agreement together. It's taken us quite a while, you know, we started it last year, and finally got all the Corporation Counsels, the Board of Water Supply on Kauai, to agree. So, basically we're bringing it to you for approval to go into this intergovernmental agreement. It helps us to, like Dave mentioned, we're doing a sharing of cost savings, basically on the licenses. Honolulu was willing to give us some of the licenses that we needed so we didn't have to go out and purchase additional licenses which are really expensive. But we will be paying the annual fee and that's what this is basically splitting. We're also right now doing a Phase II, which will be reports and the other items that Honolulu failed to ever give us to make this system working out for us. So, we do the billing for water and sewer and sewer is hand in hand with us on this.

MR. TAYLOR: And if I may just add to that because Budget is coming up relatively soon. I forgot to mention that County Wastewater pays us to do their bills. As you know, if you get a water and sewer bill, it's together. So, they pay a share. What you're going to see in the Budget is you see, I think, it's under computer services, I think, that's where we put it, you'll see under the sewer budget, you'll see some money. That money gets transferred to us. Then you'll see our money that has previously gotten

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transferred to Honolulu. What you'll see this year is, you'll see in sewer, their money that's getting transferred to us, and our money that we're paying for things like these licenses and paying for the printing and the mailing of the bills, which is still happening from a third-party on the mainland. So, we have these costs and you'll those in budget. This contract is to allow us to just move forward with that process. We're still doing the same thing we've always done. Our meter readers go out and read the meters. Our meter readers put the data into a system here. The processing-- the data is all somewhere else. It will be on Oracle servers. It's a web-based interactive program. So, our work will be the same as what it's always been. Who we're paying for the external services is changing. But that's really the bottom line of what we're doing, and we're just paying different people. So, we're partnering with Kauai, paying Oracle, but the work we're doing is the same as the work we've always done.

CHAIR ATAY: Members, questions?

COUNCILMEMBER SUGIMURA: This is really good...

CHAIR ATAY: Member Sugimura.

COUNCILMEMBER SUGIMURA: This is really good news. Thank you, Chair. So, what is the...talking about Budget. So, in terms of Budget from last fiscal year to this fiscal year, what are the differences? I'm glad to see that we have cost savings.

MS. HO: Well, last year we did, I think, it was in February come in for a Budget amendment for the billing system, which Council decided not to grant us. So basically, we did not...we had put something in the Budget for 2017. So, I think, it was about 958,000 for...that was gonna be Phase II, but we went ahead and used that for the Phase I, which was the conversion of moving to the Oracle cloud. We were able to use that monies to continue with this process. And then this year, I don't have the numbers in front of me for the Budget, but that was to help pay for the consultant for the conversion and then also to pay for the percentage of the licenses that Kauai actually did pay for that we're gonna reimburse for the percentage.

CHAIR ATAY: Member King?

COUNCILMEMBER KING: Thank you, Chair. Yeah I...I'm just...in looking through this agreement I didn't see anything about cost savings, or any analysis of what we had been paying, what we will be paying, what we would be paying under the current agreement with Honolulu with the increases, the annual increases versus what we're paying with the agreement with Kauai, and what is that...I mean, if we've moved ahead without this agreement, I'm not sure why we need this agreement right now. And to me, it hasn't really been answered in the agreement that's before us.

MR. TAYLOR: Thank you. Yeah, and that's why I tried to give such a long history of how we've gotten here. Most of those decisions were already made. When we...as Ms. Ho mentioned, when we came for Budget amendments, I think, twice before, we presented

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the Council, I don't think it was in this Committee, I think, it ended up being Budget and Finance Committee, with our analysis of different options and what we were doing and why. There was enough money put in the Budget that the Council supported us moving forward so we did. At this point, I hate coming to Council and saying, you really have no choice but to sign this, but this is sort of almost housekeeping at this point. We're already running the system. The only question is how are we getting the licenses. And if we don't sign this, I suppose we'll just have to pay all the licenses ourselves and not be able to share it. There's really no going back at this point.

COUNCILMEMBER KING: Well, that's kind of my question is what, that information should be in here. You know, this is what the cost would be if we don't sign it. This is what the cost will be if we do sign it, so we know why we're doing this. Housekeeping, you know, if it is housekeeping, there should be some financial support for the decision that we're making. And...

MS. WILLENBRINK: Mr. Chair?

CHAIR ATAY: Yes.

MS. WILLENBRINK: Point of clarification.

CHAIR ATAY: Yes.

MS. WILLENBRINK: Just to add to that, the Maui County Code, Chapter...Section 2.20.020, reads: Unless authorized by ordinance, the Mayor shall not enter into any intergovernmental agreement or any amendment thereto which places a financial obligation upon the county or any department or agency thereof.

COUNCILMEMBER KING: I'm not sure how relevant that is. That was already mentioned in your explanation, Mr. Chair, but, you know, the fact remains that my concern is to show, you know, what happens with or without...if we're asked, being asked to make a decision and there's no change whether we make this decision or not. Then, you know, there are costs also associated, you know, legal fees associated with every agreement we do. So, that would be one of my requirements to see before I would wanna vote on this.

CHAIR ATAY: Yes, Holly, go ahead.

MS. HO: We have the spreadsheets that we used for the original Council meetings that we brought this all to. I don't have the current numbers, but we can get those together for you. Basically, this agreement was the reason, as Kim mentioned, that's why we're coming to you because we need to have Council to approve the Mayor to go into the agreement. Prior to this with the Honolulu Board of Water, the Department was semiautonomous so it was entered into by the Director and the Board before. So, if we don't pay this I'm not sure what will happen. Kauai right now paid the full, you know, the full amount for the licenses. And this is the portion that we're allocated to pay. You know, we're not paying for the whole thing. We're paying a portion based on our



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number of customers. So, we can get you a spreadsheet to show you what...well, I guess, to prove why we went into this situation we're currently in. And based on what we...with our lack of staff, with everything that was happening at the time, this was the most reasonable and most cost effective for us to go into. But...

COUNCILMEMBER KING: Chair, if I may?

CHAIR ATAY: Yes.

COUNCILMEMBER KING: I think, that would be good. I would like to see that before I make decision. I think one of the things that needs to be recognized too by the Department--if I could get your attention--is that this Committee is, you know, we have three new members sitting right here. And so, to come to us and say you have no choice but to sign this and then not give us the background and financial information, I think, is a little bit, you know, disturbing to me, as a new member, because you're just assuming that we're going to absorb all the decisions that were previously made. And, you know, personally, I don't think that's why I'm here. I'm here to ask these kinds of questions and look at the information before I make decisions.

CHAIR ATAY: Thank you, Member King.

COUNCILMEMBER KING: Thank you, Chair.

CHAIR ATAY: And I would say that's a similar thought process that I'm holding that if this agreement, which appears to be finalized, had been finalized in October was a requirement. My thought was why was it deferred at all? Let alone all the way now up until, you know, February 2017. So from my perspective, I'm looking also at should until we need to do our due diligence as Members of this Committee on this item and all surrounding issues. So, if possible, well not possible, I'd like to request that we see the financial comparison reports associated with these various scenarios. You know, and once again, allow us to come to that decision of can Maui County do a standalone? Do we have to opt, you know, I mean, maybe the Members, we need to see that comparison of cost savings versus expenses. You know, we're talking about a ten-year agreement. Currently right now, I think, on the County Budget was 958,000 in this current fiscal year, extending it out for 10 years, we're talking a decision here of \$10 million. So, I think, we as Members, I would agree with Member King that we should be having time for more due diligence. Any other comments from Members? Yes, Member Yuki Sugimura?

COUNCILMEMBER SUGIMURA: I'm just wondering is the information available...that Staff has available?

CHAIR ATAY: Yeah, not the current numbers, but they'll produce it.

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MR. TAYLOR: Deputy, our Assistant Fiscal Officer Kau might have an answer to that about what we have now. It might be that we can take a recess, get some copies made, give the Committee a chance to take a look.

COUNCILMEMBER KING: Chair, before we take a recess, I also wanted to make one more comment that you might be able to address. And, you know, we ran into an agreement years ago with Honolulu Board of Water Supply, which is now terminating. If we're going into agreement with Kauai, what are the potential pitfalls of this agreement and what might happen or not happen to cause this to be also terminated and cost us more money at some point where we have to eventually take it over, you know, which might be something to look at as far as taking on the full responsibility now. Because, you know, obviously it's a big burden to go into an agreement with another neighbor island. And the one with Honolulu is terminating. So, if you can address that when we come back too as to why this is a better agreement and expected to last. But, you know, I mean --

MR. TAYLOR: We can get into that.

COUNCILMEMBER KING: --yeah, let's take the break and then come back with more information.

MR. TAYLOR: I think to just quickly answer your question, is...

CHAIR ATAY: Thank you.

MR. TAYLOR: If I could just quickly answer her question, Mr. Chair?

CHAIR ATAY: Okay.

MR. TAYLOR: Honolulu was doing our billing for us. At this point, what we're talking about here today is just sharing licensing agreements. The system has already been converted. So, essentially what's in front of you today is a cost cutting measure, essentially saying instead of us getting all our own licensing, we're just sharing that with Kauai. They're not doing our work. We're not doing their work. We're just sharing the Oracle licensing. That's essentially what it is. It's fundamentally different than Honolulu.

COUNCILMEMBER KING: Right, but the agreement does have reference to billing and to a ratio of splits, so there is that interaction with the billing system...the actual hard billing because we're only supposed to incur the cost for the number of water meters, I guess, that we have versus they have. So, there's, that ongoing, you know, somebody has to figure that out on an annual or quarterly or whatever basis. So, it's not just split the cost of licensing and then we're, you know, done, there's an ongoing relationship there. So that's one of my concerns is those ongoing relationships at one point may come to an end as well. What does...what potential cost is that to us? So, thank you, Chair.

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CHAIR ATAY: Thank you, Member King. Let's take a ten-minute recess. . . .(gavel). . .

**RECESS: 9:59 a.m.**

**RECONVENE: 10:20 a.m.**

CHAIR ATAY: . . .(gavel). . . I wanna call and reconvene the Water Resource Committee meeting here at 10:20. Also wanna recognize the attendance of Council Chair Mike White on Committee.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR ATAY: Good morning. As well as present still is Councilmember Sugimura, Councilmember King, and we also have Councilmember Carroll. So, we can continue on and still holding quorum. I wanna bring this back to order and turning back to our Department for their continued presentation or...

MR. TAYLOR: Thank you, Mr. Chair. Before the recess, there was discussion of the costs and liabilities essentially of going forward if we do...if we sign this agreement versus if we don't. We do not have a written numerical analysis of those two options. What we do have is we have our comparison numbers as an internal document that Assistant Fiscal Officer Kau will walk through showing essentially what the costs are of moving forward if we agree to this or if we move forward without signing this. So, Assistant Fiscal Officer Kau will walk us through those numbers.

MS. KAU: Thank you. So on an ongoing basis moving forward, and I'm sorry that I don't have it broken down, probably to the level of detail that you would like. But we are at the end of Phase I. We're beginning Phase II. So, we're still incurring some costs that on an ongoing basis we do not anticipate. There are still programming-related charges. Moving forward, after Phase II is completed, and we have reports that we need, the ongoing licensure costs, et cetera, that we would share with Kauai, on an annual basis, we would save anywhere from 150,000 to \$200,000. And, again, that's rough just as we are incurring about 70 percent, you know, 68 percent, of the costs because we have essentially more users, or I should say more meters, so there's more usage of the system. Kauai has 32 percent so, you know, so rough just is 70-30. So, on an ongoing basis, we would have 30 percent more right off the bat. As Director Taylor and Fiscal Officer Ho have mentioned, in the current year Budget we have 958,000 and, you know, you add another 30 percent to that, that's we what we would have been paying this year alone. So on an ongoing basis, we're gonna save at least 30 percent. Again, that'll be at least 150,000 to \$200,000. And of particular relevance is the fact that when it was clear to us that we would no longer be able to use the Honolulu Board system, and Dave touched upon it, but it was made clear to us that Maui County's IT was not in a position to provide us with any support for another four years. We couldn't wait. I believe, there was a like a six-month window that Honolulu Board had where they could terminate. And fortunately one of the reasons why it was beneficial for us to proceed with Kauai is that Kauai has its own IT people. So they have been extremely helpful in this process. As Holly had said, we

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don't have anybody on our staff who's qualified to do that. But Kauai actually has IT staff. So that certainly helped make this process much, much better than it could have been or it would have been had we had to proceed on our own.

CHAIR ATAY: So at right now we don't have any of the data reports that we would need to show the comparisons or see the comparisons?

MS. KAU: You know, I don't have anything. Holly and I are working off of some spreadsheets that have not been finalized, and it's really for internal analysis of other related costs. So, I don't have anything that I can provide to you right now.

CHAIR ATAY: Okay, thank you. Members, any questions? Member White?

COUNCILMEMBER WHITE: Thank you, Chair. When you mentioned the \$958,000 figure, is that what the contract with Honolulu would be this year or was that last year or am I mixing things up?

MS. KAU: That is in our current Budget for '17. That's our current Budget amount for Fiscal '17, and took cost that we anticipated relative to this project for this year. Yeah, I'm not comparing that to what the Honolulu --

COUNCILMEMBER WHITE: Okay.

MS. KAU: --amount would've been. It would not have been that amount, but I don't have that before me. And to some degree, Member White, that was not really an issue that we considered in comparison 'cause we didn't have a choice. We were essentially being kicked out, you know. The cost would have been a little less, that cost continued to escalate for the next, I believe, ten years.

COUNCILMEMBER WHITE: Yeah.

MS. KAU: But, you know, we didn't really have that option.

CHAIR ATAY: Member White?

COUNCILMEMBER WHITE: I understand that. The...I'm sorry, I missed the earlier part of the discussion, but the, my recollection, is we've been at this for quite a number of years --

MS. KAU: Yes, we have.

COUNCILMEMBER WHITE: --since Honolulu said essentially get off or we're gonna keep escalating the costs until you decide that it's unreasonable. And I don't remember what the escalation was, but it was a very steep escalation over the next five or six years, or something like that --

MS. KAU: Yes.

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COUNCILMEMBER WHITE: --that forced this issue. And I recall that this Council pushed you into a different direction to go look at other systems, not just stay on the same Oracle system that you've been on. But we've ended up kind of coming to an agreement that Oracle might be the best way to go.

MS. KAU: Yes.

COUNCILMEMBER WHITE: And so, I think, what you may need to revisit for us is what would the costs be if we were still on the Honolulu system versus what we're spending because I'm pretty sure that's gonna be an unreasonable amount at this point. Or maybe if you can share with us what the cost...

MS. KAU: So Holly has this schedule and, I believe, that for Fiscal '17, the current year, the total annual cost that we would've paid Honolulu Board would've been about 411,000. And that's just for software, hardware support, software licenses, et cetera. In addition to that, we would be paying them because they at the time held the contracts. We'd pay them another about 275,000 to produce the bills. Now, again, we still incur about that amount to produce the bills. But if you try to compare apples to apples, that 411,000 versus about 170. Holly's saying on an ongoing basis the costs we're gonna be incurring going forward would be closer to 170. Again, the current year 958 includes --

COUNCILMEMBER WHITE: Includes all the licenses --

MS. KAU: --yeah, includes all licenses --

COUNCILMEMBER WHITE: --and all the setup...

MS. KAU: --as well as charges incurred to programming related charges in the 958, that is part of the 958.

COUNCILMEMBER WHITE: So the comparison that we really should be looking at is the 411 --

MS. KAU: Versus the 170.

COUNCILMEMBER WHITE: --versus the 170, which is the ongoing costs?

MS. KAU: Correct.

COUNCILMEMBER WHITE: Okay, thank you. That's all, Chair, thank you.

CHAIR ATAY: Any...Members? Member King?

COUNCILMEMBER KING: Thank you, Chair. Yeah, what...one of the other issues that I had was, you know, with the potential termination. So, I mean because at one point it was

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mentioned that there was a licensing fee. But obviously there's an ongoing annual licensing fee because we're sharing that costs. So, what are the potential, I mean, one of the things that I would like to have in this financial analysis is, you know, what might cause a termination on either side? And then what that cost would be to Maui County should that, you know, going forward after a termination? 'Cause there's a termination clause in the agreement. Either party shall have the right to terminate this agreement having provided 180-days written notice, which I'm assuming was probably in the agreement with the Honolulu Board of Supply, which is why they gave us 180 days and told us we would be terminated.

MR. TAYLOR: As far as what might cause the termination, it's almost like a force majeure clause. There's really no realistic events that would cause either side to terminate. It's in both of our best interests. We're not providing them a service. They're not providing us service. We're both just sharing this cost that we both have. So, I can't even imagine why we would wanna terminate or why they would wanna terminate other than, you know, they cease to be a department or they sell the whole utility to something and they wanna do their own thing. It would have to be something like that. There's really...it's in both our best interests to share these costs.

COUNCILMEMBER KING: Yeah, I totally believe that you believe that, but I just, you know, as business person, I know, that every agreement could have, you know, and that's why you put a termination clause in it. So, would've been probably good to have somebody from Kauai, you know, here to talk about their commitment to the agreement as well. We just heard, you know, we just approved in Committee yesterday an agreement between, on the rescue tubes between the County and Rotary Club and all parties were present to speak to the agreement. And so I guess, that's one of my issues too is that there's nobody from the other side of this agreement here today to speak to their commitment. Thank you, Chair.

CHAIR ATAY: Thank you. Any other discussions, questions? I wanna address the Members that the reason why we're here, I'm looking and on this Committee, we have three fairly new Councilmembers. And with that, I know, we are eager to be doing our due diligence. I wanna recognize and appreciate the discussions, and also Mr. Taylor and his Staff, I wanna say mahalo to them for being present. However, the Chair, will not be entertaining any motions at this time and I'm not recommending action on this item. However, we do wanna defer this item, with no objections, so that we could gather the data. I think, you know, what's the agreement of the Honolulu side, what's the agreement with the Kauai side, the data of the information of the billing comparisons. One of the earlier questions is can Maui County stand alone with this expense versus this venture? And can...how soon do you think we could do that? We have a next Committee meeting on the 21<sup>st</sup> and then, I think, the next Committee meeting after that is first week of March, early March. But I do wanna respect the time of our Members giving them time to dissect the data in the reports. So, you know, as soon as, Director, your staff, can circulate the information to the Committee so that the Committee can, you know, put this thing together, I think, you know, we can set a date on, with this item on an agenda. So with that, with no objections, WR-3 is deferred.

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COUNCILMEMBERS: No objections.

**ACTION: DEFER.**

COUNCILMEMBER SUGIMURA: Mr. Chair?

CHAIR ATAY: Yes.

COUNCILMEMBER SUGIMURA: I know you've deferred the item already, but I'm just curious to what the Department may say what the implications are for taking that action? I'm not sure if there's any kind of deadlines that we need to meet or, you know, anything, so I'm just curious.

CHAIR ATAY: Well, I think, we can discuss that as soon as...we wanna come to a decision. We don't have all the data. We're...telling us we gotta make that decision. I wanna honor that decision, but I also wanna honor the duty that we have. The fiduciary duty that we have to our constituents of how does this affect the County of Maui and is this the best decision for the County of Maui without doing our due diligence. I respect the line of questioning that Member King had. And I wanna respect the expediency that the Department has. And so with that I'm willing to accommodate and placing this item on the, on agenda for the very next meeting. I think, I'm scheduled on the 21<sup>st</sup>. With that I do wanna announce that we were scheduled for the 15<sup>th</sup>, but because our Staff is gonna be attending the Pacific Water Conference in Honolulu on the 15<sup>th</sup> and 16<sup>th</sup>, we have rearranged and rescheduled our next Water Resource Committee meeting to be held 9:00 a.m., on the 21<sup>st</sup> of February. If we can get that information, I think, the data within...giving our Members at least seven-days time to review that...or well, more than that 'cause I need to place that on the agenda, right? Is that correct? So what would be the deadline that we could get data? I would need it by...if it's for the 21<sup>st</sup> meeting or if it's for the March meeting?

MS. WILLENBRINK: Posting for the February 21<sup>st</sup> meeting is Wednesday, February 15<sup>th</sup>. If we could get that information to us for posting then the Members would have time to review it prior to the meeting. If not, and they just bring it to the meeting then I'm not sure, that's your decision, Mr. Chair.

CHAIR ATAY: Okay. Yes?

COUNCILMEMBER WHITE: Just a note, if it's not available by posting, we can still distribute it to the Members --

CHAIR ATAY: Okay.

COUNCILMEMBER WHITE: --two days out.

CHAIR ATAY: Two days out?

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COUNCILMEMBER WHITE: Yeah, by rule.

MS. WILLENBRINK: That's correct.

CHAIR ATAY: All right. Is that okay, Director?

MR. TAYLOR: Mr. Chair, we certainly understand your concerns. We'll do our best to comply. May I ask, even it's...oftentimes we'll get something in writing saying here's exactly, you know, what you want. Even if it could be verbally at this meeting, if there could be some clarity, maybe some precision just of exactly what this additional information is. It would really help us prepare it. We've been listening is what's generally asked for. It sounds like you want some cost estimates, some different scenarios of what it would or wouldn't have cost. But I'm not exactly sure I understand exactly what it is, the totality of everything you're asking for before you schedule, and being a little more precise about that might help us all to prepare it to your liking.

CHAIR ATAY: Yes.

COUNCILMEMBER KING: Chair? Thank you. I would like to...maybe I could suggest to Director Taylor that we could have a conversation outside of this, you know, because I made some specific requests and with the Chair who has specific requests and any other Members who might have specific requests that I'm happy to speak to you directly about that.

MR. TAYLOR: Mr. Chair, as long as it's okay with you, we're more than happy speaking to Members as long as we have some...it can be done in a relatively quick timeframe so we're clear of what everyone wants and we can figure out what we can get done.

CHAIR ATAY: Members, okay? Questions?

COUNCILMEMBER WHITE: Yeah, we generally try to provide that clarification during the meeting.

CHAIR ATAY: Okay.

COUNCILMEMBER WHITE: 'Cause then the staff is aware of exactly what they need to chase down from the Department. And so, it's much more preferable to...usually Staff is kind of keeping track of what the questions are as they come up. And I don't know if you guys have a relatively clear idea of what is being asked for. But we do need to provide some clarity.

CHAIR ATAY: Thank you. Staff, could you...would you have any notes on that? Some of the questions were asked?



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MS. WILLENBRINK: I have been taking notes. Some of the questions have been kind of vague. I agree with Mr. Taylor, an exact list would be better. That way when we come back we haven't forgotten anything. And I also agree with Mr. Chair that it's usually done in the meeting and that way it's also in the meeting minutes.

COUNCILMEMBER WHITE: Right.

COUNCILMEMBER KING: Mr. Chair?

CHAIR ATAY: Yes, go ahead.

COUNCILMEMBER KING: Yeah, I'm a little confused because I thought I was fairly clear on what I was asking for and hopefully that would be in the notes. Maybe I need to make sure that the notes reflect exactly my recall of what I said, but it's a little disturbing to me to be told when I thought I spoke with clarity, and with my concerns that they're not clear in the notes. So maybe we need to go over the transcript and find out why we're having trouble with, you know, characterizing the request.

MS. WILLENBRINK: Yes, Councilmember King, it's not so much that, it's just that at one point...

CHAIR ATAY: Staff?

MS. WILLENBRINK: Yes?

CHAIR ATAY: I'd like to call a recess.

MS. WILLENBRINK: Okay, thank you.

COUNCILMEMBER KING: Thanks.

CHAIR ATAY: . . .(gavel). . .

**RECESS: 10:42 a.m.**

**RECONVENE: 10:47 a.m.**

CHAIR ATAY: . . .(gavel). . . The Water Resources Committee will reconvene. As I mentioned earlier, the Chair appreciates the discussions, and Mr. Taylor and his Staff being present. As I mentioned earlier, we will not be entertaining any motions at this time, and it's recommended that this action on this item...not recommending action on this item and with no objections we were...we have moved to defer WR-3. In discussion, we have agreed to communicate with the Director and Staff, to, via e-mail communication, as to what are the specific reports and also give us time to review our notes and minutes of some of the specific questions of reports and information that was requested. Rather than taking up any more time, we'll compile that communication of requested reports and then we'll put that on the next Water

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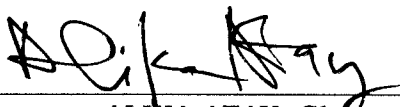
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Resources Committee meeting when ready. At this time, this meeting is adjourned.  
...*(gavel)*...

**ADJOURN: 10:48 a.m.**

APPROVED BY:



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ALIKA ATAY, Chair  
Water Resources Committee

wr:min:170201:df

Transcribed by: Delfey Fernandez

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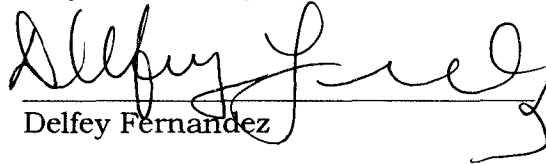
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CERTIFICATE

I, Delfey Fernandez, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 21<sup>st</sup> day of February 2017, in Wailuku, Hawaii.

  
Delfey Fernandez