

BOARD OF WATER SUPPLY
COUNTY OF MAUI

REGULAR BOARD MEETING
MINUTES OF OCTOBER 15, 2020

The regular meeting of the Maui County Board of Water Supply was held virtually on BlueJeans, on Thursday, October 15, 2020.

I. CALL TO ORDER

The meeting was called to order by Chair Shay Chan Hodges at 1:34 p.m.

II. ROLL CALL

Members present: Shay Chan Hodges, Chair
Zoli Milaskey, Vice Chair
Joseph Aquino
Antonette Eaton
Dean Frampton
Norman Franco
Nalani Kaninau
Buddy Nobriga

Staff present: Jeffrey Pearson, P.E., Director
Mimi DesJardins, Deputy Corporation Counsel
Sherilyn Otsubo, Commission Support Clerk

Cablecast: Video conferenced via BlueJeans and viewable on AKAKU, Maui
Community Media

III. ANNOUNCEMENTS

Chair Chan Hodges mentioned that Member Harolen Kaiwi has resigned from the board. The Mayor's office is looking for a replacement.

IV. APPROVAL OF MINUTES

Minutes of September 17, 2020

Motion: Member Franco moved to approve the minutes.

Second: Member Aquino

Vote: The motion passed unanimously.

V. TESTIMONY FROM THE PUBLIC

Lucienne de Naie: Ms. de Naie stated that the wells out in Keanae, Hana, and Nahiku are fascinating and worth the trek. She also plans on attending the site visits and hopes that the public is invited.

Ms. de Naie is happy that the board is receiving a presentation on the Nā Wai 'Ehā Water Systems and that the board is getting a broad perspective on the system that Wailuku Water is operating and the general watershed area, and its importance to our future in terms of having reliable water. One of the best things the county ever did was to purchase a chunk of land from Wailuku Agribusiness in the 1980s. This allowed the county to expand their well fields and have a reliable source of water from the Iao Aquifer.

Dick Mayer: The Chloramine issue has come up before the Kula Community Association many times. The source of the water for the Olinda plant would not be that different from Piiholo, which is coming from the same streams. The Upcountry community would like to know why we need to continue using Chloramines? Not only are there health concerns, but the water goes into the system, into homes and out through septic tanks and cesspools. He would like to go back to a pure chlorine system.

Member Franco asked for the difference between Chloramine and chlorine.

Chair Chan Hodges stated that she would ask Director Pearson to reply.

VI. UNFINISHED BUSINESS

A. The letter was submitted to Chair Lee following the September 1st BWS meeting, and then it was submitted to the County Council in preparation for their October 9th Public Hearing and Council Meeting.

B. Chair Chan Hodges mentioned that Director Pearson submitted the list of site visits with his comments. Due to the current situation it is probably not a good time to start doing the visits, and she would like to put this on the Six-Month Priority List and have it as an ongoing project. This should also be in the orientation manual that Member Kaninau is working on with the college students.

Director Pearson stated that he would love to show how water is provided and what takes place, but he checked with Corporation Counsel and with the Managing Director and they felt that since it's not an emergency and they want to avoid large gatherings, that it is not the best time to do these visits.

VII. OTHER BUSINESS

B. President Hōkūao Pellegrino did a presentation on the Nā Wai 'Ehā Water Systems. Hui o Nā Wai 'Ehā is a nonprofit organization that focuses on stewarding, advocating and assisting in the management of the Nā Wai 'Ehā Watershed, as well as supporting traditional customary rights associated with wetland kalo farmers. The battle over water has been going on for more than 150 years. It was not the intention to battle a large conglomerate and to put them out of business. It was finding a balance and ensuring that water accessibility was for everyone, both for domestic and for agricultural use.

Nā Wai 'Ehā, The Four Streams, had over six thousand acres of kuleana lands that were awarded during the Great Mahele to predominantly native Hawaiians as well as some foreigners. Some of these lands were utilized from everything from the cultivation of sweet potato, breadfruit, kalo, banana, and so much more. These food systems couldn't exist without the irrigation systems that were developed prior to Western contact.

The Nā Wai 'Ehā water distribution system is complex. With the potential of the county and the state collaborating in acquiring this system, a community survey resulted in some questions and concerns about the Wailuku Water Company system, such as, the system is archaic, with dilapidated infrastructure, some areas are dangerous, they lack mauka to makai connectivity in some streams, and they are not conducive for future diversified agricultural models.

Advocacy, accountability, compliance and enforcement are what Nā Wai 'Ehā is heavily focused on right now because now that stream flow is occurring, ensuring that these systems are monitored and diverters are complying to these laws are critical to ensuring that those instream users have access to water on a regular basis. Advocacy has always been around public trust control and acquisition of this water system.

Member Eaton asked Mr. Pellegrino why he thinks the sugar companies neglected to maintain these systems for so long.

Mr. Pellegrino said they probably didn't look at it as failing because for them it was getting the water as quick as possible to these reservoirs for the distribution into their fields. Infrastructural upgrades are something that has come about more recently.

Member Milaskey mentioned that the weather is drying up with the drought season so he asked if he sees that as having an adverse impact on the Waikapu Stream with plans to develop in the area.

Mr. Pellegrino said that all streams are flowing below its typical base flow.

Member Franco asked Mr. Pellegrino about the value of the property, knowing the condition that the system is in.

Mr. Pellegrino said that it concerns him that the county did an appraisal without including a general onsite survey of the distribution system. The system is beyond dilapidated. A huge amount of capital will need to be put in to improve the system. If the system continues to be retained by any private entity, it will not receive the type of improvements that is required to ensure an upgrade for the food security future that is needed. There is support from the community to help leverage whatever resources are needed, not just for the upgrades, but also for the stewardship and management of the system.

Member Aquino asked that since it's a different crop with different water needs, do we need to use the same distribution system.

Mr. Pellegrino responded that if all goes well with the acquisition, we're going to see a much smaller, more efficient, distribution system.

Member Aquino asked if there are other stakeholders or major business involved?

Mr. Pellegrino said that Nā Wai 'Ehā represents over 60 in-stream and off-stream users. There are other users that are not part of the hui such as the Kahili and Kamehameha Golf Courses, Rojac, Maui Tropical Plantation, Mahi Pono and other smaller users.

Member Frampton asked for Mr. Pellegrino's overall assessment of kalo farming today and what are the issues that need to be addressed for increased production.

Mr. Pellegrino said that he would love to say that water was the sole reason for their challenge for expansion, but they are finding that it's viable, fertile agricultural lands. Areas that they see increase in kalo cultivation are Waikapu, Waiehu and Waihee.

Member Nobriga asked about privatization of the water system, and how much time do we have left with the system.

Mr. Pellegrino responded that the approach to restoring the system is community driven. The pandemic will definitely have an impact on past decisions by the state and county to moving forward with the purchase of the water system. Mahi Pono owns the Spreckels Ditch system but doesn't use it because it would be too costly to clear it out and bring it back to the state that it was. There are 3 reservoirs in Nā Wai 'Ehā that are dangerous and needs to be fixed.

Chair Chan Hodges asked for Mr. Pellegrino's opinion on the appraisal.

Mr. Pellegrino responded that he is concerned with the valuation of the watershed, especially with not knowing what the distribution system looks like. Wailuku Water

Company probably won't be fixing the system so the longer we wait the more it's going to cost to repair it.

Member Aquino left the meeting at 3:02 p.m.

C. Managing Director Sandy Baz spoke on the Wailuku Water Company (WWC) acquisition. This is one of the administration's priorities, but Covid-19 happened and the acquisition process has stalled. They want to avoid condemnation if they can work on a negotiated deal with WWC. They are waiting for WWC to provide information on the system itself, easements, titles, etc. They also need to be clear on what the challenges and obstacles are with what they're acquiring. When working with the state, it was discussed that the state would purchase the watershed area and the county would acquire the system. There are title issues that need to be resolved. By County Code, it can only acquire land that has clean title, but there are lands without clean title that are a part of this asset. Not all the easements are recorded or identified. The system has a lot of value and funds have been set aside for the acquisition

Chair Chan Hodges commented that the thing you have to consider is the deterioration of the system as well as the maintenance and upkeep. She would like the administration to have ongoing communication with the board.

Managing Director Baz said that he can provide regular updates, however the actual negotiating is done privately.

Member Franco asked if they are satisfied with the current appraisal.

Managing Director Baz said that this is different than typical mortgage type financing. The bonds that the county issues are general obligation bonds and are not backed by the asset themselves. It would take a significant amount of money and time to get a better appraisal. It's a willing seller and an interested buyer that are the critical factors.

Member Eaton asked how many miles of ditches are included in the purchase. This system is less than the EMI system which cost only \$5.4 million. Why is this system more expensive?

Director Pearson said that the \$9.5 million includes the purchase of all the watershed lands.

Member Kaninau asked what it would take to bring Nā Wai 'Ehā to the table.

Managing Director Baz replied that they are not a party of the actual negotiations, but the information that Nā Wai 'Ehā can assist with definitely helps. He will also provide monthly updates to the board.

Member Milaskey asked what the current operating budget is in terms of energy requirements and manpower needed to operate the system and what's the budget for rehabilitation.

Managing Director Baz said that current cost to maintain the system is unknown and if purchased, the Department of Water Supply is an enterprise fund, and by Charter, all of its operating costs are borne by the customers of the system.

A. Director Pearson reported on the use of Chloramines. There are 3 different water systems in Upcountry, as defined by the Department of Health: Makawao, Lower Kula and Upper Kula. The Upper Kula system is a long, drawn out system and goes to Ulupalakua Ranch. There is not a lot of use on the far end of the system therefore, the water will stay in the lines for a longer period of time. If chlorine was used it would dissipate quicker, so Chloramine is a better disinfection use for that system. Also, when chlorine is in the system for a long period of time it reacts with the organics in the system and disinfection byproducts are created. If the levels are too high then the water will not meet the quality standards set forth by the Department of Health. A study on the best disinfection for the Olinda treatment plant showed that the water in the Piiholo treatment plant has a lot less tannins and organics in it. It's a different water that goes from the Olinda treatment plant then gets treated at the Piiholo treatment plant. Chloramines may not be the best, but from studies that have been done, they feel it's the best disinfection for this system for the raw water that comes into the plant.

Member Frampton let the meeting at 4:00 p.m.

D. Director Pearson mentioned that N&K CPAs, Inc. is doing an audit of the financial statements of the Department of Water Supply for FY 2020. The fiscal officer will do a presentation on the findings of the audit at the December meeting.

E. Chair Chan Hodges reported that she attended a meeting of the Haiku Community Association on September 24, 2020 at 6:30 p.m. via Zoom. Director Pearson, Eva Blumenstein, who gave a presentation addressing the Haiku aquifer and wells, and Member Kaninau also attended the meeting. The matters that were presented and discussed that were relevant to board business were the draft public process involving the WUDP, and input from members of the Haiku community regarding proposed plans to meet the needs of applicants on the Upcountry Priority Meter List and information on the proposed Haiku wells. About 1,000 people were in attendance. The meeting can be viewed on the HCA Facebook page.

F. Director Pearson reported that as a result of the Council Meeting and Public Hearing of October 9th, the councilmembers voted to send the WUDP back to the WIT committee. The chair of the committee will not put this on her agenda until after the November elections because her agendas are already set for meeting before that.

Chair Chan Hodges added that they also put the item in Councilmember Sinenci's committee because of the cultural practices aspect.

G. Chair Chan Hodges said that Dr. Scheuer wasn't able to attend this meeting so she'll see if he can attend the next one.

Director Pearson said that the water rate presentation should be ready for next month.

Member Eaton asked if Corporation Counsel can explain memorandums of agreements.

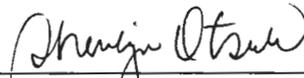
VIII. DIVISION REPORTS

Director Pearson mentioned that we're still in Stage 1 water shortage for West Maui and Upcountry. Upcountry is still in dire straits, but the department is maintaining it. In West Maui they are mainly relying on surface water with small amounts of rain getting to the water treatment plants.

ADJOURNMENT

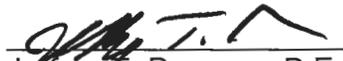
There being no further business the regular meeting was adjourned at 4:21 p.m.

Prepared by:



Sherilyn Otsubo
Commission Support Clerk

Approved for distribution:



Jeffrey T. Pearson, P.E.
Director