

BOARD OF WATER SUPPLY
COUNTY OF MAUI

REGULAR BOARD MEETING
MINUTES OF MARCH 18, 2021

The regular meeting of the Maui County Board of Water Supply was held online via BlueJeans, on Thursday, March 18, 2021.

I. CALL TO ORDER

The meeting was called to order by Chair Shay Chan Hodges at 1:31 p.m.

II. ROLL CALL

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

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

Cablecast: Video conferenced live via BlueJeans and recording viewable at <https://www.akaku.org/boards-commissions/>.

III. APPROVAL OF MINUTES

Vice Chair Milaskey moved to approve the minutes of February 18, 2021.

Member Frampton seconded the motion.

The motion passed unanimously.

IV. TESTIMONY FROM THE PUBLIC

John Blumer-Buell stated that he has been paying attention to the draft Water Use and Development Plan (WUDP) and that he's been testifying before the Water Commission for decades. He said that the people are listening to the Board. The Charter Commission began their work today and he would like to

see the Board have more defined and exact powers. Mahalo to Shay for doing a great job.

V. UNFINISHED BUSINESS

A. Update from Councilmember Shane Sinenci, or representative, of the Agriculture and Public Trust (APT) Committee.

Gina Young, Executive Assistant to Councilmember Sinenci, mentioned that the APT Committee had their last meeting before Council goes into budget. During deliberations, the council staff will be updating the WUDP to include the appendices. Councilmember Sinenci will be meeting with the community to get their input and they'll also look at other amendments that have been proposed. When the APT Committee resumes in late May, they'll take several meetings to go through specific amendments. That's when you'll be able to suggest language changes. Ms. Young stated that they had thought the entire WUDP would have to go back to the Board for review, but procedurally, because the plan wasn't adopted, it may not have to. Also, Managing Director Baz was at the APT Committee meeting to discuss the Wailuku Water Company (WWC) purchase and Ms. Young said that the updates that he's been giving to the Board are very helpful. It seems like the administration is hearing what the Board is saying so it's nice to see that the process is working.

Member Franco asked if the APT Committee will be taking up the TIG report.

Ms. Young said that the WUDP might go on until September. They're also hoping that the WWC discussions can move forward, and they have other legislation that they need to take care of. Therefore, the TIG report will probably be taken up later this year.

Member Kaninau said that she heard during the APT meeting that State funding for the land was not available.

Ms. Young replied that Councilmember Sinenci asked Managing Director Baz about that and responded that there are different types of State funding, such as Legacy Land funds.

Chair Chan Hodges said that she thought the purchase price for the County was \$9.5 million and the State funds for the conservation land was in addition to that.

Director Pearson responded that the \$9.5 million was unfunded and put into the budget as a place holder. The total purchase of \$9.5 million was the total cost, including the conservation land.

Member Franco said that he's been working with some UH students and they are interested in participating in the public hearings.

Ms. Young said that they were told that the purchase of WWC was not going to be included in this budget, but they won't know for sure until the Mayor issues his budget. If it is in the budget then you can testify during the budget process. If the purchase comes through a budget amendment, then it will be taken up at a Budget, Finance, and Economic Development Committee meeting and you can testify there.

B. Discussion of water rates and rate structure.

Director Pearson stated that the \$1.5 million in the FY 2021 budget is under countywide reliable capacity, and in that breakdown, the feasibility study is \$500,000 and the \$1 million is for work towards an exploratory well in the Waihee aquifer.

Eva Blumenstein stated that the RFP has not been issued yet. The draft has been submitted to the plaintiffs of the East Maui Consent Decree for consultation. The overall objective is to meet all the provisions of the East Maui Consent Decree which includes feasibility studies and rigorous investigations of alternate resources to East Maui and the Haiku aquifer including surface water from Na Wai Eha and groundwater from other regions. They are also requesting, because this is coming a few years after there was any demand analysis and capacity analysis done for these systems, that the consultants take a fresh look from 2020 on, on what the demand looks like for these regions. The RFP will be modified as soon as they get it back from the plaintiffs.

Chair Chan Hodges noticed that a lot of the requirements were based on the WUDP, but given that the WUDP is being modified, how does that affect the RFP?

Ms. Blumenstein replied that the requirements are based on the consent decree.

Member Franco is concerned about the Haiku community having an input in the study.

Director Pearson responded that the impetus for this study is to meet the requirements of the consent decree and that the plaintiffs represent the Haiku area. Additionally, the plaintiffs are reviewing the RFP prior to it being put out for bid, so they are well represented in the whole process.

Member Frampton asked when the RFP will go out and if they are looking to develop new source for the 6.3 MGD in the Upcountry area.

Ms. Blumenstein said that she anticipates having a meeting with the plaintiffs in the very near future, so it depends on their feedback. The RFP should be ready to go out in the spring. For the new source, that was the projected demand from the previous study for the Upcountry area only.

Member Frampton said it was mentioned that the Hamakuapoko wells or aquifer being less desirable for potable use. There are wells that have been developed but there are concerns about contaminants.

Ms. Blumenstein replied that the Hamakuapoko wells are the wells in the Paia aquifer that can be used to supplement Upcountry in a drought situation. They were the only two wells that were allowed to continue to be taken into production from the East Maui Consent Decree. Unfortunately, they were already contaminated from former fumigants from the pineapple fields. The well water is treated to make sure they meet water quality standards.

Member Frampton said there is source that could be brought on line, but there's a sentiment that we don't want to use it under the perception that it's contaminated, even though it can be treated.

Ms. Blumenstein replied that they prefer developing new wells in an area where you're confident that you're not going to run into issues of contamination.

Member Frampton asked Director Pearson that if the Council is looking to get 5,000 affordable housing units in the next 5 years, do we have enough water for those units? He rephrased the question to what if you could develop source in the Haiku aquifer and bring the Hamakuapoko wells on line?

Director Pearson responded that if the opposition was less to provide water from the Haiku aquifer and if we had an easier task of bringing water from the Haiku aquifer to meet the demands of Central Maui, we probably wouldn't be in this position today.

Chair Chan Hodges asked if the purpose of the feasibility study was to look at the potential for developing source in isolation, not considering conservation, recycled water, reservoir storage, etc.

Ms. Blumenstein said that it ties back into one of the draft strategies in the WUDP, which is groundwater development. The feasibility study does not address all of the alternative source options; recycled water, stormwater catchment, conservation. This RFP is addressing conventional groundwater development only and is specifically to meet all the provisions of the consent decree, including stream restoration in Haiku.

Chair Chan Hodges asked if it was in the context of looking at the long-term availability of water in the aquifer?

Ms. Blumenstein replied that that is a separate step.

Member Kaninau asked about the status of the Makawao aquifer.

Ms. Blumenstein said that in terms of the strategies to serve Upcountry as proposed in the WUDP, it's a combination of three sources and also tying into the priorities for each community plan area. The priorities for the Makawao, Pukalani, Kula area are for the most affordable source for Upcountry, which is surface water. The Makawao aquifer has some available capacity left. It doesn't have close to the same sustainable yield as the Haiku aquifer system.

Vice Chair Milaskey asked if was the goal of the study to factor in transmission and pumping charges? Is there a cost benefit analysis as part of not just development, but the delivery of water to Upcountry versus Central Maui?

Ms. Blumenstein said yes and that this RFP is a cost benefit study that includes looking at transmission and its associated costs.

Chair Chan Hodges asked if the cost benefit analysis would include research into renewable energy to help mitigate the cost of electricity which relates to transmission.

Ms. Blumenstein responded that this RFP does not specifically require alternative energy sources for pumpage, but it does request an analysis to consider environmental hydrological opportunities.

Member Frampton reiterated that whenever you talk about development of new source, hand-in-hand with that is conservation measures and ways to reduce water usage.

Member Franco suggests having a subcommittee to work on the parameters of setting the water rates.

Vice Chair Milaskey agreed that this subcommittee can continuously monitor this so that the Board is not blindsided every year when this comes up.

Deputy Corporation Counsel DesJardins said that there's a process for having a TIG. You vote on its members and its scope and purpose. Then they set a deadline for when the TIG presents their report to the Board. At the following meeting, the Board receives public input and deliberates.

Member Frampton said that it's the responsibility of the entire Board to be involved in the review of the budget and that the budget should be on every agenda and discussed at every meeting.

C. Discussion of the Board of Water Supply Reference Guide.

Chair Chan Hodges asked Member Kaninau if she wants to ask for the Board's approval of the current guide and then add the changes later.

Member Kaninau agreed.

Member Milaskey asked if a section can be added to explain the role of Corporation Counsel.

Director Pearson suggested deferring the item until all of the information can be included and then the Board can approve the final document. Also, that the reference guide be in the hand of the Board secretary to manage and distribute to new members.

Board members agreed to treat the document as a living document and approve changes on an ongoing basis.

Member Aquino made a motion to approve the current version of the reference guide with the revised Council Committee page.

Member Amarin seconded the motion.

The motion passed unanimously.

It was agreed that a new version of the reference guide with the two discussed additions would be presented for approval at the next board meeting.

VI. OTHER BUSINESS

A. Presentation by Joy Gannon, Director of Utilities, Pulama Lanai and Small Systems Chair for Hawaii American Water Works Association, about private systems in Maui County.

Joy Gannon presented a power point regarding public water systems (PWS). The Department of Health defines a public water system as a system which provides water for human consumption, through pipes or other constructed conveyances if the system has at least 15 service connections or regularly serves an average of at least 25 individuals daily at least 60 days out of the year. There are two non-County PWS on Molokai; two separate systems on Molokai Ranch, and one system at DHHL, Kawela Plantation and Kalaupapa NHP. On Lanai there are two separate systems, one for the city and one for the Manele Bay area. On Maui, Hana Ranch and the National Park have two systems each, and there's Kapalua, Kaanapali, Olowalu, Launiupoko, Hawaii Nature Center, Kahakuloa, West Kuiaha Meadows, Kula Nani Estates, Maunaolu Plantation, Maui Highlands, Consolidated Baseyards, Maui Business Park and other smaller systems.

For water quality on Lanai, the PWS are regulated identically to Maui County. Water quantity is largely regulated under CWRM and is identical to the way the County is regulated. The largest differences between the County's system and PWS is the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (CA). The PUC/CA have overarching authority to regulate most aspects of the utility. They also establish rules and regulations of the utility and they set the rates.

A rate process for non-County systems usually takes about 6 months and is completely different from how the County does its rate process.

Vice Chair Milaskey asked how you would compare the filing costs to propose a rate increase to the actual increase itself?

Ms. Gannon said that the PUC would be better to answer that question. Rate cases can cost between \$75,000 to a couple hundred thousand dollars.

Member Kaninau asked if information about the revenue expenses of PWS are available to the public.

Ms. Gannon replied that under the Hawaii PUC website you can find any document that was filed. Financial documents are not filed every year. They are only filed when a company is doing a rate case.

Member Aquino asked if you are required to report water usage?

Ms. Gannon said that it is reported to CWRM and the County.

Ms. Gannon continued with her presentation and said that there are 2 PWS on Lanai. The Lanai City Water System has 4 drinking water wells, about 36.5 miles of water mains, services about 1400 customers with an average of about 0.57 MGD. The Manele Water System has 2 wells, about 31 miles of water mains, services about 135 customers with an average of about 0.42 MGD. This system includes the Manele Hotel. Lanai also has a brackish water system with four wells, 3 reservoirs totaling about 15.08 MG, 11 miles of water mains, 48 customers and averages about 0.57 MGD. There are 2 R1, recycled water, facilities; the Lanai Auxiliary Wastewater Treatment Facility and the Manele Wastewater Treatment Plant which is 100% re-use at the golf course.

Member Frampton asked if there are residual contaminants from the pineapple farming operations.

Ms. Gannon said that all of their drinking wells are up in the hills. The other 4 wells are used for irrigation purposes so they don't get tested for water quality.

Chair Chan Hodges noted that the Board really appreciated this presentation and asked Ms. Gannon about other purveyors doing presentations for our board.

Ms. Gannon said that as the Small Systems Chair for Hawaii American Water Works Association she could bring it up to the group and would probably have a favorable response.

B. Native Hawaiian Kuleana Listening Sessions

Chair Chan Hodges reported that she had put this item on the agenda in response to concerns about the County's relationship with the native Hawaiian community

and that Director Pearson had stated that he supported improved communication. However, because of the lack of time left for this meeting, the Chair recommended that the topic be deferred so that it could be discussed thoroughly at a later date.

Member Kaninau suggested that the discussion include outreach to Na Moku.

This item was deferred.

C. Resolutions expressing appreciation to outgoing members Shay Chan Hodges and Zoltan Milaskey.

Vice Chair Milaskey read Resolution 1.

Chair Chan Hodges read Resolution 2.

Director Pearson and other members thanked Chair Chan Hodges and Vice Chair Milaskey for their service.

D. Selection of a Chair Pro Tem of the Board of Water Supply and discussion of nomination process.

Chair Chan Hodges said that she spoke with Corporation Counsel about nominating a Pro Tem Chair to run the next meeting until a new Chair was elected.

Member Frampton said that it's fairly common to have the Director run the meeting.

Member Franco made a motion to defer the item.

Member Frampton seconded the motion.

The item was deferred.

E. Discussion of Six-Month Priorities List.

Chair Chan Hodges asked for the member's priorities.

Member Kaninau said that items D, E, and the presentation by DEM regarding wastewater management were her priorities.

Member Frampton said the budget, development of new source, stability of supply, and conservation.

Member Nobriga said the budget, water rates, and items A-G.

Member Amorin said the budget and water rates.

Member Aquino said the budget, water rates, Wailuku Water Company purchase, Upcountry water meter list, and items G and V.

Member Franco asked for a follow up on the recommendations of the TIG report that was presented to the County Council.

Member Eaton asked to hear from the Department of Environmental Management.

Vice Chair Milaskey echoed what Member Eaton said.

F. Discussion of Board of Water Supply's April 2021 agenda.

Chair Chan Hodges suggested that next month's agenda include the current items under Unfinished Business, discussion of how to move forward on water rates, including potentially forming a TIG, and approval of the reference guide with the 2 additional pages. The Native Hawaiian Kuleana Session can be put on the agenda, having the Director reach out to DEM for a presentation, as well as the election of the new chair and vice chair.

Deputy Corporation Counsel DesJardins recommended that instead of the Kuleana Session discussion and DEM presentation, Corporation Counsel could present a refresher on Sunshine Law and other training items for the new members.

Member Frampton and other members expressed a desire to keep the agenda light and adopt Corporation Counsel's recommendation.

VII. DIVISION REPORTS

Chair Chan Hodges asked the Board to review the reports and questions can be asked to the Director.

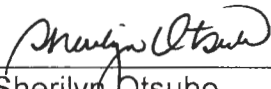
VIII. NEXT MEETING DATE AND TIME

April 15, 2021 at 1:30 p.m.

IX. ADJOURNMENT


There being no further business, the regular meeting was adjourned at 4:02 p.m.

Prepared by:



Sherilyn Otsubo
Commission Support Clerk

Approved for distribution:



Jeffrey T. Pearson, P.E.
Director