

BOARD OF WATER SUPPLY
COUNTY OF MAUI

REGULAR BOARD MEETING
MINUTES OF JULY 15, 2021

The regular meeting of the Maui County Board of Water Supply was held online via BlueJeans, on Thursday, July 15, 2021.

I. CALL TO ORDER

The meeting was called to order by Chair Dean Frampton at 1:34 p.m.

II. ROLL CALL

Members present: Dean Frampton, Chair
Nalani Kaninau, Vice Chair
Norman Franco
Buddy James Nobriga
Antonette Eaton
Johanna Amorin

Members excused: Joseph Aquino

Staff present: Jeffrey Pearson, P.E., Director
Keola Whittaker, Deputy Corporation Counsel
Michele Sakuma, Private Secretary

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

III. APPROVAL OF MINUTES

Member Franco moved to approve the minutes of May 20, 2021 and June 17, 2021.

Member Amorin seconded the motion.

The motion passed unanimously with 6 ayes.

IV. TESTIMONY FROM THE PUBLIC

Travis Polido, President of Waikapu Community Association, testified on his own behalf on the Upcountry water shortage and the \$500 fine for residents who water their grass or wash their cars. Last year the County asked Waikapu residents to restrict water. It's not right to ask a community who sits between 2 of the 4 Nā Wai 'Ehā to restrict water when there are resorts in Kaanapali and Wailea using water to fill their pools.

Member Franco asked if he had suggestions on how to remedy the situation.

Mr. Polido said that at the Kihei sewer treatment plant, they were using some of the reclaimed water from large land owners. The County should put in more piping and improve their infrastructure.

Kanani Higbee testified that her family has been waiting for a lot in the Leiali'i 1B subdivision in Lahaina for 80 years. They were told they had water, then Kahoma was built and it seems like they took their water. She asked the board to keep in mind the native Hawaiians who are waiting for water and are on the list of Hawaiian Homes. Having water would help to raise their socio-economic status. Many live in poverty and have gone through trauma from being displaced from their land because water was taken away. Hawaiian Homes is one way that they can stay on this island and build generational wealth because it's hard to get affordable housing.

Member Franco asked what water source is closest to that subdivision.

Director Pearson replied that DHHL is developing their own source of water and they are dedicating it to the Department of Water Supply and will use the department's infrastructure to get water to that area. They have a well drilled south of Honokowai Valley, so there is going to be water available, but it's for DHHL to develop.

Ms. Higbee responded that according to DHHL, that water will only be used for Honokowai agriculture lots, not for Lahaina.

Kainoa Lei McDonald is a board member with the Association for Hawaiians for Homelands who advocates for beneficiaries on the Hawaiian Homes Commission waitlist. She had 2 questions for the board: where is the board in addressing the Maui Water Use and Development Plan, and how do you suggest that Hawaiian Homes Commission beneficiaries participate in advocating for DHHL and OHA to work with the County?

Chair Frampton responded that the board did review the WUDP and provided comments to the Council. A concern of the board was to find balance with native Hawaiian rights and rights to water. The Council did not adopt the plan and it was sent back for further revisions.

Director Pearson mentioned that he doesn't think the WUDP will need to come back to the board for review. There was a lot of consultation done with the Hawaiian community and Eva Blumenstein knows the details. Also, the Agricultural and Public Trust Committee will be taking up the WUDP at their July 20th meeting and testimony can be given at that time.

Chair Frampton responded that the testifier's second question is an ongoing issue and the board has expressed a desire to find a balance and to assist DHHL in providing water to their constituents.

Member Eaton mentioned that Dr. Jonathan Sheuer is a consultant with DHHL and he gave a detailed presentation to this board. The beneficiaries on the list can educate our officials and the community that Hawaiian Homes does have priority when it comes to water.

Member Nobriga said that Maui's board is the least powerful in the state and the board is looking at increasing its powers and responsibilities by becoming semi-autonomous. In talking with Dr. Sheuer, we've been looking into taking water from the get-go since it takes some time before DHHL starts building. That way water will be available when the beneficiaries are ready to build.

V. UNFINISHED BUSINESS

A. Discussion of water rates and rate structure, including a presentation from Councilmember Keani Rawlins-Fernandez.

Councilmember Keani Rawlins-Fernandez shared a power point presentation titled Water Rate Structure Conceptual Proposal. Currently there are two categories, single family has four tiers and all other general water consumers has three tiers. The County of Hawaii set their rate structure and rates by using the block system. They charge for the users and then they charge for the usage based on the meter size. The County of Kauai has all users. The City and County of Honolulu goes by categories and by usage. They have potable water for residential.

Her conceptual proposal was single family residential: water service charges to single family residential refers to single family and duplex residences with RPT classifications that have homeowner exemptions, long-term rental exemptions, or is classified as commercialized residential. Multi-unit residential: water services charged to multi-unit residential refers to multi-unit residences, including apartments, condos and townhouses with RPT classifications that have a homeowner or long-term rental exemption or is classified as commercialized residential. Non-residential: any property not used for residential or agricultural purposes, which include RPT classifications that do not have a homeowner exemption, long-term rental exemption, or a classified commercialized residential.

Councilmember Rawlins-Fernandez also asked questions to Honolulu's Board of Water Supply. How do you determine who is in each classification? Their response was, for potable water use, BWS has two general classifications, residential and non-residential, to determine the appropriate water rate to charge the customer. The customer class is assigned when the initial water service is requested. The residential class has three subcategories-single family, multi-unit and agricultural. The multi-unit customer class is designated when a single parcel has more than 2 detached units or is a low/hi-rise multi-unit development. The agricultural customer class is a special class that receives a reduced water rate after 6,000 gallons/month. To qualify for this rate, a customer must submit a written request annually and furnish satisfactory proof that they are engaged in agriculture on a commercial basis. The non-residential customer refers to property not used for residential or agricultural purposes.

When did the Honolulu DWS transition from a single classification, "All General Users", to the additional categories? BWS transitioned in 1993 based on the results of the rate study. The objectives of the rate study were to identify the revenue requirements, develop and design the new 6-year Schedule of Rates and Charges; recommend rate structures to encourage water conservation while providing sufficient revenues; and recommend changes which more equitably recover the costs of these services and improve efficiency, effectiveness and ease of administration.

How long did it take to transition from one classification to multiple? The change in water use classification and tiers were implemented in the fiscal year after the rate study was completed and were effective as of July 1, 1993.

Why did you not tier the non-residential class? The non-residential class has a wide range of customer sizes and usage patterns. This wide range makes it difficult to design an appropriate tier structure for the various water usage patterns exhibited within this class. The use of the inverted block rate to encourage conservation would not have been effective since many of these customers are large water users and may have already implemented cost saving measures to reduce water use.

Why does Single-Family Tier 3 go up to 30,000 gal/mo, and Multi-Unit Tier 3 go up to 10,000 gal/mo? BWS developed water usage curves from the billing database to identify and analyze the usage patterns for customers in different classes and users within those classes. The rates and tiers were developed to pay for the cost of service to supply water to each class. For the highest users, the Single-Family class, customers using 30,000 gallons/month or more account for approximately 5% of the water used by that class. For the Multi-Unit class, customers using 10,000 gallons/month or more account for approximately 5% of the water used by that class.

Vice Chair Kaninai asked for the definition of commercialized residential.

Councilmember Rawlins-Fernandez replied that it's residences that have permits to operate a bed and breakfast, and a bed and breakfast is a short-term rental as a portion of a home. It's a residence being rented out for less than a hundred eighty days with the owner living on the residence.

Member Franco mentioned that it doesn't seem like raising rates deterred high water users from abusing water usage, you need to give penalties. Hotels and resorts should implement a water recycling program.

Chair Frampton stated that the Department of Environmental Management will be talking about extending their lines for the reuse of reclaimed water and if that reclaimed water is not being used for landscaping, it's going into the injection wells. If we can give them the necessary infrastructure, they can help to properly dispose of the wastewater. Would the Council consider extending the recycled water lines for irrigation purposes?

Councilmember Rawlins-Fernandez replied that water reuse has been a high priority for the Council as well as for the administration.

Member Nobriga said that we need to figure out a way to have balance and harmony. Certain areas are not as water rich as other areas so find a balance and put a cost to that so that we can meet the demands.

Member Franco asked for the status on the TIG report.

Councilmember Rawlins-Fernandez replied that it has been referred to the Agriculture and Public Trust Committee. Chair Sinenci has set a deadline to pass the WUDP out of Council by September, so she'll check with him to see when he can take up the TIG report.

B. Request for Submittal of Proposed Charter Amendments and/or Recommendations.

Deputy Corporation Counsel Whittaker mentioned that the board needs to redo the vote on this due to problem with BlueJeans during our last meeting. BlueJeans did a tech update just prior to the last meeting which only allowed people with the meeting link to join the meeting. The public was not able to join, therefore we need to do a revote for the record.

Member Franco made a motion and Vice Chair Kaninau seconded. Members Amarin, Eaton, Franco, Kaninau and Frampton voted aye.

VI. OTHER BUSINESS

A. Presentation from the Department of Environmental Management on existing and future use of R-1 water in South and West Maui.

Scott Rollins, Division Chief for Wastewater Reclamation, stated that their primary mission is collecting and treating wastewater, then once treated and they end up with products of recycled water and solids, then they have to dispose of those. They have a \$50 million CIP budget this year so a lot of that money will go to fixing old infrastructure. They are working at expanding reuse and getting away from injection wells as a disposal.

Albert Hahn, Recycled Water Coordinator, gave a power point presentation on water expansion in South and West Maui. The reuse program started as a way to reduce domestic water supply demands by providing a non-potable alternative. In regards to recycled water, the county only implements and manages recycled water service in Lahaina and Kihei. Last year they completed their second one million gallon elevated storage tank in Kihei. They're in the process of putting up the third panel for the disinfection of recycled water. The effluent pump station upgrade just went out to bid, the R&T Park pipe is being replaced with a larger line that will allow them to extend to the top of the high school and possibly further to North Kihei. The North Kihei System expansion system project will be going out

to bid next month and the Liloa Drive extension will provide a more reliable and robust infrastructure. The land application project is an option to the injection wells. The site is approximately 140 acres and will be used to dispose of unused recycled water. One of their potential projects is the Kihei water facility and going down to Wailea and using that water for the golf courses and resorts. It's about 3 miles long with tough subterranean conditions and the cost would be about four million dollars a mile.

Member Franco asked for figures on how much recycled water is being used for irrigation of golf courses and lawns at the hotels.

Mr. Hahn replied that it's a requirement for commercial properties to tie into their recycled water line.

Mr. Rollins said that Maui Nui Golf Course uses recycled water exclusively for irrigation and they use between 600 thousand gallons a day to 1 million gallons a day.

Chair Frampton asked if they know what the daily irrigation uses are versus potable water uses are at the Wailea hotels.

Mr. Rollins responded that a South Maui study was done about 8-9 years ago and they have numbers for their potential use each day.

Vice Chair Kaninau said that she would like to see partnering with Makena and Wailea hotels to help subsidize wastewater. Four million dollars a mile in the long run is not a lot.

Member Eaton said that if the department is willing to spend the four million dollars now and get them the R-1 water, they should make it a priority to get the lines down to Wailea so we can conserve stream waters. There is a two hundred eighty-seven luxury project coming up and they're anticipating using potable water for their irrigation, which is ridiculous. Source is not there but it's unfair to take water from the valley.

Mr. Hahn replied that they're looking for the lowest hanging fruit. If they're using domestic water for irrigation and if it's cheaper per gallon of water that they can sell, then they are going north in order to offset the demand.

Member Eaton responded that the county has always done the easiest, most cost-efficient projects first, but extend the line to Wailea. Not only will it benefit Wailea, but it will benefit the central area too. At this point and with this board, we are more inclined to conserve our water.

Member Nobriga asked why it costs so much and why do you need to break ground to bury pipelines for non-potable water? He would start with a six inch or one-foot line and run it above ground.

Mr. Hahn said that they put it under the road so people can drive over it and it's not an obstacle for vehicles and pedestrians. Their department is wastewater, not water supply, so their main focus is collecting and processing wastewater, not conveying water.

Member Amorin asked who the biggest users are in Kihei.

Mr. Hahn said it's the golf course which uses more than half a million gallons a day and Bayer uses a little less than that.

Chair Frampton asked to defer this item and have the Department of Environmental Management return at another meeting to finish their presentation.

B. Update on the Nā Wai 'Ehā contested case final Decision and Order.

Deputy Corporation Counsel Caleb Rowe gave a background of the Nā Wai 'Ehā case. In 2003, the Commission on Water Resource Management (CWRM) designated this a water management area for groundwater, then in 2008 they also designated it a surface water management area. That meant that every person who took water off the stream needed apply for a permit with CWRM. They consolidated all of the applications into a single contested case hearing and also decided to re-evaluate the interim instream flow standards to decide how much water was to remain in the stream. Following a twenty-year process, on June 28, 2021 they finally issued their opinion. They recognized the importance of kalo cultivation as a traditional and customary use of water, and also recognized that 65% of the county's water use is used by individuals in their homes. The ultimate result of the decision and order was that they approved the existing use permit for 1.784 million gallons a day which was based on historical usage, and a new permit for 1.416 million gallons a day, which was for usage that had been increasing over time. So the county was given both of the permits that were requested and that's going to give the county 3.2 million gallons a day of additional water which allows them to serve over 100,000 people.

Since the decision came out, there have been three parties that have filed motions for reconsideration. Once the requests are ruled upon, every person that submitted a permit application will have thirty days to decide if they want to appeal the decision and order.

Director Pearson added that there are a lot of requirements that CWRM is putting on Wailuku Water Company to provide water to the users. Over the last year, he's been pushing to treat as much water as possible in lao in order to show that the department was able to treat a higher amount of water prior to the decision. Gravity is always cheaper than electricity, so by using additional water at the treatment plant, the department was able to offset some of the pumping at the wells in the lao Aquifer.

Deputy Corporation Counsel Rowe also mentioned that CWRM adopted a new interim instream flow standard which states that about 51-55% of the water will stay in the stream.

Chair Frampton said that the mayor has indicated that he wants the excess water be directed to affordable housing. Can that be done?

Director Pearson responded that it would take the pressure off of the department because the available water supply is going to be extended and we're not going to provide large chunks of water in short periods of time.

VII. DIVISION REPORTS

Director Pearson gave an update on the water shortage situation in Upcountry. The reservoirs are droppings but there was some inflow into the Piiholo Reservoir. The shortage is due to low inflow and because the Pookela Well is running 24-7 that provides over a million gallons a day to the system that would relieve the water coming from Piiholo. About a million gallons a day is being pumped from the Kamole Treatment Plant to the Piiholo Reservoir. They can reduce the amount of water that is being treated at Piiholo and that reduces the amount that is being pulled from the raw reservoir.

In West Maui, the Mahinahina Treatment Plant is still down due to construction. They anticipate them starting up on Aug. 6. On July 20th, the APT Committee will be discussing the WUDP, Nā Wai 'Ehā and the Wailuku Water Company purchase. There has been confusion and misinformation about the Upcountry systems being tied to the Central system. The systems are physically separated. The Central Maui system rely mostly on ground water and the Upcountry system relies primarily on surface water. The reporter did a poor job and had no understanding but still came out with a story on TV.

Chair Frampton said that he was very disappointed with the news story and it touched on a number of sensitive issues such as the Upcountry drought situation and the Upcountry water meter wait list. Those issues are unrelated to the efforts to get recycled water to the hotels and large users and to take a stronger conservation stance as it relates to increased water rates and an increase in the upper tiers to achieve conservation.

Member Franco suggested that the public should be educated on how the system works and what can and cannot be done.

Vice Chair Kaninau stated that people don't know what it takes for water to come out of your faucet, so providing statistics to residents would help them understand. She also mentioned never hearing about the \$500 a day fine during other water shortages and was curious to know how many people were actually fined.

Director Pearson said that fines are a part of the code but the department doesn't have a good system set up and it's not looked at as revenue.

Chair Frampton asked if the Upcountry community is complying with the restrictions.

Director Pearson replied that it looks like the demand has been reduced so he appreciates the efforts that the customers are making to conserve water.

VIII. NEXT MEETING DATE AND TIME

August 19, 2021 at 1:30 p.m.

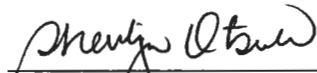
Vice Chair Kaninau asked if Lucienne de Naie from the Sierra Club can give a report on A&B and the East Maui permit process and if Councilmember Sinenci can talk about the TIG report.

Ipo Mossman, Community Liaison with the Office of the Mayor updated the board on the two vacancies. Leinaala Perry was approved about a month ago and Juanita Reyher-Colon was just approved. Both should be onboard by August if everything goes smoothly with their paperwork.

IX. ADJOURNMENT

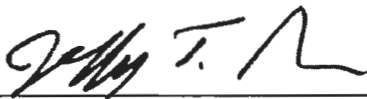
There being no further business, the regular meeting was adjourned at 4:23 p.m.

Prepared by:



Sherilyn Otsubo
Commission Support Clerk

Approved for distribution:



Jeffrey T. Pearson, P.E.
Director