

County of Maui Water
Supply

BOARD OF WATER SUPPLY
COUNTY OF MAUI

JOINT WORKSHOP MEETING WITH
THE MAUI COUNTY PLANNING COMMISSION

MARCH 15, 2000

A Joint Workshop of the Maui County Planning Commission and the Maui County Board of Water Supply was held on Wednesday, March 15, 2000. The workshop was held in the Planning Department Hearing Room located on the first floor of the Kalana Pakui Building, 250 South High Street, Wailuku, Maui, Hawaii.

Planning Commission Members in attendance were Chair Robert Carroll, Vice Chair Jerry Edlao, Commissioner Barbara Long, Commissioner Mona Richardson, and Commissioner Star Medeiros. Board of Water Supply Members in attendance were Chair Robert Takitani, Board Member Elmer Cravalho, Board Member Clark Hashimoto, Board Member Howard Nakamura, Board Member Michael Nobriga, Board Member Peter Rice, Board Member Jonathan Starr, and Board Member Orlando Tagorda.

The following is a transcription of the recording of the discussions held during the joint workshop:

MR. CARROLL: Alright, the Maui Planning Commission Meeting/Workshop with the Board of Water Supply is now in session. We'd like to thank you all for coming, especially the Board for extending their meeting today. We appreciate it. And we're going to begin by - first of all, I don't know if everybody knows everyone over here. Jonathan, can you go right around and introduce yourself.

MR. STARR: Sure. I'm Jonathan Starr. I live East Maui, and I'm on the Board of Water Supply.

MR. CRAVALHO: Elmer Cravalho, East Maui, Board of Water Supply.

MR. RICE: Peter Rice, West Maui, Board of Water Supply.

MR. TAGORDA: Orlando Tagorda, Kahului.

MR. EDLAO: Jerry Edlao, Wailuku, Planning Commission.

MS. RICHARDSON: Mona Richardson, Haiku, Planning Commission.

MS. LONG: Barbara Long, Upcountry now, Planning.

MS. MEDEIROS: Star Medeiros, West Maui, Planning.

MR. HASHIMOTO: Clark Hashimoto, Kula, Water Department.

MR. NOBRIGA: Mike Nobriga, Water Board, Makawao.

MR. CARROLL: Robert Carroll, Department of Planning, the Planning Commission. Alright, we're now going to turn over the time to the Water Board for their presentation, and after that, we'd like to go directly into a question and answer period between the two boards.

MR. TAKITANI: I'm Bob Takitani, presently the Chairman of the Board of Water Supply, Kahului. This idea was spawned at a meeting that we attended that dealt with the H'poko, or the Haliimaile water for A&B. We all thought it would be a good idea if we could jointly share between the Board of Water Supply and the Planning Department what we all did, and we were more integrated rather than continuing to go off on our separate ways. So this afternoon, what we'll try to do is present the Board some information as to where we presently stand and where we intend to go and some of the accomplishments and how we try to measure ourselves in our goals and objectives. So with that, I'll turn it over to Director David Craddick and Jacky Carroll.

MR. CRADDICK: Thank you. Actually, we don't have our goals and objectives in here. Since this was a joint...

MR. TAKITANI: She's coming back with that.

MR. CRADDICK: Oh, okay. We're mainly trying to deal with the policy issues, mainly with water but I think the things that you'll see in here pertain to planning also. Jacky Carroll, my Administrative Assistant, will be doing a presentation here. And if you have questions, just feel free to jump in and get them clarified.

MS. CARROLL: Okay, what I'm going to talk about is first an overview of the Water Department and what we're all about, how we evolved, and what we do, and where we serve, what we have to look forward to, and then some of our issues. And a lot of those issues I think will affect, you'll see an overlap of some of the issues that the Planning Department faces.

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MR. CARROLL: Is this the end of the slide?

MR. CRADDICK: Actually, Bob, Jacky was going to get some additional stuff on goals and objectives. But I guess if you want to talk to each other regarding this...

MR. TAKITANI: You can ask questions, but the way we thought this was going to be presented, we thought the Planning Commission was going to present us information as to how they operated so it would be a joint - but I guess...

MR. CARROLL: We have no presentation.

MR. TAKITANI: You have no...

MR. CARROLL: We have only questions.

MR. TAKITANI: We'll have Jacky go up and get the goals and objectives that we try and operate by and try to determine how well we're doing as far as accomplishing our goals.

So we'll present that to you after she goes and gets it.

MR. CARROLL: While she's doing that, does anybody have anything they have to say?

MS. LONG: You know I do.

MR. CARROLL: Ms. Long.

MS. LONG: Are we on here?

MR. CARROLL: Are the microphones on?

MS. TAKAYAMA: Yes.

MS. LONG: I'd like to shed a little light on how the Planning Commission does operate because when we receive an application for development, that application is generally reviewed by the Department of Water Supply. In the five years that I have served on the Commission, we generally get the standard letter which says the applicant should be aware that the timing of this project may be affected with possible delays until new sources can be brought on line. No guarantee of water is granted or implied as a result of comments made for the approval of the requested permits. Water availability will be reviewed at the time of application for a meter or a meter reservation. We get these comments whether it's a three-lot subdivision or a special use in the ag zone for a project district or a monster development. And it became obvious to a lot of us with what was happening in the newspaper about the inadequacies of the Iao Aquifer and the fact that there's an awful lot of building going on in Kihei and other places that draw upon that that nobody was saying no at a certain level, and the buck was being passed to the Planning Commission. And some of us felt that whether this is fair or not, there ought to be a way to work together with the Department of Water Supply and with the Board that hopefully has access to the Department's long-range plan to come up with a better way so that when a subdivision is approved, even the Dowling project up there, when things like that after 10 years in the community plan process, when they've already got their entitlement back in the early 90's, and

people know there's no water, and they're in a drought situation, and they see the headline in The Maui News, Planning Department approves 400, whatever it is, 200 homes Sprecklesville Mauka, whatever it is, how can they do that' And I'm hoping that one of the results of this workshop today will be a sensitivity on the part of the Department and the Board to the fact that we, the Planning Commission needs to get more than this letter. The Planning Commission needs to have better guidance, and the planning process needs to be improved. I don't know, and I'm going to ask the Board a question. Do you folks during the community plan process, do you review the individual changes in the community plan maps where there is a change say from agriculture to urban when there's a project district suggested? Is that something that the Board or the Department reviews? Did they review it in the early 90's?

MR. TAKITANI: Mr. Craddick?

MR. CRADDICK: When the community, the CAC groups are meeting, we do provide input there, but the answer to your question is basically no. When it gets finalized, we're not participating in the process.

MS. LONG: In other words, a major land owner can come in and change the designation in the community plan map which would provide a great deal more density, residential density, and require a great deal more water use, and then come in and get their zoning change five, six, seven years down the line because they have the entitlement of that community plan designation. So what you're saying is the Water Department isn't involved in that determination of whether this is a logical thing to do in view of your long-range plan?

MR. CRADDICK: If they're changing the community plan, I believe we do put comment in on that but, again, you saw the drawing up there how much water is available on this island. It's not an issue of availability of water, it is an issue of timing and finances to get that water. And when you make your decision, I suppose we could give you numbers of what it costs us per thousand gallons of water to supply such and such a development with water. And if that information were used properly, perhaps your

decisions would be different, but a...

MS. LONG: Mr. Craddick, excuse me, I'm talking about before it gets to the Planning Commission even. The things that come to the Planning Commission have been decided, a lot of them, in the community plans. You folks supposedly have a long-range plan that says we're going to have 'X' population here, so we're going to provide infrastructure for this. Do you have this, and is that connected at all to what goes on at the CAC level?

MR. CRADDICK: Again, I'll say that the amount of water that is available on this island will at least support a population in excess - Honolulu currently uses around 160 to 170 million gallons a day on average. So you can see that the water we have will sustain a population much larger than Honolulu's.

MS. LONG: According to what you're saying, you don't care. The Water Department has no policy that considers how appropriate it is to give land owners entitlements to increase residential density whether you know you're going to have the financing or not.

MR. CRADDICK: I would have to say that that's probably a Board policy issue, and probably better directed to the Board, but essentially, you're right.

MS. LONG: Okay, I'm going to ask one more question and then I'll shut up and go on. Right now in the Council committee that's reviewing the Wailuku/Kahului Community Plan, there is a request from C. Brewer to upzone on the community plan map 80 acres which they call Iao North from agriculture to multi-family residential. You guys know anything at all about that, and has anyone commented on that?

MR. CRADDICK: The answer to your question is yes, we know something about it. And in the 1996 agreement with Wailuku Ag on developing North Waihee, once we developed 5 million gallons a day, they have the ability to participate with us on developing additional sources up to the sustainable yield. So they have made provision for getting water for themselves.

MS. LONG: So this is kind of an agreement that you have with

Brewer that's reciprocal.

MR. CRADDICK: No, Wailuku Agribusiness. You have to watch out with us. We're very, very careful when we say Brewer and all the different entities these days. We were once confused by all the different groups too.

MS. LONG: My point being that these changes to the community plan maps, these upzonings to more dense residential - rural, urban, whatever - communities don't just happen in the CAC process, but they happen along the line, and then the changes in zoning happen. My point being that if the Board and the Department don't have some sort of policy and a long-range plan, and a knowledge of what your budget requirements for infrastructure are going to be for these things that are on the books, is it fair to put the burden on the Planning Commission to approve or deny something when it's really based on your planning?

MR. CRADDICK: Actually, again, I don't believe it is based on our planning. It's based on your work. When you say you're going to approve it, you can ask us what the cost is, what the unit cost is, and I guess you might be able to make some decision whether that unit cost is more than Maui can bear, if you will, to develop. But that's all we would do is we would say this is what it's going to cost you per unit of water, and presumably that developer would tell you how many thousand gallons a day or million gallons a day of water...

MS. LONG: That's a really scary burden to put on nine volunteers.

MR. CRADDICK: I guess the - what I see you're doing when you approve your planning, is you don't mind me saying what I think is going on, to me you're allocating water when you do your planning process. You're allocating water to this use, that use, whatever you put on the community plan. Under the Charter, it says the Board is to implement those general plans that you put out. Now we do our best to do that, but it doesn't necessarily mean we're going to put all the dollars out to do that. The developers come in and ask to do

that, the water is available on the island, if we can't do it, we'll tell the developer, sorry, we can't do it - you provide the water to us, and you go ahead and do it if you want. Now, maybe I shouldn't say this, but if you do your planning that way in kind of an odd ad hoc method, I think you're going to get the product that we see here on Maui. Where as if you said here's your district and get some kind of a district area and this is the district, then I believe we could then do some much more micro type of planning and say okay, here's this district. We could make some kind of an estimate of what water you need for that district and get the water to it. But when you're just blanket whoever comes in, you get this approved, you get that approved, there's no way for us to - let's put it this way. If we tried to make the water available for everything that's been approved for Kihei, it would require 60 million gallons a day of water. And it's ridiculous to even think that that kind of development will be done. We know it won't be done. And I don't know if the Planning Department doesn't know that it's not going to be done. I presume you know it's not going to be done, but if everybody developed, I mean the prices of land, everything would probably cave in.

MS. LONG: Okay, is our Planning Director here? Clayton here?

MR. CRADDICK: Those are just some observations. I'm not speaking...

MS. LONG: Okay, I appreciate what you said.

MR. CRADDICK: ...for the Board.

MS. LONG: And I take note of what you said, and I wish that Mr. Min were here. Is our Deputy Director - where are you, Clayton? Okay. I'd like to address this to Clayton, then that when applications come to the Commission, and I won't be there to make sure this happens, that what Mr. Craddick has said if it turns out to be the logical way to do it is perhaps covered and the Planning Department review, and between the

Planning Department and the Department of Water Supply, there is some discussion about what you were just talking about - maybe this particular district, maybe the cost of delivering the water, and get something in the application to the Planning Commission that relates to that instead of just saying 'we recommend approval'. Because that's what we get. We get 'we recommend approval' even though we have a letter from the Board. Let's get down to the nitty gritty here and present the Commissioners with enough information to do a good job. And you got 700 people on a list, why can't we do the same thing for them now? They've been on the list longer than these applicants who - all right, I've got to shut up.

MR. CARROLL: Mr. Craddick, we're ready to do the rest of the presentation.

MR. EDLAO: Before we get into that, Mr. Chair, requesting a follow up on Barbara's question, I think, you know David, we don't know what your - where you're going to drill a well, when you're going to have enough money. And I think what Barbara is trying to elude to is that if we know that Upcountry you don't have the funds to do drilling or look for new source in the next 10 years, if we know that, then maybe our decision would be different. And that's, I think, maybe where we're kind of missing each other there. Because we don't know when you're going to get funds to get resource. And like I said, if we know flat out that you guys not going to do it in 10 years and then if something comes up for rezoning, then we might say, hey, you know what, we're not going to do this - I'm sorry. But you mentioned earlier, you do have some input in the community plan update when the CAC is working on it. Exactly what input do you give - a letter?

MR. CRADDICK: No, usually the CAC group, I'm not sure whether it was the Planning Department that invites us or the Chair of the group, but I now we get an invitation to come. We typically will give a presentation and from that, they do whatever.

MR. EDLAO: Not to get nitty gritty, but what presentation? This presentation that we saw?

MR. CRADDICK: No.

MR. EDLAO: Do you give a presentation to them based on sources, new development upcoming, what the potential is within the next year, 5 years or 3 years.

MR. CRADDICK: We do usually get a lot more detail on what water is being developed.

MR. EDLAO: And this is all given to the CAC?

MR. CRADDICK: I would say yes, for the most part as I recall what all went on.

MR. EDLAO: You sound so convincing to me.

MR. CRADDICK: I would have to refer to Ellen because Ellen did most of that. If you want to get into the detail...

MR. EDLAO: Yeah, I just need to know because I think that's a critical part of the CAC. What Barbara's saying is if it starts there ?????, then they will make the recommendations for the changes that will, therefore, come to the Department, Planning, and to the Commission and the Council. And if this is done initially, these inputs are done right or presented right, then, like I said, the decision would be different. And ultimately, the end result - you can say 'no' very confidently, as opposed to 'well, we got that letter from David'. I'm not trying to make of you, David, but this is all we get. Making decisions based on something like that it just doesn't give me enough confidence, but I do it anyway but that's all I've got.

MR. CRADDICK: Again, I guess you have to understand that in a normal, say a normal city situation like say the city of San Francisco. You know exactly where that city is and the boundaries of that city. We have a situation here where we are delivering water to, on this island here, 750 square mile area. There are very, very few water departments in the United States that have that kind of area that they deliver

water to. And I think if you don't define your areas a little bit better and say here's where we're going to have development - like, let's say, take Upcountry for instance. We know Kimo Road is highly developed, almost urban. In fact, where you - anybody, I guess, can do these ag subdivisions anywhere. There's no restrictions on them whatsoever. The demand will always probably exceed the supply in an area like that. Unless you're going to define that here's the area where the development is going to occur, and when you do that, we will be able to very easily tell you the answers to your questions. But where it's wide open from Haiku, well not Haiku, I guess - Makawao to Kanaio as an area and anybody can subdivide their lots - ags, subdivisions, whatever - I don't believe from a water resources standpoint you can do very realistic planning until you define an area of here is Pukalani, here is Makawao, and actually define the area where it is, and it's not just a blanket from Makawao to Kahikinui and say that here is where the development is going to occur. Then we can put some realistic numbers to it. But where the planning process goes on the way it does now and districts aren't defined, we have an extremely difficult time in doing what you want. I think both the Planning Department and at least ourselves certainly know that. And in most major cities, that is the way the planning is done. You have a defined area of what you're working with, and we don't have that here on Maui.

MS. LONG: You mean targeting certain areas for a particular number of meters that would be accommodated in a certain period of time, is that what you're talking about?

MR. CRADDICK: I'm not certain if in your planning process you would be able to say time, but I think economics would determine that, the time. Certainly if we know that in this area, and I'm talking about a realistic area, not from Maalaea to Makena, that there is going to be this kind of development in this area, and we're not going to approve any more until this is developed. Once this is developed, we're

going to move on to this area. And if the planning were done like that, I believe we could do a much more realistic job of telling you what kind of water you're going to need for that area.

MS. LONG: Could you provide us with a map that you would perhaps draw some districts on that you think make sense to you?

MR. CRADDICK: Could do that.

MS. LONG: Why don't you do that.

MR. CRAVALHO: Mr. Chairman?

MR. TAKITANI: Mr. Cravalho?

MR. CRAVALHO: We're going a little bit far afield. Mr. Craddick is speaking for Mr. Craddick, and he...

MR. CRAVALHO: ...and it does and can. With respect to the sharper delineation of areas for services, the other side of the coin is if you aren't careful, you're going to be setting up many monopolies for land use, land values, and the utilization of public assets. It appears to me perhaps one of the things that needs to be done is to have a better understanding and a familiarization to what state laws are with respect to green belting and the highest investment of lands and how these have implications. The role of making public policy belongs to the County Council with respect and conformity with whatever applicable laws are in existence. That's the law. Secondly, the role of the Board of Water Supply, and I make a distinction between staff and the Board, is to implement public policy as it has been determined by the County Council. Now let us examine the steps that take place in meeting these determinations. We have community advisory groups, and I have to shift my hat because I served as chairperson of the Upcountry one. My memory - I do not recall precisely the exact things that Mr. Craddick said as to what his presentations were with respect to availability of

water at that time. And I believe at that time if Mr. Craddick will remember we had our very initial sharp differences as to what should or should not be done. But getting back to the County Council's role, and our role, and the Planning Commission's role, again as I understand it, our role is to implement - is to implement the decisions that have been made with respect to public policy determined by the County Council and the Planning Commission. We implement your decisions. So what you do need is to request the kind of information that you do want because we are merely people to implement as the members of the Board of Water Supply. I change my hat again - as members of the CAC, is to try to project under the most satisfactory conditions in the next 10 years, what do we envision for this particular locality. It's an expression primarily of goals, objectives, desires, wishes, what have you. They may or may not be as realistic as they should be because we're dealing with laymen all over the place. And that's correct - I'm a layman like everyone else. And so you have these safeguards put in - the County Council, the Planning Commission - where you have greater expertise being supposedly available to make a determination and in effect, set up some degree of priorities and advices to us who sit on the Board of Water Supply. And incumbent upon this is the development of what is lacking for the Board, our Board, which is an overall plan for development and growth. Because Maui may have the capacity in terms of general area of accommodating double the population of Oahu, do we as a community decide that this is where we're going to go? Those are the kinds of questions that need to be addressed and public policy determined, and that is not for the Board of Water Supply to determine. Our job is to implement the determinations made by the Council and by you people. And that, I think, is where we should be coming from. Yes, we do have a hodge podge. And yes, we do have a situation which is not the best. But I would like to think, Mr. Chairman, that within the past year, there has been a gradual refocusing of our intention of what our role is suppose to be, and some of us reluctantly, oh so reluctantly, are being dragged into the 21st century to face these questions and make these determinations. So the need for a better relationship, and it's always there. Under the best of circumstances,

there's always a need for a better relationship yet for exchanges of ideas between Planning Department, Water Department, and County Council and Administration. Those are imperative things. And keeping in mind, if I may, and I'll quit here - I think Governor Cayetano should be commended for his decision on that airport for the non-extension of the runway. Okay? Because think of the implications with population growth, etcetera. That, however, does not detract for the need of improvements there to strengthen the economy of this island to preserve the bulk and the values of agricultural pursuits to keep the plantation going, Maui Land & Pine, and the small diversified farmers so they can get into new crops for export purposes. Now these are things that can be done. If this becomes public policy as determined by the County Council, Planning Commission, we can allocate resources. I think we need to recognize our roles. I wouldn't want to have the director's job at the present time because he has to answer to so many bosses. And it's a hard job sometimes to hear which one is yelling the loudest.

MR. CARROLL: I would agree with you. I hope that by having meetings like this that we can have the best system. And I think this is the only way by bringing these things out between the Commission and the Board of Water Supply to where we become aware of each others problems that we can start to get a plan together...

MR. CRAVALHO: One last thought. Mr. Craddick was - Mr. Chairman, if I may - absolutely correct when he made reference to the availability of water on this island. It's to get it to where it is to where it is needed. And this is what we need to do. But we do not set those priorities because we are limited, as I understand it, by the Charter to the implementation of the general plan as well as the community development plans. And that we want to do.

MR. CARROLL: Mr. Edlao has a question.

MR. EDLAO: Yes, Mr. Cravalho, if I came across like questioning the Board, that was not my intent. It was more directed to the Department. I realize the

Board is to implement, and we appreciate all that hard work. But I think the questioning was going towards David and the Department in terms of input at the community plan level. We wanted to know - he made a comment right off the bat that he does input, and I was just intrigued what input because I don't see any results as far as I'm making my decisions other than whatever. So that's what the questioning was. It was not intended to the Board, okay?

MR. TAKITANI: There's one thing I think we gain out of this is that the Planning Commission, the County Council, etcetera, are the land use lords. The Board of Water Supply are the masters of the water works. We implement as Mr. Cravalho said the plans that you all give us. And we get water to where it is desired. Up to I think 1993 or 94 was it, David, when they drilled H'poko Well, all the water that had been developed on Maui all came from private developers.

MR. CRADDICK: Or the State.

MR. TAKITANI: Or the State. We didn't develop any water. All that water was developed by private developers and then conveyed to the Board of Water Supply. It's been only since then that we've been in the water development business. And necessarily because of the EPA, the Safe Drinking Water Act, et cetera, costs have been driven up according to that knowledge very, very expensive to be occasionally in the water development game. So we can not be possibly allocating our resources to all that is required in the General Plan in the time basis that you want and still be viable and not completely bankrupt. So to be very frank, we need better plans on a more timely basis that can give input to us so we can be developing in the three to five or seven year window that it takes to develop the water.

MR. CARROLL: I think it's obvious now that the Planning Commission needs to have better information. That information, we need some

changes on how it's compiled and delivered to us in order for us to make these decisions. Right now, we do not have - the information we receive is not adequate, and that's one of the problems we really have in processing applications.

MR. STARR: I know one of the misconceptions that people have is about what the Board and the Department really are. In effect, we're a utility. Although we're a public entity, we are really a utility that is providing a commodity for our rate payers. We in a sense owe our allegiance to our customer base. And the Board has changed its outlook on how it does business. As Mr. Takitani said, in the past, almost all our water development was done by private developers, and water was developed by them for their particular project. Now we've decided that we as a board want to develop water because we feel that's much more equitable. The problem that we have is that since our current resources and transmission were developed for specific projects, there's not a heck of a lot more that's been developed beyond what is being utilized. And frankly, Upcountry, I think we all realize we're in a shortage situation. That's why droughts have such an affect as they are. So we're behind the curve as far as water development Upcountry. And in Central, we're not very much farther ahead. At the current rate of growth, if more water is not developed in the next year or so, we will probably reach the limit of what's been developed. Now this Board is working as hard as it possibly can to develop new sources so we can try to move ahead, but water development is not an exact science because you don't know either what the ground is going to yield or what the courts are going to yield either or what other restrictions. And also the water that we are currently developing costs a lot more than the current rate payers are paying for. The wells that we are drilling costs us more to drill than the water development fees. The pipes we're laying cost us more to put in than the water transmission fees that we take. So we're trying our best, but we are behind the curve and to say okay in five years there's going to be 200 houses here or there, and for us to be able to say yes we'll have water for

that or even to expect us to be able to make that decision is, I think that's really far reaching our abilities. And the other point is that we only control about 10% of the developed water on Maui. People don't realize that, but only about 10% of the water that's flowing on Maui is actually controlled by the Board, and we have no input as far as the other 90% of the water. And this is one area that the Board is trying to learn about and possibly invoke some degree of, maybe not control, but at least some involvement in the future.

MR. CARROLL: Alright, we're going to take a short recess.

** A SHORT RECESS WAS TAKEN **

MR. CARROLL: Back to order. Alright, Mr. Edlao, you'd like to continue the question you had for Mr. Craddick?

MR. EDLAO: I'll reserve it for later on. Let's get on with the presentation.

MS. CARROLL: This is a talk actually I had given to the Board of Water Supply about a month ago concerning some of the things that we've done in comparison to the things that we had hoped to accomplish in the last fiscal year. There's actually two parts of this, and they will overlap. You'll see that as we go on. But the first part is how we've done in our CIP, our capital improvement project program, the goals that we had set up in the beginning of the year, and the extent that we've accomplished them. The second half of the presentation is a little bit more - they're goals also, but they're a little bit more abstract. They're not as concrete as water lines and physical things that we put in. They're more things like resource protection and long term goals that we have...

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MS. LONG: Jacky, where does that 18 million come

from for your CIP?

MS. CARROLL: Well every year they do the...

MS. LONG: I mean does it come from the rates you charge people from?

MS. CARROLL: You know, Mike Quinn, our Fiscal Director, is not here and I can't...

MS. LONG: That's alright, I'll get it from somebody.

MR. TENGAN: Jacky, I can answer.

MS. CARROLL: Oh, here's our Deputy Director George Tengan.

MR. TENGAN: We basically get our CIP monies either through development fees - the water system development fees, or state grants or appropriations.

MS. LONG: The development fees to developers who share in costs?

MR. TENGAN: Commonly known meter fee.

MS. LONG: Okay, so development fee is another word for a meter fee?

MR. TENGAN: Right. And we do provide some money from our general revenues - from our water revenues for replacement projects.

MS. LONG: Water revenues being you rates that you charge to customers?

MR. TENGAN: Water sales. Right.

MS. LONG: Meter fees, Jonathan said to me before, there's some sort of ruling about how you can not use the money from - can you

educate us on that?

MR. TENGAN: Basically the water system development fees are used for expansion projects that take care of new customers. It's a fee charged to new connections more or less on the basis of determining what the equity would be...

MS. LONG: ... I just need to clarify because Jonathan said that you need to sell the meters in order to get the money to develop the sources. That's what that money is used for - is that?

MR. TENGAN: The water system development fee covers three basic areas. One is for the development of sources, another one is for transmission, and the third is for storage.

MS. LONG: So that if we stopped development and stopped issuing meters, you wouldn't have any money to do the kind of development and system improvements that you're doing.

MR. TENGAN: As long as nobody signs up for any new meters, we won't.

MS. LONG: So there's a Catch 22 so that we have to - in order to catch up with the needs that we have, we have to get money from new development that will buy meters and provide the funds.

MR. TENGAN: Right.

MS. LONG: That's interesting. It's kind of like a rat race. Why can't you use money from another source to develop sources and put in transmission lines and improve your...

MR. TENGAN: This other source that you're thinking about, could you be a little more specific?

MS. LONG: I don't know. I'm not in the business.

MR. TENGAN: That's one of the reasons why when a major development comes in and we're not ready to provide him with water, we'll tell the developer that you'll have to go and provide us with the source of water and that would include drilling of wells.

MS. LONG: So it seems to me that one way to - okay. Thank you. I'll deal with it. This relates to what the Planning Commission needs, what information the Planning Commissioners should have in order to make wise decisions. And we don't have a heck of a lot of time either, so let's see if we can figure this one out. If we get an application for development, and we get the standard letter from the Water Department saying we can't guarantee that there'll be water allocation when you come in for your meter. What should the Commissioners ask for? If that development is going to use so many million gallons a day of water that exceeds some specific thing, then the developer should pay for it, or who else should pay for it, or it should be denied flatly? Could we please have some input on this to help the Commission until we have some decent long-range planning in this county to deal with this water issue. Anybody? Help us out. What do we need to know?

MR. TENGAN: I think knowing the timing of the development would be very important. Then we could give you a more positive response as to whether the water would be available. If we knew everybody's schedule, then we could do the planning properly. But as you know, an application might be approved today and might take 10 years for the project to be built out.

MS. LONG: That's true.

MR. TENGAN: In that part we have to say at this

certain time we do have the water, however, when you're ready to take the water, we may not be able to guarantee you the water at that time.

MS. LONG: But in your long-range planning, what criteria do you have as far as how much development your plans will account for?

MR. TENGAN: I think, as you recall Mr. Cravalho saying that we're here to implement the plans. We can only project...

MS. LONG: You're suppose to have a plan.

MR. TENGAN: Yes, we have a plan.

MS. LONG: Okay, you're implementing your plan. Does your plan say that in five years, we will have the capacity to supply 50 million gallons Upcountry or whatever?

MR. TENGAN: I think one important point that the Planning Commission has to take is that it doesn't make sense for the Water Department, for the Water Board, to go and plan for additional sources in West Maui and improvements are being done on East Maui. We have to kind of follow your actions and where the development is really taking place.

MS. LONG: But are actions are based on the community plans, and when the CAC's were putting the community plans together, Mr. Craddick says you guys were there saying that our capacity in the next 10 years is going to be here, here, and here. Would you do that' Cause if that's the case, then you should be on line with your plan and all these developments should have adequate water.

MR. TENGAN: We can not put money where it's not needed. We don't have that financial capability. If we were to put in all the improvements that

are needed to take care of the existing community plans, as Mr. Takitani was saying, we'd be bankrupt. We wouldn't have revenues coming in for expenditures made on our CIP.

MS. LONG: So your expenditures follow the approvals and the building permits.

MR. TENGAN: And that's why we tell developers that if we're not ready to take you on, you have to provide the facilities which could include the source, transmission mains, and even the storage tanks.

MS. LONG: Well that's fine for a developer. What about somebody who wants to do a family subdivision? What about somebody like 700 people on the Upcountry list? Okay.

MR. STARR: I think that unless someone is actually going to develop source for their project or pay a meter allocation fee, it would be unfair to earmark water futures for any entity whether it's large or small because obviously, anyone who has the possibility of doing the project would want us lock up their water. And that would mean that if someone else came along, they wouldn't be able to get it because it would be locked up for someone who's project might get delayed for 10 or 20 years. And so our rule making currently is that if there's water available, whoever comes or is ready to use it by reserving a meter, and then they have a certain period of time to obtain that meter after they've paid for it. They get to have that allocation of water. But if we were to take big chunks of allocation and lock them up, a) we would be bankrupt, but b) it would also create an inequity for the - primarily it would create an inequity for the small person who wanted to go get a meter for their house, and we would say no, we can't because this water is locked up for that subdivision.

MR. EDLAO: You know, I'm thinking, and maybe, Barbara, you can correct me, that it's not so much asking the Department to lock up funds. We're just asking, based on the community plan, is it realistic? Will you guys be up in that area?

And if it's not in a priority area, then those comments should go to the CAC which would eventually get to the Planning Commission and to the Council, and decisions can be made based on that. It's not saying that they want you to say well earmark 'X' amount of dollars for this area in five years based on the community plan. No, we don't want you to do that. Yes, you will be bankrupt. But that's not what we're asking. We're just asking is something on paper, a projection. Getting back to my question, what is this strategic plan?

MS. LONG: Thank you, I was wondering about that.

MR. EDLAO: Somebody tell me what is the strategic plan?

MR. STARR: There's a strategic planning process which the Board has begun undertaking under the leadership of Board Member Howard Nakamura. And so far, it's gone through about three stages, and it's becoming a very inclusive and voluminous document. I know at some point, it will be going out for public input, and I really hope that the Planning Commission is one of the entities that gives us back some input. And there's a lot of wording in there about plans, and following the community plans, and input to the community plans. I think this would be the proper venue to actually to create a mechanism for interaction, and this will be coming to you soon.

MR. EDLAO: That's all we needed. I mean that's basically what it sounds like what we needed. And I'm glad to hear that this is in the process.

MR. LONG: The time to do the general plan is this year. Its time is up. Then I assume, unless there's a radical change, that we'll go through the same rigamarole with the community plans. And I heard something else - water use and development plans. What are the chapters? What do they do? How do you get on them? Who are they?

MR. CRADDICK: Chapters? You mean the advisory committees?

MS. LONG: Jacky mentioned something called chapters. There's a Lahaina chapter - what is this?

MS. KRAFTSOW: The Water Use and Development Plan is required by the State Water Code and is drafted by the Department, approved by the Board, then goes to the Council. The Water Use and Development Plan process is in progress now. Since the last community plan go-round, there was a 1990 Water Use and Development Plan and a 1992 Water Use and Development Plan draft. So we waited to do this go round until a lot of the community plan (INAUDIBLE). The Water Use and Development Plan has many sections state wide. There's an ag plan, and a water quality plan, and so forth. But each county is required to address certain areas, and the chapters that we're breaking it down is we have water districts. They don't exactly match the community plan districts because in some cases, our systems don't match the community plan (INAUDIBLE). But we do have a similar process to what was done at the CAC. We call an advisory committee together, and try to look at community plans and analyze what community plans will apply if they built out (INAUDIBLE). Also, I'm sorry to go backwards, but in answer to your questions, yes, when the CAC's were in progress, yes, we did review them. Yes, we gave testimony to the effect that if you build this out, this is how much water we anticipate it will use. Yes, we even said with regards to the Kihei/Makena, Kahului/Wailuku plans to Council that this is tripling of water use and that we won't have the funds to do it in 15 years. So it's not that we don't say these things. Actually, they did cut back a lot since that testimony was given. Anyway, back to the Water Use and Development Plan, there are chapters for each district and then we also set aside a chapter for resolving interdistrict issues. So for instance, where Kihei/Makena, Kahului/Wailuku community plans call for huge amounts of ---INAUDIBLE---, in the Haiku community plan, it said don't take water out of the area unless you've served us first, etcetera, etcetera. Obviously, we need to get those two groups together and talk about it. So that's another portion of what happens with the Water Use and Development Plan. Where we are with the Water Use and Development Plans, we started with Lanai even though that community

plan was not done because the State requested it. The State was considering designation of Lanai. And we are essentially finished with Lanai with a few public hearings to go based on one of the major priorities which was a water shed plan needed to be drafted and we need some public input before you can plan these. Lahaina is just commencing. Actually, it's the first meeting in February. There were several agencies that attended. Planning is not one of them because there was an agenda mixup. It went to about 45 people but missed the Planning Department. But we talked about it and you'll get it for the next meeting.

MS. LONG: Who generally do you get from Planning?

MS. KRAFTSOW: Whoever the Planning Department assigns to us.

MS. LONG: We don't have a water specialist?

MS. KRAFTSOW: You would have to ask the Planning Department that.

MS. LONG: Clayton is here, and I understand that Bill Medeiros has been shifted. He would have been the logical one since he worked on the community plans. I'd like to hear from Planning Department on their participation in this process.

MR. MIN: I can't say specifically who from the Department would be involved in this, but we will participate.

MS. LONG: The last time this was done was 1992. Does anybody remember how that was? Was there a planner there do you remember?

MR. CRADDICK: Yes.

MS. LONG: There was a planner?

MR. CRADDICK: Yes.

MS. LONG: Okay. Could I ask that the Planning

Commission be kept in this loop? It has a great deal to do with planning and with the community plan updates, and I'm sure we'd very much like to know who is on these advisory committees, when they meet - you know, just sort of general stuff. How do you select people for these committees?

MR. CRADDICK: I'm going again refer to Ellen. Because the Molokai, it just kind of happened (INAUDIBLE, SEVERAL PEOPLE SPEAKING AT ONCE) involved with the water got on the Molokai working group, and I think the same thing happened on Lanai. I think Ellen's efforts in Lahaina are mainly her own efforts, so I'll let her explain.

MS. LONG: Because this is the first I've known of this, and it's a wonderful opportunity, I think, for the public to be involved from square one. You always hear the public screaming out there, so let's tell them what's happening, let's get them involved, let's have some community based planning. How do you do it.

MS. KRAFTSOW: Well the Commission has certain requirements under their hierarchy goals. Actually, I can't call them requirements yet - they're a statement of guidelines. Right now, they're giving them to us in draft. But our Water Use and Development contract was actually negotiated with the Commission some years ago and received their approval. One of the requirements of that was that we establish a balance in the presentation of the community which does include all the major developers and purveyors because, obviously, we only have a small portion of the systems in some areas. Molokai we're one of the smaller systems, and Lahaina we're about half. So all the major developers and purveyors in that community interest groups supposed to be balanced so we tried to bring in small business, resource management concerns. There's civic interests and medical people. I actually (INAUDIBLE?) too many people requesting input for the committee so that to

the Commission make a list who would be representing...

UNIDENTIFIED SPEAKER: Commission?

MS. KRAFTSOW: The State Commission on Water Resource Management, I'm sorry. To see if it was adequately balanced. And if you do have additional suggestions, I can forward you.

MR. STARR: I have just one quick question for some of the Commission Members, something I've been thinking about lately. Looking at the presentation before, you see a lot of new facilities that have been cropping up, and they really will help us provide better service, but as far as the way some of them have visual impacts, I for one feel that maybe we could do a little bit of a better job without spending much or sometimes any more money, and I'm wondering if any of the Commission members if that's really your expertise could make some comments on that.

MR. CARROLL: I'm sure Commissioner Long would love to.

MS. LONG: I'd love to. My real gripe is the one that the Hawaiian Homelands guys put in out on Kula Highway. That is an abomination. Could you please consult the Urban Design Review Board with this question? They are the appropriate agency to deal with the visual impact of million gallon tanks and pump stations and lord knows what all. And I'm sure they could give you some standard comments on fencing, lighting, heaven knows what. But is that something you could do?

MR. STARR: Thank you.

MS. LONG: I'd appreciate it. Thanks for your question, Jonathan.

MR. CARROLL: Alright, is there any further questions from... Commissioner Edlao?

MR. EDLAO: One more. Jacky, you mentioned the CIP fund, that 18.35. As you went through the projects,

you made a comment that some of the costs you said was covered by carryover. In that 18.35, is there a carryover considered in that or is that additional to the 18.35?

MS. CARROLL: The 18.35 would have been fiscal year 99's budget, and the things that were carried over from previous years would have been separate from that.

MR. EDLAO: Separate from this?

MS. CARROLL: A lot of the building of tanks and stuff take up a whole year's, or even just the design sometimes takes more than a year. That's why a lot of them, the dollars for that particular year may not match up.

MR. EDLAO: One last question.

MS. CARROLL: Oh, and then, sorry, but I forgot to mention that our CIP like we said is not from our rates. It's from the water system development fee, and like for the treatment plants, we did have to issue bonds. But the water bills that we all pay every two months, that's for our system maintenance and operations, and replacement of what we already have, separate from new things. Forgot to mention that.

MR. EDLAO: Quick question, I guess to David. How much to drill a well? What am I looking at in terms of cost?

MR. CRADDICK: It depends where and how much you want to get.

MR. CARROLL: The higher the elevation, the higher the cost.

MR. EDLAO: So there's a lot of things you look at in terms of ...

MR. CRADDICK: Generally, in Maui here, there are no high level water areas where you get any kind of high level production. It's mainly basal water which is water that's floating on the sea level, so wherever you are, you got to go to sea level. And the closer

you are to the ocean, the saltier the water is that you're going to get. So again, going inland, you have these steep mountains. So the further inland you go, the higher that well gets. And then it's a function of what capacity you want. The more capacity you want, the bigger the hole has to be. So for instance, in Mokuahau or the Joint Venture Wells, the casing size is about 20 inch. The Haiku Wells are about 14 inch size of casing. And I believe the Kapakalua Well is 18 inch. So the cost can vary considerably depending on how much water you're after.

MR. EDLAO: I just asked because, you know, some of the comments (INAUDIBLE). So I just wanted to get some perspective.

MR. CRADDICK: Keep in mind, if it was just the cost, I don't believe there's any developer who would think for a second of going and drilling the well. The problem is what's the quality of that water going to be, and you can also get a dry hole. Keep in mind, out at Waikapu right below the well that we just drilled, there were two wells that were drilled by the State. One is essentially a dry hole. There's almost no water in it because it never penetrated the cap rock. The next well does have water in it but the minute you start the pump, it draws way down so there's no water. So putting a well in, there's an element of risk involved. Over on Molokai, we want to do a well over on Molokai. But what we're doing, we're sitting and we're waiting for Molokai Ranch to do their well because out side of Kualapuu, there really are no deep, high production wells so we want to see that somebody can get a good well. Same way we did out here with Kapakalua - Dowling, I mean, for a guy to put out \$3 million to get a well is a relatively high risk venture. But now that that well is drilled up at that high elevation, we know what the permeability is and the flow of the water up there. It's not that high a risk for us to go and put one nearby somewhere where as before, the general theory was up there it's in a rift zone, there's not going to be any water.

MS. RICHARDSON: David, your Department is ex-officio to the Planning Commission. I'd like to request that you send out a representative from your Department to come to our meetings when we have our meetings. Somebody that is able to answer questions and give us answers.

MR. CRAVALHO: Mr. Chairman, the opposite is also true - an ex-officio member from the Planning Department attend our Board meetings. I haven't seen hide nor hair of any of them.

MR. CARROLL: I never realized.

MR. CRAVALHO: And the same thing is true with respect to the Department of Public Works.

MR. CRADDICK: Thank you for saying that. I didn't want to be the one saying that.

MR. CARROLL: Does anybody have anything else they would like to bring out at this time?

MS. LONG: I just want to say thank you. This has been very productive. I am very, very grateful to all of you. Thank you.

MR. STARR: Let's continue this. This is a good start.

MS. KAIRNS: Bob, have you taken any public testimony to see if there's any members from the public to testify?

MR. CARROLL: Oh, I thought that this was a workshop.

MS. KAIRNS: You still need to check.

MR. CARROLL: Alright, even though this is not a public hearing, at this time I will accept public testimony. Time for public testimony is now open. Anyone wishing to testify, please come forward. You have three minutes. Please give your name.

MS. AMARAL: Aloha Chairperson. Good afternoon my friends. My name is Zandra Amaral, and I'm here

simply to learn as a citizen, as a grandmother, and as a mother. But first, I'd like to thank all of you for collaboratively coming here for the betterment and interest of the people. And I did want to comment on - Mr. Edlao, you had made a comment which kind of disturbed me, and I believe what you had said or the gist of what you had said was that things coming to you from the Water Department and you guys act on it and there was some verifications put in there. But I as a citizen sitting there as a mother and a grandmother, and a native to the Territory of Hawaii took that to mean that you depend somewhat on the Water Department to do your job for you. Now I might be wrong, but this is what I felt as a citizen. And as Commissioners, I respect all of you, and as Board Members, I respect all of you and appreciate the time that you volunteer. As one of you very eloquently pointed out, you are volunteers. But it's a fiduciary responsibility that is entrusted in you because our Mayor and those that appointed you knew that you could do the job, and I think that you can. As Commissioner, however, I'd like to ask in my Manao (phonetic) is that as appointed individuals entrusted with such a duty should not only for myself but also my two kopuna kanes (phonetic), my grandsons, who are generations to come, if there is something coming before you as a Commission, as a Board Member on both sides, as administrators, I humbly ask that you go forward to the respective committee, board or commission member that might be able to answer your questions. I think this is a great start.

However, what would disturb me is if you made decisions simply because a piece of paper should happen to come before you and it was expeditious just to get it done. And I know that's not what you do and I know you all work very, very hard so don't get me wrong there. But I would like to humbly submit that your point was heard. The warrant and the claim and the support that you offered was heard by me. I took it to heart, and from what I got from what you said, I'm going to ask that if there is anything at the time of prior to executing and making

happen, remember now, that's something you don't need to be reminded of I'm sure, you are very much in control of the destiny of the growth of Maui County. What you do affects how much we become built. I can remember coming from Territory days into today, Kihei itself, I was speaking to Mr. Cravalho, I remember when my father was invited to purchase land in Kihei, and he thought that wasn't a good investment. But I would like to close in leaving you guys with this thought. Remember historically, over building can not be undone. Building needs to be done efficiently so that we can balance our lives for our children and ourselves economically by, in turn, still keeping in mind our lifestyles but not sacrificing one for the other. And if you've got questions, you've got the resources. Take the time. Our children, our moopunas (phonetic) deserve that. Thank you all for your time and effort. I love you all and I appreciate all that you've done. Mahalo.

MR. CARROLL: Anyone else wishing to give testimony at this time?

MR. RAPACZ: Thank you, Mr. Chair. Good afternoon Board Members and Commissioners. My name is John Rapacz. As usual, many very complicated issues have been raised, and I have to keep my comments to three minutes. So I'll just use some phrases that may stick in your minds. Urban growth boundaries - this is something the Director raised as a reason why it's difficult for the Water Department to plan where they should be providing water. If the community plans simply encompass entire regions, how do they know where to focus their water development and transmission. Part of urban boundaries or part of that concept is what's called infill. The point of having the boundary is that you don't approve other developments outside of it until you have filled in the boundary. Once again, infrastructure can be planned. If you go outside of the boundary before you completely fill in, infrastructure is difficult. They're simple concepts. With those improvements, the land use planning through the community planning update process, the Water Department will be able to focus better. On the other hand, the Water Department also needs to tell the Planning Commission, the CAC's, the County Council throughout the

entire process, not just at the beginning, but every meeting, every step of the way. They need to tell if you approve development in these areas, it will take us 20 years to provide the water, or 30, or however many it is. Or we have no plans to provide water there at any time, so don't hold your breath. So it has to go in both directions. The planning has to be limited to the areas that you allegedly are planning for. And the Water Department has to be able to provide the information about when the infrastructure can be available. This is true for all infrastructure, not just for water. The last part of this system is that there has to be policy on infrastructure concurrency.

It's fine to say we're going to do our community planning for this area. Part of that planning should be if the Water Department says that the infrastructure won't be available in this area, we won't approve it. We won't plan for it. It's not planning if you approve it knowing the infrastructure won't be available. So it's got to come from both sides. The Planning process has to be solidified, clarified, to the point where there won't be planning done for areas where infrastructure won't be available. In order to know that, the Water Department has to tell you what their capabilities are if they are given a direction. If they're not given a direction, how can they tell you what they can do. So there's a little bit of chicken in the egg going on, but it's not impossible to do it.

MR. CARROLL: Three minutes.

MR. RAPACZ: Thank you.

MS. LONG: Thank you, John.

MR. CARROLL: Anyone else wish to give testimony at this time? Hearing none, this meeting is closed.

MR. EDLAO: I would like to respond to Zandra's. First of all, if I offended you, I apologize. If anybody I wanted to offend was the director. To offend the director in a sense of what John had just said.

We need this stuff. We don't need a piece of paper to plant cactus and we're going to give you if there is water. We want solid information so I can make good decisions. Sometimes I feel like, you know how they say computers. Computers are only good with what information is put into it. We're the same thing here. We get lousy information, excuse me, David, but I don't want to make lousy decisions. I have to be accountable to people like you.

MS. AMARAL: But Mr. Edlao, now remember, he did say it goes both ways.

MR. EDLAO: Yes, it does, but then what we're trying here and I think we did resolve, we're on the right track now. I think we all know what's on the table, and I got another year on this Commission and I'm going to remember this meeting here, and I'm going to hold David accountable to some of the things that were said here. And we're going to make sure that number one, to have a representative down here. And I'm hoping that the Planning Department would have a representative on the Commission meeting as well. But I apologize to you, Zandra, but my intention is that if anybody was going to get offended, I was hoping he would.

MR. CARROLL: Commissioners and Board Members, it's almost three o'clock. I would like to call this meeting to a close. I would like to thank the Department and Ms. Carroll for the excellent presentation they gave to us and for everybody for attending - the Planning Commission, the Water Board, the Planning Department and the Board of Water Supply. We all learned things here today that it seems we did not know before. Also, we now know that there's information that we need to receive, and there's also information that we need to find a way to process to get out to others. I would hope that all these four entities can go back and work together and we can come back the next time we meet and say that this meeting now we are going to get you this or these are the things when we discussed at our level, and these are the things that we need from you further than what

we had to day. I hope that this is an ongoing process, and that we can get together - as far as I know, this is the first time this has ever happened. The only one who could enlighten us more is probably Mr. Cravalho who has been around the longest. But I think we did something good, and it can be just as good as we make it. We can make the system better if we want to do it, and I hope that we all do. Saying that, this meeting is adjourned.

(THERE BEING NO OTHER BUSINESS TO DISCUSS,
THE WORKSHOP WAS ADJOURNED.)

Respectfully submitted by:
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