

County of Maui Water  
Supply

BOARD OF WATER SUPPLY  
COUNTY OF MAUI  
REGULAR SESSION

3

Taken at the HGEA Conference Room, David K. Trask, Jr.  
Office Building, Room 207, Wailuku, Maui, Hawaii,  
commencing at 9:00 a.m. on March 23, 2000.

REPORTED BY: LYNANN NICELY, RPR/RMR/CSR #354  
IWADO COURT REPORTERS, INC.

APPEARANCES

Members Present:

Robert Takitani, Chairman

Peter Rice

Mike Nobriga

Elmer Cravalho

Jonathan Starr

Clark Hashimoto

Adolph Helm

Orlando Tagorda

Staff Present:

David Craddick, Director

Howard Fukushima, Corporation Counsel

Fran Nago, Secretary

George Tengan, Deputy Director

Mike Quinn, Fiscal Officer

IWADO COURT REPORTERS, INC.

TRANSCRIPT OF PROCEEDINGS

Regular Session

March 23, 2000, 9:00 a.m.

CHAIRMAN TAKITANI: Good morning. I would like  
to call the Board of Water Supply regular meeting to

order. It's Thursday, March 23, 2000, 9:00 a.m.  
We're meeting in the HGEA Conference Room, David K.  
Trask Jr. Office Building, Room 207.

In attendance we have board members Clark  
Hashimoto, Mike Nobriga, Peter Rice, Jonathan Starr,  
Elmer Cravalho, Adolph Helm, Orlando Tagorda, and  
myself, Bob Takitani. We have a quorum present.

The agenda has been properly filed. We have in  
attendance corporation counsel Howard Fukushima,  
director David Craddick, board secretary Fran Nago,  
recording secretary Lynann Nicely, fiscal officer Mike  
Quinn, deputy director George Tengan.

Fran, would you like to introduce the audience.

MS. NAGO: Yes, we have Dennis Fizpatrick, we  
have Ms. Peggy Ann Hoekstra, we have John Rapacz, and  
Mr. Hoekstra.

CHAIRMAN TAKITANI: Thank you. We'll go to Item  
III, Approval of Minutes. We have regular sessions  
from February 10th and February 24th. Mr. Nobriga?

MR. NOBRIGA: Mr. Chairman, I move we receive  
those minutes of February 10th and February 24th, and  
subject to 30-day review, at which time they will be filed.

MR. RICE: Second.

CHAIRMAN TAKITANI: Moved by Mr. Nobriga,  
seconded by Mr. Rice that the minutes of regular  
sessions for February 10th and 24th be received and  
upon a 30-day review period, they will be filed. All  
those in favor, signify by saying aye. Opposed, nay.

We have additional members from the public.  
Fran, would you --

MS. NAGO: We have Ms. Meredith Ching, we have

Mr. Moxey, and Scott Matsuura from A&B.

CHAIRMAN TAKITANI: We'll go to IV, testimony from the public. Do we have any testimony from the public?

MS. NAGO: We have Mr. Fitzpatrick who would like to address the board on -- I believe it's the drought.

CHAIRMAN TAKITANI: Could you come forward, Mr. Fitzpatrick?

MR. FITZPATRICK: I've passed out written testimony. I'm Dennis Fitzpatrick, my background is I'm a former MST paramedic upcountry, and I've lived in the upcountry area since I purchased my home in 1984.

I've passed out written testimony and also some suggestions that, you know, I feel the need -- the drought issue needs to be addressed. I've been dealing with this for 16 years. When I bought my home we had -- that was the first time I was aware of the drought. I was the third house in my subdivision. Now there is about two or three hundred and Maui Uplands was developed and all these other things. And we were told at that time that when Olinda came on line, we would never have to worry about drought. Olinda came on line, but they tripled the amount of houses, they just keep building and building. Now, it's an annual event.

And I have extenuating circumstances that came up and this is the first time it's really been a problem because I have been getting students from Japan. My friends teach English as a second language in Osaka and Kobe and I've been getting students from Japan for the last 13 or 14 years during their spring break kind of thing is about this time. And they stay with me for one to two months, different groups coming and going.

When the notice came out in the paper, I was due for my first five to come in. And there is no way

that I can cut back 10 percent when I'm having 10 to 15 guests come into my house. I take care of a 92-year-old or 93-year-old in the back. We also have my wife and I and my son.

I feel that the drought situation has gone on long enough and it needs to be addressed. I've gone to meetings, I've gone around, and the solution -- the things that I've brought in as testimony is pretty much how I feel about it, that it needs to be addressed before anything can change.

One of the things that I found is accountability. Nobody takes accountability. The mayor blames the council, the council blames the water, the water blames planning, and it goes around in a revolving circle. And if the firemen or policemen have a problem or the police did that, you know who to go to. And I've dealt with this for years. I'm getting real frustrated and all that.

So I think that there has to be accountability. You have to know who's responsible. And I know it's a very complicated process. I'm a paramedic, I'm not a politician or water person and all that. All I know is that I feel that government hasn't taken care of the needs of the people upcountry. It's not just a one-time occurrence. It has been going on, that I know of, for 16 years. So I'm kind of angry about the thing, okay.

There is also no consequences and no action. Last year during the drought I lost 15 banana plants that I just planted a week before you called the drought. And I adhered to all the stuff and I can replace plants and all that, but I just think it's an inconvenience. And I can remember my sons using the same bath water, flushing the toilet once a day, putting bricks in the toilet, all this stuff. And I don't mind doing my share and a lot of residents Upcountry don't either, and when I see my friends in Kahului or Kihei or anything like that washing their

cars, watering their plants, all this stuff, it makes me very angry. And until everybody has accountability, it's not going to get done and that's their position: Doesn't bother me, so I don't really care.

I think it does bother everybody. I've been told at various meetings that the central area subsidizes Upcountry water. I see it a little differently. I took a geology class and I brought my textbook. I see it where -- at least I learned in geology was the water filters down into the lands and it replenishes the lands. If we get most of the -- a lot more water Upcountry than everywhere else, we're subsidizing them; we just don't have a hole to pull it out to help us.

And I also believe that you can build all the catchment systems in the world but if it doesn't rain, there is not going to be water, you know. And I'm not a rocket scientist on that one, but I just think that something has to be done.

Now, I also think that in this last election cycle, just about every councilman and the mayor said it was a top priority to get water upcountry. In this recent budget, there was not even a dime to fix the upcountry water problem. What happened? I called my councilman, I said, you know, this is not right, You said this was going to be a priority and it's not fixed.

So, you know, I don't know what the solutions are. But I know as a resident I was told that years ago A&B and Wailea and the County formed a group and that's how they got the water to Kihei and all that. I feel that that should have been done in the recent developments approved in Upcountry. A&B and Dowling and all that should have pooled their resources together with the county and drilled wells upcountry. It's not going to work if we drill a well in Haiku and still have to pump the water up to upcountry.

I know it's complicated with rocks and geology

and where to build it and all that, but I've talked to some people that say from outer space you can find out through technology where to drill for oil, water, and all this kind of stuff. And we should be able to find out where to build this and get the solutions done.

One of the things I feel, too, is that I feel kind of like a second class citizen, you know. The taxes I pay are the same taxes they pay everywhere else in this county. Yet do I get the same services? If I'm asked to cut back every year, nobody else is, to me that's kind of like taxation without representation. They take our money and they're supposed to fix the problem and they don't fix the problem.

So I don't think that's very fair to the people. That's one of the premises our government of the United States was founded on. If it was unjust, they rallied around it and they corrected it. I see it's a very frustrating problem for people upcountry and I've talked to quite a few people recently. And I was on the Pukalani Bypass committee to do a lot of stuff there to get red lights and lights and all that. A lot of the same people are so angry that they're willing to mobilize and start doing something to try and correct the problem.

If it means we have to picket the airport, the hotels, whatever, to get information on this or if we have to do mass writings to cities and say don't come to Maui because we don't have water. I've talked to tourists and they're not even aware of it. They go, well, if we knew there was a problem with water, we would have gone somewhere else.

I'm not saying to turn people away from here. I enjoy Maui, I love it. But I frankly believe our government should listen to the people and take care of the people. And when it goes on for 16 years, long enough already.

And I'm not -- it's going to be like the wisdom

of Solomon to solve this one. We've got to touch a whole bunch of different bases. But I personally don't feel that -- in my opinion, I don't see too much getting done, you know. I know you guys are working hard to come up with solutions and all that, but I'm still under a drought.

I don't know what to tell my friend that's the president of university in Kobe and Osaka, tell them not to send their kids here because we have no water? And they don't stay in hotels, but they spend a lot of money when they're here. And then their parents come in the summer and it's brought a lot of people that I've met from Japan. But that's no solution to tell people not to come here. But the solution to me is to fix it.

We've gone around and around at every meeting -- I remember at a Rotary meeting I was told by the water board president at that time, "You chose to live upcountry." Mr. Craddick was at the meeting. I didn't choose to live up there; that's the only place I could afford. If I was given a meter, the county was telling me they were going to give me water. It's not my fault that they have done all the development they have done up there and now I'm on restriction every year.

I'm personally really angry about the thing and I don't really know how to cut back any farther if I'm getting all these guests. I'll do my best. I was told by the councilman who talked to the assistant director and said just tell them not to take long showers -- let him advise them. Well, I advise them, but the first day they took 25-minute showers. They take baths in Japan. They're used to that.

So I don't know what I can do to solve this problem. I don't want to break the law and I don't want anybody sending me notices saying they're going to terminate my meter or they're going to cut me back, you haven't cut back, blah, blah, blah. Because in the past I've done everything I could to adhere to the

standards and I believe everybody should adhere to it. But I also think if you call a restriction upcountry, you should be calling a restriction island-wide and then -- if Wailea hotels were told they couldn't flush their toilet but once a day, one time of day, I guarantee you it would have been fixed by now.

So I don't know what to say or do, other than I'm really angry or frustrated. I've given you a copy of the written testimony I have. And I just pray that you guys make the right decisions because this affects thousands of people upcountry. And to me what you're saying is we don't count, you know. And until you fix it, we don't count. That's about all I have to say.

CHAIRMAN TAKITANI: Thank you, Mr. Fitzpatrick.

MR. CRADDICK: For situations like this when somebody has an additional demand on their meter, the calls that we get, somebody will review that and deal with that situation so people are not in a situation where because there is added demand on their situation, that nobody has any sympathy for it. So that problem, we can address. The other issues in here are something else we need to address as a whole.

CHAIRMAN TAKITANI: Mr. Fitzpatrick, I'm happy you came to this meeting here today because I think we're embarked on a road, a pathway that's going to take us well beyond where we have been in the past and hopefully resolutions to your problem and the Upcountry problem are within reach now. And if you'll be able to stay for the next couple agenda items, I think you will be pleasantly pleased to hear the progress that's been made.

So we hear what you're saying and we are trying our best to help resolve that and I think we have a small step for it.

MR. FITZPATRICK: I was pleased by what I read

in the paper and the last meetings and stuff and I'm encouraged that some progress is -- I mean, I'm sure you've heard all this stuff before. It's not a new movie; it's been going on for a few years. But I'll stay for a couple more agenda items.

MR. STARR: I don't want to try to answer all of the many issues you've brought up, and many of them are very deep philosophical issues and they do -- we have been considering quite a few of them.

But I would like to say that although myself and most of the other board members have been on this board for less than a year, I for one and I think many others will agree with me, take responsibility for the problems and take it very, very seriously. As seriously as any problem in my own personal life. And we're doing a lot. We're doing a lot. We're spending millions and millions of dollars and we're working as hard as we can to try to fix it. And it won't be a quite band aid that will fix it today, but I think we're really on the path towards making some great progress and we're certainly trying.

I would like to move along so we can get on with the work of trying to fix this thing.

CHAIRMAN TAKITANI: Thank you, Mr. Fitzpatrick. Okay, we'll move on to V, Old Business. Item A, discussion and possible action regarding the Iao Waikapu Ditch Agreement. We should probably go to item B, discussion and possible action regarding the EMI Memorandum of Understanding.

For this matter, you all have been passed out the Memorandum of Understanding maybe it's being handed to you now as we speak. This is the Memorandum of Understanding Concerning Settlement of water and Related Issues. And I'm so happy that Meredith Ching from A&B and Scott and Mr. Moxey are here because without their cooperation, none of this could have transpired.

So I would like to read you a letter that I'll get out to Fran at the end here. This letter is addressed to the Maui County Board of Water Supply and it's from the Board of Water Supply committee on EMI MOU and the H'Poko Well Site Negotiations. The subject is the Memorandum of Understanding Concerning Settlement of water and Related Issues with A&B.

"I am pleased this morning to announce the completion of negotiations with A&B on a number of wide ranging water issues. I believe acceptance of this Memorandum of Understanding Concerning Settlement of Water and Related Issues by members of the Board of Water Supply here today will be a milestone event establishing a road map or guidelines defining the direction the Board of Water Supply intends to travel during the next 25 years and probably well beyond.

"Heretofore, the Board has reacted in an ad hoc, project by project basis, which has not given clear directions as to where the board is going and whether the concerns of major stakeholders were being covered. Admittedly, we were going along that same path when we first started our journey to renew the EMI MOU with EMI and HC&S.

"Early on in our negotiations, it became clear that many related water issues were impacted greatly by the precedents set in our negotiations and an attempt to address some of these concerns should be attempted. However, the number and magnitude of some of these issues was so large, it seemed beyond our grasp to even attempt to resolve issues involving:

- (1) the future viability of HC&S.
- (2) Labor concerns for the continued ability of HC&S to compete in the global marketplace, thus ensuring the continuance of employment for many people.
- (3) Board of Water Supply concerns with escalating electrical water costs.
- (4) Continual drought conditions and the advisability of being primarily dependent on surface water as our potable water source.
- (5) Concerns over the effects of ground water

pumping and stream diversion on stream flow.

- (6) The availability of water for both large and small agricultural users.

"The stakes were so large and issues so complicated and diverse, it appeared foolhardy to even attempt to wrap our arms around such a giant. As we approached some of the stakeholders and heard their concerns, however, it became clear that not only were these groups anxious to resolve these same issues, but they were willing to hold our hands and broaden our reach around these up to now insurmountable issues and problems. They were more than willing to cooperate and compromise in reaching a far reaching, global resolution to our common problems. This was the secret to completing negotiations and being able to come to a point of agreement in a Memorandum of Understanding in a 90 day period.

"The MOU we are presenting for your review and ratification today covers several areas:

- (1) the Wailoa Ditch.
- (2) the Iao-Waikapu ditch.
- (3) the H'Poko wells.
- (4) power. I mean electrical power.
- (5) Central Maui Source Joint Venture.
- (6) East Maui Water Development Plan.

"The highlights of the agreement passed out to you here are:

-- Increased Board of Water Supply allocation from the Wailoa Ditch from 8 MGD to 12 MGD.

-- Increased allocation during low flow periods and a method of allocation during extremely low flow periods when flow is below allocations for both the Board of Water Supply and HC&S.

-- An agreement period of 25 years with no cost increases.

-- During low flow periods, HC&S will receive a

defined minimum allocation.

-- BWS will pursue groundwater development in Upcountry Maui to mitigate drought effects.

-- HC&S will provide available power -- and this is significant -- will provide available power to Board of Water Supply at mutually agreed locations at a cost not to exceed that made by Maui Electric Company. This cost is approximately one third of our current cost.

-- Board of Water Supply to develop and implement a stream flow monitoring program to provide current baseline data.

-- As long-time agricultural water needs are reduced, a stream flow restoration program will be studied, developed and initiated by the Board of Water Supply.

-- A&B will cooperate in the development of a dual system to serve Upcountry diversified agriculture.

-- BWS to pursue, with A&B's cooperation, establishing supplementary water sources to maintain the viability of the Kula Ag Park.

-- To reduce the Iao Aquifer draw, the Board of Water Supply will be allowed to draw up to 300,000 GPD from the Iao Waikapu Ditch and is allowed to draw up to 2 MGD whenever the Iao stream flow exceeds 55 MGD."

The estimate is we can reduce the draw anywhere from 300 to 500 thousand gallons per day.

-- "A&B will convey all necessary land and easements to the H'Poko Well area to the Board of Water Supply.

-- Within 30 days of this MOU, the Chair of the Board of Water Supply and/or his designees shall enter

into settlement negotiations with Central Maui Source Joint Venture.

-- The Board of Water Supply to proceed expeditiously with the supplemental EIS for the project as originally planned.

"The Board of Water Supply would like to thank all who participated in this process, with special acknowledgment to Meredith Ching of A&B and Steve Holaday of HC&S for their cooperation and vision in allowing Maui County to take a giant step forward in resolving water and related issues and forging a pathway for the betterment of all residents of Maui County.

"Special thanks to my partners in this venture, Mr. Cravalho and Mr. Nakamura, whose vision, insights, and wisdom have allowed us to be in this milestone position today.

"Thanks also to the members of the Board of Water Supply who have had the foresight to take a visionary approach to curing some of the ills which have plagued us in the past. As the old adage goes, either lead, follow or you get out of the way. And by your actions today, the Board of Water Supply is showing that it is here to lead. Thank you."

I think that attempted to summarize what all we have here. And we met yesterday with the mayor to give him a heads up. He was extremely pleased to see that the board was taking a position to show leadership, to forge a path again as to where Maui County was going and the accountability lies directly here, as Mr. Fitzpatrick was saying. No more finger pointing. We have said yes, we'll take hold of this and try to help resolve it in a way that can benefit all of Maui.

So I'm very pleased, gentlemen, that we're at this stage. If there are any comments or discussion, please do so.

MR. STARR: Could I just request a short recess so we just have a minute to read the final document here?

CHAIRMAN TAKITANI: Fine, we'll take a 10-minute recess.

(Brief recess.)

CHAIRMAN TAKITANI: I want to reconvene the regular Board of Water Supply meeting. Any discussion on possible action regarding the EMI Memorandum of Understanding? Mr. Nobriga.

MR. NOBRIGA: At this time I would like to make a motion that we accept the Memorandum of Understanding Concerning Settlement of Water and Related Issues.

MR. RICE: And it be placed on the agenda at the next meeting for approval.

MR. CRAVALHO: Mr. Chairman, a procedural question. My understanding of the previous meeting, the Chair was authorized to sign the agreement with such modifications as the Chair decided would be in order. I have no problem in deferring the actual signing, but just for the record, the record is that the Chair had been authorized in the past -- and it's in the minutes -- to sign the agreement.

MR. FUKUSHIMA: If I may, under 92-2.5 Hawaii Revised Statutes, which provides for permitted interactions of board members or commission members, and what the Chair presented today, I'm taking that as the report of the committee, in essence. At the meeting --

MR. CRAVALHO: Mr. Chairman, I'm not going to argue with you. I disagree with you. But it's okay, because I said we can defer it one week. But technically, it was never a committee with respect to

this particular item which had been previously approved.

I have no problem at all with deferring for one week. But the record does show, Mr. Counselor, that the Board did authorize the Chair to sign with such minor modifications as he may have deemed to be acceptable.

I have no problem, Mr. Chairman, for a deferral. Absolutely none. But let's keep the record straight.

Now, Mr. Chairman, if I may, I would like to direct my comments to the agreement.

MR. STARR: Procedurally, can we get a second?

MR. RICE: I second the motion.

CHAIRMAN TAKITANI: Moved by Mr. Nobriga and seconded by Mr. Rice that we accept the Memorandum of Understanding and defer a vote on it until the next meeting.

MR. CRAVALHO: The signing of it.

CHAIRMAN TAKITANI: The signing of it. No, it wasn't the signing, it was a confirmation ratification.

MR. RICE: I want a clarification, Mr. Chairman. I thought we were -- the motion was to accept the report and place it on the agenda for approval. But that's -- that was the motion.

MR. NOBRIGA: But it's already on the agenda for approval.

MR. RICE: Can we approve it? Maybe we should just move to approve.

MR. NOBRIGA: The motion did not reference the report. The motion referenced the memorandum.

CHAIRMAN TAKITANI: The Memorandum of Understanding. Mr. Starr?

MR. STARR: Mr. Chair, I think this is a wonderful thing, but I do think we should go overboard to be more than procedurally correct and perhaps we should wait until the next meeting to actually ratify and sign it. And that way, we're following more than the letter and even more than the spirit of the regulation.

MR. CRAVALHO: Mr. Chairman, I have no exception to that. But let the record clearly show that I consider this to be confirmation of previous action by this board. And if we wish to be overly protective and legally and procedurally correct, for deferral to the next meeting, I have no absolutely no problem. But I think we need to be consistent all the way through and that we're not going to be leaving people hanging.

With that said, let me, if I may, Mr. Chairman, address the contents of the agreement. I've been around for 50-some-odd years and I have seen many agreements, some of great magnitude such as the reapportionment of the state legislatures, one man/one vote, what have you. With respect to the importance of this particular agreement, I believe that it will be historically recorded as one of the most significant actions taken by any Board of Water Supply and any private enterprise located within the state and possibly within the nation.

This particular agreement addresses the frustrations which members of the board, both present and past, may have had, not to mention the frustrations of the general public. The very best laid plans, best laid objectives would all be useless if we don't have a strong, vibrant economic base to foster the kinds of social progress and caring for people we want to do.

With that said, this does not eliminate the

private sector from any and all responsibilities for a mutual type of an approach where the public, the private industry element, the people who make up this community as a matter of birth or as a matter of decision to come in and to stay. That's immaterial. This agreement does meet the kinds of aspirations and the elimination to a significant degree, frustrations that have been experienced over a long period of time by many people.

With the risk of being misunderstood or misrepresented, I wish to stress again my personal commitment that has been lifelong to "local." And let me explain what that means. To me, at least, it is a lifestyle. It is a commitment to a way of life. It is a sense of values that has been established and continued by people as a matter of choice. So it has nothing do with how long or how short a person may have been here. It has to do with a lifestyle. And when we're able to put the private sector together with a public responsibility such as we enjoy, to make as sure as we know how that within this particular element and this particular approach, we are speaking with one voice, just one voice. And that we're going to do what is needed.

I also wish, Mr. Chairman, to publicly and on behalf -- I think this is on behalf of the entire board, I believe so, and the people of this county, to extend to you and to Mr. Nakamura and others, particularly to you A&B people both here on this island as well as on Oahu who have come together to make this kind of an agreement a reality. And I think we can make it work. We have a very significant and unique provisions in this agreement that addresses a whole multiplicity of concerns and addresses also the cooperative element that can come from people who have expressed concerns over a period of time, recently or a generation ago.

Mr. Chairman, I would hope that we can give to the Chair a unanimous vote of confidence in the work

that has been done in this particular agreement. I am pleased and personally very proud to have been associated with the Chair in this particular endeavor.

CHAIRMAN TAKITANI: Thank you, Mr. Cravalho. And certainly thanks to you for your significant part in this milestone achievement. Mr. Starr?

MR. STARR: Mr. Chair, I feel this is an exciting day. It's a time for us to celebrate a good step forward because it creates a framework under which we can solve most of the problems that plague us, certainly many of the problems that have not enabled us to provide the service that we want to provide for the future. And we do have to remember that it's only a framework that will allow us to work, but it certainly gives us help in many directions and I think that we're also giving certain areas, too, and I do think that this is for our rate payers, for the citizens, and for everyone, this is a very very good agreement. So I'm also happy to join in complimenting the Chair and complimenting Mr. Nakamura and complimenting Mayor Cravalho, too, for his input, and I think this is a very positive step we're taking.

CHAIRMAN TAKITANI: I think the other thing that we experienced when we went out to talk to these various parties was that there was a feeling in that segment, developers, et cetera, that they wanted to clearly define what the guidelines were. They didn't want the guidelines to be changing continuously. They wanted parameters that they would be able to plan by and execute by. And they felt confidence with this board that are this board, being of the nature and the composition it is, that they would be able to work with us. And I think by their cooperation, you can see that they have given us their trust and their help and they're asking us to move forward with them to resolve these problems and that just makes me feel so good. Ms. Ching, would you like to express your comments about this issue?

MS. CHING: I really came just to answer questions, but I would like to say that we, too -- the words have been used a lot, but we too are pleased and proud to be part of the solution. And I think this agreement is testament to what can happen when there is mutual respect and trust between the parties and when each other takes the time to figure out what the other person's challenges and needs are. And that's what happened in these discussions. As I say, we're very happy to be part of the solution, HC&S and EMI as well. And we're all behind this Memorandum.

CHAIRMAN TAKITANI: Thank you.

MR. CRAVALHO: Question.

CHAIRMAN TAKITANI: It's been moved by Mr. Nobriga and seconded by Mr. Rice that the Memorandum of Understanding be accepted and placed for review and placed on the next agenda.

MR. CRAVALHO: For signing.

CHAIRMAN TAKITANI: For signing. For approval and signing. All those in favor --

MR. CRAVALHO: For signing.

CHAIRMAN TAKITANI: -- signify by saying aye. Opposed, nay. The ayes have it.

MR. TAGORDA: Mr. Chair, may I, for the record that reflects that I recuse myself on this endeavor, subject matter.

CHAIRMAN TAKITANI: Mr. Tagorda has recused himself. So is that the final count of seven. Okay. We'll move on to Item C, Communication 99-31, request from Attorney John Rapacz on behalf of the Hoekstra family to exchange a 1-1/2 inch meter for six 5/8ths inch meters and to amend the Modification of

Subdivision Requirements Agreement dated November 28, 1995, Eucalyptus Subdivision, Kula, Maui, Hawaii, TMK 2-2-9:2, Lot 1-C. Mr. Rapacz?

MR. RAPACZ: Good morning, Mr. Chairman and members of the board, Mr. Director and Staff. My name is John Rapacz. I'm here on behalf of the Hoekstra family. And present today also are David Hoekstra and his daughter Peggy Ann Hoekstra.

Well, it's difficult to know where to start with this issue. It goes way back to 1992. I think that some of the current board members may have dealt with it a couple of years ago and may be familiar in that respect.

Essentially, you folks have in front of you or I hope you have in front of you a November 19, 1999 letter addressed to the Board. That's what initiated the action this past November. And contained in the first -- I'm sorry in the second through fifth pages is a chronology of what's happened in this matter. I would like to just take a minute to try and summarize that chronology. I won't read through all of it.

Essentially in October '92, the Hoekstras applied for a subdivision of a 22-acre parcel. It was split into roughly 6-, 7-, and 8-acre parcels. They came before the board, got a private water system agreement, and were allowed two 5/8ths inch meters. They already had an existing 1-1/2 inch meter. The board allowed them to build their own 30,000 gallon tank for fire protection. They got the necessary easements from the county and from the private land owners in the area. They installed pipe along the roadway for I believe 4,700 feet. They built a roadway so that the fire department would have access to the tank for fire protection. They installed a 4-inch line for fire protection, four standpipes, all according to requirements.

At that point the Hoekstras' engineer met with the director. There was some discussion and there is

obviously a dispute over this. The outcome was the Hoekstras' engineer came out of the meeting and told the Hoekstras that they could revise their subdivision plan, take one of these lots and make it large enough so that they could later resubdivide that one into six lots. They were told this because there was -- they were told that they could exchange this 1-1/2 inch meter for six smaller 5/8ths meters. The director does dispute that.

In any case, whatever was said in the meeting, the engineer certainly was confident enough to come out and suggest revising the subdivision plans to fit. That was done. The plans were submitted. Water Department wouldn't sign off on the plan, saying that there was never any agreement to exchange the meters.

There was a final -- obviously a final subdivision approval initially. The revised plans are still sitting in limbo since August I believe of '95. I'm sorry, August '96.

The Hoekstras did come before the board, asked for you folks to take a look at the situation and see if there was anything that you could do and see whether you would be willing to grant this exchange of the six 5/8ths meters for the 1-1/2 inch meter.

In the meantime, the Hoekstras, since it appears they were not going to get a quick resolution, did begin planting more and essentially the water consumption raised up to the point where it was almost the equivalent of six 5/8ths inch meters. They had been told that meter exchanges would occasionally happen if it showed some reduction in consumption from what was being used on the large meter to the exchange for the smaller meters.

The board essentially, after lots of discussion in the rules committee, the issue came to the board, the board had no discussion whatsoever and simply said no, they won't do the exchange, based on the rules

committee recommendation. That was August -- I'm sorry, April 1997.

The Hoekstras came to me and said look, we don't think that the board took a close look at it, we don't think that the report that they were presented with was complete or accurate, is there anything we can do? And I said well, let's try and see if we can get the board to take a closer look at the problem.

Also, the primary objection that was raised about their consumption being low has now changed significantly. And so I thought with those two issues, maybe the board would be willing to listen to it.

We were set for, let's see, board meeting February 10th of this year. The Hoekstras decided that maybe the problem was that six meters sounded like too many meters for this to exchange for the 1-1/2 inch. They authorized me to change the request to be three meters. This is far less consumption that they could do on their 1-1/2 inch meter. It's about half the amount of consumption.

With that information, I met with the director before the board meeting. The director presented consumption figures that should be in your report as well, attached to a letter dated February 1, 2000, and showed that over the last six months and over the last year, average consumption was about 1,800 gallons a day. As you probably know, that's typical or equivalent of about three meters.

Now, Hoekstras obviously can continue planting, can continue to consume twice that amount of water without restriction. So based on this presentation of figures, two-month average, six-month average, yearly average, I met with the director and said look, we'll reduce the request to three meters. The director agreed, but said that we would need to take this off of the agenda for the board meeting so that we could resolve how to hook up these three meters. Now again,

the director does deny making this agreement.

The figures that were in front of us were for two months, six months, and a one-year average. The number of meters was three meters. I immediately wrote a confirming letter, heard nothing contradicting it, disputing it, no claim that none of this was true.

About a month later, we did get to meet with the director and staff and the deputy corporation counsel. Staff had a presentation on how to build a system to use multiple meters in this area. We went over the requirements for that system. We spent almost an hour discussing system requirements and then at the end of the meeting, the director was prompted by one of the engineers and said well, don't we have to resolve how many meters to give them. And at that point I thought, okay, well, it's happening again. There was an agreement; now it appears as though there was no agreement. That's the way the discussion was going. We, of course, objected at that time.

The director then asked the staff to research what the policy is on how many years of an average you look at if you're going to exchange meters, if you are going to do it. And there was some discussion about looking back for five years.

I did send another letter discussing that meeting. Finally got a response saying essentially that there was no agreement on how many meters would be exchanged and that a five-year average would not yield a high enough number to exchange for more than one meter. So in other words, it was all for nothing; we're back to not being able to exchange the 1-1/2 inch meter for anything more than one 5/8ths inch meter.

Now, if there was no agreement on the exchange, I don't know why staff prepared a system diagram. I don't know why we met for an hour. I don't know why any of this happened if there was no agreement that there would be an exchange for the three meters.

Unfortunately, with the Hoekstras now having been through this same process twice for the same reason with the same outcome, what they have asked now is to avoid dealing with the meter exchange. It has not worked for them even though they have been assured that it would work and they have proceeded based on that.

What they would like to do at this point to try and simplify the matter is to take their existing system where they have their fire protection for the entire subdivision running along the roadway and they have a 1-1/2 inch meter serving one 13-acre lot with a 20,000 gallon domestic tank. They would simply like to subdivide that lot into three lots. So what they're asking for is that rather than their 1-1/2 inch meter serving just one lot, that they be allowed to have that meter serve three lots. Okay. That avoids the issues of the meter exchange, it is well within the limits of water that can be provided by 1-1/2 inch meter. It is almost exactly what their current annual average consumption already is on that meter. Okay.

So we think that that's an easier approach. There is a private water system already in place. It's not being used at nearly its capacity. And we would just like to amend the request to include the existing private system to serve the three lots. That means two additional. Okay. So we're just asking for two additional lots to be served by that 1-1/2 inch meter and private system.

CHAIRMAN TAKITANI: Thank you. Mr. Craddick?

MR. CRADDICK: Since this is a new request, I would think that or I would hope that the board would give the staff a chance to respond to this. And I suspect the record is going to show they did one subdivision under the Kula Rule and now that the Kula Rule has lapsed, they would need to be on the priority list to do that.

So I think if the board would give us a chance to review this request here and get the information to the board.

CHAIRMAN TAKITANI: Mr. Starr?

MR. STARR: I have a question. Can we legally do that? Are we capable of legally allowing one meter to serve three lots, if this were our desire?

MR. CRADDICK: Maui Ranch Estate, Kula Nani, any number of them, Jon.

MR. STARR: What's the mechanism for that? Because I just want to understand the process.

MR. CRADDICK: They make a private water system.

MR. RAPACZ: If I could, Mr. Chair, that system already exists where it is providing fire protection to multiple lots. They would simply like to expand the domestic use to multiple lots. It's a private system.

The Kula Rule is not involved here. This is not a subdivision for which you have to grant additional water meters or additional water consumption. This is a matter of simply drawing the lines on the map that subdivide the parcels and use the existing meter and the existing approved installed private water system. There are no Kula Rule issues here.

MR. CRAVALHO: Mr. Chairman, inasmuch as the director has requested the courtesy of having the matter reviewed by staff, I would move -- if there is no objection -- by common request that this request be granted, with a proviso that there be an answer back to this board no later than the next meeting.

MR. NOBRIGA: Second.

CHAIRMAN TAKITANI: Moved by Mr. Cravalho, seconded by Mr. Nobriga to defer this item with a report to be submitted by the next meeting. All those in favor, signify by saying aye. Opposed, nay. The ayes have it.

MR. RAPACZ: Mr. Chair, if I could clarify one item. I believe the motion was to grant the request.

MR. CRAVALHO: Oh, no, it was not. It was to refer it, in response to Mr. Craddick's request, and we'll take final action at the next meeting.

MR. RAPACZ: I'm sorry, I misunderstood, Mr. Cravalho.

MR. CRAVALHO: I don't want you to think it's been approved; neither do I want you to think it's disapproved. It's going for review and returned back within two weeks.

MR. RAPACZ: Thank you, sir. I didn't understand.

CHAIRMAN TAKITANI: We'll move on to Item D, discussion and review of Board of Water Supply 1998-1999 goals and objectives. Haven't we already reviewed these?

MR. NOBRIGA: Yes, we have. Many times.

MR. CRAVALHO: Next item, please.

CHAIRMAN TAKITANI: Unless we get up-to-date information compared to the up-to-date objectives, it really doesn't mean a whole lot.

MR. CRADDICK: No, what had happened I guess before was we had the wrong date. It said 1999-2000 on the report and we're correcting that so it's the right one. There really never has been any discussion of it.

MR. CRAVALHO: Mr. Chairman, put it on the agenda next time.

MS. NAGO: The 1998 or the 1999-2000 objective? I'm sorry.

CHAIRMAN TAKITANI: It says 1998-1999.

MR. CRAVALHO: It says 1998-1999.

MS. NAGO: 1998-1999 for the next agenda.

MR. NOBRIGA: We already reviewed 1998-1999. If anything, we should be reviewing --

CHAIRMAN TAKITANI: All we are saying was that --

MR. NOBRIGA: -- 2000-2001.

CHAIRMAN TAKITANI: The 2000 objectives should have been compared with the achievements up to date. We were looking here and on the agenda we've got 1998-1999 objectives to try to relate the accomplishments of the department to the director's evaluation is really what this thing is here for.

MR. CRAVALHO: But Mr. Chairman, what this really does is provide some data for the board to review at its pleasure in the evaluation process.

CHAIRMAN TAKITANI: Exactly.

MR. CRAVALHO: So when we said to defer to the next meeting or whatever, it's appropriate.

CHAIRMAN TAKITANI: Any problem with that? So we'll defer this item.

We'll move on to Communication 00-02, request from Tom Pierce on behalf of Donald and Mica McCann for a waiver of the subdivision requirements, Harada Family Subdivision, TMK 2-2-09:15, 82 and 83, Mauka

Alae Road, Waiakoa, Kula, Maui, Hawaii.

As is normal practice, we'll defer this and send this item to staff for a staff report.

MR. CRAVALHO: So moved.

MR. NOBRIGA: Second.

CHAIRMAN TAKITANI: Moved by Mr. Cravalho, seconded by Mr. Nobriga. Mr. Craddick?

MR. CRADDICK: I don't know if anybody took note of the form of this, but it's not a normal form. It appears to be in the form of like a contested case action, but there is no action yet. And I'm not even sure what the request is. We have Tom here. Maybe --

CHAIRMAN TAKITANI: Mr. Pierce, could you explain it?

MR. PIERCE: Mr. Chair, Tom Pierce on behalf of Donald McCann and Mica McCann.

First of all, there is no request in here for a contested case, so I'm not sure where the director is getting that. In fact, it says very clearly in the caption "Request for approval of fire protection system for the Harada family subdivision." So it has been improperly stated on the agenda today.

The very first page of our request lists the two requests. It says, number one, a proposed and independent fire protection system for the Harada Family Subdivision. That's the first thing we're asking for is approval of that system. Number two is the issuance of a water meter to serve as the proposed fire protection system. So those are the two items that we're requesting. And this is not meant to be anything other than a normal request.

CHAIRMAN TAKITANI: So we'll change the

communication, Mr. Craddick?

MR. CRADDICK: I'm guessing then, Tom, that the system is substandard, this fire system that you're proposing in there.

MR. PIERCE: There is no system currently. What we're asking is that this system that has been designed by an engineer, Wayne Arakaki, be approved. And this is the same system or very similar system to that that was approved by the board for the Hoekstra subdivision. And as you know, the Hoekstras were just in here earlier today. That subdivision is mauka of this subdivision here.

So when we appear next time and when the board is prepared to hear this, I'll have Mr. Arakaki present to answer any questions.

CHAIRMAN TAKITANI: Thank you. Mr. Starr?

MR. STARR: I move to accept and refer to staff.

CHAIRMAN TAKITANI: There was a motion already seconded.

MR. CRAVALHO: Question.

CHAIRMAN TAKITANI: Moved and seconded that this item be referred to staff, and staff report be prepared and submitted to the board for when it is complete. All those in favor, say aye. Opposed, nay. It's been referred to staff.

We'll move to Item VII, Other Business. The Chair would like to go to item B first, if we can. Election of Board of Water Supply Chair and Vice Chair for the term of April 1, 2000 and ending March 31, 2001. Mr. Hashimoto?

MR. HASHIMOTO: I'm passing a report to the members. Okay. The committee members were Robert

Takitani, Adolph Helm and myself, Clark Hashimoto. The committee met on March 14 at the Stars and Soda Works conference room at about 8:00. Present were Bob Takitani, and myself, with Adolph Helm speaking to the committee via phone from Molokai.

After much discussion, the slate of chairman and vice chairman were decided as follows: Chairman, Mr. Elmer Cravalho; and Vice Chair, Mr. Orlando Tagorda. So both members were asked if they would serve and both agreed. So this is the slate that we have to present to you today. And we'll have -- if there is nominations from the floor, they will be accepted. So I defer to the Chairman to conduct the --

CHAIRMAN TAKITANI: Let me say what a very difficult task because we have very qualified members of the board. And what made we feel good is we have a good management succession line in place. We have lots of capable people here who are ready to assume responsibility and that ensures the steady progression of the board here. So we're just thankful that we have capable people here.

So are there any other nominations for Chair or Vice Chair?

MR. NOBRIGA: Move to accept the committee report.

CHAIRMAN TAKITANI: Mr. Nobriga has moved to accept the committee report.

MR. RICE: Second.

CHAIRMAN TAKITANI: Seconded by Mr. Rice. The committee report obviously would allow the Chairman to be Mr. Elmer Cravalho and the Vice Chair, Mr. Orlando Tagorda.

MR. NOBRIGA: Refer to make a secondary motion on that subject.

CHAIRMAN TAKITANI: Mr. Craddick, do you have something?

MR. CRADDICK: I'll leave it. I think -- I don't know, I hope we're not going to get into the condition where we have a committee report and we have to wait until next month to take a vote on it.

MR. FUKUSHIMA: Again, since this raises some more issues as to what we had earlier this morning with respect to committee reports, the acceptance of a committee report, and taking action on the recommendations of the committee. As I've indicated earlier, the statute requires that approval before any actual decision making be done at a subsequent meeting.

MR. STARR: Mr. Chair, a short recess?

CHAIRMAN TAKITANI: Okay.

MR. NOBRIGA: I withdraw the motion on the committee report.

MR. STARR: Mr. Chair, I move that Mr. Elmer Cravalho be elected forthwith as Chair and Mr. Orlando Tagorda be elected as Vice Chair and I also move that it will be done by acclamation.

CHAIRMAN TAKITANI: Mr. Nobriga has withdrawn his motion and Mr. Rice his second, and Mr. Starr has now moved that Mr. Cravalho be accepted by unanimous acclamation and Mr. Orlando Tagorda as vice chair.

MR. NOBRIGA: Second that motion.

CHAIRMAN TAKITANI: Seconded by Mr. Nobriga. Any discussion? All those in favor of Mr. Elmer Cravalho as chairman and Mr. Orlando Tagorda as vice chair, signify by saying aye. Opposed, nay. The ayes have it, by unanimous acclamation Mr. Cravalho and Mr. Tagorda have been --

MR. STARR: Mr. Chairman, I would just like to thank the outgoing chair for having done a very excellent, excellent job and a job that's made me feel proud to serve on this board.

CHAIRMAN TAKITANI: Thank you. It was a pleasure to serve with you all. And I consider myself a teammate in this. The team had been moving forward. But rest assured, we will be still present at your meetings to lend all the support we can.

MR. STARR: Mr. Chair, just further, I would also like to thank the vice chair who served well and I've also enjoyed being at the meetings that he's chaired at and he was doing a very good job as vice chair. So thank you.

CHAIRMAN TAKITANI: I think it just reinforces the fact that we have excellent board members and a number of people who could be stepping into positions of responsibility. We're thankful for that.

We'll go back to Item A, annual evaluation of the director. Normally the process that we would conduct ourselves is we review the accomplishments of the department, i.e., the goals and the objectives and the progress we've made towards those objectives. Then we allow each board member a time to voice his feelings, his comments in regard to his own personal evaluation of the performance of the director. So if there is no -- Mr. Cravalho?

MR. CRAVALHO: Mr. Chairman, I believe that the process of evaluating the Chair is a -- I mean of the director is a normal occurrence periodically within the department. As I recall, back in October of last year we moved at that time that we review the total operations of the department, including all personnel, to see what is the best methodology and the best allocation of our talent within the Board of Water Supply and the committee as well. And with the adoption earlier today or the agreement and the

approval of the East Maui and Upcountry agreement for the next 25 years, it's more imperative that in the process of implementing that as well as other agreements, that we do reevaluate and look at our assets. And I think this is a norm kind of a thing.

In the interests of doing the very best possible job and to assure that no one be placed in the position of seeming invincibility or seeming indispensability, that we should proceed at the time we go through this evaluation, which I believe should be over a period of weeks and months, that we do it very very carefully and very objectively, that we simultaneously develop a list of potential directors and therefore we proceed to recruit for people who may be interested. And that is in no way any kind of a criticism of the incumbent -- I wish to stress that; neither is it an automatic vote of confidence. It is just a statement of fact.

I have stated before and I think it does represent the thinking of thoughtful people in the community as well as this board, that there are many things that we need to embark on. As I said earlier months before, these things we got to do, with or without you, we got to do. Preferably with you. Those words were included. I have no reason to detract from that. None at all. But I think we need to go through this process so we cement everybody in a cooperative manner so that when we move, we move as a complete total team, utilizing the best we have available.

So Mr. Chairman, if there is no objection, I would like to see that we take that approach, that we we're not going to rush into an evaluation today or this afternoon or tomorrow or next week, that we will do it in a very -- in a very conservative and a very meaningful manner. With no connotations at all.

CHAIRMAN TAKITANI: So you are suggesting, Mr. Cravalho, that we defer this item over a period of --

MR. CRAVALHO: Sixty days. And in the process, we proceed to recruit, to establish a list of potential people. And depending on the board's decision, take a good look. We're not left hanging.

MR. NOBRIGA: What other methodologies have been employed through the evaluation process? There is a whole bunch of ways to evaluate. I kind of like Mr. Cravalho's idea, so one meeting one day is kind of short term to really review such an important person's whole life with the department. I would like to see the evaluation process extended, but I would like to also set up some kind of methodology so both the director and the board understands what we're talking about.

MR. CRAVALHO: Mr. Chairman, I suggest, if I may, that we present to the next meeting of the board a methodology to go ahead for the evaluation what we're going to be evaluating, under what conditions, what are the values, and at the same time recruit.

CHAIRMAN TAKITANI: Mr. Craddick?

MR. CRADDICK: I guess recruiting would assume you have a vacancy in the position, and I don't know if the new chair is asking for my resignation --

MR. CRAVALHO: Mr. Chairman, if I wanted your resignation, I'd tell you straight. That's not what I've said. I've said you establish an eligible list. Now, the establishment of a list has nothing to do with the existence of a vacancy. It merely provides a list that if and when a vacancy does occur, you have a list you can make reference to. This is true with respect to the entire civil service system, this is true with respect to the merit system. You go through the process of establishing a list. And I think this is the very, very best possible thing to do under the circumstances.

It is also my understanding, just for the record, just for the record, that one does not

necessarily need to have a resignation made. The position is one that's filled by the board at the pleasure or the displeasure of the board. And we keep that straight. It's similar to any other department head; no different at all. So we should not move to read into a situation something that as of this moment really does not exist. Don't jump to conclusions. Don't precipitate a question unless you're really ready. And if you are, so am I.

CHAIRMAN TAKITANI: I think what Mr. Cravalho is suggesting, too, is that we build such a steam of momentum here that we should ensure that we can continue this momentum by ensuring that we have the best possible person in the director's position. And by the mere suggestion of creating a list, we are ensuring that we will not have a vacuum created if there is any displeasure over the performance of the director and we would be able to continue. And maybe it would be that the director's performance measures up to standards that the board establishes through this due process and continuance of his tenure would go on. But it is in no way suggesting, again, up or down on the director at this point. I think it's suggesting that we have a process, as Mr. Nobriga has suggested, we develop a criteria, goals and objectives that we would like to accomplish also, and that we be able to measure how the department is progressing. Mr. Hashimoto?

MR. HASHIMOTO: In the past, how was the director evaluated? How did the board evaluate the director? Just at one meeting or how --

CHAIRMAN TAKITANI: In the past -- and I can say I voiced my displeasure many times about the process by which we conclude as to up or down on the director because it was -- in my eyes, it was a popularity contest. It was basically whether you thought the director was doing the things that you personally thought were important. It wasn't something that the board and the nine members of the board mutually

agreed upon as to where the board should be going. So it became, like I say, a popularity contest in my mind of where each board member voting as he saw fit with no defined criteria or measurement.

MR. HASHIMOTO: So there was no structure or criteria.

CHAIRMAN TAKITANI: Yes, there wasn't any. And everybody would stand up and everybody would then comment how well they thought he was doing or not doing and based upon that, it would be determined whether it was up or down. Mr. Rice?

MR. RICE: Mr. Chairman, I think that if I might suggest, not being the chairman, that the chairman -- the outgoing chairman and the incoming chairman comprise that committee because I think besides goals and objectives, there needs to be communicated our expectation level to the director going forward.

Now, what happened over the past years, many of us are new, you being the outgoing chair would have a better perspective on the performance in that regard. But expectation levels are more than the goals and objectives that are listed. I mean, I don't have a problem with these goals and objectives, but there are other things that need to be communicated. And as a group, if we agree on that level of expectation, then the next review becomes far easier.

MR. CRAVALHO: That basically is what I'm saying, the rules, the guidelines, so we know. And everybody is treated very, very fairly.

MR. STARR: I think we're doing the right thing. I just want to be clear that there will be I guess some kind of group, based on the call of the chair or the new chair, either one, to examine this and provide us the framework so we can do it thoughtfully. But we still keeping moving along.

MR. CRAVALHO: Yes, I have no problem.

MR. TAGORDA: Mr. Chairman, my question is Mr. Cravalho just mentioned about the recruit, whether we replace or not replace at least or recruit for the director's position. Are you planning to create a committee to conduct this?

MR. CRAVALHO: I have no fear about that.

MR. TAGORDA: Or who's going to do this recruiting?

MR. RICE: I suggested a committee. I have no power, but --

MR. CRAVALHO: Mr. Chair, I believe the essence of Mr. Rice's comments earlier was that the present chair and the incoming chair get together and set up the criteria and a list of what we're going to be doing and bring it right back. There is an orderly kind and a progressive kind of thing, that nobody is held under the gun forthwith. It's a known thing.

CHAIRMAN TAKITANI: Since we don't have anything to do with out time now that we've completed our --

MR. RICE: You guys did such a terrific job on the last one.

MR. STARR: Mr. Chair, does this require a motion to deal with the agenda item at this point and what would be your pleasure as to how that is going to be --

CHAIRMAN TAKITANI: I think a motion would be in order to signify exactly what we --

MR. STARR: Okay. I move that a committee be formed at the call of the Chairs to create a framework under which we will proceed and to report back to the board at a subsequent meeting for action.

MR. CRAVALHO: And to proceed with a recruitment.

MR. STARR: And to proceed with a recruitment policy and procedure.

MR. CRAVALHO: Because whatever is recruited comes back to the board.

MR. CRAVALHO: Second.

CHAIRMAN TAKITANI: Moved by Mr. Starr, seconded by Mr. Cravalho that the chair select a committee which could would review the framework under which we would like to evaluate the director and come back and report to the board the findings.

MR. CRAVALHO: And proceed with --

CHAIRMAN TAKITANI: And proceeding with recruitment of qualified candidates. Any discussion?

MR. CRAVALHO: Question.

CHAIRMAN TAKITANI: If not, all those in favor, signify by saying aye. Opposed, nay. The ayes have it. We shall proceed along that line.

Item C, discussion and possible action on the Upcountry water situation.

What is the present situation, Mr. Craddick?

MR. CRADDICK: The presentation is Wailoa ditch is -- I guess it's as of yesterday, we have what information we have for today, but it's not complete. So we base the comments there on what the ditch was yesterday, and yesterday the ditch was at 25 million 25.6 million. Today it's at 56.5 million. Kamole water Treatment Facility, 4.4 million gallons. And 3.2 today. Piiholo Treatment Facility, the reservoir is at 21.4 million yesterday and 26.3 million today. The Waikamoi reservoirs had 0.8 million in there

yesterday and we're not sure if we have got any water in there overnight. Kahakapao has 41.9 million gallons yesterday and today is 44.6 million gallons. Olinda Treatment Facility is still fairly constant at 1.6 million. Total demand for Upcountry was 7.1 yesterday -- well, actually day before yesterday. And yesterday was 6.1.

We feel that the above conditions do not warrant the change. And when I say that, I'm talking about including today's report that we did get rain last night. But one day of rain I don't believe is enough to know that we're out of the situation.

CHAIRMAN TAKITANI: Is there a continued forecast of continued dry weather?

MR. CRADDICK: Actually, the forecasts are conflicting. We have one from A&B that says there will be mauka showers. Other ones do not say there will be continued showers. So I would have to say those are conflicting.

MR. NOBRIGA: How about H'Poko and Dowling?

MR. CRADDICK: Dowling's well is not yet running. What we found out was the contractor who had put the pump in there, apparently there was a cover over the motor control center that had flown off, water got inside, and it had to be dried out.

The H'Poko wells are running.

CHAIRMAN TAKITANI: The one-and-a-half million gallons are being added?

MR. CRADDICK: I believe that we're only running it during the -- from 7:00 in the morning until 7:00 at night right now.

CHAIRMAN TAKITANI: About how much water does

that represent?

MR. CRADDICK: It would be about 750,000 gallons in that half a day.

MR. FUKUSHIMA: With respect to the H'Poko wells, I'm not sure if the board is aware, but the Department of Health has sent the department -- to characterize it a new approval, which essentially is the same as last year's approval in the use of the H'Poko wells. If you would recall, the court order relating to the use of the wells referenced this earlier September 29th letter from the Department of Health.

I've been in touch with Mr. Hall and we have agreed to enter into a stipulation which would amend the previous court order to include and incorporate the latest letter from the Department of Health which sets forth the conditions and how the department is to use the H'Poko wells.

I transmit that stipulation to Mr. Hall yesterday and I anticipate getting it back shortly and submitting it to the court for the court's approval.

MR. CRAVALHO: Mr. Chairman, that's what I've said from day one as to what needed to be done. Remember that, Mr. Craddick? From day one I've said about the involvement of the court. We cannot proceed ipso facto. And I think being cautious is much better, very better, much better.

MR. CRADDICK: When we got the letter from the health department, we forwarded it up to corp counsel because originally they were going to amend their September 29th letter. And instead of amending it, they just rewrote all the conditions in another letter.

MR. CRAVALHO: What I'm saying is not with respect to the contents, but merely for the procedural requirements that these procedural requirements had to be met to satisfy the court's decisions in the past.

That's what I'm saying.

CHAIRMAN TAKITANI: Mr. Starr?

MR. STARR: Is there any operational problem with the contractors since they were sitting for a few months? Are they working to --

MR. CRADDICK: They're working right.

MR. STARR: How about the flume?

MR. CRADDICK: Finished.

MR. STARR: It's finished and it's working well?

MR. CRADDICK: Yeah.

MR. NOBRIGA: How about water in Waikamoi?

MR. CRADDICK: Yeah, it rained the afternoon that they finished there, very, very slightly that afternoon and then there is -- it's been dry, I guess, up until yesterday.

CHAIRMAN TAKITANI: Mr. Nobriga?

MR. NOBRIGA: Any response to that letter to the editor in last night's Maui News, the lady that had mud surrounding her water meter box, apparently?

MR. CRADDICK: I haven't read the newspaper there yet. I'll check that.

MR. STARR: A woman said she reported a leak by her water meter weeks ago and no one from the department has come to deal with it yet.

CHAIRMAN TAKITANI: Mr. Quinn?

MR. QUINN: I checked with one of our field personnel this morning on that issue. And I've not verified this, but his position was that there was a mix up in the address of the premise. She reported a certain street, it was the wrong premise. Actually the street that we went to -- that one of our people went to was in Wailuku, whereas this happened I believe up in Pukalani. And they finally got it straightened out, the location, but there was a mix up in communications and I believe it was on the consumer's side. That's what I was told. As soon as we -- one of our personnel actually called her back, found out the exact location, and then proceeded to take care of it. So there was a communications problem there. That's as much as I know.

CHAIRMAN TAKITANI: To our knowledge, it's on the customer's side of the --

MR. QUINN: That's what I was told.

MR. NOBRIGA: It seems like every time we have contact with the consumer, we don't recognize the consumer as paying the bills to go along, so like they're left in a position of being like, you know, in outer space like a movie, Lost In Space. That's how they feel after they talk to the department. I don't think that's the right way for us to go.

MR. QUINN: Again, this isn't -- this isn't my personnel, I'm just getting this secondhand. I believe that we responded quickly, but we responded to the wrong location because of a mix up in communications.

MR. CRADDICK: Mike, what is it, there is two streets with the same name?

MR. QUINN: Very similar name, pronunciation. One happens to be in Wailuku and one happens to be in Pukalani and apparently we responded immediately to the Wailuku, went to the so-called location in Wailuku

and couldn't find it. So had to get back to her and went to Pukalani.

CHAIRMAN TAKITANI: For cases like that, do we correspond with the customer and tell them the situation so that there is no questions about the actions we've taken and what we have done to try to resolve it?

MR. QUINN: Yes.

CHAIRMAN TAKITANI: I'm just questioning what is the practice, we just leave it as verbal that we communicated that?

MR. QUINN: You mean would we confirm it with a letter or something like that? Yeah, we certainly can in this case. Usually we call and these situations get ironed out before it reaches the extent that it did.

CHAIRMAN TAKITANI: I think Mr. Nobriga's comments are very pertinent here.

MR. CRADDICK: Every complaint that comes in during the daytime is logged at the baseyard, and the time it takes to respond to that, everything is all logged in down there. And during the night, the answering service does the same thing, they keep a log. So again, if somebody got a wrong street name, I would expect that the person would call back again, you know, if somebody didn't respond to their place.

Usually they do have a phone number that they write down when a person makes a complaint so that after they go check it out, they call the person back to say this has been corrected.

Now, that process obviously wasn't followed through in this particular case because they would have known right there that they didn't have the right place. So somehow the procedures were not followed and I'll check into that. But we don't send a written

response back to people, but we do call them back once we feel that we've finished whatever it was that they had a complaint about.

CHAIRMAN TAKITANI: Mr. Starr?

MR. STARR: If someone had called or written in about a complaint say two weeks ago and because of our mix up we hadn't responded or we would have responded to the wrong place and if the water bill comes up huge, I think that we should provide them some help with that because they did the right thing. They acted in good faith. So I'm hoping that the staff will help to find a way to be fair with this man having to come back.

CHAIRMAN TAKITANI: Mr. Nobriga?

MR. NOBRIGA: Thank you. We mandated a 10 percent mandatory reduction to residential households and we did want to look at procedure if -- shouldn't say procedure, but a way of trying to enforce some of this. And I don't know if this is the appropriate agenda item that we could discuss this or tend to give review from Howard or should wait for agenda item on that because it is going to --

CHAIRMAN TAKITANI: I would think it's an appropriate time to discuss that. The enforcement was part of the --

MR. CRAVALHO: Mr. Chairman, if there is no reinforcement, then it's squat what we're doing for imposing a 10 percent or 20 percent or 30 percent savings. With impugntiy they will tell you where to go by the shortest route. What if anything has the department done in the area of enforcement? If there has been an inadequate amount of time to implement the program, what is contemplated? Otherwise it's meaningless.

MR. CRADDICK: Yeah. What we're doing is we send out a letter to everybody of what we expect their

consumption to be. And what we're doing in this case is we're looking at the last drought and all those people that did not follow the requested reduction, we will be going to check on first. An I believe we're reading meters in Kula area right now, right, Mike?

MR. QUINN: Essentially what we have to do when the board declares a mandatory restriction is we have to run a special program to produce the goal for everybody. We look at their average consumption and then we give them a target, in this case a 10 percent reduction which the board mandated. And that information goes on the back of the letter. On the back of this letter would be their goal. And [inaudible] is in the process of reproduce the letters and run the program as far as the targets go and we anticipate that letter going out tomorrow. It's a big effort. We have to literally get many, many staff members to fold and get this thing ready for mailing. But at any rate, that is being done, will be finished today, will be mailed out tomorrow.

The other thing we're doing and that we're doing today also is referencing what the director said, is we're looking at what the time period that we had mandatory restrictions, both 10 percent and 25 percent, during the last drought period and we're looking at the consumption data of those consumers who did not adhere to the mandated restrictions. And so that will give us a list, hopefully a short list, so to speak, that we can focus on right away and start checking on those consumers.

We're currently reading Kula now. We should be finished by next Tuesday, so we'll have baseline data because that's an important consideration for us is to get baseline data as close as we can to when the board declared the restriction.

And there is a lot of things that have to happen and it's somewhat labor intensive. It's a fairly big effort. But that's where we stand at this point.

That's our short term plan is to start looking at those concerns.

CHAIRMAN TAKITANI: Mr. Rice?

MR. RICE: Mr. Chairman, what happens when Mike pulls this list down and he finds the 25 worst perpetrators and we check their meters next month -- I mean, obviously there is a time frame, right, to check the meter, and find out that they continue to not comply. What teeth do we have, how do we -- I guess that's -- everything Mike is doing sounds reasonable -- the department is doing. But all right, so now we catch somebody, what can we do?

MR. CRADDICK: Removal of the meter. But they do have a chance to come to the board to explain why they are doing what they're doing.

MR. RICE: Are we saying we want them to go remove meters? I mean, Jacky, what about from a PR standpoint, the letter that's going out with those goals, is that written by yourself?

MR. CRADDICK: What's that?

MR. RICE: That letter that's going to go out with the goals. I'm just asking how we're PR-ing this. It's not a fun situation. We had a gentleman Mr. Fitzpatrick here earlier, I'm sure there is a lot of people Upcountry with that same attitude.

MR. CRAVALHO: That adds to the frustration.

MR. CRADDICK: We have to publish a legal notice in the newspaper and we will be doing that.

MR. CRAVALHO: It wasn't done. Was there a publication in the newspaper?

MR. CRADDICK: Not at this time. We're trying

to get this notice out to everybody.

MR. CRAVALHO: Mr. Chairman, passage of time. It appears to me that it is unreasonable to have 14 days passing without something being done, either a publication, radio broadcast, or what have you. Now, those things do not require a massive kind of initiative.

MR. CRADDICK: Radio action was taken the afternoon of the board taking their action.

MR. CRAVALHO: Has there been a continuous program announcing the continuation of a drought situation and enforcement? Have our people being asked to go to the various areas to look at what appears to -- certain areas what appear to be nonobserving? As I mentioned sometimes facetiously in the past, I do pass places where they seem to have a specialized kind of lawn that never goes brown. Come what may, never goes brown. If I see that, someone else can see it. And what is being done in those particular instances? If five or six or ten or whatever, take a ride down Upcountry some places and look to the left and look to the right and there are beautiful lawns which shows they're doing a good job of water delivery. But it is not fair to the others who do observe. And I think these are methodologies, Mr. Chairman, that we could be utilizing.

CHAIRMAN TAKITANI: Mr. Rice?

MR. RICE: Mr. Chairman. Jacky, I think you can put together a program -- you're talking about a public relations program about water conservation anyway, but you could have a special program that once a drought emergency was declared that would include public notice, some nicely written articles or notices about the fact that we're going to monitor consumption.

MR. NOBRIGA: That's on Ellen's purview, though, what you're talking about. That's actually under

Ellen's purview. Kraftsow.

MR. RICE: Whomever. If it's not directed to Jacky, I'm sorry, but just saying a plan that's in the can that you take out once a drought emergency is out and everything is done.

MR. CRADDICK: We do in fact do that and the start of that is getting what the people's consumption or what we expect them to cut back, that's the first step. And it's been -- this is the eighth day since the board declared the drought. And to get this stuff together, there are currently about eight of these long post office box boxes in my office. A lot of time has to go into that and before we -- I mean, I suppose we could just drive around looking for green lawns, but it's not a very orderly fashion to go about it. We need to understand when we go to a house what the person's consumption is and things like that. So this administrative stuff, even though it takes time, we have to go through it. And prior to this, we did have the drought watch, drought warning, things like that so we can prepare all these things. We just went straight into the emergency this time. Still takes the same amount of time to prepare this stuff.

CHAIRMAN TAKITANI: Mr. Rice?

MR. RICE: Mr. Chairman, David, I understand that. I don't think that's the critical point. Mike is doing it. We understand it takes time. You've got to collect the data.

I'm talking about the public relations side. Because once all that is done, what you want is the public to know what you're going to do, not wait until you've collected all the data to send them. That's all I'm suggesting.

CHAIRMAN TAKITANI: You just need a standard operating plan that springs into place once we declare a drought. Mr. Starr?

MR. STARR: I have a little problem with this letter because it seems to instruct people to water their lawns at night. It says, "Recommended water conservation measures include watering lawns at night." I'm wondering if we really want to be telling people to be watering lawns at night.

MR. NOBRIGA: At all.

MR. STARR: Yeah, I mean, we should be saying don't water your lawns during the day. We should not be saying water your lawns at night. Because I assume that people who are not watering at all will then start to water their lawns at night. I mean --

MR. CRADDICK: Jonathan, the board's action was a mandatory 10 percent reduction in water, nothing more. If you want to make things like that, I did have a list prepared last time of recommendations to the board. Not watering lawns was not one of them. If the board would like to do that --

MR. STARR: You're telling people to water lawns.

MR. CRAVALHO: Mr. Chairman, what the director is suggesting, I think, is that we become involved in micromanagement. And that's not our function. We set the policy, 10 percent savings. Manage it. Do what's necessary. So you can redirect yourself, takes a long time to go looking for green lawns? It doesn't take that huge amount of time. You go to work every day and back. One moment. One moment. And I don't consider this funny. Okay? Let me finish.

MR. CRADDICK: Neither do I, but --

MR. CRAVALHO: You have your people out at work. They pass through different routes when they read the meters upcountry, wherever. They know just which ones have bright green lawns or whatever. Is there a list being compiled for follow up? It's a

question simply of how determined we are to do a number of things. And I submit, Mr. Chairman and Mr. Director, we're not doing really the utmost.

It does require a lot of extra time. Absolutely no question about it. But the amount of rainfall we have and the amount -- and the capacity to withdraw is not dependent on how many hours I put in or you put in or whatever. But we've got to do the max, assuming the worst. And really, it doesn't -- it isn't happening as we really should. I think you understand that very clearly. And this is not a negative type of a criticism. It's an observation of what is taking place. It's two different things.

CHAIRMAN TAKITANI: Mr. Fukushima?

MR. FUKUSHIMA: With respect to Member Starr's comment regarding this letter, the rule states that the board can authorize the director to prohibit certain activities such as washing cars, watering lawns. However, the restriction at this time is solely to cut down 10 percent. If they wish to water their lawns and stay within the 10 percent restriction, that's fine.

However, if the board is concerned about this type of use of water, the board should direct the director to prohibit things such as watering lawns, washing cars, and other conservation measures.

MR. STARR: I don't think that's the board's intent. The board's intent is to reduce by 10 percent. I'm just saying here we sent out a people instructing people to water their lawns at night and I have a little bit of a problem with that. I'm not saying we should prohibit them from watering their lawns. I'm saying we should not instruct them to water their lawns.

But I don't want to belabor this point, but I do have one other matter which is if we get to the point

where there are people abusing the problem to the extent that we feel we need to act and if our only mechanism is to remove someone's meter, this is a bit Draconian and I'm wondering if there is some mechanism that we could use to remove someone's meter but install in its place some device that would give them, you know, 200 gallons a day or 500 gallons a day so that they can still drink and, you know, flush their toilets and all of that. Going straight into removing meters seems extreme.

CHAIRMAN TAKITANI: Mr. Quinn?

MR. QUINN: In our rules, aside from -- there is -- I don't think we've ever used this, but there is a stipulation about a fine of \$500.

MR. CRADDICK: \$50. If you read under the section of drought, it's \$50. We remove the meter and it's \$50 to reinstall it.

MR. QUINN: What about section 4.2(b)? \$500.

MR. CRADDICK: \$500.

MR. STARR: Is that a fine or is that removing the meter and fine?

MR. CRADDICK: You could get both of them.

MR. STARR: Could you get only a fine for the first time?

MR. QUINN: I don't see why not.

CHAIRMAN TAKITANI: Mr. Nobriga?

MR. NOBRIGA: Not wanting to micromanage, but in reading the letter, there is no section reviewing these ramifications that we say we have. Most customers don't know that there is this ramification

of a fine, removal of the meter. And also in reference to that lady's letter to the editor, we should also spell out to the customer that when they do call the number, please leave their name as it appears on the bill plus the phone number and the accurate address.

But I wanted to discuss some other ramifications like working with the county parks and recreation department to make sure that they're not using sprinklers during the day. If facilities are using waste water, then we need to publicize that fact so the public doesn't come back on our case, why is these guys watering their lawn and stuff. If they're using waste water, it's different kind of water. What is -- setting up some kind of a system of penalties and/or incentives because not only penalties work but some incentives might also work to help us achieve our goals.

There is a lot of conservation radio ads. There is a lot of radio ads on conservation. But we need to take those conservation ads because simple adage, "If it's brown, flush it down; if it's yellow, let it mellow." You know?

CHAIRMAN TAKITANI: Mr. Craddick?

MR. CRADDICK: I'm going to read out of the rules hear where Howard was reading. "The director may, with the approval of the board, may prohibit the use of water for irrigation, lawns, construction, subdivisions, or other type of activity involving the use of water."

Okay. Last week when the board declared a drought, this step was not taken because Mike said he wanted to handle it at another meeting. The last meeting was -- this meeting was already noticed at the time we took that action so the special item is not on the agenda.

I don't see any reason why you can't take action

here. I mean, the drought is noticed on here. I do have a list of recommended actions here for the board to take action on, if they so choose, rather than talking about what we didn't do when we haven't been given the direction and are not legally able to do without approval of the board.

CHAIRMAN TAKITANI: Mr. Cravalho?

MR. CRAVALHO: Mr. Chair, I disagree with as to whether we have to do this particular thing, this particular thing, this particular thing. We said 10 percent. You have a list of areas, work on them.

MR. CRADDICK: That's right.

MR. CRAVALHO: 10 percent.

MR. CRADDICK: That's right.

MR. CRAVALHO: And if you can't, get out. We'll have somebody else go do it.

MR. CRADDICK: It's more than 10 percent. It's more than 10 percent right now.

MR. CRAVALHO: Mr. Craddick, in looking over the rules and looking over the reports we got, I believe a couple of days right after, right after we declared, consumption went up to nine million plus.

MR. QUINN: 9.4.

MR. CRAVALHO: Rest the case.

CHAIRMAN TAKITANI: Mr. Rice?

MR. CRAVALHO: And don't use a figure, Mr. Director, of the consumption right after there has been a rain. It's unfair. It's not correct. All I'm pointing out, several days after the declaration,

consumption did not decrease, it jumped up to nine-plus.

MR. CRADDICK: We have no restrictions on ag.

MR. CRAVALHO: It was not ag.

MR. TAGORDA: Mr. Chair, a few comments. I think I'm going to give a little bit of credit to Director Craddick on this matter. The reason why is I think the board did not follow the resolution or the drought declaration guidelines to which, you know, step by step, we went on to drought emergency, thereby we didn't give the department enough time to really recruit themselves and achieve whatever goal they want to achieve. Now we want them to get notices and things like that, but we remember now we only met twice a month. And we didn't give the director some approved recommendations on how he's going to implement the 10 percent cutback. But the word here is 10 percent cutback. No matter what they do with their water, it's 10 percent cutback. If they go overboard or they go over the 10 percent cutback, the rules kick in. You can fine them, you can take their meters out, and then you can charge them installation when you put back the water meter.

MR. CRADDICK: Actually we cannot do that. All we -- carry on maybe the process of what has been done in the past. We get these letters out with the recommended -- what they're supposed to be using. If we find a person, identify a person that is going over the amount, we notify them, we tell you this is your allotment, this is how much you can use, you're this much over it. And then at that point is when we tell them what the penalties are and that this is going to go to the board for action.

I believe the meter removal can only come after the board takes action on it. We cannot, I don't believe, go in and just remove the meter. Or at least that is what has happened in the past. It does come

to the board before the meter is removed. We don't just go and remove it. So there is --

CHAIRMAN TAKITANI: I believe all the board is saying, Mr. Craddick, is that we want a 10 percent reduction. We don't want to micromanage this whole process. We want a 10 percent, but we don't want glaring areas of efficiency around the countryside that everybody can detect.

MR. CRADDICK: But supposing a guy is cutting back his 10 percent and has a green lawn.

MR. CRAVALHO: If he has cut back 10 percent, that's fine, that's fine. But I think we both know and I think informally and off the record, Mr. Craddick, in the past you did kind of agree with us that the level of enforcement was not quite adequate, and that's speaking very politely. It wasn't quite adequate. If we've been through that experience of inadequacy and we have a situation before us, let us try to remedy that situation and with respect to agriculture uses, that was true in the past and it still is today. We make reference to a level playing field and the deletion of a restriction on the farmer. Places the farmer on a level playing field with a sugar plantation and pineapple. That's what it does. Okay? It does not disturb. And we put the farmer in the same place and same consideration as sugar and pine. And we do not put any restriction on sugar and pine. Why should we put it on the farmer? And the farmer, proportionately, he may be using more, that's true, proportionately. But in actuality, no. And what we're looking at is the absolute percentage of reduction, excluding the farmer. So let's compare comparables. I don't want to see the farmer, you know, being taken all the time and taking the responsibility. Whether 50 guys use 500,000 gallons, that's squat. Because what are the others using overall? And what are the total restrictions on all agricultural pursuits? Fair. Level playing ground.

CHAIRMAN TAKITANI: Mr. Nobriga?

MR. NOBRIGA: Yes, we want to send a clear and concise message to the small, independent farmer that we're supporting their livelihood. That's all they have to live on. Okay. With no deference to Jacky, the release, the press release, asks the farmer to conserve water, which sends a mixed message now again to the independent farmer.

I wanted to clarify today that we do not want the farmers to suffer because that is their only bread and butter. So although we have an overall 10 percent reduction in demand, we don't want the farmer to have to contribute to that because they cannot. The farmer, the rancher, they cannot.

CHAIRMAN TAKITANI: Mr. Starr?

MR. STARR: The farmers are already suffering. The farmers -- when it gets dry, the farmer suffers. So we don't want to make it any worse.

MR. CRAVALHO: Automatically, Mr. Chair, when the drought is on, automatically, even though we may not cut or we may not ask the farmer to cut 5 percent or 10 cutback, he has to. He has to reduce his acreage in order to make whatever water he had been consuming to get across and to utilize. Automatically. He has to cut. So he is -- he is contributing.

And I don't have, Mr. Chairman, very much sympathy, frankly, for pointing the finger at certain elements within our community. I've never followed that philosophy. I can remember back 10, 20, 30, 40 years ago, where the same kind of arguments were used to us with respect to Oahu carrying all of the neighbor islands. And I've heard the same kind of argument used with respect to any inequality of education, that because you come from a small poor place, your kids automatically, ipso facto, you're going to have to get something less in terms of

quality. And that is true with respect to the care for medical attention and that is true also in the care of the system of justice. All people should be treated as much as possible equally and alike. And if we're going to be creating reservations for the wealthy, let's say so so we can stand up and be counted. But hey, let's keep our eyes on the target.

CHAIRMAN TAKITANI: Mr. Craddick?

MR. CRADDICK: Does the board want to take any action on or ratify any action that staff may take as far as how to manage the drought? It says here "the director, with approval of the board." It's a team action.

MR. CRAVALHO: Mr. Chairman, we're playing games now with words. The board has approved 10 percent.

MR. CRADDICK: Okay. Well, what I'm getting at is in the past, we have not issued new meters, we've stopped construction meters from being used, and --

MR. CRAVALHO: Achieve your 10 percent, my dear friend. I'm surprised, Mr. Craddick. Here I'm trying to give you more and more authority and you're shying away from it.

MR. CRADDICK: Well, this particular one, if we're going to continue issuing new meters during a drought is --

MR. CRAVALHO: You know you don't. Thank God we didn't agree with what you presented to us and there was no drought situation, therefore you're ipso facto free to go and issue meters. Remember that one? And remember your followup letter after that? Where you still disagreed with the farm bureau and you still stood back of what your earlier statements with respect to using of nonexistent water? Let's leave well enough alone. Go ahead and take care and we're going to support you in that kind of stuff. But don't take us all over the place because you kind of scared

to move or whatever. You know what we want, 10 percent, and you're going to find this board being very, very supportive, very supportive.

MR. CRADDICK: Okay. Thank you.

CHAIRMAN TAKITANI: Achieve your 10 percent and do it well. Do it consistently and do it well.

MR. NOBRIGA: We declared a drought emergency.

CHAIRMAN TAKITANI: Okay. Any more discussion on the Upcountry water situation?

MR. CRAVALHO: I'm hungry, let's eat.

CHAIRMAN TAKITANI: Item D, update on water issues discussed at public meetings. Any?

Okay. What about staff reports?

MR. CRADDICK: We've got pumping reports here for the treatment plants. We've got the monthly pumping report.

CHAIRMAN TAKITANI: Where are we at on the monthly?

MR. CRADDICK: Iao? 18.777. We have the Field Operations Division report. The Plant Operations Report.

CHAIRMAN TAKITANI: When did North Waihee kick in?

MR. CRADDICK: It's actually all operational. We're waiting to get -- we ran the well, took a sample, and we have to turn in the sample results to the health department before we can run it. That's something they required with approval of the source. From what I understand, the report should be in today. If it's in today, we'll start it running today.

CHAIRMAN TAKITANI: That can produce how much?

MR. CRADDICK: One and a half million gallons a day of water. And we have an easement, one easement there, Peter Dyck and Joanne Louie. Two contracts issued. No requests for reservation. And we have the CIP project status report.

CHAIRMAN TAKITANI: Mr. Quinn, when are we scheduling for the budget?

MR. QUINN: I was just about to bring that up. It's at the board's pleasure. We would like to have it about the second week in April, if that's okay with the board. I'm not sure -- Fran, when is the next board meeting?

MS. NAGO: The meetings in April are going to be the 13th and the 27th.

MR. CRAVALHO: So Mr. Chair, we can pass it out on the 13th and act on it on the 27th and take a look at it.

MS. NAGO: Did you folks want to have a workshop, though, or --

MR. CRAVALHO: I don't know about the others, but I know I would look at.

MR. QUINN: In the past we did have a workshop and it was pretty lengthy. I'm not sure we even completed it in one day.

CHAIRMAN TAKITANI: I think it's a worthwhile process, even though it's laborious and tedious.

MR. STARR: I, for one, would like to go through it item by item and give it some thought. So I think a workshop would be in order.

MR. CRADDICK: Perhaps maybe -- let's see here. Right now the only pressing item that we have maybe for the next board meeting is that one with Hoekstra and have a meeting with just those two items on it, maybe.

MR. CRAVALHO: Mr. Chairman, I'm not chair. But I'm going to tell you something in a matter of time. This Chair is going to prepare the agendas, yes, so that we're not going to have any arbitrary additions or deletions from the agenda. One of the things I want to be able to look at, either prior to the next meeting or at two meetings from here at the latest, all deferred items and all items that appeared on the agenda at one time and were removed at another time, all items of communications that came in addressed to any member of the board or to the board in particular as a whole and were never presented to the board. I understand that there are several of them. So that the board can take a look at what is being expressed by the public. Regardless of what the public wants -- regardless of what the board wants to do. If you want to reject it, fine; approve it, fine. But be aware of what is coming in. So that accountability, yeah, can be placed fully on the shoulders of the board members. I think it's very reasonable. And I think it's legally correct.

CHAIRMAN TAKITANI: Any other staff reports? With those comments, Mr. Quinn, are you still suggesting May?

MR. QUINN: I'm suggesting April, the first or second week of April, whatever the new chairman --

MR. CRAVALHO: I'll get together with you. Mr. Chairman, assume earlier the possible. So that in case board members need additional time, they have the additional time for the adoptions or preparation of modifications or whatever it may be so that it doesn't get to us at the very last minute, take it or leave it otherwise you're going to be in a new fiscal year, whathaveyou.

MR. QUINN: Typically there are plenty of questions. And of course, you have two major questions, the operating budget and the CIP budget, equally important.

CHAIRMAN TAKITANI: I think one thing we have going for us is that we don't have any new members coming in and we'll be going with the same board here so we won't have that startup.

MR. CRAVALHO: Some of us, Mr. Chairman, have never seen the operating budget, except the quarterly reports, the semi-annual reports. Same thing is true with respect to the CIP budget. So it's slightly better for Mr. Rice and myself, we have never seen that.

MR. STARR: Before we adjourn, one more round of applause for the outgoing officers and all they have accomplished.

[Applause.]

MR. CRAVALHO: Mr. Chairman, if I may request, the board is charged with responsibilities of following through, implementing the development plan and community development plans, and so when we have the specific CIP programs that are being proposed to us and a line of explanation as to what portion, if any, of the community development plans and/or the overall development plan is being implemented by this particular proposal so that we're in accordance with what the law requires.

MR. STARR: Move to adjourn.

MR. CRAVALHO: Second.

CHAIRMAN TAKITANI: Moved by Mr. Starr, seconded by Mr. Cravalho to adjourn. All those in favor, say aye. Opposed, nay. We are adjourned.

(WHEREUPON, the meeting was adjourned at 11:25 a.m.)

*"By Water All Things Find Life"*

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