

County of Maui Water
Supply

BOARD OF WATER SUPPLY

COUNTY OF MAUI

REGULAR MEETING

Held at the Kahului Shopping Center, 65 West Ka'ahumanu Avenue,
Unit 29, Kahului, Maui, Hawaii, commencing at 9:00 a.m., on
Thursday, November 7, 2002.

REPORTED BY: JEANNETTE W. IWADO, RPR/CSR #135

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A T T E N D A N C E

CHAIRPERSON:

PETER RICE

VICE CHAIR:

MICHAEL NOBRIGA

BOARD MEMBERS:

CLARK HASHIMOTO

ADOLPH HELM

KENT HIRANAGA

HOWARD NAKAMURA

GINNY PARSONS

JONATHAN STARR

MICHAEL VICTORINO

DIRECTOR:

DAVID CRADDICK

DEPUTY DIRECTOR:

GEORGE TENGAN

DEPUTY CORPORATION COUNSEL:

EDWARD KUSHI, JR.

BOARD SECRETARY:

CATHY HOWARD

FISCAL OFFICER:

HOLLY PERDIDO

ENGINEERING:

HERBERT KOGASAKA

PAUL SEITZ

BOARD OF WATER SUPPLY

REGULAR MEETING

NOVEMBER 7, 2002, 9:00 A.M.

CHAIRMAN RICE: Good morning. Call to order the regular meeting of the Board of Water Supply of November 7th. We are in the Kahului Shopping Center. It is now 9:00 am. Board Members present Clark Hashimoto, Jonathan Starr, Mike Nobriga, Howard Nakamura, Ginny Parsons, Adolph Helm, Mike Victorino, myself, Peter Rice, Director David Craddick, Corp Counsel Ed Kushi, Junior, staff members and the public. We have a quorum. We have people rushing to put their public testimony up, thank you. The first item on the agenda is the approval of minutes.

MR. VICTORINO: So moved, Mr. Chair.

MR. NOBRIGA: Second.

CHAIRMAN RICE: Moved and seconded to accept the minutes subject to the standard review period.

MR. STARR: Mr. Chair, I just noticed in our package there are some amendments to them. I would like those included.

CHAIRMAN RICE: Including the amendments as prepared by Kathy Howard. Mr. Victorino?

MR. VICTORINO: Corrections, not amendments. Thank you.

MR. STARR: Yes, corrections.

CHAIRMAN RICE: The second accepts that. Any

discussion? All in favor say "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Motion is carried.

Members of the public, at this point in the meeting we accept testimony from the public on the issues that are on the agenda. And we have a lot of testimony, so we are going to begin. Let's try to keep the testimony to three minutes,

people, and then we will move into the regular agenda. If you would rather testify at the beginning of the item as it comes up on the agenda, let me know when I call your name and we will move you to that section. Otherwise, you can testify at this point.

The Chair is going to allow Miss Raisbeck to testify under the section of testimony that says, "i.e., those persons who have a specific application or request for action pending." And I would urge that we review that language. But under that language I think Miss Raisbeck can testify as to

things that are pending. Sally, would you be first?

MS. RAISBECK: Do you use this?

CHAIRMAN RICE: Let the record show Board Member

Kent Hiranaga is present.

MS. RAISBECK: Thank you, Mr. Chairman. There are

two items, two things I would like to testify about. The

second one would involve the political activities of the

Citizens for Clean Water, but that one I could take up when the

agenda item on evaluation of the Director comes up. So I'll

defer that until then, if you would prefer.

The other item that I wish to discuss is on November

15th there is a meeting of the Board of Land and Natural Resources at Cameron center at 9:00 am, and they will be -- I'm sorry? A little closer, okay. They will be taking up, I believe they will be receiving the hearing report of the Hearing Officer, former judge McConnell. And I was going to ask Mr. Kushi, but I didn't get over to him in time, whether or not he has received the findings of fact, conclusions of law, and order from Judge McConnell. It should be today, I would think, if it's going to be on the agenda November 15th.

I don't know how soon after that they can put all

the water in East Maui up for 30 year leases, but I believe that is their intention as soon as they receive the report from Judge McConnell. As you gentlemen all know, there is an East Maui water agreement that was signed between the Territory and the Board of Water Supply in 1938 which gives the state and EMI mutual perpetual easements on the ditches on the transmission of water across the land of either party.

Recently Mr. Craddick wrote a letter to Howard Fukushima asking if this in any way prevented the County from bidding on those water leases. 30 year water leases to 160 million gallons a day of water. And Howard's answer was no,

that some of the provisions of that agreement were specifically in there to allow other parties to bid on those leases.

I don't know why the Board of Water Supply has never investigated the County bidding on those leases, but they haven't, and I don't think they intend to. One of the reasons I supported 9-A so strongly was under the hope that under the Mayor and Council the Department of Water Supply would indeed investigate getting those leases for the County.

Things have changed, 9-A passed, 9 was defeated, so the whole structure of control of water in the County is going

to be different. Linda Lingle is governor; she has expressed a desire to eliminate the Commission on Water Resource Management, which will change the way the state controls water. I think it would be wise for this group to tell the BLNR that this is not the time to give 30 year leases on 160 million gallons a day to a private commercial company.

I did ask Mr. Craddick why the Board of Water Supply was supporting A&B in every respect. Mr. Kushi was in agreement with all the arguments by A&B on this matter, and he said that they wanted to protect their 25 year agreement with A&B, but why would you want to protect a 25 year agreement on 7

percent of the water when you have the opportunity to get control of 100 percent of the water? That 1938 agreement means that either party, any party can use those ditches.

So that's all I guess I need to say. I think the November 15th meeting is of crucial importance. I think the November 20th meeting is of less importance, but still important. One of the reasons, as I say, I supported designation, one of the reasons I supported 9-A on the ballot is because I want to see a more proactive attempt by the Department of Water Supply to get some of that East Maui

surface water under their own control rather than under the control of a private commercial company. Thank you.

CHAIRMAN RICE: Thank you, Sally. Yes, Mr. Starr?

MR. STARR: Sally, this filing that you said was done on behalf of the Board by Corp Counsel, have you actually seen this?

MS. RAISBECK: Yes. I mean you guys were one of the parties to the contested case, the Department of Water Supply was one of the parties to the contested case. And I read through the arguments, and in every case where, you know, what do they call them, the memorandum for the lawyers was asked

for, Mr. Kushi has said, "We agree with A&B and EMI on everything."

MR. STARR: I'd like to comment that this was done without the knowledge of the Board Members, and so I object strenuously. Corp Counsel was off acting as a loose canon, and I think Board Members are at least due the opportunity to see what was filed on our behalf, and put it on an agenda for the next meeting. Because that's not right. If the Board had specifically acted that way is one thing, but I think that Corp Counsel was out acting on their own.

CHAIRMAN RICE: Okay. Any other questions for the

testifier? Thank you, Sally.

MS. RAISBECK: Thank you.

CHAIRMAN RICE: So noted, Mr. Starr. Okay, Vivian

Bernard. You are here to testify on the use of the chemical

C-9. Do you want to wait for that to come up or do you want to

testify now?

MS. VIVIAN BERNARD: I think I'll wait until it

comes up.

CHAIRMAN RICE: Lois Laird, the same thing?

MS. LOIS LAIRD: Thank you very much, I will wait

until later.

CHAIRMAN RICE: Marie Beatty?

MS. MARIE BEATTY: I'll wait until it comes up.

CHAIRMAN RICE: Thank you, Marie. We have got

Astrid Watanabe.

MS. ASTRID WATANABE: I would rather now.

CHAIRMAN RICE: You can, Astrid. Please come

ahead.

MS. ASTRID WATANABE: Do I have to push a button or

something?

CHAIRMAN RICE: I think it's on. Speak into the
mike and we will see.

MS. ASTRID WATANABE: I am not that familiar with
it, I just recently heard about it, and somebody handed me a
paper that stated all kind of toxic things. I really don't
know that much about it, but I want to say that I'm very leary
about chemicals. And sometimes the solution is worse than the
problem, and that happens over and over. And there are other
things in the water, like toxic runoff from agriculture. We
know there's all kinds of bad stuff in the water. And also I
have seen obviously herbicides were used in the ditch on the

way to Hana. I've seen it obviously, herbicides. So there must be runoff of that in the water. And then we have the chlorine and whatnot in the water. And it's never quite predictable what a combination of chemicals will do, it's very hard to predict. To have more chemicals, when you already have toxic stuff around, to do more of it, I doubt very much that that is beneficial.

And also, I want to tell you guys I don't really trust you. Our culture tends to trust what we call the progress and chemicals, and we tend to overly trust, and later

on it turns out to be extremely toxic and detrimental to everything. I know only that if there is chlorine in the water I know what it is, but chemicals we don't know, and we don't know the long term effects.

So I would be, you know, I don't like, as a private citizen, to have toxic stuff. A friend of mine told me it makes your skin itch, your eyes burn. I would, without being very knowledgeable, you get the drift of what I'm saying, yeah? And so we trust chemicals, and people who warn against it are regarded as cranks or extremists. I just want to say I'm an ordinary citizen, I was a nurse for 19 years, I'm very

cautious. I have been here from 1970 and I'm not a crank or an extremist, but I do see a lot of stuff that is being done that would be better not to. So this is what I want to say. Thank you.

CHAIRMAN RICE: Thank you, Astrid. Astrid, one second, any questions for Astrid, members of the Board? Thank you. Okay, let's see. We have water standards, Mark Spencer. Do you want to testify now?

MR. MARK SPENCER: Yes.

CHAIRMAN RICE: Thank you, Mark.

MR. MARK SPENCER: Mark Spencer with Spencer Homes.

I guess I have a question. And we talked a little bit about this, what was said at last months' meeting. A project where we're the contractor for which my brother Doug Spencer owns, Kilohana Hema. The department has been enforcing or has been applying code that we believe is part of the new code that hasn't been accepted yet, and I am trying to find out what your policy is on that.

What it is is it's their meters. They have been pushing us to put meters on private property using a different meter box that no one has yet, and we brought it to their

attention. The response was, Well, it would be more economical of you to just go ahead and do this now rather than go through the appeal process. And again, we feel like we're being forced to use a code that our understanding is hasn't even been adopted yet. And I guess I want to bring that to your attention and hopefully get a response later on in the meeting. Thank you.

CHAIRMAN RICE: Thank you. Any questions for Mark?

MR. STARR: Yeah. Are those those stainless steel covers?

MR. MARK SPENCER: This is a box that now incorporates a valve inside the box. It's a larger box. And again, the irrigation systems, the other people hadn't even heard a word of it. Also, they're wanting it placed, let me see now, I think I may have had this backwards now. They're wanting it placed on private property, they're wanting it encased in concrete. It's a completely different kind of code. They offered a compromise of letting us put it within the County, but also still using the new meter boxes. So that's where we're at.

CHAIRMAN RICE: Okay, Mark. Any other questions for

Mark? Thank you.

MR. MARK SPENCER: Thank you.

CHAIRMAN RICE: Mr. Craddick?

MR. CRADDICK: Let's see. I don't think that item is on the agenda, but -- oh, yes, it is. What he's talking about is right now the meter boxes are required to be on private property. The new standards require it to be in the County right-of-way. And the longer meter boxes are required because of the check valve, which is required because of 9/11, not because of any standards.

CHAIRMAN RICE: We will talk more about it when the item comes up on the agenda. Ian Smith.

MR. IAN SMITH: Good morning. My name is Ian Smith, members of the Board. I'm here to testify on the rules and regulations on the proposed new standards. One standards upon my review that's not included in the new standards is the use of PVC, C-900 water line. PVC C-900 water line pipe is used throughout the United States, 48 of the 50 states use it, it is AWWA certified, it is NSF certified, it is EPA certified.

I brought along a bunch of research that I downloaded off the web from the Association of American Water

Works that actually prove it has a higher corrosion resistance than ductal iron, which is the standard here. And because it is a non-conductor, the corrosion resistance is superior to that. It also is not susceptible to alkaline or acid soil conditions. Because PVC does not respond to those, it has a longer life. It is approved, it has superior flow characteristics. It also, over a recent research done by an independent lab funded by the American Water Works Association, it was shown to have superior life over the ductal iron pipe.

And these things all combined I've done, I don't

know, miles of water line here on Maui, private and public.

The number one thing I find in dealing with my men in the field

and using both pipes is safety. Two men can lift up a 20-foot

length of PVC C-900 pipe, put it in place, put it together. If

you use that same length of pipe ductal iron you are going to

need a piece of machinery. You have the potential of it

falling, crushing a man's leg.

You also have to wrap that pipe in plastic to avoid

corrosion from the soil. These are all things that take extra

steps, and they're also things that the department has to deal

with in repairing lines, where if the line was PVC the repair

would be a lot easier, there wouldn't be as much danger associated with it.

And then finally, it's the cost factor. It's anywhere from 25 to 30 percent cheaper than ductal iron C-900 pipe. The transportation, the shipping is cheaper. It's just something that I would ask that the Board look into to be included, or at least reviewed as part of the new standards. It's allowed on Kauai, it's allowed on Oahu, state jobs allow it as a standard, and I think just the County should catch up with the times and look to put it in with their specs. Thank

you very much.

CHAIRMAN RICE: Questions for Ian? Yes, Ginny.

MS. PARSONS: In looking over this new amendment and rules, how much do you estimate it's going to affect your business to have to comply?

MR. IAN SMITH: To the new rules? Oh, the new rules, it would probably -- if everything was incorporated in those new rules, I would imagine somewhere in the neighborhood of 35 percent, 30 to 35 percent more cost across the board in dealing with that.

MS. PARSONS: What does that translate to in your --

with what you have subdivisionwise on the books right now? What does that translate to in dollars.

MR. IAN SMITH: It would depend upon the size of the system. There are some of our projects that, you know, it's a simple crossing, short things. If it's a large subdivision you could be talking hundreds of thousands of dollars.

MS. PARSONS: So it's a profit issue too, right?

MR. IAN SMITH: Not only that. I mean a lot of times the improvements that are required benefit the County as well. I mean when the County improves their systems they're

paying that same price as well.

CHAIRMAN RICE: Mr. Victorino?

MR. VICTORINO: Ian, you did mention it being a little cheaper as far as 25 to 30 percent as far as your cost factor, and I might have missed this in your statement when you started. What is the life expectancy between the two? What is the percentage of difference there when you're talking the PVC versus the ductal line?

MR. IAN SMITH: Well, because PVC pipe and C-900 PVC pipe is relatively new, 25 years or so, they don't have -- I mean it hasn't been around long enough. But if I can quote

part of this research right here it says, "When water utility managers and engineering firms were surveyed in the study sponsored by the American Water Works Association research foundation, they cited corrosion existence, longevity, and durability as their top reasons for choosing PVC. When these same water supply professionals and engineers were asked to rank PVC against other common types of pressure pipes for life expectancy, PVC ranked first."

CHAIRMAN RICE: Any other questions for Ian? Thank you, Ian.

MR. IAN SMITH: Thank you.

CHAIRMAN RICE: Okay, Hugh?

MR. HUGH STARR: I'd prefer to testify when it comes up, thank you.

CHAIRMAN RICE: Okay, any other testimony to be taken from the public on issues on the agenda at this time? Hearing and seeing none, we are going to move on. Director's Report 02-42, request approval to procure the services of a legislative liaison.

MR. CRADDICK: In light of recent events, I'd like to withdraw that item.

CHAIRMAN RICE: If there's no objection, so
ordered. Director's Report 02-44, request approval to cancel
an Agreement Authorizing Waiver for Subdivision Water Systems.
Mr. Craddick?

MR. CRADDICK: Okay, this was, I believe, a 216
referral that has now been complied with, and I just want it
off of the title report.

CHAIRMAN RICE: Mr. Nakamura?

MR. NAKAMURA: Mr. Chairman, I move to approve the
request to cancel the waiver.

MR. VICTORINO: Second.

CHAIRMAN RICE: Moved and seconded. Any

discussion? . Mr. Starr?

MR. STARR: Yeah, I'm a little confused over what

this is. Can we get a more detailed description from the

Director?

CHAIRMAN RICE: Mr. Craddick?

MR. CRADDICK: Well, this is a 216 deferral. They

have now done the improvements that are required, so there's no

necessity to have this on the title report anymore. When they

get a 216 deferral it runs with the land. And once it's

complied with it still runs with the land, unless you do something like this to cancel it off.

MR. STARR: If they make further improvements would that have any affect on it?

MR. CRADDICK: Further improvements? I'm not sure what you mean. You mean put more demand on the water system?

MR. STARR: Yes.

MR. CRADDICK: We would have to look at that situation when it arose.

MR. STARR: But it wouldn't fall under this in that

case, is that what you're saying?

MR. CRADDICK: No. For what they did, the

subdivision they did, they put the requirements in.

CHAIRMAN RICE: Any other questions, discussion?

All in favor signify by saying "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

The motion is carried.

Item C, Director's Report 02-45 is a personnel

issue. Mr. Craddick?

MR. CRADDICK: I think we'd have to go into executive session for that, for any discussion on that item.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Mr. Chair, could we move that to the tail of the agenda?

CHAIRMAN RICE: Certainly. Any objection, Board Members? Okay. Old Business A, request from Marion and Maxine Hanks for a water meter for their home. This was on a previous agenda, I believe.

MR. CRADDICK: Yes.

CHAIRMAN RICE: And Mr. Craddick has distributed

some additional information, I believe. Is that correct, Mr. Craddick?

MR. CRADDICK: Yes. The additional information is they entered into an agreement in 1992 to basically say that they were on a private water system and wouldn't be asking the County for service, and I think our staff wasn't aware of that before they found the agreement.

CHAIRMAN RICE: Mr. Kushi, there was a need to go into executive session on this issue at the last meeting. Is that still --

MR. KUSHI: I don't recall, Mr. Chair.

MR. CRADDICK: That was if you were, you know, in light of this item here, there may be a reason to deny the meter. But the issue about other services having been given in the area is still an item out there, and that was the reason for the executive session, if you wanted to go into that.

CHAIRMAN RICE: What's the pleasure of this Board?

MR. NOBRIGA: Is there a representative of the

Hanks?

MR. CRADDICK: They live in Utah. I don't believe

there is.

MR. NOBRIGA: There's no representative for the

Hanks?

MR. CRADDICK: No.

MR. STARR: Can I get a clarification of what's

before us, what's being asked of us here?

MR. CRADDICK: They want a meter on the system that

the Board said not to give any meters on after the Grey, the

Grey issue.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Yeah, I'd like to ask Corp Counsel

whether we have standing any ability to deny this, considering they signed this agreement.

MR. CHANG: It's not a denial.

MR. CRADDICK: What Herb was saying is it's not a denial, they just have to put in the improvements and they would be able to get the meter.

CHAIRMAN RICE: That's what this agreement says. I think there's a question for Mr. Kushi at this point. .

MR. STARR: And if we were to file it, is that sufficient?

MR. KUSHI: Mr. Chair, this is the first time I have seen this agreement. So without knowing the background and really looking at this agreement, I can't comment on it. I would suggest the Board defer this again. And we need a response from our office based on the current request and what they signed.

CHAIRMAN RICE: I think that's sufficient.

MR. STARR: Move to defer.

MR. VICTORINO: Second.

CHAIRMAN RICE: Moved and seconded to defer.

Discussion? All in favor say "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Hearing none, the motion passes.

MR. VICTORINO: Mr. Chair, just one recommendation.

I get a little tired sometimes coming to these meetings and

being given surprises, and then also finding out that Corp

Counsel is not prepared. I mean if this was sent out on

October 29th and today is November 6th, there seems to be

sometime that somebody should have given it for review. Just

make a note of that. Something like this should be done and given to Corp Counsel so that he's better prepared when he comes to the meeting.

CHAIRMAN RICE: So noted. Thank you, Mr.

Victorino.

Okay, moving on to B, here we are, request to amend the rules. Hugh, do you want to go ahead and testify?

MR. HUGH STARR: Good morning, Chairman Rice, members of the Board. I have to confess I'm a little uncertain where everything goes from here as far as procedure and the like. But I'm here to testify, offer some comments on the

proposed changes to the water system standards.

The main thing, the point that I wanted to draw your attention to is that, you know, I've watched your proceedings in fascination often, and some of the things that I note is that there's a great deal of sympathy, a lot of you as individuals, toward people, especially in the Upcountry area where systems are maybe not up to standards are faced with, you know, incredible infrastructure improvements in order to get a water meter or in order to get a one-lot, two-lot, three-lot subdivision. I see a collision course coming here pretty

quickly between the adoption of the new water system standards and the Upcountry water meter issuance rule.

Essentially, you've got up until December 3rd. You have got people who are coming to the department with prior privileges, if you will, for water service. And then once that date passes you have got something like 580 people on the wait list for up-sized meters, additional meters and the like. Most of these people have been on a list or waiting for water service for, you know, upwards of nine, ten years now, and they see this progress with the Upcountry meter issuance rule as a really positive thing.

Ironically, at the exact same time the Board is being asked to consider changing the water system standards, and it will have a dramatic impact on many of the people who are on the list Upcountry. And what I see happening is a lot of the frustration of this, you know, conflict is going to end up before the Board or the County Council, I'm not sure. That's the part I'm not so sure about. But there's going to be a lot of conflict, and there's going to be a lot of kind of up-cry, if you will.

Many people who are on the list and anticipated

getting water service are going to find if the standards are adopted as proposed that they are going to have to now conform in many cases to increasing the distribution lines to their properties in order for them to get water service. You've seen many times people come before you and say that it's going to cost them \$100,000, \$200,000, \$300,000, and that's very real.

So my suggestion is, if it's appropriate, that perhaps there be some consideration for not making this retroactive, which in essence is what it appears is going to happen as it's being proposed. And I don't have an answer to this. I think dialogue might be a little helpful. Whether it

is that you just say that upon adoption of the rule that any new applications that come before the department would have to meet these new standards. That's one alternative. There are others.

I think that the Board has expressed the desire to develop a long-range plan for upgrading the systems that are substandard, rather than making and putting the onus on individual people who come before the department for an individual water service. So without taking any more of your time, that's pretty much the gist of my comments. Thank you

very much.

CHAIRMAN RICE: Thank you, Hugh. Questions for

Mr. Starr? Mr. Starr for Mr. Starr.

MR. STARR: Where is the wording that makes this retroactive?

MR. HUGH STARR: I don't see -- well, I don't see anything specific in there that says it's retroactive. But the department, I think as was alluded to earlier in earlier testimony, I think the intention of the department is to make it retroactive. When I say retroactive, I may be using the wrong term. But currently if you go into the department now

you actually are asked to meet these new standards, even though they haven't really been adopted by rule, by rule change. So I don't know that there's anywhere specific in the standards that suggests it will be retroactive, but in practice my understanding is that it will be in essence retroactive.

CHAIRMAN RICE: Yes, Mr. Nakamura?

MR. NAKAMURA: Hugh, quick question. Are you concerned primarily about the timing aspect, the retroactivity or the retroactive aspect of it, or are you concerned about the fact that the standards themselves may be excessive? And if

it's the latter, do you have any specific items that you would like to bring to the attention of the Board?

MR. HUGH STARR: Thank you. On the issue of the standards being excessive, I've had a chance to talk with the department and consider them, and I think the standards are probably appropriate for the times. You know, I think the main concern seems to be that the nature of development in agricultural areas has changed a great deal since the rules were initially adopted, and the fire protection or fire flow is insufficient oftentimes to deal with the kinds of improvements that we're seeing in ag areas.

So I have no argument with the standards themselves, by and large. What I'm concerned about is that people who have -- this will affect virtually everybody Upcountry. There are very few exceptions that I've run into where people won't be affected either being asked to put in a fire hydrant or extend, upgrade a 4 or 6 inch line to an 8 inch line to meet these fire protection requirements. So it's a real burden on people who have been waiting for water service, so that's my main concern.

And the Board has expressed collectively I think,

and individually, that this is a real issue of equity in requiring individuals to make system improvements in order to get a water service, that there has to be another way of upgrading the systems, and that the responsibility perhaps should rest with the department to, in their long-range planning, to upgrade these systems rather than putting the onus on individual people on an as-you-walk-in-the-door basis, which is the way it's been. And now it's going to be expedientially tougher because the standards are more stringent.

CHAIRMAN RICE: Mr. Victorino?

MR. VICTORINO: Mr. Starr, I understand where you're

coming from, but I think the word "retro" is not really appropriate. You are really referring to that these people are waiting for their meters. And as these meters are rolled out, based upon new standards, they would then have to comply with these new standards. So it's not really a retro, it's just the fact that they have been waiting to get their meters. Now they get their meter, and whatever rules or regulations there are at that point they've got to comply with, right?

MR. HUGH STARR: That's right.

MR. VICTORINO: That's basically what you're

saying. Just to get that straight. Retro kind of means I go back and if I did something ten years ago I've got to go back and do it again. Secondly, this fire flow issue, I think you and I agree, being that I'm in the business of insurance, it's a tremendous area of concern because of the life and protection of people, okay. It's not so much property, but the life and well being of people are very important. And I think this is something that the compliance with these new standards for fire flow and all that is going to be real paramount.

Now, I understand and I think I concur with you that we should, as these standards are adopted, make sure that the

Board and the Department of Water Supply work with the people and individuals. And if a cross sharing or whatever needs to be done, that we need to get in there and get ourselves involved in that area. But I think it's very important to understand that these systems, these new rules and regulations are very important, because if we let you put in something substandard now and years come down the road, like what happened in Kula, even though now there's a fire station, still there's inadequate fire flow. So even if the fire truck gets to that home, it cannot put out the fire because there's a

standpipe instead of a fire hydrant.

So anything being built new, I think it's important. But I agree with you, I think we have to look upon ourselves that the department and the individual owners somehow come to work and find a common ground and share cost in that area.

MR. HUGH STARR: Thank you. If I could make a couple of comments. On the issue of the retroactive, and the department can correct me if I am wrong, but it's possible that someone who came in for say a three lot subdivision and had construction plans approved for the water improvements will now

then be asked to go back and redo those construction plans according to new standards. And so in a sense, they may have had construction plans approved and they're waiting on the pipeline for their meters. And then these new standards come in and they will be asked to go back and redesign their system.

So to that extent I believe there is an issue of --

I don't know if retroactive is the right word, but it's the ideas that people could have complied with all conditions, you know, back in 1993, and they're just sitting there waiting for

their water service. Now they have the opportunity to get their water service, and now they're going to be asked to "Oh, by the way, you have to upgrade the system."

And on the issue of fire protection, I understand, I'm sympathetic to what you're talking about. In rural areas, and this was raised by Scott English, he made a distinction that I thought was interesting between fire protection to protect life and limb versus fire protection to save a house. And as far as the fire department is concerned, and they're the ones actually out there fighting these things, their primary concern is to get into the house with their personnel and get

people out. And the amount of water that is required to perform that task is significantly less than the amount of water that it takes to physically save a structure. I think it's safe to say that the priority is health and safety.

So that distinction somewhat deals with the issue of can you save every house that burns in the Upcountry area. Perhaps not. But if you could save peoples' lives, maybe the standards that we have in place right now, while they're not adequate, and I would agree, would at least meet that requirement.

CHAIRMAN RICE: Any other questions for Mr. Starr?

Thank you, Hugh.

MR. HUGH STARR: Thank you.

CHAIRMAN RICE: Board Members, at the last meeting that this issue was taken up there was a request made regarding these standards. Mr. Kushi, do you recall?

MR. KUSHI: Again, I don't recall, Mr. Chair.

CHAIRMAN RICE: In the minutes we were discussing this. Mr. Kushi makes a comment that he just got handed a copy of the water system standards by the state and signed off by the then Director, as well as the Board Chair of the City of

Honolulu, Kauai and the Big Island. So we were trying to figure out if we were amending those rules that were previously adopted, or if they weren't adopted, and how these new standards fit into that. And we deferred the issue based on some decision or some opinion that was forthcoming.

MR. KUSHI: Yes, go on.

CHAIRMAN RICE: Well, I guess that's why we deferred it. So in trying to avoid the same question coming up again, I just wanted to deal with it up front.

MR. KUSHI: It's slowly coming back to me,

Mr. Chair. I recall that at the last meeting we were confused

-- I was confused as to what we were amending or

incorporating. Subsequently we did have several meetings with

staff. And I'm not sure if all of you have seen this, but in

the proposed rules and regulations I guess the key to all of

this is on page 121 of your handouts at the top. It says to

add a section to the definitions under standards, water system

standards, State of Hawaii.

So in essence what the department is trying to do is

to incorporate this book into its rules to provide a set of

standards. Now, these standards are adopted, from my

understanding, through associations of state and county departments, water departments, or water so-called experts.

And again, they may be amended from time to time. However, I

think it was the consensus of the staff, and I would agree to

it, I would go along with it, that at least now you have or the

department has and the public has something to look at by

incorporating these standards.

Just reviewing your current rules, they do mention

rules and regulations and standards. There's no reference to

any -- to what is the standard. And that being the case, the

standard could be whatever the Director thinks should be the standard.

CHAIRMAN RICE: So if I'm hearing you correctly, right now the rules refer to standards in the generic sense and there is no definition of standards. So up until now the Director has been using his interpretation of standards.

MR. KUSHI: That's my understanding. Mr. Craddick?

MR. CRADDICK: That's correct.

CHAIRMAN RICE: So that answers that part of the question from before. So we would be proposing, for the public's benefit and for the Board Members' benefit we are not

approving anything at this meeting today. The action taken by this Board would be to propose a rule which would then go for public hearing, and then upon its final approval by this Board go to the Council and the Mayor for approval. Mr. Starr?

MR. STARR: Yeah, with that in mind, I do feel we should move forward with this. However, I do want to make it clear that I don't think that the community should be mandated to follow them until they are incorporated as a rule, which as you state, if we did go ahead with the motion I am about to make that would send them out to a public hearing, then back to

the Board for our approval, and then to the Mayor and the Council for adoption. So I don't think that the Director should be mandating them until they're passed.

But with that in mind, I'd like to move that we approve sending these out as a package for public hearing as amendments to the water system standards.

MR. VICTORINO: Second.

CHAIRMAN RICE: It has been moved and seconded to -- I'm trying to think of the right word -- to recommend that the standards, that the rules and regulations of the Department of Water Supply of Maui County be amended to include these water

systems standards. Okay, discussion? Mr. Nakamura.

MR. NAKAMURA: Mr. Chairman, I agree with Mr. Starr that the rules should not be utilized if they're not adopted or somehow sanctioned. But I do have a question to David. So these are new rules or these are new standards, right, 2002 standards?

MR. CRADDICK: That's correct.

MR. NAKAMURA: So in light of Mr. Starr's concerns, are there old standards that you have been using, and if so, how old are those standards?

MR. CRADDICK: They're similar to this, 1985.

MS. PARSONS: 19 what?

MR. CRADDICK: 1985.

MR. NAKAMURA: So would you continue to use those

1985 standards until such time as this rule is adopted?

MR. CRADDICK: The item that was brought up, the meter box, there's I guess three changes in there. One is the location of the meter box, one is the size of the meter box, the last thing is what goes inside the meter box. We have already made the decision that we're going to go to radio read meters. Because of 9/11 we've made the decision that back flow

preventers are going to be put on every single service. We're putting that inside the box. That is what's driving that.

There's nothing in the rules driving that decision.

What our staff had done with their particular subdivision was require the location of the box be changed from private property to public property, which is what these new standards require. And in that process there's a concrete apron around it. That was very expensive. And what I told them was, okay, you can move the thing back onto the private property, but the check valve is still going to have to go in

there and the box is still going to have to be big enough to

put the radio read meter in.

So those are not even covered in these rules here,

that's just a decision that had to be made because now we have

radio read meters and we're putting check valves on every

single service so things cannot be pumped back into the

system.

MR. NAKAMURA: But despite some of these unusual

circumstances, generally speaking, are you going to continue to

use 1985 standards?

MR. CRADDICK: Yes.

MR. NAKAMURA: Until such time as there's some formal acceptance of these 2002 standards?

MR. CRADDICK: Yes. I guess the only thing is that the fire code has changed as of October 2001, and to meet that fire code we are requiring things that meet that fire code.

CHAIRMAN RICE: Go ahead, Ginny.

MS. PARSONS: It was my understanding that the fire department is making the fire flow issue. That when it hits, when the building permits hit the fire department they're the ones coming back to the owner, the permittee, saying that "You

need to do these improvements," is that correct? That wasn't coming directly out of our department, it was coming out of the fire department?

MR. CRADDICK: For waivers from the requirements, I guess they're coming from the fire department.

MS. PARSONS: Waivers of which requirements, these?

MR. CRADDICK: Yes.

MS. PARSONS: So they're working with these, is that correct?

MR. CRADDICK: Yes.

MS. PARSONS: Who gave them that authority to work

with these?

MR. CRADDICK: It meets the fire code that they have to comply with now.

MS. PARSONS: Who complied with -- who makes that code, what body?

MR. CRADDICK: Well, it's the National Fire Protection Association.

MS. PARSONS: So nationally they have this code they have to deal with, and that's why things are getting driven. Because I know we've got a lot of homeowners that are coming in

and saying, "I want to do an addition and it's going to cost me \$50,000 to put a fire stand out there." And they're working off these rules, but we're not, and this is the major change that we're talking about, correct?

So it really isn't up to us. I mean this is still -- the problem that we've got is the fire flow issue, that's your main problem, and it's not up to us because we don't have to work under these rules until we bring them in under our rules.

MR. CRADDICK: That's true.

MS. PARSONS: But they're still going to be up

against the fire department.

MR. CRADDICK: That's correct.

MS. PARSONS: So this is a non-issue.

CHAIRMAN RICE: There's more than just --

MS. PARSONS: That's the only thing he's working on.

He just said that while you were out. That's the only thing

he's got a problem with right now.

CHAIRMAN RICE: Adolph?

MR. HELM: David, I've just got a question. I'm

just basically curious with regards to your back flow

preventers. Are you saying that each individual person that goes in for a meter are required -- right now currently you use a single check on all of your standard meter installations. Are they going to be required to put like double checks? What's required?

MR. CRADDICK: No. It's an inline check valve that is inside the meter box. That's the difference. Before it was outside the meter box where people could mess around with it.

MR. HELM: So we're talking about downstream with the meter or upstream with the meter?

MR. CRADDICK: It's right behind the meter

downstream.

CHAIRMAN RICE: Mr. Victorino?

MR. VICTORINO: In light of what happened the other day too, Mr. Chair, I'm very confused because, as you all know, we're being changed. And we can send something like this to the Mayor, the Council, public hearing and all that, but now that we're going to be under the Mayor, maybe it's time for us to say we are going to need some direction, because the new Mayor will be telling us basically what to do. And I think that's a fact that we've got to face up to. I mean we can do

all the things we want to do, and they can all come up and say,

"No, this is not what we want. This is the direction we're

going." Isn't that correct, that's what was voted on the other

day?

CHAIRMAN RICE: You may be correct.

MR. VICTORINO: So whatever actions we may be taking

may be for naught. And I am not against that, Jonathan, I'm

not against your proposal, I second it. But I'm also saying we

could be going through a whole mess of changes and it could all

be kicked back or changed or amended or whatever. So I'm very

confused just basically trying to get something done now. I

don't want to be inactive, but I also want to be proper in how I handle it.

CHAIRMAN RICE: Thank you, Mr. Victorino. Mr.

Starr?

MR. STARR: You know, my thought process had gone through what Mr. Victorino said. But this is one item that will go not only through us but to the public and then to the Mayor, and it will be, I assume, the new Mayor by that time and the Council. So I think we ought to keep acting. I don't think we ought to say that we should be afraid to act on things

that have been ongoing. So I do feel we should proceed on it.

But while the issue of meter boxes is kind of on the floor here, I want to make a comment. I recently installed a water meter in Wailuku and it was a very difficult experience in talking with my contractor and other contractors. We were forced to put in a very, very large and very, very costly meter box, you know, and it was just a massive thing. And it had to have a stainless steel lid, which was a recent requirement added. But we were told that if we didn't put this massive box with a stainless steel lid we would not get it approved by the department.

And even still it was a difficult, you know, a somewhat difficult process. I'm told it added over \$8,000 to the cost of just installing a water meter. And, you know, this great big box with this beautiful stainless. It looked like something from NASA, you know. And the meter was about this small (indicating) and the check valve was about this small (indicating) and then there's this massive thing with stainless steel, you know. And it seemed crazy at the time, and I hated paying for it, but we were kind of told we had do it. And now I'm hearing that that's not even part of this. So I don't

know, I just wanted to vent on that issue. I'm sorry.

CHAIRMAN RICE: Thank you for venting, Mr. Starr.

Any other discussion on the motion? Yes, Mr. Nobriga.

MR. NOBRIGA: I notice in section 2-3, water main and appurtenances, yeah, water main and appurtenances, there's a suggestion on an amendment to the two unit subdivision for both urban districts and agricultural districts that bring a two unit subdivision to the same standard as a three unit subdivision. It kind of doesn't make sense to have a two unit subdivision with the same standards as a three lot subdivision. I would propose to make the three lot subdivision

a two lot, to a 12 unit subdivision, because it's the same standards. At this time it don't make sense to have two standards as the 3 to 12 unit subdivision.

MR. CRADDICK: What are you saying is the same,

Mike?

MR. NOBRIGA: It's the same stuff.

MR. CRADDICK: Are you talking about the minimum

size water main?

MR. NOBRIGA: The part that is underlined.

CHAIRMAN RICE: Section 2-3.

MR. CRADDICK: Yeah, that's a good idea, you could

just put a two down below and get rid of the 3.

MR. NOBRIGA: Thank you.

MR. VICTORINO: Mr. Chair?

CHAIRMAN RICE: Yes, Mr. Victorino.

MR. VICTORINO: I guess in closing I'd like to say

that I have no problems and I'll support the motion. However,

I still would like to make sure and let Mr. Starr know that I'm

not afraid to take action, but I'd like to, knowing that the

new Mayor would be the one that would be given this

opportunity, that they're given the chance to make whatever

they think would be appropriate changes. And I just don't want to be pushing things out without letting them have an opportunity to assist in these areas also. So I'll vote for the motion in the sense of I would like to get it out and moving ahead in the public.

CHAIRMAN RICE: Okay, one second now. Mr. Nobriga made an amendment and he suggested an amendment. The motion was to accept the document as it was submitted to you. So in order to go forward one way or the other we need to either have an amendment or --

MR. VICTORINO: What amendment?

MR. STARR: Yes, make the amendment.

MR. VICTORINO: What amendment?

CHAIRMAN RICE: Mike suggested changing the proposed rules and everyone seemed to like his suggestion, including the Director. If we were to vote on the motion that's on the table it would not include Mike's suggestion. So if we make an amendment to the motion to make the change to the rules as suggested by Mr. Nobriga, then we can deal with it.

MR. VICTORINO: I missed the amendment, but go ahead.

MR. NOBRIGA: Move to amend the motion by -- move to amend the motion in section 2-3, section 1, new section 1, urban districts. A two unit subdivision should be included within the 3 to 12 unit subdivision. So the new language would not have a provision for two unit subdivision, would have a provision stating two, 2 to 12 unit subdivision.

MR. VICTORINO: Second.

MR. NOBRIGA: In addition to section 2, agricultural, formerly rule areas, the same amendment would apply where the two unit subdivision would be included within

the 3 to 6 unit subdivision. Whereby the 3 to 6 unit subdivision would now read two, 2 to 6 unit subdivisions.

CHAIRMAN RICE: Mr. Craddick?

MR. CRADDICK: On the ag one they're not the same, the run distance is different, it's longer. One is 300 feet for the 3 to 6, and the other one is 400 feet.

MR. NOBRIGA: Remove the amendment to the agricultural then, if there is a difference. They look the same to me, that's why. Too much lines.

CHAIRMAN RICE: So your amendment only relates to the first section one with regard to the two unit subdivision

will fall under 2 through 12, is that correct?

MR. NOBRIGA: That's right.

MR. VICTORINO: Second.

CHAIRMAN RICE: The second is by Mr. Victorino. Any

discussion on the amendment? Okay, all in favor of the

amendment say "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Okay, the question on the main motion, any other

discussions? Mr. Nobriga.

MR. NOBRIGA: Further amendment if possible on the fire protection. During the discussion that ensued a couple of topics ago, Mr. Craddick referred to a standard being applied by the fire department on fire protection water flow standards. Is that correct or did I misunderstand?

MR. CRADDICK: That's correct.

MR. NOBRIGA: Should we not have within our section, fire protection section 2-4 language that refers back to that fire department standard as well?

MR. CRADDICK: The short story is you're right.

That book is about twice the size of our standards, and you know if we have to do it we would have to do it, but it probably would get some consistency there between the fire department and ourselves going away from -- what you're doing is you're going away from the OSI, the Office of Insurance Services, going over to this National Fire Protection Association standard.

So anyway, I will leave the comments at that rate.

Right now our standard is the Office of Insurance Services office's fire protection requirements, which is actually the

insurance company. The other one is just, I shouldn't say just, it is the Fire Protection Association, and there's very minute detail in there that our staff quite frankly would have no knowledge of. And if you meet the requirements in the fire system that's out on the road, 99 percent of those other things don't apply.

CHAIRMAN RICE: So?

MR. NOBRIGA: That was as clear as mud to me, but apparently what it sounded like was language should be offered to include --

MR. CRADDICK: Coordination of the standards.

MR. NOBRIGA: Yeah. I don't have that language at this time.

CHAIRMAN RICE: Mr. Nakamura?

MR. NAKAMURA: I'm still a little confused, like Mr. Nobriga. But section 2-4, the fire protection that's being proposed, David, that is different from the standards that are being required by the fire department? They have a different set of standards, is that correct?

MR. CRADDICK: Yes.

MR. NAKAMURA: And are they inconsistent or are they

just further detailed than what's in this 2-4?

MR. CRADDICK: There's is extreme further detail.

This deals with just the pipelines and the fire flow

requirement to the buildings. Those fire protection standards

deal with sprinkler systems within the building, all kinds of

other issues.

MR. NAKAMURA: But if they're not inconsistent, but

they're just further detail, I would be a little reluctant to

adopt a lot of detail that your department is not going to have

the ability or the need to review, you know. So that's my

feeling, anyway.

CHAIRMAN RICE: Ginny?

MS. PARSONS: Didn't the Board or somehow the Board sent the ability for the fire department to make -- it was divided off somehow. David, can you explain that? Wasn't it one time the fire protection was under the water, and then it split off, and now the permit process or somehow it goes to the fire department to make the decisions?

MR. CRADDICK: No. What happened was the fire department, under the charter says they're responsible for fire protection for the county.

MS. PARSONS: Right.

MR. CRADDICK: Under the water department in the charter it doesn't say they're supposed to do anything about fire protection. But I think it's relatively obvious to everyone that if the water department doesn't provide the water flow necessary for the fire department to fight fires, they cannot do it with the current building standards the way they are.

MS. PARSONS: But didn't the department at one time.

MR. CRADDICK: Wait, wait, let me finish. Anyways, the fire department only looked at commercial entities prior to

last year. They now look at everything, as the charter requires them to do. So that's basically the difference.

Prior to last year they only looked at commercial. Now they look at everything, residential, rural, the works, which is what's in the National Fire Protection.

MS. PARSONS: Well, who handled it before that period?

MR. CRADDICK: We basically did.

MS. PARSONS: That's what I thought. So we also have a problem within the fire flow. As I recall, there's a

book where there are about \$65 million worth of fire flow issues within the County of Maui, is that correct?

MR. CRADDICK: Oh, you are talking about the 1993 water line replacement and fire flow improvement program?

MS. PARSONS: Right.

MR. CRADDICK: Yes, that's correct, there's about 120 miles of line identified that need fixing.

MS. PARSONS: So they're actually the ones setting the standard now so we don't run into more of that same thing?

MR. CRADDICK: If they stick to it, yes, that's correct.

MS. PARSONS: But we're going to be the ones paying for the improvement?

MR. CRADDICK: Well, keep in mind we also charge the County for that per hydrant, so we do get reimbursed at least for the hydrant portion of it. If you are talking about the increase in line size and the depreciation on that, whether somebody else ought to be paying for that, I mean that's just a rob Peter to pay Paul kind of an issue. It's provided for the people that are using the service.

CHAIRMAN RICE: Mr. Victorino?

MR. VICTORINO: I think in light of this I see no real rationale for amendments, as I stated earlier. I think we are putting this out to the public, giving both the administration and the public the opportunity to comment, to make the necessary improvements, bring together the parties. I think it's just a first step, and I think the more detail we get maybe we make it more difficult for people. So I'd like to call for the question and move on.

CHAIRMAN RICE: All in favor of the motion say

"aye."

(A chorus of ayes).

Opposed say "nay."

MR. NOBRIGA: Nay.

CHAIRMAN RICE: Let the record show a nay,

Mr. Nobriga. The motion is carried.

Okay now, as it relates to any other concerns expressed by the public, did the Board want to send this rule with any other -- no? No. Okay now, as it relates to Mr. Craddick, if we have to have a rule that needs approval, we enforce it when it's approved, right? It's pretty clear.

MR. CRADDICK: Yes.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Yeah, and I think we should -- we should ask that the fire department comment.

CHAIRMAN RICE: Absolutely.

MR. STARR: Specifically.

MR. VICTORINO: I think that's what I said, everybody needs to be brought into the picture at this time.

CHAIRMAN RICE: Okay, moving on, we have item C under Old Business, the continuing evaluation of the Director.

MR. NOBRIGA: Can we defer that to the end of the agenda, Mr. Chairman?

CHAIRMAN RICE: If the rest of the Board Members have no objection, okay, let's move on to Communication A, nine people waiting for comment on the C-9 and it relates to Miss Deisel's earlier comments.

MR. STARR: Could we have a very short recess?

CHAIRMAN RICE: Okay, let's take a minute.

MR. VICTORINO: Five minutes.

(Whereupon a brief recess was had).

CHAIRMAN RICE: Okay, let's move on. We are on Communication A from Diesel regarding the use of chemicals in

the Upcountry water. Diesel is here, and there is other public testimony to follow. And cell phones off. I apologize, the first phone ringing was mine.

MS. DIESEL: I'm not really sure where to start because I've given you guys my story. And in trying to resolve my situation I have been through an unbelievable bureaucratic run-around, not because of you guys because I haven't called you personally. But everybody that I know and everybody that I've talked to thinks that they know the way to handle this. So I've made I can't tell you how many phone calls and written how many letters in trying to solve this.

So one of my -- first I want to say that I'm a little sarcastic, especially when I say something like this, because I have to have humor in order to keep going. But I have to say that I wouldn't be here if I didn't believe that there is a solution, and that you guys are not these monsters that a lot of people tell me that you are. And that you are willing to work with me in finding a solution.

So anyway I just want to reiterate that there is a solution that's going to be better for you guys, for me, for everybody. And I think when we look outside our little box

that as humans we tend to look at, we find that.

I'd like to address the doctor thing, because I was told by David Craddick to get a doctor's note, which I got. And before he even read the note he said then I had to do something else, I can't remember what it was, I have it written down. Then when he read the note he said, "Well, that's not scientific proof." So I'd like to address this issue.

First of all, no doctor helped me when I was in my one month of pain, none of them. They sat there and looked at me, "Here, have some drugs, have some steroids." None of them helped me. None of them helped me figure out what it was. By

the time I finally figured out what it was, I went to a doctor. It was a week, it had been like three days after I had stopped using the water, so all the symptoms had gone away except what was left was some eczema what I like to call really-pissed-off-skin, which is eczema. So I didn't have anything to show him.

One of the doctors that I had gone to when I had the symptoms, I got there at 10:00 in the morning and the first thing I said is, "I don't even know why I'm here, there's nothing to show you. It comes, it's gone. There's nothing to

show you. I'm tortured all night and I don't know what to do about it." She's the one who gave me the drugs.

Okay, so then I go well, I have got to have a doctor support me. They don't know what happened to me, they didn't there, they weren't with me in the middle of the night. They weren't with me when I was waking up. So I've got to try to communicate with these people, and this is what I've got.

Doctor A: Sorry, Diesel, but I can't help you. I won't have anything to do with the water department. The Board, those people are evil they will drain and suck every bit of tissue out of your body. I highly advise you to stay away

from them. You know what's keeping your skin good, don't go anywhere near them. Okay, well, at least he's honest.

Doctor B: Doctor B doesn't know anything, and he refers me to Doctor C. Doctor C says, You will not get the department to move unless you force an attorney down their throat. "This is war, Diesel. You will have to torture yourself so bad." My boyfriend says I have got to die first. Well, you don't have to die, but you have got to get pretty darn close. The fact that most of your systems are unseen makes it pretty difficult.

I said, But Doctor, Doctor you can give me two bottles of water and you can tell me which one to wash my face with, and don't tell me which one it is and I'll tell you which one it is. It doesn't matter. You have got to die or come pretty close to it.

So Doctor D: The doctor says, "This is not a medical issue. Your skin is fine, you're doing what's right. This is a political problem. I wish I could help you, but I can't." Oh, this is a good one, the EPA doctor. I called the EPA --

CHAIRMAN RICE: Doctor E?

MS. DIESEL: Yeah, Doctor EPA. I E-mail this guy and I tell him, I say, "Listen, I've got this catch here. The water department is saying they need proof. The doctor is saying well --" it's basically I kind of feel like you guys are asking me to have a doctor tell you what I went through, and I don't understand that. I understand the business part but I go, "It doesn't make any sense. He didn't go through it, he wasn't there."

So anyway, I tell this doctor that I'm in this Catch-22. And he says, Well, it's very simple. "Just have

your doctor write a letter stating that when you get in the water you have these symptoms, and when you're out, you don't."

But this doctor says, "It's war, we have got to go to court. It's, it's war, attorneys, blah, blah, blah." I have to have more than that, but he says that doesn't make any sense. I say, .

Well, okay, he told me, "My job in the EPA is to evaluate the personal effects, personal exposure to toxins in air and water." I told him what I went through and he says, "Well, it's my opinion that you should get yourself out of the water. You might need to move." This is totally

unacceptable. So I said, "Well, can't you just say what you said to me? Can't you just write that? Just write it in a letter to the County." "Sorry, I can't help you."

So I've either got dumb doctors or I've got weanie doctors, I don't know. I do have a letter, I didn't bring the letter today because he says it's going to be shredded. But what I'd like to do is give you the results of my test that I did that he wrote the letter based on.

One week reverse osmosis water no oil, no lotion, no soap, no nothing, on my skin. No soap. I don't know how I'm

going to get clean, it's kind of miraculous. It's kind of like going and bathing in a natural pool or something.

First day, Friday, 9/27, all is at peace. Saturday, 9/28, all is at peace. Sunday, 9/29, ditto. Monday, 9/30, ditto. Tuesday, 10/1, ditto. My skin is supersmooth, not at all dry, despite the fact that I haven't used any moisturizers. Wednesday, 10/2, ditto. Thursday, 10/3, ditto. Wish I could elaborate, but it's just all good. Friday, 10/4, all is good. In the p.m. I take my first shower in County water.

Saturday, 10/5, my skin is okay, it's just a little

bit itchy. Sunday, 10/6, p.m., woke up at night with severe itching on my lower legs. Kept me up for about an hour. Put me to tears and then back to sleep. Completely gone in the morning. Monday, 10/7, my face is really stiff and tight, light burn. I like to compare this to it's the ever-so-slightest sunburn, but I wasn't in the sun. That's the tightness, that's what it felt like. Creepy, crawly, itchy skin, dry. Strange dots on my stomach. I first noticed them because I was itching, and then it stopped and there were just dots.

Tuesday, 10/8, my eyes were burning today. This morning in the shower my feet had an itching attack. Last night a brief attack on my right leg in the evening before bed. Now my skin is just generally itchy. The little dots on my stomach that showed up yesterday are still there. My lower legs are dry and itchy and covered in white. They look washed out. So do my arms. I could actually look at my skin and I could see this white film on it. My face is still stiff and tight with a light burn. I ran my finger over the skin just under my eye once and it feels like what happens when you come out of the ocean and you have salt on your face. And it's like

a light burn, you can feel the salt scraping.

Also had a strange sensation when tying my shoes and when making the bed. My hands feel hypersensitive to the touch of fabric, or a shoelace feels like it cuts into my fingers. My arms and hands and neck itch, my ears itch, and my eyes are just so tired and sore, and I feel so dirty I cannot get my skin clean of this film.

Wednesday, 10/9, I didn't shower in the morning because I was ambivalent about the whole thing. I didn't know if I wanted to continue, so I just thought I'd give it a rest

and see what I wanted to do that evening. I had woken up that morning and I felt toxins in my lungs kind of similar to if you clean your shower with bleach and you feel it, and you just want to go outside and breathe fresh air, only I hadn't been using any cleaning products. My face was all tight and hot all day, my eyes burned. There's a strange film covering my body, especially visible on my arms. So that evening I finally showered in reverse osmosis water, and I just couldn't bring myself to go any further. After showering my skin was immediately clean, light, happy, and the film was instantly gone.

Thursday, 10/10, another reverse osmosis shower, and

I'm just breathing a sigh of relief and exhaustion. I actually

looked in the mirror and I cried because there was so much

color in my lips and my face and my skin it was unbelievable.

I'm doing these tests I tend to like beat myself up, I'm so

horribly old and ugly, and I have terrible skin, and it's just

unbelievable the difference that comes back, and I forget. I

have good skin. I stopped by a friend's spewing forth my

frustration and exhaustion about the experiment, and he said,

"You mean it's the water? My family has been itching for

months. We thought we had fleas. We couldn't figure out what was going on."

Friday, 10/11 feeling great. Occasionally itching, slightly dry skin, but still good. Haven't started using any skin care products yet. Saturday, 10/12, all is back to good. And Sunday, 10/13, started back to my skin care routine.

On the 25th of October is when I wrote down when I actually felt my balance return. When I actually felt like that, even though I had been better. You know, we are given a natural balance, and anything that takes us out of the balance. I just got it back that day, it was like my skin was

totally balanced. The moisture level was perfect and it didn't matter what I put in my skin, it was healthy.

CHAIRMAN RICE: Ginny?

MS. PARSONS: Diesel, I want to first say that when your article came out or your letter in the Haleakala Times I did try to contact you by email because I had some personal concerns too. I live in Makawao.

MS. DIESEL: You know what, I apologize, I had misprinted the email.

MS. PARSONS: And I tried to get ahold of it through

Ken Pinsky and he didn't have it earlier. My family has been through this same kind of rash situation. My husband has had it pretty bad, and one of our house guests also. And so I had concern because, you know, I feel that there's a problem and we do need to look into it. And I'm terribly allergic to just about everything from trees to grass to shrubs. Mangos especially.

And during certain periods of time, certain periods of time it gets worse for me. I mean I can wake up in the middle of the night and I know when they're burning cane, because at 4:30 when they spray the toxins down I wake up

coughing. But it's part of living here.

MS. DIESEL: Yeah.

MS. PARSONS: So I was real serious about this entire situation, and I looked into it with the water department, and I tried to find out where you were. And I guess your faxes had come from Island Essence.

MS. DIESEL: That's my employer.

MS. PARSONS: That's your employer. And, you know, they're in Kula, correct?

MS. DIESEL: Yes.

MS. PARSONS: Where are their offices? I want to see how close they are to my house.

MS. DIESEL: We're about a mile before the winery on the road.

MS. PARSONS: Is that agricultural land?

MS. DIESEL: The zoning, I guess it would be agricultural land.

MS. PARSONS: Okay. And I know that they're a company that makes products.

MS. DIESEL: Skin care products.

MS. PARSONS: Skin care products with no additives

whatsoever.

MS. DIESEL: That's actually not true, but we do try to maintain natural. There are some that are questionable. When you get into these things there's people who will have a problem with anything. And there are some that we use that are a little controversial. But we do lean towards natural products.

MS. PARSONS: Well, the reason I'm bringing this up is when Dale had his problems, when my husband had his problems we had to take him off of everything. I mean we had to do it

from food testing all the way through. We went to Kaiser and had the same run-around that you did in asking them is it water related, is it air, water, whatever, and they can't define it either. And, you know, there's just no way because there's just too many things that interact with us on a daily basis, whether it's the air quality, whether it's the chemicals that we put on our body, you know, just everything works together.

And the C-9, I said, "What can we do about it?"

Because if it is something that's causing a problem, my understanding from the department is that it's regulated by the Federal Government, which is a good thing right now because

we're going to be recognized by Washington, and the EPA can do something about it. And it's an EPA issue that tells us we have to have it in there in order to eliminate the lead content. And we're putting it in due to their mandate, not to Maui County's.

MS. DIESEL: Yeah, I do understand that. But I also understand that you have to put something in to handle the lead.

CHAIRMAN RICE: This is not a discussion. Do you have questions for her? We have other testifiers.

MS. PARSONS: I do.

CHAIRMAN RICE: You are not lecturing her.

MS. PARSONS: I'm just saying I do. What I'm

asking, my question was, you know, if there was anything else that could have caused your problem, was that something that you --.

MS. DIESEL: Oh, I went through everything and I've

been through food testing before. When I moved to Maui ten years ago I had a bout with allergies. I never had them in my life. I used to feel that people who had allergies were weanies. I thought they were sickly people who just didn't

know anything about their health. I got here and had to deal with all these new things, and I got allergies.

I spent about three years balancing my diet, and I don't have allergies. I wake up in the morning and I usually have one little sneeze and that's it. I do herbs and there are certain foods that I stay away from, there are certain foods as soon as I start feeling a problem I know I have got to back off from that food. So I went through everything before. You guys are the last thing that I looked at. And even after I looked at it I waited a week before stopping bathing in the County

water. I said it can't be the water, you know. I looked at everything, I promise you. I went through so much due diligence in this.

MS. PARSONS: Thank you, because I guess I understand.

MS. DIESEL: And it is difficult, and you do know how difficult it is if you have family suffering. There are so many things. That's why, to me, this is even more important, because there are a lot of things that we fight out there and the most important things that we can do is clean air and water. And we need the clean water to wash things off of us,

other things that are bothering us.

CHAIRMAN RICE: Any other questions for Diesel?

MR. CRADDICK: Yes.

CHAIRMAN RICE: Mr. Craddick, do you have a question

for Diesel? We have other testifiers.

MR. CRADDICK: I do. I'm presuming you don't shower

at work. Where do you live?

MS. DIESEL: Right across from Rice Park. A big

concern that I had too, I went through so much in trying to

find something to take this out of my water, I really did. I

ended buying a filter that finally I found out, before having my plumber cut into my pipes and put it in, that it was going to give me .25 gallons a minute. That's nothing. So then I thought well, then I could get one that's 1.25, which is still slow, but I'll put a bypass on it in case my boyfriend just has to have the water pressure. And then I went down and found out that I have to buy these in bulk because nobody stocks them. And even then it's not guaranteed, because it's not that great of a filter.

The system that I have to put on my house to get this out costs over \$2,000. Then it makes my water so pure

that it's going to eat way the nice little protective lining on my copper pipes which protects me from copper poisoning. I went through to see well, what about my copper pipes? And they told me, "If you get your water so pure your copper pipes, which are not causing you a problem, are going to start."

I went to the NSF website because your representative, Ellen Kraftsow, told me to, so I went there. They can't tell me, they said. There's no national testing standard. "We can't tell you what takes it out." I also checked -- I'm going on vacation, I thought, I want to know

what's in the water. Almost everything can be taken out with a simple carbon filter, including chlorine, which to me is very drying. And I can deal with chloring, but if I use it over time.

That was the first thing I did months ago when my skin was starting to go downhill. I didn't think much of it, but I thought I'd better get a chlorine filter, and it didn't make much difference. So I just thought, oh, I'm getting old, you know.

CHAIRMAN RICE: Thank you, Diesel. Okay, Vivien Bernard.

MS. BERNARD: I appreciate the time to be able to share and have all these mighty faces looking at me. I appreciate all what had transpired through Deisel's experience. Because of her experience is the reason why I'm here. And I'd like to share, read my testimony so that it could be in concise form. And if you rehear this on tape you can hear it clearer.

But I am here today because of the concerns I have over the integrity of the Upcountry water supply, particularly the Upper Kula area where I live, where the Department of Water

Supply began the corrosion control program on June 15, 2001, by adding the chemical product C-9, zinc chloride and phosphoric acid into our water supply.

I have spoken to Gordon Muraoka, the head of the State Environmental Health Drinking Water Department on October 21, 2002, and he explained the problem of lead in the drinking water due to the acidity of the Upcountry water reacting to the solder in the pipes, which led to his decision in mandating that C-9 be placed into the water. In this process with the acidity and the solder reacting it does leach lead.

I have also inquired of someone in the Kula

treatment plant if I could be sent a C-9 report. His response was that he was instructed not to give out any more information, but instead referred me to call the Director of the Water Department, and he wished me good luck.

So for many months throughout this year I have been experiencing a noticeable change or itch on my body after taking a shower, revealing some tiny red bumps on my skin, which disappears but leaves my body feeling itchy. This itch comes and goes, but lasts for days. For a period of two weeks last month I felt a sense of fatigue I have not experienced

before and needed to something daily. Also, my throat remained red for many months, and it felt like the burning of a soft drink freshly swallowed, but the dull pain would not subside.

On October 22nd my throat bothered me greatly so I decided to gargle with regular unfiltered tap water after brushing my teeth, and later regretted doing so, for my throat pain started to burn even more. The pain did not subside for over a week. November 1st was the first day I did not feel this nagging pain in my throat. I did a simple experiment.

Since October 22, 2002, I eliminated drinking my filtered water, which does not take out zinc chloride nor

phosphoric acid, and started brushing my teeth with the unfiltered tap water, and I had already improved before my doctor's appointment on October 28th.

On October 17th I first learned of another person experiencing physical problems possibly linked to the use of the water. From then on speaking to over 20 people in the Upcountry area I learned that they too experienced various symptoms or degrees of symptoms described in the material data, Safety Data Sheet of the product C-9. I do realize that the MSDS data sheet of C-9 is at the concentrated level, but there

are testimonies of physical reactions happening throughout the Upcountry community, even at the three part per million level of concentration.

Phosphoric acid, which is one of the chemicals in C-9, is also found in Coke and other soft drinks. Studies show that phosphoric acid can impair the ability of calcium to be absorbed into the body. This affects young and old alike.

Toxic phosphorous oxides can form upon heating phosphoric acid at a concentrated level. Are we at the water-down level still breathing unhealthy vapors that may eventually effect our lungs while showering in heated water? Or is the phosphoric acid in

water heated for drinks questionable? The active ingredient in Coke and most soft drinks is phosphoric acid. Coke can remove stains in a toilet, remove rust spots from chrome car bumpers, loosen a rusted bolt, clean corrosion from a car, remove grease from clothes, clean car engines, even melt a T-bone steak in two days, and dissolve a nail in four days.

To carry Coca Cola syrup in a concentrated form, a commercial truck must use a Hazardous Material place cards reserved for highly corrosive materials, and the distributors of Coke have been using it to clean their engines for over 20

years. As confirmed by the Coca Cola company, an 8 fluid ounce can of Coke has 4.9 NG's of Phosphoric Acid, and 164 NG's in a litter.

Those of us who regularly love to drink water other than soft drinks due to health reasons would ask how many NG's of phosphoric acid is in an 8 fluid ounce glass of Upcountry water. To remain healthy a body needs at least 6 to 10 glasses of water per day, according to one's weight. How much of this corrosion inhibitor chemical are we drinking daily in the Upcountry area, and after time will it accumulate in our system and cause degenerative health problems?

Also added to my concern of ingesting zinc chloride, as stated in a book called Prescription For Nutritional Healing written by James R. Belch M.D. and Phyllis R. Belch, CNC, An overabundance of zinc in one system can deplete copper in our bodies, which aids in the formation of bone, hemoglobin, and red blood cells. It is involved in the healing process, energy production, hair and skin coloring, and taste sensitivity. Copper is also needed for healthy nerves and joints.

So according to the informed letter sent to the Upcountry residents dated sometime before June of 2001, which I

did not receive, but got one from a friend, it first states that some homes in the Makawao and Lower Kula water systems detected levels of lead. Many homes today understand the value of having one's own in-home water treatment system, or purchase bottled water to avoid drinking lead. My water system easily filters out lead, but now the water department has created another complex problem, and also perhaps many others whose systems do not filter out phosphoric acid or zinc chloride, or for that matter, a concern problem for those who drink right out of the tap, children and adults alike.

As stated in the report done by Walter Hager, all

of the reservoirs in Olinda, Piiholo and Kamole Weir treatment facilities are presently treated with C-9. My question to you is why weren't the Upcountry community informed properly in letter form about the chemical description of the corrosion inhibitor C-9? And also by consuming the water, why weren't we informed of what potential physical reactions C-9 could curtail?

So in conclusion, I sincerely request that the water department will consider another route to possibly treat homes individually. And do test lead in their water supply instead

of having all of the Upcountry area ingesting and washing with such an inorganic chemical as C-9.

CHAIRMAN RICE: Questions? Thank you, Vivien.

Let the record also show that we have written testimony from Nancy Pilger. Okay, Lois Laird.

MS. LAIRD: Thank you, Mr. Chairman and the Board for giving us this opportunity to express our concerns about the water supply Upcountry and in Makawao. My main concern here today is the lack of information that was given to the public. The first notice that came out was March 16th, with notice explaining to the public what your plans were for the

corrosive treatment control program. That notice did not properly, however, completely give information that people might need in case of problems with their skin. None of these chemicals were put in that report.

There is a report, however, that does explain that, and we did finally get access to that only after 13 months of indescribable pain and suffering. I would like to give the description of that report so it will go in for the record.

This report is MSD Code 0580-03-21-94. The issue date is

5/9/96. The water department had access to this report at that

time. It was very unfortunate and is very unfortunate for the public that this information was not made more readily available at the time when the program was implemented. Had I known what was in that report I would have been able to take care of my body in a proper way by getting out of the water, but I didn't know that.

I would like to share with you five documented doctors' visits that I have gone through during this period of time. The first appointment was with Dr. Lips at the Kihei Clinic in the Wailea Medical Center. I had developed a respiratory condition with a dry cough and much mucous coming

from my throat. I was very weak and had some problems with breathing at the time, and also a difficult hoarseness which I still have, that's a carryover.

Dr. Lips decided to run a TB test, however it came back negative. He then ran a series of X-rays which he was very concerned about. I had another appointment with Dr. Lips on August 22nd of 2001. He decided that it was very necessary that I should have a CAT scan and tried to get to the bottom of what was wrong with my lungs. I am a health practitioner in my own right and have always eaten organic food and taken care of

my body. I take absolutely no medication whatsoever, I don't even take an aspirin. So I refused to take the CAT scan because I did not want the chemicals that would be put into my lungs. Had I known at that time what might happen, I would have probably made another decision, but I did not have the information to make that decision.

On August 22nd -- on August 23rd, 2001, I was also having itching and burning of the skin, and I had an appointment with a dermatologist at the Laser Center of Maui to see Dr. George Martin. I had this awful stinging and burning of the skin, and Dr. Martin prescribed a soap alternative and

also a moisturizer of the same brand. I used that for the entire time that I have had -- that I was having skin problems, but had no results.

On August 23rd, 2001, I also had an appointment.

Since August 23rd, 2001 I have had itching and burning skin. I continued to have skin and respiratory problems, but was unable to determine the cause. In August and September of 2001, my eyelids were stressed with burning and itching and my eyelids seemed to have something under them. On October 16, 2001 I had an appointment with the Aloha Eye Clinic. The doctor

prescribed an ointment to put under the eyelids at night. I used this for over a month and my eyes seemed to be becoming more swollen, so I discontinued the use of the medication.

On August 20, 2002, the skin irritation had reached a high level of stress, and red, open scabs that would not heal. I went back to Dr. Martin again. He did a biopsy on the sores, on one of the sores. It came back negative with no cancer. However, the symptoms of the skin still remain irritated and remained the same, but Dr. Martin was looking for cancer.

On September 3, 2002, thanks to Diesel, some light

began to shine on the cause of my year and three months of torture. I read her Letter to the Editor in the Haleakala Times. Once I read the Safety Data Sheet, all of my above symptoms stood out like a flash of light. I live at Hale Mahaolu in Makawao, and I would like to inform you that my site manager, Charles Robinson, did not get your first report on the corrosive control program until October 30, 2002, which he immediately posted. It was a little late for me, had I been depending on that report. But I had asked him for a copy of that report, and he did not have it in his office. He said he

did not get it. And I have also talked with a number of people who said they did not get the first report on the corrosive control program.

There are many innocent unsuspecting people out there with the symptoms that I have had. It would be a disservice to the people of this community who have been consuming the water in the Upcountry area to not have the facts contained in the Safety Data Sheet made available to them. Once again, I request that this sheet be mailed to all the affected houses and businesses in the area, in the affected areas.

I have run water tests on my skin three times in the past three weeks. When I used the water for the shower the above-stated symptoms gradually began to appear. And when I use only the reverse osmosis water to shower with, the symptoms gradually diminished and disappeared. I do not know what else I can add to this testimony other than I feel very strongly that it is the right of the people to know, and that their rights have not been fully addressed by not knowing what they're consuming. They should know what these chemicals are. They should not have to guess that something might be happening

to them because of this. Thank you very much.

CHAIRMAN RICE: Thank you, Lois. Any questions for

Lois? Mr. Victorino.

MR. VICTORINO: Yes, Lois. You said your site

manager finally got the report on October 22, 2002. I may be

wrong, because you went through a lot of dates, but I might

have missed it.

MS. LAIRD: That was October 30th. He just got it.

MR. VICTORINO: He just got it. So prior to that he

had never gotten any other information?

MS. LAIRD: That's what he said. I had a long

conversation with him because I was very concerned about this not being posted. I wanted to inform Hale Mahaolu, the head person at Hale Mahaolu that I did not have this information. And he said that he did not get the information. In fact, he told me that he had called the water department and asked for this information to be sent to him after I alerted him to the fact that there was one that was out there.

MR. VICTORINO: I guess the other question I have, and that would probably be directed at David, when was notice -- or I heard you say something about notices being sent out

when you started this corrosion preventative maintenance for the system up there. When was that, when were notices sent out?

MR. CRADDICK: It was approximately May of 2001, and then we also held a public hearing on it or public informational meeting.

MR. VICTORINO: May 2001?

MR. CRADDICK: Yes.

MR. VICTORINO: And a public hearing thereafter?

MR. CRADDICK: That's correct.

MR. VICTORINO: Okay.

CHAIRMAN RICE: Any other questions for Lois? Thank you, Lois. Okay, Marie Beatty.

MS. BEATTY: Good morning, Mr. Chairman and members of the Board of Water. Thank you for this opportunity to share my concerns regarding your use of the C-9 phosphoric acid and zinc chloride in our Upcountry water systems. I live near the Kula Elementary School, and over the past year I've noticed extreme itching on my entire body after a shower, and also blurred vision and red eyes if I rinsed my eyes with water. I have lived in my home since 1987, and I installed shower

filters six years ago to take out any chlorine because I was having just a slight problem back then. My son, who is now 11 years old, fills up with mucous and doesn't breathe well at night if he has showered or bathed before bed. He has had recurring sore throats and ongoing problems with his ears plugging up, just driving to school.

I purchased an expensive air filter system for his room, thinking that that was the problem, but after other tests and so on we've done, we've related it to our water instead. I did have a reverse osmosis system, which I actually removed and bought a better system, a solid carbon block system to filter

our drinking water, and I use sensitive skin care products to try to help the situation.

Water is essential to life, and I'm extremely concerned about this matter. They say 75 percent of Americans are chronically dehydrated, and this applies to half the world population. I mean it's incredible. A mere two percent drop in body water can trigger fuzzy short-term memory, trouble with basic math, and difficulty focusing on the computer screen or printed page. Lack of water is the number one trigger of daytime fatigue. So if all of you are thinking of a caffeine

hit, drink a little water, you'd be surprised.

Drinking five glasses of water a day decreases the risk of colon cancer by 45 percent, plus it can slash the risk of breast cancer by 79 percent, and one is 50 percent less likely to develop bladder cancer. So water is just so essential for everyday needs. Is there another more environmentally safe solution to softening our water to prevent this lead leaching without adding the C-9 toxin to our system?

I know just -- in fact, I had no idea there was other people that were really as bothered as I was. I thought I was just extremely sensitive to it, with mouth and throat

sores, skin irritation, noticeable mucous. My son gets up and just literally coughs up a wad of mucous every day if he's been showering the night before. And stomachaches too.

I notice a huge smell change when I'm out watering the yard, and it's something that it actually gives me a sore throat for a little bit, so I literally stand out there with kind of a wash cloth over my face so that I don't smell it when I'm watering the yard now. I can get by with it on Halloween, but other times of the year people question it, "What is she doing?"

My friends are having outbreaks of eczema. I have a girlfriend that lives up off the upper highway and she's really having a challenge in the last year. My boss, who lives in Kula Glenn, actually has had open sores all over his body. I mean a major, major skin problem. It looks like pimples all over his body, and he's had that for a year now. And he's seen doctors here and also in Canada, and they do not know what is actually caused it. So we just let him know this last week, "Have you thought of the water?"

I have friends that moved to Makawao last October, and since moving in their son has constant stomach problems,

mucous problems, and skin problems, and they really thought he was just not wanting to go to school every day. So I do see it as there is quite a problem, and I'm hoping that there's a solution. I really would like to find that solution. Thank you.

CHAIRMAN RICE: Thank you, Marie. Questions for

Marie? Thank you, Marie. Mr. Craddick?

MR. CRADDICK: Could we get where they live so we can have samples of where they live?

CHAIRMAN RICE: It's on the testimony sheets.

MS. PARSONS: Also, David, how often do we add the

C-9 to the water?

MR. CRADDICK: It's constant. We have to keep a

certain residual in there.

CHAIRMAN RICE: Use the mikes, please.

MS. PARSONS: David, when you say we're adding it

constantly, does it mean that it goes in every single day we

add more to it, or is it on a schedule?

MR. CRADDICK: No, it's metered in, just metered

into the water.

MS. PARSONS: Explain the metering into the water to

me, please.

MR. CRADDICK: Meaning for every meter that goes out, so many milligrams of the product is in the water.

MS. PARSONS: It's automated, then?

MR. CRADDICK: Yes.

MS. PARSONS: So even if we took their schedules of when they peak at this or when it started, is there any way that we can do some tracking? I mean I understand our situation is the EPA issue. It's really something that we can't, unless we can change the product that we're using. But

I'm with these people, I think that if it's a problem we need to go -- we need to either get it out of our water or go to the EPA. Or go to the federal government and say, "Hey, we have got problems here." And maybe we're the test case, unfortunately.

CHAIRMAN RICE: Okay, Sally? Last testifier.

MS. RAISBECK: Thank you. I'm Sally Raisbeck, I live in Wailuku, so thank heavens I'm not showering with Upcountry water. But I did look yesterday through the notebook of the material that is provided to you in advance of the meeting, and I looked at the data sheet for C-9, and I think

you should check it because of the fact that I believe you're adding C-9 in a concentration of 1.98, up to 1.98 parts per million to the reservoirs. And in that same data sheet there was information that for zinc chloride the aquatic toxicity is for 2.86 parts per million, which is just as compared to 1.98.

The LC-50 for Blue Gill sunfish is 96 hours, which I believe means that if you put sunfish into water at the concentration of 2.86 parts per million, 50 percent of them would die within four days. And so you could compare that to the fact that you are putting the C-9 in at 1.98 parts per

million. Thank you.

CHAIRMAN RICE: Any questions for Sally, Board

Members?

MS. RAISBECK: Oh, and may I say one more thing? I

remember when the water department made this decision to put

anti-corrosive material in the water, and I don't believe there

was any real disclosure of the information that's in the data

sheet at the time of that public hearing. I believe it was an

Upcountry public hearing that I went to. Thank you.

CHAIRMAN RICE: Any questions for Sally? None?

Thank you, Sally. Any other public testimony on this item?

CHAIRMAN RICE: Hearing and seeing none, then Mr.

Starr?

MR. STARR: Yes, Mr. Chair, I remember when this

issue came up over I think it was about two-and-a-half years

ago when we first started discussing it, and the lead and

copper rule. And I had just come back from one of the water

conventions, and I had done some research on it, and there are

a number of different ways of dealing with it.

You know, at the time when we first had discussions

I questioned whether we needed to deal with it at all, whether

it was really an issue or not. And, you know, whether this chemical was safe. And frankly, in hindsight I probably should have pushed it further, because we did go out to public hearing, which wasn't very well, you know, there wasn't much public participation, and we let it go.

But I really think that we should look for another solution, or perhaps see if we can get by without using it, because the rule, the lead and copper rule is pretty complex, and I'm not sure if we even really need to add something to do this, and I would like some more explanation.

It's my understanding what this stuff does is it

glazes the lead and the copper on the inside of the pipe, which is a pretty strong function to do, and I wonder if we really need to be doing this. And if we do need to do it, let's find something that is less corrosive to the human body than what we're using.

CHAIRMAN RICE: Board member Helm, then Mr.

Victorino.

MR. HELM: I guess the question I had is what short-term implementation process we can put in place that sort of one, can get information out to all of the customers; two,

what protocols or things we can do to sort of help with this process while we deal with the bigger picture stuff. I think there needs to be an implementation process immediately with regards to coming up with some resolution to resolve some of these problems that we're seeing, whether it's PR, information stuff out to the public, or whether we can actually do something about it. Thank you.

CHAIRMAN RICE: Mr. Victorino?

MR. VICTORINO: Well, I would like to echo

Mr. Helm's comments, also by asking Mr. Craddick to make sure that these various people that were here today, and anyone in

the adjacent areas, that testing be done and reports being brought back to us as soon as humanly possible, because I think we need to address the problem.

Also along with Mr. Starr's comments, if there are alternatives or there are methodologies that we can do away with doing this or not do it I'd like to explore that too, but that would be at a future meeting. But I think something like this we need some information and we need it ASAP.

MR. CRADDICK: We have the person here with all the information here, Mr. Kemp, so we're prepared to give that

information right now.

CHAIRMAN RICE: Mr. Kemp did you say?

MR. CRADDICK: Yes, Paul Kemp.

CHAIRMAN RICE: Paul?

MR. KEMP: I am not entirely sure what information I can provide that's going to mitigate the situation. One, I can add a couple of things.

CHAIRMAN RICE: Paul, one second. Can you tell us what you do? Who you are, what do you?

MR. KEMP: My name is Paul Kemp, I'm employed by Brewer, BEI Hawaii. I represent the supplier for this

product. My background is I'm an analytical chemist, so the chemistry of the water in Hawaii is my area of expertise. I have been involved in corrosion control systems throughout the state. We have attempted a number of methods to mitigate lead and copper problems throughout Hawaii, and the only one that has been successful has been Calgon C-9 or Calgon C-11, which is unfortunately a discontinued product, but is essentially the same, a mixture of zinc and phosphoric acid.

Now, the thing that you need to seriously consider

here is what the material Safety Data Sheet refers to is a

concentrated solution containing 37 percent phosphoric acid and I think it's 26 percent zinc chloride. This mixture in that form has certain characteristics which are the ones that these people are describing. However, in drinking water the pH is at about roughly 7, 7 and a half, to 8, and phosphoric acid does not exist at this concentration. At this pH only zinc hydrogen phosphate and zinc dihydrogen phosphate ions can exist in the phosphate form.

And because the zinc is present, what we have is a zinc hydrogen phosphate complex molecule floating around in the water. This is what reacts with oxides on the surface films of

metals and prevents them -- forms a mineral layer, what we call a monolayer on the surface, and this prevents the water basically from touching the metal, and this is how we prevent the leaching of copper and of lead into the water, and this is the purpose.

The levels that we apply produce phosphate levels in the water as phosphate, as PO-4 phosphate of approximately 1.08 parts per million in the water. The zinc concentration in the water is about 0.37 parts per million. This means that in a glass of water you are talking about micrograms. That's

millionths of a gram present, about 18 micro grams or .018

milligrams of either of these metals in a glass of water.

Also, it should be considered that phosphate is an essential part of human metabolism, without which you cannot distribute oxygen to your system. Phosphate is involved in what we used to be taught was the phosphate cycle in early biology, which oscillates between a denzine triphosphate and a denzine diphosphate, which transports the oxygen energy to the part of your system that makes use of it. Zinc is essential to the pancreas to produce insulin, without which people get diabetes. And I don't know what else I can say.

MR. VICTORINO: Mr. Chair?

CHAIRMAN RICE: Yes, Mr. Victorino.

MR. VICTORINO: I understand you're the company representative, so I'll take it from that point of view, okay?

MR. KEMP: Yes.

MR. VICTORINO: We have all these people you have heard testify today, they're having all these challenges, and your rebuttal is no, it shouldn't be caused by our chemical, right?

MR. KEMP: The data that I have presented thus far

doesn't have any real bearing on that. All I've done is given you is the chemistry of it.

MR. VICTORINO: So is it safe to say that it could be causing the problems that these people are describing today?

MR. KEMP: Okay, let me take it to the next step, which is this product specifically, Calgon C-9, is approved under Standard 60 by the National Sanitation Foundation, and the American National Standards Institute. And it is permitted for application in drinking water at up to 15.6 parts per million as Calgon C-9. We are applying it at the level of

three, which is one fifth of the allowed level. The allowed level is specified by ANSI NSF to give the level below which no known health effects are detected.

MR. VICTORINO: You're saying no known health effects, but you're not saying that this could not or should not be causing the problem.

MR. KEMP: I don't have any evidence to say it is not the cause, I only have evidence to say it has never been seen before.

MR. VICTORINO: So we may be a test case in this

example.

MR. KEMP: Yes, I have heard that said before.

MR. VICTORINO: Okay, thank you.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Irregardless, you know, what the

chemical company says, one of the most important functions of

this Board has to be to create an atmosphere where the public

and our consumers have confidence in the product that we

create, because they can't go to our competitors and get their

water from them. We're a monopoly, we're the only people who

can provide the water.

And, you know, if there are people having problems, you know, I certainly give a lot of relevance to that. And even beyond that, you know, whether it chemically tests out or goes along, you know, with the material data sheets, that's less important than the fact that our customer base has to have confidence in the water. They have to feel that they can be comfortable showering in it and drinking it and so on.

I'd like to ask a question right now, and I don't --

I really think that this is not a black and white issue of whether we really need to add this. I think that we're adding

it because it's possible that if we don't then we might at some point get a fine. I may be wrong in this.

I'd actually like to ask Mr. Seitz to respond to this, because he runs our treatment plant, and he's someone I respect as far as knowledge of the regulations and the chemistry, whether we can just stop putting this in right now and what our potential problems would be if we did that.

MR. SEITZ: The short answer to that, okay, the short answer to that right now is no, we cannot stop, but I'll get back to that in a second. Let me give a little history as to how we got where we are today. The lead and copper rule

came out a number of years ago. When we started our testing we were above the action levels in several areas. We at the treatment plants have a philosophy of less is more. We do not like to put any chemicals in the water, it's just not a good idea.

What we did is we went through a program of line flushing. We went through a proposal where the houses with the high lead, we were willing to go in and change the faucets. This was not acceptable to the EPA or the Department of Health. We went, we looked at a number of the chemicals.

Unfortunately, the only chemicals that are used for corrosion control are phosphate based. You have the poly-phosphates, you have the zinc ortho-phosphates. But the operative word there, as you can tell, is phosphates.

We put it off to the point where we were threatened with a fine of \$75,000 per day. After we started phosphates we were threatened with more fines if we didn't up the dosage. We convinced the Department of Health that that was not necessary, and as such, we have since come into compliance in all of our systems with the lead and copper by keeping our dosages as low as we can.

I am very empathetic with people if they feel that they are having problems with the water. If we stop putting in the phosphates now, like you are suggesting, what will happen is number one, we will be fined the \$75,000 per day. We have this in writing. Additionally, if we knowingly violate a law, which is what this is, we will be criminally responsible. So I am not going to violate the law for anybody, so everybody needs to know that right off the bat. And if there seems to be a health problem I don't think that there's conclusive proof that it's the water right now.

My suggestion would be to contact the Department of Health and have them investigate it. That's their job. If there's an outbreak of any sort of a problem, whether it comes from the agricultural, whether it comes from water, they have the resources of the CDC that they can come in and hopefully they could pinpoint what the problem is.

I myself live right by Rice Park, and I live there with my wife, my family, and I have personally never experienced any of these problems. I am not saying that these are made up, I don't know what the motivations are, but it needs to be looked into. The ones with the resources to look

into this, again, is the Department of Health. They have the resources, they have the structure, they have the wherewithal to do that. I cannot stop the approved corrosion control program right now without violating the law.

MR. STARR: Are there other options, are there other ways of dealing with it? I'd just like one clarification. I believe that what we're dealing with are actually the fittings inside these peoples' homes. That the metal in those fittings becomes sacrificial and enter the water, and we're trying to lock the metal into the fittings so that it can't come out the

tap. Is that correct? And what else can we do?

MR. SEITZ: You are 100 percent correct, and this has always been a point of contention with all of the water suppliers, is that it's tough for us to be responsible for what is in peoples' homes. We can maintain our own system; we cannot maintain peoples' homes.

As far as alternative methods, again, there is line flushing. We have done all that. Unfortunately, we live on a volcanic island, okay. The alkalinity in our water, which is what does the natural corrosion control, is nonexistent here.

If you take a look around, how many limestone limes do we have

in Hawaii? There's not too many. On the mainland there's lots of limestone, so that natural alkalinity in the water is what does the corrosion control. When you're on a volcanic-based island where there is no limestone, our alkalinity is extremely low to nonexistent. As such, our water is highly corrosive and that's the nature of the beast. That's what we have to deal with.

CHAIRMAN RICE: Thank you, Paul. Now Miss Parsons

is next.

MS. PARSONS: I have a question for our guest,

Mr. Kemp. Mr. Kemp, this product that you represent, the C-9, when you talk about how the government has reviewed it in parts per million, is it for injection purposes?

MR. KEMP: Yes.

MS. PARSONS: Because it's my understanding that at least the Food and Drug Administration doesn't regulate what goes on the skin.

MR. KEMP: That's correct.

MS. PARSONS: So we have a problem, a potential problem here, because sometimes what goes on the skin is different from how it reacts in the body. And I truly believe

that we need to contact the health department, and maybe we do it from a Board level, that this gets referred, that this subject gets referred to the Department of Health. And I understand that they were supposed to come today, is that correct, Mr. Craddick?

MR. CRADDICK: We tried to get them.

MS. PARSONS: And from there we take it to the EPA.

Because if the government isn't controlling what goes on the skin and we have a problem with it, and I have it personally in my family, so I can understand. And it doesn't affect every

one of us in the family, but it certainly -- I have the red eyes when I get out of the shower, it's just unreal, and I never have that when I go -- so maybe we can move forward from here and take it one step beyond.

CHAIRMAN RICE: Any other questions for Mr. Kemp?

Thank you, Mr. Kemp. I'm sorry, Mr. Nakamura.

MR. NAKAMURA: One question, Mr. Kemp. You mentioned that the dosage is something like 20 percent of the minimum or the acceptable level.

MR. KEMP: Correct.

MR. NAKAMURA: Is there any possibility that that

application is interacting with other compounds in the system,
as was suggested by one of the testifiers, that could cause the
problem even at that low dosage?

MR. KEMP: I can't say no to that. I don't know of
any that it would. Let me say one additional thing is that
these compounds, phosphate and zinc, are already present in the
water before the County gets it. They are natural ingredients
in the water. Not at the levels that are adequate to control
corrosion. So all we are doing is increasing the levels that
are already in the water.

CHAIRMAN RICE: Thank you, Mr. Kemp. Yes, Mr.

Craddick?

MR. CRADDICK: The question whether this was reacting with anything, it does react and we have actually sampled the water around Rice Park, and the levels around Rice Park are what, Paul? Anyway, you know, another thing, my suggestion on this would be to get the people that are concerned about this, and if they can find a doctor that will diagnose what the problem is, maybe they should make some effort to do that, and refer these ones that we have here that have indicated some problem to that doctor to try and find out

what the problem is. What's the level, Paul?

MR. SEITZ: Okay, I personally went down and sampled the water at Rice Park on 11/4 at 9:05 am. The PH of the water was 7.05. The alkalinity was 8.5, which again, is very low. The phosphate levels were 0.857 milligrams per liter, and the chlorine level was 0.1 milligrams per liter.

MR. CRADDICK: And what was it coming into the system at?

MR. SEITZ: It was coming, oh, I have got to remember that one. .0 -- okay, hang on. I misunderstood the

Director's question. Okay, the C-9 dose was 0.9 milligrams per liter of zinc phosphate.

MR. CRADDICK: And is the level more or less than that in the system?

MR. SEITZ: It's just slightly less.

CHAIRMAN RICE: Okay, Mr. Starr.

MR. STARR: Did you sample for ^ trihelamethanes at that time?

MR. SEITZ: No.

CHAIRMAN RICE: All right. Mr. Craddick, I have a question. When this came up, when Diesel first arrived and

presented this we asked you to do some investigation. So, you know, Paul, did you do other tests other than on 11/4?

MR. SEITZ: We test every day coming out of the treatment plant, and the water quality lab of the tests at the various points throughout the whole system on -- how often do you do it, Kerry? On a weekly basis.

CHAIRMAN RICE: I understand that when Mr. Kept talked about the MSGS sheets and those reactions are at concentrated levels, but don't you find that it's odd that the peoples' symptoms are the same as those reactions at higher

concentrations? I mean we are not talking about I mean something that varies, we are talking about the symptoms are the same.

And I think Mr. Starr's point is that the public relies on us to provide good water, and for us to have any mistrust is the worst thing that could happen. So I would have hoped we would have started the process with the Department of Health right away. There's enough people here I'm sure, knowing how things work, if these five people got on the phone at the next meeting we would have 55 people with the same symptoms. So let's try and get ahead of the situation. I hear

what Paul is saying about the violation of the law, but let's bring in those people.

MR. SEITZ: We did try to get them here today.

Peter. Nothing would make me happier than not to do it, than not to put it in, and I fought it as long as I could.

CHAIRMAN RICE: Do we have any subpoena powers? Mr.

Starr.

MR. STARR: Is it possible that some -- and I have heard it from other people, there are other people having this problem, and I'm sure that what we're seeing now is the tip of

an iceberg that's much larger underneath. So we have to deal with it one way or another. You know, I don't ask you to go out of compliance and risk that, you know, but is it possible that the people who are experiencing this problem, that it may be coming from a reaction between this stuff and fittings in their plumbing system, or perhaps they're at deadends on the system or something like that?

MR. SEITZ: It's not possible from anything that I am aware of. It's not possible from anything in my experience that I am aware of. Anything, I guess, is possible. How many certainties are there? I don't know. But again, my suggestion

is to get the Department of Health involved in this. The Department of Health is the one that's mandating that we use this product, that we put it in, that we use it at the levels that we are in fact using it at. And they're big players in this and they have to be involved.

CHAIRMAN RICE: Kent?

MR. HIRANAGA: I guess it's my opinion that the individuals who are experiencing these symptoms should contact the Department of Health directly so that they will have a one-on-one dialogue with the Department of Health, versus the

Department of Water trying to investigate this, because I think it would be lost in the bureaucracy. If you are concerned about this, make the call today to the Department of Water -- the Department of Health and they will investigate.

MS. DIESEL: We did.

MR. HIRANAGA: If you are not getting the proper response, maybe you should do it in writing and document the correspondence.

CHAIRMAN RICE: Okay, I think we've heard enough testimony. I would throw this out for the Board's consideration. I think we should write a letter to everyone

that's on the Upcountry system. I'd be happy to write the letter on behalf of the Board, noticing them about the situation. Telling them that we've had these reports and they should be aware of what we've heard, and that we should -- and that it is our intention to refer it to the Department of Health. If we put that in a letter to the consumers and we do refer it to the Department of Health, I don't know what else we can do, because we have to be in compliance.

MR. CRADDICK: I want to make sure that they would accept some responsibility for it, because they may say don't

bother us.

CHAIRMAN RICE: We can say the same thing.

MR. CRADDICK: No, I suggested to the Board that we get a dermatologist, somebody who has some experience with this, and let them devise some way of determining whether it is or isn't affecting these people, and go at it on a scientific basis.

CHAIRMAN RICE: Mr. Kushi, you were going to admonish me for something. You are going to.

MR. KUSHI: Mr. Chair, I would just caution you about sending notices out to the public without any real

factual basis. And if you want to get into it more, I'd ask you to go into executive session, because I feel you may be getting into an area of liability.

CHAIRMAN RICE: Miss Parsons?

MS. PARSONS: May we call for another public meeting Upcountry and address the issue to the public at large? And since there are enough of us with a problem, let's see and bring the Department of Health with us, and then even the FDA or the EPA if we need to, and let's address the subject. Because I believe we probably have a lot more cases up there

than we're hearing, and I think this is of an immediate need based on the fact that they don't test what happens to the skin. Ingestion is one thing. We might not get cancer from it, but we do need to do something if we have rash, rash and problems that are painful and uncomfortable and long term.

CHAIRMAN RICE: I would wonder, Mr. Kushi, what would be the difference between the suggestion of having a public hearing and writing a notice telling people we have been put on notice by consumers?

MR. KUSHI: Mr. Chair, there's no problem with a public hearing. I don't want you sending out notices that may

even hint that you are admitting something.

CHAIRMAN RICE: You're questioning my ability to write the letter. I understand.

MR. KUSHI: I'm speaking as your attorney.

CHAIRMAN RICE: I understand. Mr. Nakamura?

MR. NAKAMURA: Perhaps, Mr. Chairman, in light of Corp Counsel's concern, maybe we should consider doing what you suggested earlier, which was to send out notices to consumers in Upcountry which basically identify the additives to the system, and advise them that if they have any questions about

any of the additives that they can get information concerning those additives through whatever source there is. I think that that would be an appropriate thing to do, to have people know what is being added to the water and where they can get information about it, as I believe was suggested by one of the testifiers.

CHAIRMAN RICE: And then have a public hearing as a result of that notice. Mr. Helm? Mr. Starr is next and then Mr. Helm.

MR. STARR: My own belief is that it's better to inform the public that there is a concern, and I think that

even if there is some later issue of litigation or something,
we are better off to have, you know, come out and provided an
opportunity for the public to get involved earlier than later.

Because, well, it's also the right thing to do, to move on this
as fast as we can.

So I'd like to suggest that we do send out a
notice. I would -- in fact, I'd like to make it in the form of
a motion that the Chair send out a notice regarding this item,
and I'll leave it to him how he phrases it. And also in that
notice that he state the date and time when a public hearing

will be held, which should be done as soon as possible. And that a letter with a serious tone be sent to the Department of Health getting them to take this seriously and get involved and certainly attend the public hearing.

MR. VICTORINO: Second.

CHAIRMAN RICE: Moved and seconded. Discussion?

Mr. Helm, you were next.

MR. HELM: Well, I guess my concern would be is that the department has a standard procedure with regards to getting out the information when you are actually doing testing on the water, or whatever added chemicals they're putting into the

water system. I'm concerned in this case that we assure ourselves that we have a coordinated effort with the Department of Health with regards to this, and that we don't deviate from the protocol that we have already in existence, because my concern is what our Corp Counsel is concerned about. And that we make sure that we come out with a follow-through with the Department of Health involved. That's my concern.

MR. VICTORINO: Mr. Chair?

CHAIRMAN RICE: Yes, Mr. Victorino.

MR. VICTORINO: I'll defer to Mr. Seitz.

CHAIRMAN RICE: Paul?

MR. SEITZ: There's a couple of points that I want to make here. First of all, it's a doctor's duty that if he identifies a public health risk that he needs to identify it to the DOH. With that being said, this situation is extremely reminiscent of one that we were facing or would have faced in the recent past, and I will bring up the subject of fluoride, okay. The evil word, fluoride. If we were going to be putting fluoride into the water we would have been required to use hydrochlorocidic acid to put that into the water. Hydrochlorocidic acid dissolves glass, okay. That's about the

nastiest stuff I can think of.

And I want to caution everyone about MSDS sheets, okay. MSDS sheets, there are other things that we put into the water Upcountry. We put chlorine. You want to see a scary MSDS sheet? Look at that one. We put amonia in the water. Do you want to see another scary one? Look at that one. It makes C-9 look like bath water. So I caution everybody on using MSDS sheets, okay.

CHAIRMAN RICE: Thank you, Paul. I guess I think what Board Member Helm's position was, if I understood it

correctly, let's make sure that our i's are dotted and t's are crossed because we are going to put pressure on the Department of Health. That's to paraphrase what he said. Okay, any other? I'm sorry, Mr. Victorino.

MR. VICTORINO: Thank you. I seem to get, you know, when you're at the end of the table he just keeps forgetting me. The next time, the next time. I didn't give you no stink eye.

In relation to all of this, I support the motion that has been made, because it's our right to make sure the public knows that we're doing our due diligence to inform them

of any potential problems, okay, and I think that's important. That's the first and foremost. Getting the Department of Health on notice is second. They have got to be there. Since they're requiring us to do this, then they have got to be part of this whole equation.

The bottom line in all of this, and I agree with Member Starr, is I refuse to not tell somebody what I know may be potentially wrong because of litigation. But done in the proper manner you actually reduce any chance of litigation in the future, because you have done your due diligence. So no

offense to Corp Counsel or anybody in the room, but I think we need to let the public know where the challenge is. Let's make sure they understand it. Have a public hearing and see what the problem is out there, and move forward.

I am not using your MSDS sheets or whatever, but making sure that we have done the right thing, because it's the right thing to do.

MR. STARR: I call the question, Mr. Chair.

CHAIRMAN RICE: Mr. Nobriga?

MR. NOBRIGA: Excuse me, Mr. Starr. I'm against Mr.

Starr's motion because he has the burden placed on the Chairman

of our group, the Board. We are speaking of departmental policy and departmental procedure, and that's why I'm against the motion as made by Mr. Starr.

MR. STARR: Mr. Chair?

CHAIRMAN RICE: Yes, Mr. Starr.

MR. STARR: Can I request that Mr. Nobriga, if he wants to do it slightly differently, make an amendment to that effect.

CHAIRMAN RICE: The maker of the motion is indicating he'd be in favor of a friendly amendment.

MR. NOBRIGA: Amend the motion so that -- I would
amend the motion so that the communication comes from the
department.

MR. STARR: With approval by the Chair and
Vice-Chair.

MR. NOBRIGA: Well, it don't have to be the
Vice-Chair, but most communication by the Director always gets
the Chairman's eyes.

CHAIRMAN RICE: Not really.

MR. STARR: In this case I think it should
specifically be part of it. If that's the case, I will second

it.

CHAIRMAN RICE: Okay.

MR. NOBRIGA: Sounds good.

CHAIRMAN RICE: All right, let's have the amended --

I think we had a friendly amendment to the original motion. So

the motion should state that the letter is being prepared by

the department for the Chair's review, noticing the use of the

C-9 in the water Upcountry, and that we would be holding a

public hearing as soon as possible. Is that the motion

everyone understands? All in favor say "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Motion is carried, thank you. Thank you people,

members of the public. The videotape is running out. Short
recess.

(Whereupon a brief recess was had).

CHAIRMAN RICE: Thank you, everyone. Moving on

Communication B, letter from Anthony Durso. Anthony, front and
center. It's your letter of October 11th, I believe.

MR. DURSO: Good morning. It's a pleasure to be

back here. It is still for 9 minutes.

A VOICE: Use the microphone.

MR. DURSO: Oh, I'm sorry, I thought I was speaking
into the microphone.

Good morning, Mr. Chair, members of the Board.

Thanks again for entertaining our habitual request. Basically

I have two major concerns. One is just to hear the update on

any decisions that may or may not have been made on the

Director's Report that was given to the Board. And then also

I'm really very concerned about how deadlines with the

issuance, you know, the new rules are going to be affected by the change-over into the status of the Board, as well as any changes that might take place in the department as a result.

And so I'm hoping for a little bit of discussion on the status of the Upcountry line and that proposal, and also how we're actually to proceed from here in relating to you guys.

CHAIRMAN RICE: There is a proposal before the Board in the book and we are going to talk about it. Are there any questions for Tony? Okay, thank you, Tony. Oh, Mr. Starr, I'm sorry.

MR. STARR: Yeah, how has your water service been?

MR. DURSO: The same, in that we believe that unless something is actually done that it will continue to deteriorate. Slowly deteriorate, though, just slowly.

CHAIRMAN RICE: Okay, thank you, Tony. Let's move to -- yes?

MR. DURSO: May I just ask, are you going to engage in discussion at this point?

CHAIRMAN RICE: Yes.

MR. DURSO: Okay, that's all I need to know.

CHAIRMAN RICE: We are going to take the Director's

Report, I think it's in the book on moving on the Upcountry

line. We are going to do it right now. Mr. Craddick?

MR. CRADDICK: Okay, what has happened here, we've

met with the consultant trying to get them down from their

\$600,000 proposal down to something we thought we could

afford. And what we've basically done is said if we go from 40

feet per inch on the survey to 100 feet per inch, the prices

that we would get are \$270,000 for phase one, which is the

pipeline from Kamaole tank to Kanaio, and then phase two,

\$165,000 for the laterals. And that was about as low as we

could get the price down.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Yes, I'm trying to refresh my memory,

but I had thought that we had made a decision on sizing and were proceeding with the implementation. I'm wondering if we really need to go through that process or whether we can just do the thing and get it done a lot cheaper using help from the ranch and our own, you know, and kind of keeping as much of it in-house as possible. Whereas it looks like here we're heading into spending millions of dollars.

So I'd like to, first of all, have a recollection on where we're at, because I know we did have a motion a few months ago. And also how we can get the thing done without bringing in million dollar consultants and engineers.

MR. CRADDICK: I don't think it's a million dollars for the work, it's \$400,000. And we have to, no matter who does the work, we need a design. So it's not run like Hamakuapoko where it's up a straight hill, this goes up and down, up and down. If you mess up and water doesn't flow through the line when you're done, I think everybody would be a little disappointed. So what we have to do is get a proper

design and then we will be ready to put the pipe in.

CHAIRMAN RICE: Mr. Nakamura?

MR. NAKAMURA: Mr. Chairman, I have one question about the phasing, David, that perhaps you can enlighten me a little bit on. Wouldn't it make more sense to have phase one be to improve the line to Ulupalakua as well as the laterals, and then have phase two be to extend the line to Kanaio and then to end the Kanaio lateral? I am a little concerned that we're going to spend all this money to improve the main line and not have either the laterals improve or, as your letter

indicates, without hydrants, storage or pressure break tanks.

Are we just, you know, creating a system that's not going to meet the needs at a fairly significant cost?

MR. CRADDICK: The phase one does include the lateral for Ulupalakua, right, Herb?

MR. KOGASAKA: Phase one does not.

MR. CRADDICK: Not even Ulupalakua. Okay, that needs to be corrected, that it includes the lateral to Ulupalakua. The other laterals, there are only about half a dozen services on them.

CHAIRMAN RICE: Mr. Nobriga?

MR. NOBRIGA: Would you explain the hesitation you have with the first bid?

MR. CRADDICK: The first bid?

MR. NOBRIGA: You said that the original bid came up to \$600,000 and you don't want to pay that much so you're redoing the thing and paying less. What's wrong with the first one?

MR. CRADDICK: It's \$200,000 more.

MR. NOBRIGA: More than what?

MR. CRADDICK: Than the proposal that we have right

now. Keeping in mind there's some inherent risk, because without the detail going from 40 feet to 100 feet you may be missing some bends and things in there that would add cost to the project when you start doing it.

MR. HASHIMOTO: You are talking only about the design, though?

MR. CRADDICK: Yes. But when you go to construction with a poor design, that results in numerous change orders.

MR. NOBRIGA: So why don't we increase the budget for the project?

MR. CRADDICK: That's what we're here to do,

hopefully. Herb would like to say something.

CHAIRMAN RICE: Go ahead, Herb.

MR. KOGASAKA: The way we're looking at it right now is that phase one would be from the study primarily from Kamaole to Kanaio, and then just do a design for the lateral that drops down to Ulupalakua. And then I think we would, you know, we would have something that basically provides a need for a majority of the people throughout.

CHAIRMAN RICE: So Herb, is the lateral to Ulupalakua missing from this plan, and that's something you

have got to change?

MR. KOGASAKA: That's part of phase two, but we can break it up and make that just that section as far as doing an overall. If we get the Kanaio line we would have a pretty good idea what the gradient is going to ultimately end up as. And then do the design considerations we are talking down to Ulupalakua and across the road. That would address a great number of people, services on the system. So that way we would be, you know, be able to address the meter.

As far as the Kuhua and Waiehu laterals, they are primarily downhill, so it would not be as costly you thought.

It might be more manageable as a separate design. But right now we are trying to spend as much money expeditiously on the main line, the main transmission line, and the line that drops down to Ulupalakua. We would have something that's workable, I think.

The other thing, too, is that the rough preliminary magnitude, cost is something to the order somewhere over \$6 million, so that is for the whole system without the tanks. The tanks would be a separate design later on. That's not included in here. Anyway, that's kind of the direction we are

trying to work within the cost, you know, within a reasonable cost.

And the other problems we have also is we need to do an environmental assessment, and there's a lot of effort put into it. An archeological specialist has to walk the entire line and consider the whole spot through the area. So those are, you know, the items that we need to deal with. They're all included in these costs.

MR. NAKAMURA: Okay, so the phase one will include the Ulupalakua lateral, you say?

MR. KOGASAKA: We will break it down to make

something reasonable, and that will be a benefit to the services that we have there.

MR. NAKAMURA: What about the storage, is the existing storage at least somewhat adequate if you improve the main and the lateral?

MR. KOGASAKA: We have storage tanks along the way. Some of the others are not adequate, but at least this section through Ulupalakua, hopefully I think the tanks can be used, at least as pressure break tanks, and get water down there.

MR. NAKAMURA: Okay, thank you.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Yeah, I have a real problem with what's happening here. We were, first of all, told that we could do a simple replacement of a pipeline along the same alignment for around \$1 million, and that we would be able to proceed to do it expeditiously and do it along with Ulupalakua Ranch and try to keep the thing under cost control. Now all of a sudden we're being told there's going to be \$6 million. We are going to have to do archeological and all kinds of environmental assessments.

I don't know, I really believe that a lot of our

capital improvement projects cost us several times what they should cost us. They cost us several times what the general cost is throughout the country and even in Hawaii. And I have a concern that something is happening here that is not good, that we're getting led down a track for several millions of dollars to be wasted or siphoned off or something.

I really like the track we were on before, which was to just go and get it done, you know, replacing old pipe with new larger pipe. We know that that alignment does work. There may be some issue with, you know, some pressure breaks or, you

know, pressure equalization, air release, and so on like that.

I mean I see something happening here that is not good, and I think we can still get it done for a fraction of this cost if we continue on the path we were heading. You know, I also think if we go this way it's doing to take us years and years and years before a drop of water flows through this line and helps service the people in Ulupalakua. So I don't quite know what the solution is other than I thought we had this one licked and now I see that it's going bad.

CHAIRMAN RICE: Yes, Tony?

MR. DURSO: Jonathan speaks to something that we're

very concerned about. Let me just be perfectly blunt. The ranch got this proposal, we read it over, and we said, wow, 98 users, \$6 and a half million just to do the installation. And we said we don't think the Board is going to buy that. We don't think the department is going to buy that. I mean this is our concern. You know, engage the firm to do the investigation and the planning and all that, and when it comes down to actually budgeting the money which now, you know, it's not even you guys approving it, apparently, at the final stage.

We are really concerned about not only this part of it but, you know, and trying to get a definitive answer whether or not the planning has been approved, but then also, you know, saying, "Yeah, we are going to spend the \$6 million, you know, over the next three years to do this." Then if we can't get, you know, some sort of confirmation on that -- and I know that's difficult to get -- but if we can't get some sort of confirmation on it, what are we supposed to do actually with the Kula Rule, the new water issuance meter rules that expire December 4th?

How are we supposed to go about complying with it?

Because the bottom line is we do feel that even though the ranch is now actually using less water than it used to through both mitigation measures and also just sort of having to cut back in a variety of things as a result of the drought, that what we really want to do is get back to being more economically viable and more stable, and that means more reliable water or more water. We will take reliable to start.

So I mean let's be perfectly blunt. Spending \$6 and a half million or spending \$2 million, if you can cut it down by two-thirds, where are we? And that's really sort of the

issue that we're confronted by. Long-term, you are going to spend the money. Short-term, how the heck do we comply with rules that we actually are mandated to comply with? And then throw in 9-A, and our hands are up in the air. We're sort of coming to you saying, "What do we do?" You know. Sorry, I got a little carried away on the questions there.

CHAIRMAN RICE: Clark?

MR. HASHIMOTO: My question is to David. So why was the cost, you know, I remember what Jonathan said, that the cost would be approximately about a million dollars with the help of Ulupalakua Ranch. So why all of a sudden does it cost

\$6 and a half million?

MR. CRADDICK: It's not costing \$6 and a half million. That is the cost if we went out and hired a contractor to do it.

MR. HASHIMOTO: So if Ulupalakua Ranch assists in the installation, what will be --

MR. CRADDICK: We don't have Corp Counsel's interpretation yet whether we can even do that. And we can work together because of the Bacon Davis Act.

MR. HASHIMOTO: Well, it looks like it will be \$6

million, according to your figures.

MR. CRADDICK: Not necessarily. You know, I don't want to sit here and theorize what could happen, but what we need, again, before we start anything is we need a good design. No matter who does it, we need a design. So that's step number one. And keep in mind this is not a real design, this is just a design to basically follow the hydraulic grade and find out what that is.

So they're not designing anything for optimum performance of the line. That's what Herb was talking about or what they're talking about in the last or on the second page,

the last part of that paragraph there. "We are proceeding on the basis that not sufficient effort may be afforded based on limiting the consultant's resources, and in so doing compromises some of the responsibility and omissions liability."

That's what you're doing by basically cutting this down. But again, I feel comfortable enough with it because we're out in a pasture. We are not on a highway or something like that where we've got to have it exact. And if we do it ourselves and we run into problems with an omitted bend or

something like that, those are things that we will just have to deal with. But I wouldn't be recommending this proposal to you if I didn't think we could make it work.

CHAIRMAN RICE: Herb, what's the time frame on the design of phase one, understanding that it includes the Ulupalakua lateral? Because I didn't see it in this proposal by Belt Collins.

MR. KOGASAKA: That's the latest we are going towards. I mean when we talked about the proposals we talked about breaking it into two phases. And then since then additionally you have to -- somebody wrote that letter where we

are looking at just concentrating on the Ulupalakua lateral

only.

CHAIRMAN RICE: But I'm just wondering what the time

frame is on the design phase.

MR. STARR: 2004.

CHAIRMAN RICE: Is that in there?

MR. CRADDICK: No, it's third quarter 2003.

MR. STARR: No, May 2004.

MR. CRADDICK: What page?

MR. STARR: Page 192.

MR. CRADDICK: No, that is not correct. That's

including construction we are talking about getting.

MR. STARR: No, that's not including construction.

MR. KOGASAKA: Again, this is a work in progress,

and we need to work on that to see what else we can do to

improve on it. At this time I am not ready to really make a

real projection. The schedule is there so that you know what

we are looking at overall.

CHAIRMAN RICE: Board Members, do you want to

approve the design phase at this meeting, not approving any

costs or anything? We want to get the design going. Ginny?

MS. PARSONS: Do we have to do the design phase? I mean is this something that the ranch could do and then we do a reimbursement of funds?

MR. DURSO: We'd love to do it. We'd give it to you tomorrow.

MS. PARSONS: I'm just saying is that something that with a certified engineer they might be able to go quicker than our bureaucracy, and then we'd figure out some way of reimbursing.

CHAIRMAN RICE: Herb?

MR. KOGASAKA: I think the order of what we need to do is complete that final assessment.

CHAIRMAN RICE: But that's part of the contract for the design phase.

MR. KOGASAKA: Yes, hooking that together. But the process of environmental assessment requires going to the OEQC and filing with them. You have the EA and then the final EA, so that's 45 days and 30 days. I think we do the work in between.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Mr. Chair, this is one item that I feel

we should leave for the new Director. I'd like to move to

defer.

CHAIRMAN RICE: There's a motion to defer. Is there

a second?

MR. DURSO: Who do we call?

CHAIRMAN RICE: Okay, what do you want to do?

MR. NOBRIGA: Move to accept the proposal.

MR. VICTORINO: Second.

CHAIRMAN RICE: Okay, discussion?

MR. NOBRIGA: I would kind of be interested to also

find out what can be done from now until the contract is awarded to alleviate the current situation, though. Would that be going on simultaneously an as-need basis, or what's up with the system now?

MR. CRADDICK: If you want to enforce the rules and start removing meters for people that are sharing, we can do that. That's what we could do.

CHAIRMAN RICE: I don't think that's what Mr. Nobriga was talking about.

MR. NOBRIGA: No, it had nothing to do with what I was talking about.

MR. CRADDICK: That's basically the problem out there. We have got many, many more people using the water than what we know about.

MR. NOBRIGA: I see. Okay, thank you.

CHAIRMAN RICE: Mr. Starr?

MR. STARR: Mr. Chair, once again I feel very uncomfortable with having the Board approve a single source, non-bid contract at this time.

MR. CRADDICK: This isn't single source non-bid, this has gone through the entire procurement procedure to

negotiate with this engineer.

MR. STARR: I stand by my comments.

CHAIRMAN RICE: The motion is to approve the proposal for the design. Yes, Kent?

MR. HIRANAGA: Well, I think Member Nobriga was asking how can we improve the current flow to the ranch. And if the rules state that there are violations of the rules due to sharing and they're aware of it, they should put a stop to it. What are rules for if they're not going to enforce them? So if the department is aware of people illegally tapping into the system which is creating inadequacy at the end of the line,

they should be enforcing those rules.

MR. CRADDICK: I can't say we're totally aware right now. We would have to do a lot of investigation following the line, going on private property, things like that.

MR. HIRANAGA: Well, I'm not saying make it a mission, but if you are aware of situations or you have been alerted to them, you should act on them.

MR. CRADDICK: Yes.

CHAIRMAN RICE: Any other discussion?

MR. VICTORINO: Call for the question.

CHAIRMAN RICE: Okay, all in favor of the motion to

approve the design contract say aye.

(A chorus of ayes).

Opposed say "nay."

MR. STARR: Nay.

CHAIRMAN RICE: Let the record show there's one

nay. Okay, Mr. Craddick, I believe that it was clear the Board

wants Ulupalakua lateral included in the first design phase,

and that we are not approving the cost structure in the \$6

million range at this point. Is that right?

MR. CRADDICK: That's right.

CHAIRMAN RICE: Okay, we are going back to personnel. We have got two items left for the Director and for the personnel issues.

MR. NOBRIGA: Mr. Chairman, pursuant to HRS Section 92-5(a)(2) in order to consult -- I'm sorry, in order to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting shall be held, I call

for executive session in order to take up item V (C),

Director's Report 02-45.

MR. VICTORINO: Second.

CHAIRMAN RICE: Okay.

MR. KUSHI: Mr. Chair, just for the record, this is
the grievance of Philip Zen?

CHAIRMAN RICE: Yes, this is the personnel issue for
executive session. All in favor of executive session say
"aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Thank you.

CHAIRMAN RICE: Okay, executive session.

(Whereupon the Board went into executive session)

REGULAR SESSION RESUMED

CHAIRMAN RICE: Okay, we're back.

MR. VICTORINO: I move to accept the recommendation

made by Mr. Craddick and Corp Counsel Kushi in the area of the

grievance on Philip Zen.

MR. NOBRIGA: On the grievance.

MR. VICTORINO: On the grievance. Thank you,

Michael.

MR. NOBRIGA: Second.

CHAIRMAN RICE: Okay, moved and seconded. Moved and seconded to accept the recommendation of the Director and Corp Counsel on the grievance. All in favor say "aye."

(A chorus of ayes).

Opposed say "nay."

(None).

Motion is carried.

The last item on the agenda is the continuing review
of the Director.

MR. VICTORINO: Mr. Chair, I move to defer this
action.

MR. NOBRIGA: Second.

CHAIRMAN RICE: Okay, it has been moved and seconded
to defer the action. Yes, ma'am?

MS. RAISBECK: Public testimony?

MR. NOBRIGA: We are in the middle of a motion.

CHAIRMAN RICE: We have a motion to defer.

MR. NOBRIGA: We can take action on the motion and

then go back.

CHAIRMAN RICE: All in favor of the motion say

"aye."

(A chorus of ayes).

Opposed say "nay."

(None).

CHAIRMAN RICE: Sally?

MS. RAISBECK: Thank you. Could I have a mike?

CHAIRMAN RICE: Can we have a microphone for Sally,

please? I'm sorry, Sally wanted me to distribute these.

There's not enough.

MS. RAISBECK: No, there's not enough to go around, I'm sorry, only two copies. What I wanted to say, and I'm sorry I won't be here at your next meeting because I will be on the mainland, is that I have three things I want to say about the Director. One is the fact that a group called Citizens for Clean Water was acting as a political action committee without registering with the Campaign Spending Commission. And the material I passed out in two copies gives the complaint that I have filed with the Campaign Spending Commission about the activities of this group, which to my knowledge consisted of

passing out cards of the type that I gave you about four

copies.

David was putting them under the windshield wipers

of cars in the parking lot of the Kahului Shopping Center on

the evening of October 26th, which is when the Mazie Hirono

rally was there.

Secondly, they had a website and there are copies

printed out of the website in the material that I gave the

Chairman.

Thirdly, a friend of mine in Ke'anae said that a

copy of the card was placed in her mailbox, which happens to be a violation of federal law, which most candidates know you can't put stuff in peoples' mailboxes. And I assume more than that happened to more than one person. I think she said her neighbors also had cards.

And the fourth item was yard signs which I saw down in Kihei along Piilani Highway. So Bob Takitani did call me up yesterday and said that they would, the group would file as a political action committee. And I told him that at that time when they filed and I saw the expenses and contributors I would drop my complaint.

So now I don't mean to imply that David and Bob Takitani don't have any right, in fact, they have every right to campaign about any issue at all. It's simply that as those of you who have been candidates know, when you organize as a group you have to abide by the campaign spending laws. So I think this Board might possibly, if you were interested, try to discover whether any County resources were used in this campaign, such as the time of employees or, you know, the usual suspects for resources. Councilmembers are very aware that they musn't use the resources of their office for campaigning,

and that should be true of County officers as well.

The second thing I wanted to mention was -- oh, and if I can interject something here. The whole point of these cards and website and all was "Yes on 9. No on 9-A." Well, Ellen Kraftsow didn't seem to be aware a few minutes ago that 9 failed, and she evidently got wrong information from the County Clerk's office. 9 actually failed by 240 votes, and 9-A succeeded by something like 8,000 votes. So definitely 9-A passed and 9 did not pass.

The second thing I'd like to mention about the Director is that apparently at least one board member is

unaware that the department was a participant, a party in the contested case about the 30 year leases on East Maui water.

The department, if not the Board, has certainly been a participant for the last year-and-a-half in this contested case. And Mr. Kushi has filed motions on behalf of the department that essentially at every respect supported A&B and EMI's positions, and you might wonder how that could happen without the Board being aware of it.

The third thing I wanted to mention goes back a long way, far before this Board, when I first started watching the

operations of the Board of Water Supply. It invariably amazed me that the Board was not presented with information of the sort I would have expected it to be presented with. Having in my own work not worked with quite this kind of thing, but I always expected that when decisions were going to be made all of the material would be presented in advance, all of the material would list the pros and the cons of a given or even simply alternative actions. That it would all be presented in what I would call a very business-like fashion in order to save the time of the Board, and in order to make the issues clear to the Board. I never saw that happen.

In fact, I can remember previous boards were even worse off, because frequently they would have so little information before them that they would spend literally hours trying to verbally extract information from Mr. Craddick that should have been all before them in neatly organized pages, and instead it would take two hours. And finally, they would throw up their hands in despair and say, "We can't do anything with this."

Now, I would say that that is probably the worst thing that has been wrong in the operations of this Board, and

that's going back at least certainly ten years or maybe longer. So those are my comments on the evaluation of the Director. Granted, now that 9 failed, 9-A passed, everything is going to be different, but I did want to get that on the record.

CHAIRMAN RICE: Any questions for Sally? Mr.

Nakamura.

MR. NAKAMURA: Mr. Chairman, I believe that

regarding the EMI leases, and I could be wrong, that the Board did take action to authorize participation as a party, and I believe the Board also took an action to support the

application. I could be wrong. This is a matter that I believe I abstained on. But I thought the Board did take a formal action on that. I could be wrong.

MS. RAISBECK: Would there be any time that that would have happened? I mean if I look back in the minutes could I see that at some particular time?

MR. CRADDICK: I can show her.

MS. RAISBECK: Okay.

MR. NAKAMURA: I suspect it was a year, year-and-a-half ago.

CHAIRMAN RICE: Any other questions for Sally? Mr.

Starr.

MR. STARR: Yeah, I'd like to thank you for bringing this up. I don't recollect the Board acting on that issue, for your information.

I have a question for the Director as to whether he did use any County resources in this, and I'd like him to answer that in writing.

CHAIRMAN RICE: Mr. Craddick?

MS. PARSONS: He said in writing.

MR. STARR: You will answer the Board in writing?

MR. CRADDICK: Yes.

MR. STARR: And that includes like use of a County
vehicle and so on to go to meetings.

CHAIRMAN RICE: Any other questions for Sally?

Thank you, Sally. Okay, Mr. Craddick?

MR. CRADDICK: Can I get that request in writing,
please?

MR. STARR: I have another agenda item.

CHAIRMAN RICE: Yes, Mr. Starr?

MR. STARR: When we talk about item 8, division

reports, I'm sure that I sound a bit like a broken record, but once again, our monthly source report is filled with errors. I'm sorry, I just have two copies of this if anyone wants to see it. But this is the last month's revised report. After the first one came through with errors, we were given a revised version.

This is the one that's in today's package, and I first noticed that the year-to-date number for North Waihee, which was the primary reason for having to revise it last month, is wrong. This number 2,704 is not correct. The correct number is approximately 5 million gallons a day. So

once again, it's in error to make it look like it's a lot lower than it really is.

Then just sitting here I happened to notice that the totals for Iao Aquifer for most of the months differ, you know. This is going back to last year, differ. For instance, the month of January 2002. On the revised one we got from last time the number was 14.376. On the staff report we got today it's 12.985. Tracking along, you know, another month, March '02 the numbers are different again by a million gallons a day, and so on.

I'm very curious to understand August '02, for example, on the revised one was 24.219. On the new one it's 22.604. It seems very strange to me that we are not able to get straight figures on this, and this is something I've brought up month after month after month after month, and we're still getting reports that are wrong. So this is something that should never occur, and I really don't know if it's being done on purpose, I suspect it might, or whether it's just incompetence. Thank you.

CHAIRMAN RICE: Mr. Nakamura?

MR. NAKAMURA: One quick comment too on the division

reports. Since Mr. Kogasaka isn't here, I will just raise it, and perhaps we can deal with it sometime when we have more time. But subdivision approval was zero in September and there's like 685 pending, and I guess pending resubmittal by applicants, and 8 building permits approved, and 814 pending from previously.

MR. CRADDICK: What page are you looking at?

MR. NAKAMURA: Page one of Herb's letter. I'd just like to get some clarification on that at a future meeting. I'm hopping that the department isn't just sending these back

arbitrarily to clear backlog, because there's apparently 10 subdivisions pending review or in review, and it seems to me that from what I hear there's a lot more in that particular status. So maybe we can have Herb clarify his report at a future meeting. It seems like an awful lot of applications just floating around somewhere.

MR. CRADDICK: Okay, I'll get that.

CHAIRMAN RICE: Mr. Craddick, who does the report that Mr. Starr is referring to?

MR. CRADDICK: The pump report?

CHAIRMAN RICE: Yes.

MR. CRADDICK: Bryce in the plant operations.

CHAIRMAN RICE: Who?

MR. CRADDICK: Bryce.

CHAIRMAN RICE: Maybe we can have Bryce -- how can

it be wrong?

MR. CRADDICK: I don't know. I have circled the

three that he mentioned there, January, March and August, and I

will check on that.

CHAIRMAN RICE: That's so embarrassing.

MR. STARR: There are others that are wrong too.

It's the numbers that are in the column are the same, but the total is different.

CHAIRMAN RICE: Is it in the spread sheet?

MR. CRADDICK: Well, I do know in order to correct the one that Jonathan brought up the last time I actually went down there to see what was going on. And this particular program is Excel 2000, and when you use the summation feature you sum up and it left some off. We ended up having to add each individual item in order to get a correct tally, and I don't know why that was.

CHAIRMAN RICE: I'm sure there's somebody in

accounting who knows how to work Excel.

MR. CRADDICK: It was a problem with the software.

CHAIRMAN RICE: Put in the proper formula.

MR. CRADDICK: It seemed to be a problem with the software. Normally you can use that summation feature and it will sum everything up above it. This particular one would not do that, you had to individually sum each item, and I don't know why that was.

MR. STARR: Can we once again get a revised one?

CHAIRMAN RICE: Get it corrected, please.

MS. PARSONS: Could we maybe try a new program,

David?

MR. CRADDICK: We could reload the software.

MS. PARSONS: I know that some of them, until I got the XP the 2000 was glitchy, so maybe what we need to do is get the latest updated version and re-input it.

CHAIRMAN RICE: I will send my chief financial officer over and it will work fine, I guarantee you.

MS. PARSONS: Possibly the computer that you are using may have something that's causing the glitches to occur with another program.

MR. CRADDICK: Maybe.

CHAIRMAN RICE: Okay, is there any other business?

Adjourned.

(The proceedings were concluded at 1:00 p.m.)

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