

County of Maui Water
Supply

BOARD OF WATER SUPPLY

COUNTY OF MAUI

REGULAR BOARD MEETING

Held at the Kahului Shopping Center, Kaahumanu Avenue,
Kahului, Maui, Hawaii, commencing at 9:00 a.m. on
February 27, 2003 pursuant to Notice.

REPORTED BY: JEANNETTE WALTI IWADO, RPR/CSR #135

IWADO COURT REPORTERS, INC.

A P P E A R A N C E S

BOARD MEMBERS: Michael Nobriga, Chair

Clark Hashimoto

Adolph Helm

Kent Hiranaga

Ginny Parsons

Jonathan Starr

Michael Victorino

Staff present:

George Tengan, Director

Jeffrey Pearson, Deputy Director

Edward Kushi, Deputy Corporation Counsel

Herb Chang, Engineering

Herb Kogasaka, Engineering

Holly Perdido, Engineering

Paul Seitz, Engineering

Cathy Howard, Board Secretary

IWADO COURT REPORTERS, INC.

BOARD OF WATER SUPPLY

THURSDAY, FEBRUARY 27, 2003

TRANSCRIPT OF PROCEEDINGS

CHAIRMAN NOBRIGA: The Board of Water Supply

meeting will come to order. This is Thursday, February 27,

2003, 9:00 a.m. We are at the Kahului Shopping Center.

In attendance this morning we have board members

Jonathan Starr, Mike Victorino, Clark Hashimoto, Adolph

Helm, Ginny Parsons, myself, Mike Nobriga.

I'd like to welcome to our meeting our Honorable

Mayor Alan Arakawa.

(Applause).

Also in attendance is Director George Tengan,

Deputy Director Jeff Pearson, our board secretary, Kathy Howard. From the staff we have Bryce, I forget his last name, Bobby Vida, Paul Seitz, Herb Kogasaka, Elton, Alvin Nakamura, and Holly Perdido. Also Ellen Kraftsow and choke choke guys. Thank you.

At this time I turn the meeting over to our Honorable Mayor to give us some words of wisdom so we make the Board, the Water Department, and the community of Maui a better place to live and drink water from. Mr. Mayor.

(Applause).

MAYOR ARAKAWA: How sensitive is this mike? If

I sit here, does it pick it up? Just to make sure, since you're recording this. I know in the Council we have a lot of trouble picking up the audio.

The agenda that I was asked to speak to is incites and visions around the future of Maui County and what we consider the focus of the Board of Water Supply.

Mike, how long are you going to give me to discuss this?

MR. NOBRIGA: Until 10:00.

MAYOR ARAKAWA: Okay. In which case we will spend a little bit of time discussing visions and then we will discuss questions, and I will entertain questions from anybody.

CHAIRMAN NOBRIGA: I'd also like to note at this time the attendance of Kent Hiranaga.

MAYOR ARAKAWA: In looking at the water issues and the Charter Amendment that just occurred, the water department was brought back under the County administration, the Office of the Mayor. The Board's

duties have changed to advisory rather than to be able to delegate and to actually actuate a lot of the policy. So we are going to have to readjust the actual language that comes about as to what the responsibilities of the board are in advisory.

As far as being advisory, the Water Board is going to play a very important role in my mind, because many of you are the ones that are going to be attending the meetings on a day-to-day basis, knowing what the department does, and going through a lot of the language and the programs that the water board, the water department needs

to initiate.

So it's not my intent to try and micromanage the water department from the Mayor's office, but at the same time I am going to be relying on you to be able to carry out a lot of functions that you were previously carrying out. The approval process will be a little bit different and the legal process is a little bit different.

Water has always been a major issue and has often been used to be the regulator of land use and land growth decision-making, and a lot of the policies we have

in place right now I believe need to be revisited. Many of the focuses that we've had in the past need to be redone. We need to be looking at water and the way we provide the community with the proper and the adequate water supply from a more local perspective, and as part of the planning process.

Because the water department is now under the administration, our overall approach to land use and community planning will be a more comprehensive program.

Water is one of the layers of information and one of the

layers of responsibilities that we will be looking at.

It's not all over in right field by itself able to set the direction that it wants independently without consideration for the other departments and the other aspects in the community. That's going to be the biggest change.

In our administration we are going to be computerizing. We are going to be working with a geographic information system and the improvement of that system. That is a major planning tool, and that tool will be what we will be using to try and comprehensively put

together all of the pieces of our community, and this includes all the land use decisions, the social service decision-making, the financial decision making, the planning, the long term visioning.

By utilizing the tool of the geographic information system and the associated types of computerization, the ability to do layers of information, I believe we will be able to work much more comprehensively.

Now, some of the areas that we are going to have problems with and we are going to have to look at, for instance, are trying to do the timing so that as we develop

communities we have the water in place at the same time the road is in place at the same time the construction is going on. One cannot lag behind the other.

The emphasis of where we are going to be putting the budget in the community, the funding resources also has to be discussed because we cannot independently go out and say we are going to raise all the fees in this one area without being cognizant of the fact that the community has to pay for this. And if other areas are in need, that we aren't going to be putting all the money in one area and

not balancing out the community needs and the community responsibilities for their budgets.

So by putting this together as a comprehensive package we are going to be looking in more detail as to how all of the departments work together. That's it in a nutshell.

The technical aspects of it we will be discussing as time goes on. I am not going to spend a whole lot of time in the technical aspects this morning because I believe you will start seeing some of this

progress in the very near future, because we are currently already planning and we are already doing things. And the layering effect of information and the layering effect of how we put this together from a technical standpoint will become very obvious.

In our office yesterday we received five sort of computer hand-held devices, ^Ipax, that are going to be able to change the way we do a lot of our in-field work. Someone in the field will be able to communicate directly to the computers that we have. We will be able to use it

almost like a cell phone. We will be able to get information from all the different departments once it's packaged to be able to get the best information to make decisions, and to be able to communicate with other members from other departments if they need that information to make a decision.

So let's say that you are in the field and you want to be able to do a pipeline in Kula. You would be able to access the County or the Department of Finance and be able to find out how much money we have in the budget to be able to do this program, how much is left in the budget,

and therefore whether or not you are going to be able to have the financial capability of doing this project. You will be able to access the Planning Department to find out what kind of buildings are going to be in this area. You will be able to get a screen that will be able to show you how this area is going to be developing and what the demands may be that you need to be able to address.

So these kinds of capabilities and the ability to discuss things with the people that have that information will be much easier to access with the

technology that we are trying to develop. This ^Ipax system is going to be able to allow each of our employees in the field to be able to communicate as if you are having a laptop with you. And as we develop all of the layers of information within the different departments and within our social structure in this community we are going to be able to make much better decisions.

So in essence, the water department now becomes part of a networking system that we're trying to develop, and the decision-making will not be independent only

dealing with just water, it will be decision-making that will also have to correspond and correlate with the other departments and the other programs that are being considered.

How we are approaching the resource, I think we are going to spend a lot of time and a lot of discussion as to what our goals are and what we really want to accomplish. We are having difficulty in areas such as dealing with the Iao Aquifer and trying to decide how much water we should be taking from surface water. Redirecting

toward a lot of development. And many of the developments that are already on line are tying up a lot of the resources. And how we are going to be able to prioritize what should be constructed and what should not be constructed in relation to what the community needs are is something that in very short order we need to bring back into focus.

There's a tremendous shortage of affordable housing, for instance. And if we tie up all of our water resources for the developments that are coming up that are not affordable, then when we try and do our affordable

housing projects we may not have the water resources available, and this is also true with soil capacity, the road capacities and other infrastructure. The timing of the development of the resource and the availability of the funds also need to be coordinated.

So looking at the Iao Aquifer, it's not only a water decision, it's a decision that will also have to be based on what kind of funds are available to create the roads, what kind of funds are there to be able to create better schools, what kind of funds are there to be able to

do senior housing, or whatever type of housing we want.

What are the desires, the needs within the community that we have to fulfill.

So how we grant permits and how we work, we are going to have to change how we focus on that, and I think we need to start setting up some priority systems. So this board is going to be the one that we are going to be charging to look at some of these things and to set up some priorities as to how we want to allocate what resources we have. And, you know, that being said, we need to be able

to identify what available resources are. So the study that we commissioned to be able to further try and narrow down the gap of information that's lacking I think is going to be very critical to decision-making.

At the current time many of us are being pressured because there was a transition coming about for a lot of the development industry. They were in a mad rush to make sure that their approvals were there so the water availability would be tied up. And we are going to have to look very carefully at the water source and how we are

going to deal with the water, what available sources there are, and again, how we are going to be distributing it.

We may have to go to the state to try and talk to them about getting control of all the permitting processes for wells. We may have to go to the state and see if we can have some say in the control of water distribution to agricultural subdivisions. In other words, we may have to try and find a way or a mechanism to have the ability to plan all of our water resources and the distribution of those resources from a total overview, and then how they're going to correlate with the timing of

those resources.

At the same time, in areas such as Lahaina or Upcountry we have to be looking at the drought situations, the lack of water availability, as well as distribution, costs we're going to have to incur, and other subdivisions that are coming up, and that's a reality. The planning of the distribution of wells of water is something that we cannot just accidentally run into, it's something that we are currently in the planning process and the permitting process. We're asking for master plans for a lot of the

major project areas because we need to be able to plan what our resources are going to be used for and how they're going to be distributed.

This board is going to be having to look at a lot of these choices that need to be made and make recommendations as to how we're going to look at the overall accessibility of water resource. Not only for this year, not only for one project or another project, but a totality. Creating a plan of how we are going to create the distribution system, how we are going to deal with what

the total needs are, even at buildout. What our maximum resource is and how we are going to deal with the resources.

It's a very large charge and it's something that is going to be very critical in how this community's quality of life is going to be decided and the availability of the resources for community needs.

In the Upcountry area we have had droughts almost every year. We have some major problems with lead in the old piping system. We have major problems with just

old piping that needs to be replaced. The cost for this is going to be tremendous. And again, we are going to have to go to the community and say, if this is what you want, we are going to prioritize some of our expenditures. Then perhaps we need to raise the rates to be able to cover the costs of what the community priorities are, and water has always been a high priority. So we need to work with the communities and decide where that money that we are asking them for should come from and what it should be used to do.

In some areas we may be having to look at

raising funds for the specific community if that particular community wants certain projects to do community facilities. Community facilities projects fees need to be developed for specific projects in a specific community. In other words, people in Wailea may not be as interested in replacing old pipes in Kula as people living in Kula that are using those old pipes.

If a community in Kula would prefer to work on creating the pipes and they would prefer to divert their funds to replacing those pipes, then the taxes that we

raise should probably be used in the Kula area for Kula residents. Whereas in Wailea if they're more interested in a park or playground their funds should be taxed to create those particular facilities.

So that bill was started quite some time ago.

We need to be exploring the use of that bill and the passage of that bill to be able to raise funds specific to the concerns of any given community. And let's also put some fairness into how we create the funds available for a specific community, and the community would have a direct

say because they're the ones that will vote on whether or not to put a fund in and whether or not that specific project is the highest priority where they want their money to go.

In the Upcountry area, you know, because of the water shortage and because of the challenges, there's a huge amount of challenges in that area because of the old infrastructure. That area is going to be very challenging. The department has plans and we are going to be going over, over time in a lot more comprehensive manner

with the Director and Deputy Director, how we are going to actuate the plans that we have and how we are going to fund those plans.

A major reservoir has been discussed for decades. As of yet it has not been constructed, but we need to be able to look at a real time schedule, and if we are going to be creating a major reservoir for storage then we need to be able to plan it, budget it, make sure it gets constructed. We cannot be basing a lot of the approvals of permits on what is not actually going to be constructed or developed.

If we are going to be doing that we also need to look at source development. Source development and the availability of water. No matter how much you work with the distribution system, if you don't have a source and we don't have improvements there, the water is not going to be available. So we need to be looking at this from a comprehensive pattern and apply a total picture presentation, so that from the very source to the end product we have control and we know what we're doing. It cannot be hit and miss.

With the computerized system as we go into this we're hopeful that we will be able to paint to the public what it is we're planning, what it is we're working on, and give them an idea of what it's going to be costing, because that financial picture must work hand-in-hand. The community must know what is expected of them if they're going to have the resources put before them that they want to have.

It's well and good for everybody to say, "I want the best of everything." And then to say, "Well, somebody

else pay for it." You know there's realities that we have to look at. If we only have so much resource available, the best of desires cannot be created when we must take care of basic needs. So we have to look at what the reality is as far as what kind of resources the community has, what kind of demands we have on those resources, and how we are going to take care of those basic needs.

This board is going to be very critical in having to try and work with the community to prioritize those needs. And again, we need to be able to get this

from a very practical standpoint. Who is it, how are we trying to work with the who's and the hows and the whats of the community, all those things.

Understanding what our real resources are, what our real potential is, to try and create things that we don't have the budget for, to go through a whole planning process where we have no community support is useless. Our entire focus has to be on what the community desires are, what it is we can practically present, and the quality of life that we can provide for the members of our community. That's our whole function. If we weren't there to make

these kinds of decisions, then we are there for the wrong reasons.

Quality of life and our ability to make the right decisions to get to the best quality of life for all of our community, that's what government is all about. That's what all these boards and commissions goals ultimately are. And we are going to have to look at this from a little bit of a different perspective, and it's challenging to look at this from a different perspective.

Twenty years, fifty years, a hundred years from

now, a couple of centuries from now will someone be able to look back at the work that we're doing and say that we had an idea of where our goal was, and when we put together all of the rules and all of our resources to attain a goal then we preserved the quality of life or created a quality of life for our community.

If we cannot honestly say that our work is working toward a goal, then in all probability we are clueless in our direction. We cannot be putting out fires as our major objective. We have to know that we will be

putting out fires, but we also have to know that our major objective is going to be ultimately achieved. And this is where we put those dreams out and quality of life issues out, and at the same time from a practical standpoint come back and say, "These are the resources we have. This is what we can create in this time period with these resources. This is what we may need to generate in the future to further get to these areas."

And again, work through a comprehensive plan to get to that conclusion. Otherwise we are wasting our time,

we are wasting money, we're wasting everybody's ability to have a quality of life. And we are not doing our work, nor are we doing our community obligation, and somebody else should probably do the work.

So that's in a nutshell, in the time that I'm going to allow myself, what the overall vision is. I will tell you that on specific projects we will be discussing that in much more detail over time. The Director and the Deputy Director and myself, we do have weekly meetings and we do discuss direction. We do discuss changes in how we are going to do business.

I have asked all of the departments to start looking at having our employees become more community friendly. The days of assuming that we can mouth off to people in the community or misdirect them because we don't want to give answers, I think we can safely say that we're not going to tolerate that any more. If someone calls the department they should be getting a clear, concise answer, or they should be referred to someone who can give them a clear and consise answer, not be set in circles that are endless that never resolve anything.

The days of people calling the department and being given a sarcastic answer should also come to a very fast conclusion. And we are actually asking all the departments if we get a formal complaint we are going to start looking at disciplinary action, and we are asking the departments to start disciplining our employees if they are not behaving as professionals. And that is and that should include their behavior toward one another. Employee to employee must have professionalism in how they're doing things.

I believe that if we start with some simple things that so far have eluded us that we will bring professionalism to the industry and to our entire community respect for government. So that's one of the focuses that we are making. It's a small step and it doesn't cost anything, but at the same time it's a big step in how the community will perceive us in what we're doing.

So all of you board members be aware that this is one of the directives that I have given to all of our departments. So if you start seeing reprimands coming down

because of inappropriate behavior, inappropriate language,
we are trying to make this a more professional status.

And it's not something that is pie in the sky
that's undoable. Take a look at what's happening with our
beach lifeguards. Take a look at the police department,
the fire department. Many of the other departments have
already implemented programs whereby the employees are very
much respectful of the fact that we are professionals.

And we are going to bring all the departments in
line in the way we do business, because we can no longer
have a whole community that is saying, "We don't know what

you're doing, you don't give us answers, you don't care,"

because I believe every one of us is here because we do

care. And we are going to back you from the administration

standpoint to make sure that the mandates of

professionalism are carried out.

Any questions?

CHAIRMAN NOBRIGA: If I could, let's go down the

line. Kent Hiranaga.

MR. HIRANAGA: Specific questions?

CHAIRMAN NOBRIGA: Yes.

MR. HIRANAGA: I believe I don't have a specific question at this time, thank you.

CHAIRMAN NOBRIGA: Jonathan Starr.

MR. STARR: Mr. Mayor, I want to thank you for coming in and for your comments and also I wish to congratulate you on a good start. I think that we have an opportunity to really better what's been happening and I think you have put the right foot forward with it.

Your comments about creating activity between the water and the planning process were really right on.

And, you know, I guess I'd like to ask how the board in the future can more participate in that. That's been one of our problems. Water when it's used as a planning device or limiting growth, it creates inequity. Certain people are able to generate their own water and they can get their project through, but other people aren't able to. So that's not fair, you know.

The job of the board is more to create water that can be used by those who are ready to use it, and then it's up to the planning process to decide where it should

be used to build the community. And I want to congratulate you on creating some discipline in the planning process, which is a good step.

So more directly, how can the Board and the department participate with the planners in making sure that there is water available where it's needed and that the growth of the water infrastructure goes along with the growth of the rest of the community?

MAYOR ARAKAWA: Jonathan, in a nutshell, the water department has to make sure that we know what is available, what the resource actually is. That's one of

the most critical things, and a lot of that information has alluded us to this point. We have to get it so we understand where the water is.

Now, the subsurface water is something that's more difficult than the surface water. We need to understand exactly what we have as far as surface water. We need to understand where the possible sources are. In the Upcountry area, for instance, talking with the Director I asked what happens if you were to extend the system another mile, what is it that's available in that area? Is

there some surface water that we can possibly put into the system? Do any of you know that have been on the board for a long time?

In the Upcountry area if we were to explore wells, and many of the developers have come before various boards and talked about exploring the possibility of building wells to be able to supply water to their divisions. What is the resource that's there. Are we from the water department exploring that potential or understanding that potential? How are we going to know

what we want to plan unless we know what our resources are? That's first point.

Then the prioritization of it. Once we understand what the resource is, and let's say we don't know what the resource is in totality, but we do know what our availability is, what we have within our system, what our capabilities are. Then we need to be able to prioritize working with the other groups trying to find out where we should be giving the permits, where we should be allocating the water resource, and on a prioritized basis.

If we give it all away in areas that we don't really need it, then later on we suffer because the areas of need cannot be addressed, then we have a real problem.

And I'm not saying project it out fifty or a hundred years with the resources that we have right now. I'm saying at least understand it, and understand where we need to plan the resource with the given quantities that we have.

Affordable housing is the area that we have a huge deficit in right now. Even if the market is good on the high end and we want to create affordable housing, if we put all of the resources to the high end housing and we

don't have it for the affordable, are we ever going to be able to catch up? No.

So we have to be able to understand what resources we have. If we have enough for 3,000 units say, then how much of that do we need as a community? How much of that do we not want for the affordable area, perhaps for single structures? How much do we want to have for farming? How much do we want to have for high end housing?

So if we can get an idea of what we are trying

to accomplish in the long run, and we don't go project by project, and all of the high end housing comes in as projects and we ignore all the others, we won't have allocated all the resources. So that when it comes time to do the other needs in the community we have no resources to allocate. So that's what I'm looking at, directions from this board, recommendations. You guys have to go out and try to do the studies, do the work to try and figure out what the resources are and how we need to prioritize distribution of those resources in retrospect to what all

the community needs are.

It's not just a demand for water or a demand for affordable housing, a demand for social service agencies and structures, and how we are going to be able to provide those resources for the entire range in the priorities that we should be setting. Does that answer your question?

MR. STARR: Yes. Will you support the central system taking and utilizing water from the East Maui ditch system? I don't know if a lot of people realize it, we currently have an allocation of an additional 4 million

gallons a day at Kamole Weir that we are not using, and if it were put through additional ^memcore units down there we could add that to the central system. A reservoir is, of course, a source multiplier. Then that would go a long way toward putting off the need to drill the East Maui wells.

MAYOR ARAKAWA: Jonathan, you are getting to the technical part of it, and we could spend a lot of time discussing the technical part of it. The bottom line is we need to be able to service our community in the best way possible, utilizing our total resources and doing some analysis as to how we want to utilize that resource. If it

involves moving water from East Maui to Central Maui to service the community, then we as a community will decide that. It won't just be one person, okay.

I will support whatever the community desires as we prioritize. This Board will be making part of that decision, and your discussions within the community will steer some of that decision-making as well as the Planning Commission, as well as all of the other agencies as we look at what our available resources are.

So if we are talking about not having water in

Iao Aquifer, and we are talking about peoples' health being jeopardized, we most certainly would be negligent if we did not consider other sources to try and alleviate problems.

If we can do it without endangering the public's health and the priorities are different, then perhaps we shouldn't.

The community needs to come together and make some of these decisions, and as a board your area of expertise and your area of contact with the community is in making some of these decisions.

CHAIRMAN NOBRIGA: Thank you, Mr. Mayor.

Mr. Victorino?

MR. STARR: I have one more question if I might,
and it's a quick one.

CHAIRMAN NOBRIGA: No. Mr. Victorino, then we
will come back around.

MR. VICTORINO: Mr. Mayor, thank you for being
here and sharing some of your insights. I think a couple
of comments I want to make. I think the hardest part of
this whole equation is one, getting everybody to work
together, as you had stated earlier, all the departments,

getting them to coordinate as a cohesive team. I think that's been a challenge in the past, and I think your legacy will be in bringing these departments together and have everybody work together for a common goal or common priority I think is very important.

Secondly, the community plans, as you are well aware, take too long. They many times change so radically within a very short time because the community basis changes that makes it very difficult to make long-term plans. How can we speed that process up without losing public engagement, without losing that area.

And the third thing I think that you brought up that I'd like the public to understand is your commitment to the County employees as being servants of the public and the attitude towards the public being one of a cooperative manner instead of, in some cases in the past, an arrogant manner. I think that in the public has always been perceived in some county departments as, "Well, you can't talk to anybody because nobody wants to give you an answer."

If you can move that again into that direction

and move that into reality, those are two legacies that I think you can take 100 years from now, 150 years from now.

And you and I are not going to be around, but our great-grandchildren will be around and they'll say, "That's the legacy that he left behind."

But how to coordinate that, I don't mean to get real technical, so if you feel they're technical questions then we can move on. But I think that's the real key, how do we speed up the public engagement and still get good public input?

MAYOR ARAKAWA: Okay, the process that we are in right now is very lengthy. When I took it over the planning process was even more lengthy because we were using people who were drawing things with pen and pencil and doing our land use reservation and coordination. The tools that we had to be able to communicate. If I had a question to one of the departments the planners would have to go back, do the research, and two weeks later or four weeks later come back again to answer the questions. Just the time delays in getting information delayed the process

tremendously.

When we put in the GIS system, the basic start of the GIS system, that allowed us to have information much, much faster, so in one meeting we could conduct a lot more business. As we start going to this newer technology and incorporating the layers of information, we will be able to work with the community to get much more comprehensive understanding of what we're trying to create.

Now, we are not leading edge in the world in a lot of this stuff. Many communities have had it for

years. Now I've seen programs, I have attended conferences where they have given us demonstrations. They can show you if you do this ten years from now this is what it's going to look like and they give you a model. It's not an exact science, but it gives you a better understanding.

And none of the decisions that we're making is an exact science. We can plan the best for decision-making if a bomb falls on this building today we won't be the decision makers tomorrow. So you cannot plan to that preciseness, but it's the best information we can all put

together. And by taking the information and putting it to the public in a more concise fashion the decision I believe can be made a lot faster.

And changing the system, for instance, we have been talking about once we go to the community plans and make all the approvals, zone it, make the community plans law. That will speed up a lot of the process. That will also give us a little bit more consistency on what we're expected to do. That's why when you make a plan you have to plan to make it real, okay. The plans are not arbitrary

that should be changed every day, because the end goal is

too difficult to reach if you are changing that end goal on

a day-to-day basis.

That's why when we talk about what are the goals

50 or 100 years from now, how are we working toward that

goal? If the community has those goals and we set those on

a day-to-day basis, then we have the information to be

making decisions faster and we will be able to take the

process of doing it a lot faster, and the whole thing will

be easier.

As far as how we get the employees to do things,
the reality is because of all the challenges we have in our
community, we have a limited amount of resources, money.
We no longer have the luxury of making a lot of mistakes,
doing a lot of change orders to try to correct those
mistakes, and spending our resources in corrections rather
than setting the original proposal and direction.

We used to take for granted that in every
department if we're having too much trouble compiling
paperwork then we need another secretary. Or in the field
if we cannot meet all of our job requirements for today we

have to hire somebody else, despite the fact that we have not really done good time studies as far as how our employees work, what the job requirements are, and what we need to accomplish with the funds we have.

So we've added a lot of employees just because.

And I can I guess confess that I have been part of that system as a former supervisor in the system. We created a lot of positions. And public reception I think is very correct in a lot of areas, and we have more employees than we have work.

So we no longer have that luxury and we are going to be going through and trying restructure, understanding what the real needs that we need to fulfill for those jobs are. How much time it takes and what our labor force is going to be required to do that.

In some of the areas, looking at all of the different departments, we are going to try and consolidate, we are going to try to become more efficient in how we allocate our man-hours to be able to do that.

So for instance, I'll give you a for instance,

something we're trying to deal with right now. In Hana we have a county garage. The people there don't want to work with the fire department and the police department. They don't want to work on the vehicles. So if there's a problem with a fire department vehicle or a police department vehicle, they have to bring it all the way out to this side to be serviced. Why are we not requiring those people to work on the county vehicles? They're county vehicles. It comes out of our budget.

So we're changing the directive and we are

requiring them to start servicing the police and fire vehicles if they need to be serviced on an emergency basis. Plan maintenance we can try and schedule it, but on an emergency basis we need to be able to work together.

In a lot of areas, for instance, in the water department, George came to me for release of depositions and I've asked him to have the employee come and talk to me. I want to know whether or not there really is a need for another employee to be had in the same area or if perhaps we can bring somebody in from Public Works part-time who might be able to help fill that, rather

than to create a whole new position.

Those are a few of the things we are looking at and trying to be specific but not too specific. But that's the kind of system we're working with right now. We don't have that luxury any more, we really can't afford it. The budgets and the requirements that we are going to have are horrendous compared to what our availability of resources is going to be.

If for instance -- and I say this -- we have a war, our tourist industry drops off, our income level drops

off. How are we going to be able to adjust? If we are bloated how are we going to pay every employee that we have? It's critical that we start looking at some of these things and trying to do the analysis. We are right now, I can tell you that.

Our administration has currently asked every department to give us all the employees that they have in the department, the structure of the employees within the department, and we're also looking at what the job requirements are and how much time is actually spent toward

the objectives of what the employee is supposed to be doing.

We're going to go through the analysis process to try to figure out can we combine services as we need to create other positions, because we have the charter requirements for environmental management for transportation. Can we move our existing employee force to fill some of these areas without hiring all new employees. If we had to hire all new employees to fill all of these areas we just don't have the money, and we would not be

able to do the basic things that we're required to do by

the community.

So we're going to have to rethink our resources,

because we do not have the luxury of not doing it that

way. There's just no way physically to create the kind of

funding we need to do to do all the things we need to do.

I hope I'm answering, because you asked me like about four

or five questions in one.

MR. VICTORINO: Thank you, Mr. Mayor.

CHAIRMAN NOBRIGA: Vice-chairman Hashimoto.

MR. HASHIMOTO: I'd like to thank you,

Mr. Mayor, for taking time from your busy schedule to be here today. My only comment is that I only hope that you will continue supporting agriculture. I represent agriculture on this board, and I think the Upcountry area was developed because of agriculture. And I know you come from a family farm also, family of agriculture. But my only hope is that you help keep the water flowing for the farmers even in times of drought.

The board has been very supportive of the farmers even in times of drought to keep the water flowing

for the farmers because that's their livelihood. So my only hope is that your administration keeps on supporting agriculture.

MAYOR ARAKAWA: Thank you, Clark. And

understand that that's why Monty Day just walked in, he has been assigned to work with agriculture. He's our agriculture coordinate to get all the farmers and all the agricultural industry to work together and set goals and directions. Again, we have to set the goals so that we know what we're doing, and if we don't set those goals we

won't know what we're supposed to be doing with our
resources. The water resources the same thing.

Just recently we talked about the well that we
were creating in Makawao, and just before the last
administration left they were trying to reallocate all the
water that was available and distribute it. Now that's
good and well, except that we still have a drought almost
every year. If you take all of the resources that we
allocated so we don't have a reserve, how are we going to
take care of the drought situation?

When we have plenty of water, we have plenty of water. And when we have no water, I mean during the dry months everybody suffers. So we have to be a little bit more respectful of what our total resource is. So because of that we haven't done it in the past. I think that we box ourselves into a situation by over-extending our resources. And we're trying to be politically correct and we are not being community conscious in how we need to be responsible. That's really where I think we need to do a lot more work.

So from an agricultural industry standpoint we

should have years ago have had a dual water system.

There's no reason to coordinate farm water. As a matter of

fact, it's harmful. So those are the kinds of things we

need to continue to work with the farm industry and find

out where they're going, what their requirements are going

to be, and continue to help the program. But the resource

development is going to be one of the keys to this whole

thing, because unless you have a source all this other

stuff doesn't mean a whole heck of a lot.

CHAIRMAN NOBRIGA: Member Helm?

MR. HELM: Mahalo, Mr. Mayor. I thank you very much for your vision statement and sense of direction that the county is going in the future and the water department. I appreciate it very much. And kudos to Mr. Hashimoto there in supporting agriculture. And you know basically, you know, that's my livelihood and we look at agriculture as a very integral part of our community on Molokai, and I'm sure it's the same here on Maui.

One of the questions that I had was, basically it might be a philosophical one, but I'm you know concerned

about one thing, and this has to do with currently our state administration and the county administration, and I assume there might be some philosophical similarities in regards to how we manage government and so forth and resources. My concern was basically one about the state's role in how they're going to continue to play with regards to enforcement of water resources, policies with the Water Commission and so forth.

I'm hearing that the state is looking at having

the county basically have more control in those kinds of

things, and the state taking a back seat role with regards to those kinds of initiatives that they have currently with the Water Commission.

Currently Molokai is a water conservation district. It's something that the people of Molokai made as a choice through referendum. So I guess my question is, do you foresee the county as becoming more of an independent role in terms of controlling all of the resources with regards to water here? Do you think they can effectively do a better job than what the current status is with the Water Commission, or do you foresee that

the current system is a lot more effective?

MAYOR ARAKAWA: That's a very deep topic, and

any answer that I give will get me in trouble.

(Laughter).

A lot of whether a decision-making body is good or not depends on the members of that decision-making body. At any given time whether a county decision-making body or state decision-making body is good or bad depends on the members of that body. At times the county having control and being able to plan can be a tremendous asset,

provided that the body that's doing it has a clear understanding and has the wishes of the community in mind, and the direction is being set with the community in mind.

If the county body is doing things for political purposes to help or prioritize one industry's needs over another, then that politics is bad and the body will not make good decisions. And that has happened in the community's minds in many instances within Maui County.

Sometimes the decision-making body seems to favor large developers, sometimes it works against large developers,

sometimes it works against the community, sometimes it seems like we don't know what the heck we're doing and we're totally lost. Then it's not an effective body.

The same thing is true at the state level, however. They're more removed from the community so therefore their decision-making many times is not as emotionally tied or as logically tied to the community, because they can be cavalier about the cause and effect because they're not living in the community. So that can be very detrimental to how we do things as well.

For instance, a lot of the agricultural subdivisions that are current right now were granted water rights without the county being consulted and without the plans of the county really being taken into consideration to the level that we would like it to be. In that way it's detrimental to what we want to do as a community. And the decision is being made so that the members of the community cannot really participate or have a say, and I think that is bad.

So I am going to assume an error on the side that I trust my community more than I trust somebody who

doesn't know the community. And from our side we are going to try and see how much control we can get of the water issues to be able to put before this community and into our planning process. I believe we will do better than the state has in the past. Because as elected officials and as people living within our community we have a higher stake. All of our decisions affect our friends, our family, our own existence. And we will be more reliable to error in the area of the community needs than we are if we don't have a stake in our community.

I am pushing, and I will discuss this more, but

I believe, again, if we have control or some say in how well water is distributed, if we have a say in how surface water is going to be distributed, how we are going to take these resources, how we are going to develop the resources, and how we are going to allocate these resources we can do a much better job from the county level. That is a presumption that I'm making, and I started off that way.

So I am going to push that, and I am hoping that

this board will look at it. But that makes the

responsibility of this board that much more severe because then we become directly responsible. We don't have anybody else to hand off the responsibility to. Government has a way of trying to protect our backside and not take the responsible position. They say, "Well, it's somebody else's call."

Bringing it here I believe will make it our call. Each and every one of us that are in the decision making process will be held accountable for our call, and we should be responsible and we should be able to explain

to the community why we make our decisions.

So that's the way I want to work with this, and

I am hoping the state will agree with us. We have a very good relationship with the government and we have a very good relationship with many of the department heads. I believe that the intent is to have as much community input in the community at the grass roots level having the decision-making ability of what will affect their daily lives, and I support that position. Am I answering your question?

MR. HELM: Thank you.

CHAIRMAN NOBRIGA: Miss Parsons.

MS. PARSONS: Thank you, Mr. Mayor, and thank you for being here. There are a couple of things that I've noticed while we have all been talking, and I think how important it is that each one of our communities are represented here for the most part. We are missing Lahaina, but it's really important, and you can see how important it is to have that representation when you have Molokai and we have Upcountry and we have Kahului and Hana and Haiku and they're all very -- everybody has their own

issues that we have to deal with when we're making these decisions.

I don't know if you have had a chance to look at the agenda, but my question was how, if you had looked at what Ellen Kraftsow had prepared for us for central valley, and if you found that to be as enlightening as I did with the breakout of the usage. And when I looked at this my thought was this is not only a help in planning for our resources, but also our zoning and our tax structure. And if we can break these down even further, if that's going to

be a help for you and that's something that the board can help prepare so that you can look at the overall picture.

I don't know if you have noticed in the report also there's 731 subdivisions on line, but we don't know what they're made up of. So if it helps you for us to break it down even further so you can see how many are family subdivisions, how many are ag, how many are residential in each one of the areas, if that's something we can do, I'd be happy to hear what you have to say.

MAYOR ARAKAWA: Remember I started talking about

all the layering of information. Ellen over the years has done tremendous work, and we have had many long discussions as to what's available, what work has been done, what work hasn't been done, and she's corrected me many times by producing information that I didn't know existed. So having been humbled by that too many times, I will say that as part of our decision-making process we need to know as much information and put it into the hopper as we can.

All this layering of information working with all the different departments allows everybody to make better decisions. And again, the distribution, the

resource, the kind of information that you are showing us

over there on that page, I can glance over and see it.

It's important, and that's the kind of information I'm

expecting this board to be able to provide not only to me,

but to all the other departments for decision-making.

That's why I keep going back to the system as a

comprehensive system where everybody needs information from

each other to do their part of the decision-making. Just

as you will need to know what the Planning Department and

Public Works is putting out there. If you know how many

subdivisions they're working on and you know what the potential draw on your system is, then you will be able to prioritize.

With all those subdivisions, how many of those are going to be affordable? How much of your resource is going to be left if you approve all of those subdivisions? If you take all of those kinds of things into consideration and how we allocate those resources then it becomes a little bit easier to justify.

Every single project is going to come in and

say, "We deserve to have all the water because we did the process." Every one of them. And every one of them is going to be right to a degree. And if you approve every one of those projects and you allow them each to have water, what you are going to find out is you are not going to have enough water, you are not going to be able to take care of the projects that are not there that need be created, and you are not going to be making very good decisions for that community.

So yes, we need to work with all the other areas

putting together that information, and this is one of the areas that I'm hoping the Water Commission will be working on.

CHAIRMAN NOBRIGA: Thank you, Mr. Mayor. Mr.

Starr, follow-up question.

MR. STARR: Yes, please. Mr. Mayor, in your comments you talked about trying to bring more community input into decisions about the local future of the water systems in those areas, which I think is a good trend. But one of the issues that will have to be decided, because we will be needing to deal with the rate structure for water,

is that right now we have one rate for the entire county.

All different parts of the county pay the same rates,

although the cost of supplying water in all the different

places varies. And it will vary even more if communities

get to decide which projects they want.

So do you envision supporting rates for

different communities which may reflect the cost of the

service for that area?

MAYOR ARAKAWA: If you recall, I started talking

about the community development districts, having each area

be able to specify what they wanted to do and then to create a fund or a tax to take care of that. I think that's going to be necessary. Each of the communities have different needs. Each of the communities have different timetables. And if we anticipate that we are going to be doing everything the way we have done in the past, we are going the way we have done in the past, which is a deficit in almost all the areas.

So I believe we have to come in with district funding, and we are going to have to allow the community to

decide how and where they want that funding to be developed.

MR. STARR: Thanks for having this dialogue.

CHAIRMAN NOBRIGA: Thank you, Mr. Mayor. I'd like to ask you to please, if possible, be our guest again April 24th as we have our brand new board for 2003-2004 in place, by the April 24th meeting. I ask for your continued support of water resources, and if possible, to have the Department of Planning and the Department of Public Works and Environmental Management attend the meeting, because

I'd like to also -- I know in the audience we have staff from Councilman Mateo's office and Councilmember Tavares' office.

So I know you have a very busy schedule and I thank you for your time with us. I appreciate it, Mr. Mayor. This meeting will stand in recess.

(Whereupon a brief recess was taken).

CHAIRMAN NOBRIGA: We will reconvene the meeting. I'd also like to note at this meeting we have in receipt the 2003 pink cover new edition of the County Charter that was afforded to the Board Members. Thank you,

Kathy.

And also in our possession is a CD rom disc donated by Poelman and Langa. This is the geology and groundwater resources of Maui by Harold B. Sterns and Gordon A. McDonald, U.S. Geological Survey, October of 1942. Not bad, only about 60 years in the making.

MR. VICTORINO: Better late than never.

CHAIRMAN NOBRIGA: The floor is now open for public testimony. We have Miss Sally Raisbeck signed up to testify. Good morning, Sally.

MS. RAISBECK: Good morning.

CHAIRMAN NOBRIGA: Please take the seat in front, say your name for the record, good use the good microphone so everybody can hear you.

MS. RAISBECK: Thank you, Mr. Chairman, and good morning members. My name is Sally Raisbeck, I live in Wailuku. And if I may comment on the CD that you have in front of you, that really is a treasure. That book is in such short supply it's almost unattainable, and it was the foundation of the geological and hydrological information

about Maui. It's a wonderful present and it's marvelous that they thought to give it to you.

My testimony I wanted to be about the item that established the nomination committee for chair and vice-chair for the 2003-2004 election to be held in March.

And it raises a question in my mind that with four new board members coming on board April 1st, or two of them may be a little earlier, why would the board want to elect a new chair with the outgoing board members?

It just is not the common practice to -- for

example, with the Council, they always wait until the new Council takes office before they elect their new chair, and that seems to me the most common practice. I did check with Mr. Kushi just now and he says there's nothing in the rules that requires you to have the vote before the new board takes office. So even if that is common practice by the Water Board, perhaps it's a practice that should be changed and allow the new board to elect its chairman. So that is my question or comment to the board.

CHAIRMAN NOBRIGA: Thank you, Sally.

MS. PARSONS: May I answer that?

CHAIRMAN NOBRIGA: Miss Parsons.

MS. PARSONS: Miss Raisbeck, as a former new board member, we came in, Mike and I came in with the chair and the chairman and vice-chair already elected, and I found it quite useful, because as a new board member you won't have as much knowledge as to the performance of these board members as the fellows that are sitting on the board now. I didn't find it to be offensive that they were on, I was pleased that they were, they had the knowledge. And the board is pretty intelligent in picking out who they

think can lead and make decisions and be here and show up on time and do whatever you have to do to be chair and vice-chair. Thank you.

MS. RAISBECK: May I respond? I think the same could be said for the Council or the U.S. Congress, for many bodies that change membership at given times because of elections or appointments. And I just think that the common practice is to have a new body elect its chairman after it organizes itself. And while there's much to be said for what you say, I think there's much to be said for

allowing the new members to participate in this election.

Thank you.

CHAIRMAN NOBRIGA: Thank you, Sally.

MR. STARR: Mr. Chairman.

CHAIRMAN NOBRIGA: Yes, Mr. Starr?

MR. STARR: Yeah, I would like to comment that I

was upset by this the first year I was on the board, and I

commented at that time and didn't have any support in

changing it. I've also done that in subsequent years, and

I do feel that it's a regressive practice. And I for one

would be willing to give up my own vote in favor of the new members having the vote, if the other board members were willing to switch the practice to having the elections after the new board members come on line on April 1st, which I do feel is the correct practice, even though I would be losing an important vote.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

MS. RAISBECK: Thank you.

CHAIRMAN NOBRIGA: The next person for oral testimony is Mr. Dick Mayer from Kula.

MR. MAYER: Thank you very much. I just want to

comment on two items. I want to comment on two items in the Director's reports. The first deals with the second item that you have there, the Central Maui Water System. You have a report in your dossier there that has a breakdown on the use of water in Central Maui. And I had a chance to look at it yesterday and I was very pleased to see it and see the way it was presented, but I think it could go a lot further and it would help you if it did go a lot further, and let me indicate.

That report shows, for example, that although

Central Maui, the area that we usually think of as Central Maui, Wailuku/Kahului, has the large bulk of water meters, but in terms of usage most of the water is being used in South Maui. It's not a surprise. We know that the irrigation down there and landscaping is there. Phil Kurick (phonetic), for example, he has 11 meters being used in Puunene, but a very high amount of water usage.

The point I want to make is that if we make decisions based on the number of water meters we really don't know anything about the demand on the system. So

what I'm going to ask is that the -- and this is particularly now related to the other thing, and I will come back and make my point. In your first correspondence dealing with the Upcountry area a letter went out to 30 people saying that they can begin the process of getting water meters based on that 300,000 gallons of water that's currently available for their use.

But 330 letters going out for those various projects, many of which are subdivisions, tells us nothing about how much water each meter will use. And it's a very

poor way to make decisions, based on the number of water meters. We don't know what the size of the meters is, we don't know the usage of the water.

So what I'm going to ask is that the water department assign to every meter that's out there, you have whatever the tens of thousands of meters out there, some characteristic such as condominium, single-family home, farm lot, industrial use, or whatever based on the zoning code or some other usage, so when you want to compile statistics you will know that people who have single-family homes use on average X hundred or X thousand gallons per

home. The condominium units uses X, the hotel uses obviously much more water per meter. So we can make the proper types of decisions based on the things the Mayor was saying to you about trying to get layers.

I would urge you to ask the staff to assign to each meter something so that you will have the ability in the future to make good decisions. So that rather than sending it out to the first 30 people on the list, you might be able to say we are going to allocate 300,000 gallons starting at the top, as it's going to be based on

some kind of a usage that can be predicted based on past experience.

CHAIRMAN NOBRIGA: Thank you, Mr. Mayer.

Members, any questions? Mr. Victorino.

MR. VICTORINO: Mr. Mayer, that's an excellent idea, and I want you to know that at our last meeting I was the one that wanted the breakdown, because for such a long time all we saw was areas and it really gave us no definition on what the usage was per area, especially when it's in Central Maui. Our definition of Central Maui is

very different than the department's definition of Central Maui.

I agree with you that we have to find some way of breaking this down even further, and I think that that's something that we will charge the department. The real worry I have with that word single-family dwelling, here on Maui, and especially in the central area, and I think in a lot of other areas now we have single-family dwellings with multiple families living in them.

I mean you just drive around Kahului or Lahaina

or Kihei. There's just so many homes that were built originally with single families and now have grown into multiple families, four, five, six families living in them.

So again, that's something we have to look at, but that's something that's very important because what we label things we have got to make sure the label is appropriate with the various dwellings or the various breakdowns, because we don't want it to be misleading.

But I agree with you, this is comprehensive, but we need to break it down even further. And I think it's

our duty as well as the Council to look into things like this. We also need to do this for Upcountry and Lahaina, because these are areas that sometimes are very much overlooked. We have 25 meters, but what do those 25 meters do in a certain area? So thank you, Mr. Mayer, I do appreciate that.

MR. MAYER: You know, I think you really reinforced my point, that really if we are going to have a subdivision coming into South Maui, as opposed to a condominium building, they may both have a hundred meters,

but they may have very, very different uses. But trying to get those numbers to the board -- not just the Council, but to the board so you can make the right decisions on the draw in Iao Aquifer or wherever it might be you will some understanding of what the development is that's proposed.

CHAIRMAN NOBRIGA: Miss Parsons?

MS. PARSONS: Mr. Mayer, I agree with you 100 percent. In fact, when I had Ellen break these out last week -- accolades to Ellen for doing this, because this is fabulous information. Would you be opposed or do you

think, for instance, let's take this a step further. We are talking 731 subdivisions sitting out there, 352 of them are sitting up in Kula and Upcountry. We are going to take it one step further and break it down so you can see what's residential, what's agricultural, and how many meters and how much usage.

When you take an agricultural subdivision the technical allotment for the subdivision on an agricultural piece of property is extremely high in comparison to residential. So with the information that we get back and

we give, say, to planning, would you be opposed to reclassifications of let's say even if it's a family subdivision and they have taken six acres and broken it into three lots. Now it's become ag/res because they're really not going to be doing farming on it. Your tax situation would be different and your water usage costs would be different, and you wouldn't be falling under the chief categories of taxes and water. Would that be something that the community Upcountry would be willing to investigate and discuss?

MR. MAYER: I can't speak obviously for the

whole community. My concept, I'm just trying to think of ways to try to give you tools to make the decisions you are being asked to make. And we will never get -- I mean obviously I may say that I use 600 gallons a day, but during drought conditions I may want to water my garden and use 3,000 gallons per day average. So even averages don't tell us the really important facts.

If the stress on the system comes during a drought, an average per year is an absolutely meaningless number. What we want to know is the average during the

stress times when the system is really going to be stressed. And I leave it up to you and your technical staff to refine what the best way is to make decisions, but in the end I think the community will be benefitted if you allocate meters out there that will not put a stress on the system. That will mean existing homeowners will continue to be able to get the service they expect.

Right now the vague thing with hooking up so many meters I suspect we are going to have some real stresses on the system down the road. And I think there

are probably better ways to be making decisions. So I think the community in the end will be better off having you have that kind of information. I don't know if that helps.

And I do thank Ellen for putting together what I think was an excellent graphic and a way of illustrating it. And I think that we should take that now to its logical conclusion so you can make the right decisions.

CHAIRMAN NOBRIGA: Thank you, Mr. Mayer.

MR. MAYER: Thank you.

CHAIRMAN NOBRIGA: Does anyone else wish to

testify who has not signed up to testify? Thank you.

Moving on to our agenda, item A, members.

Director's Report, water meter issuance Upcountry areas

status. George?

MR. TENGAN: Thank you, Mr. Chair. For the

board's information, we do have a summary, a brief summary

of the meter issuances Upcountry, and we also have the

updated list dated December 3, 2002. To summarize the

summary here, we have issued about 50 letters out to the

people on the waiting list to find out how many people are

ready to receive meters. My understanding is that we have received a little less than ten responses. Some of them are interested in obtaining the meters and some of them are not ready for the meters. So we will be dealing with those people. I guess the process is to put them back at the end of the list.

Anyway, we will be working with those people who are ready to receive their meters. That's all I have right now.

CHAIRMAN NOBRIGA: Questions from members? Miss

Parsons.

MS. PARSONS: Mr. Tengan, what is the policy,

let's say that in 1994 the request was for one five-eighths

inch water meter, or maybe it was a subdivision for three.

What is the department's policy if now they're getting

these letters, are they allowed to up the number that they

originally requested?

MR. TENGAN: I believe we're dealing with the

numbers that were originally requested, otherwise the

people on the list would change their requests, and that

would be unfair, I believe, for the people lower on the

list.

MS. PARSONS: So let's say that all of a sudden

I've decided I want to do six lots versus the two that I

originally wanted. Would I get the two that I originally

wanted and I'd go back to the end of the list for the other

four?

MR. TENGAN: I believe so.

CHAIRMAN NOBRIGA: Mr. Victorino?

MR. VICTORINO: Mr. Tengan, what percentage of

the responses you have had up to this point have been negative, in other words, they've said they're not ready to proceed, do you have any idea?

MR. TENGAN: I'll have to refer to Herb Chang on that, who is administering this part of the program.

MR. VICTORINO: Herb, do you have any idea?

MR. CHANG: The letters are sent out certified, and from the date that they receive the letters they have 30 days to decide whether or not. And I believe the first batch of letters consisting of like three or four they're going to have to until the end of this month or a couple of

days thereafter to decide.

Some guys are waiting until the very end. But I know for sure one person denied, refused to get service when they were offered, and maybe a couple more, but I can only remember specifically one. And some others are just saying, "What do we need to do to get meters?"

The certified letters that are being sent out are trying to be as specific as possible so that they can make that decision in that 30 day period.

MR. VICTORINO: So these letters have specific

requirements that are going to be needed by the individual

meter issuance?

MR. CHANG: If they need to do subdivisions --

excuse me, if they need to do water system improvements the

letter specifies what they need to do.

MR. VICTORINO: And as far as they know the

ramifications that if they decline that they go to the back

of the line?

MR. CHANG: The letter says if they refuse this

offer of a water meter they need to make a new request and

go to the bottom of the list.

MR. VICTORINO: They go to the bottom of the

list.

MR. CHANG: But they need to make a new request.

MR. VICTORINO: Herb, would it be possible, and

I don't know if anybody else has seen it, but I'd like to

see the generic letter. I know you don't have the

specifics for everybody, but I'd like to see the generic

letter that you're using.

MR. CHANG: Yeah.

MR. VICTORINO: If we could get a copy at our next meeting, I'd really appreciate that.

CHAIRMAN NOBRIGA: Thank you, Mr. Victorino.

Mr. Starr?

MR. STARR: If an applicant is required to make system improvements how long do they have to do that?

MR. CHANG: In that situation they would have to reserve the meter, because they have 30 days to decide yes or no, so the only option is to pay to reserve the meter. They have two years plus they have two six-month extensions that have to be approved, so a total of three.

MR. STARR: Two years plus a possible one year extension. Thank you.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr. Miss Parsons?

MS. PARSONS: Herb, do you think it's possible that we could get a list of the refusals or returned mail so we know how many are accurate on our list and we can kind of guage where it's going? As it comes back are you keeping tabs?

MR. CHANG: As far as the certified letters, we

have a data base of when we sent it out and when the post office actually got the signatures returned. We have a data base.

MS. PARSONS: Can we get copies of that?

MR. CHANG: Yes.

CHAIRMAN NOBRIGA: Mr. Hiranaga?

MR. HIRANAGA: Expanding on Ginny's request, my concern is it says 30 days from receipt. So if there's failure for the party to receive it, does that mean that you continue the other methods to contact the party?

Because they may not be on this island at that point in time, and I know that there are people who leave the island for more than 30 days. I wouldn't want them to miss out on the opportunity to make their decision because of their temporary absence.

So what I'm saying is if the post office fails to deliver, does it mean that they drop off the list and go back to the end of the line? Are there further attempts to contact them?

MR. CHANG: I believe what we are going to do is

if the post office says they cannot contact this person we will try to go hand deliver it. Because we have the real property tax we can try and look in there to see if there's more people and perhaps different addresses. That's about the only source we have available. Do you have any suggestions?

MR. HIRANAGA: Well, if they're physically absent the post office won't be able to deliver a certified return receipt mail. So if they're off island for whatever reason during that period, and it's the correct address, the post office can't deliver it unless someone physically signs for

it. So I would again not want them to miss that opportunity and end up being at the end of the line just because they have an extended absence from the island. If they have been waiting for ten years for this letter, and just because they happen to be on a boat cruise or visiting relatives or something.

MR. CHANG: That's the way the water issuance rule was written out. It says certified letters 30 days. If it's not undeliverable they're off the list. That's the rule.

MR. HIRANAGA: I have a concern with that.

CHAIRMAN NOBRIGA: Thank you, Mr. Hiranaga.

Yes, Miss Parsons?

MS. PARSONS: With the tax map keys as we

determined that each one of these requests were going to go

with the tax map key, with that you should be able to look

up, even if they've sold the property, the new tax map key

ownership of it. So if we're not getting some of these

back in a timely fashion, or when we do get them back with

no return, maybe the next step is to look it up on the tax

map key on the MLS somehow and find out who the new

ownership is for tax purposes and then resend it out.

MR. CHANG: What was that you mentioned, ML --

MS. PARSONS: The MLS that they use for real estate, right? The MLS has the tax map key numbers that you use.

MR. HIRANAGA: The County has a website for real property taxes that has the address that the bills are sent to. It's not a matter of having the right address, it's someone physically to accept it, is my concern. If people

leave their address for more than a month it's not that

uncommon.

MS. PARSONS: That's very true.

MR. HIRANAGA: If they just happen to be in

California for sixty days and miss the letter and all of a

sudden they come back and they're told, "You were gone and

you missed your opportunity," I don't think that's fair.

CHAIRMAN NOBRIGA: So I don't know who to ask,

but the Director's Report says that the first 50 projects

have been contacted to date. Is that the 50 projects do

you mean from priority one to priority 50?

MR. CHANG: Correct, priority number one through

50. That was -- the 50 was actually a projection we

actually had 40 so hopefully just to give you a more

accurate status.

CHAIRMAN NOBRIGA: So up to number 40 has been

contacted.

MR. CHANG: You should have at least 40. I was

kind of projecting a little higher when the letter was

written.

CHAIRMAN NOBRIGA: So only the top 40 by the end

of this week would have gotten the first letter. And it is projected -- the department projects that with the 300,000 gallons we would be able to satisfy projects on the priority list up to and including request number 100, 2-4-13-131.

MR. CHANG: That's the estimate, that we will probably hit the first 100.

CHAIRMAN NOBRIGA: And that will fill the 300,000 excess capacity we currently are using as a benchmark?

MR. CHANG: Correct.

CHAIRMAN NOBRIGA: Thank you. Mr. Victorino,
followed by Mr. Starr.

MR. VICTORINO: You know, I understand the
concern by Miss Parsons and Mr. Hiranaga as far as the 30
days and et cetera. However, you know, I have to say that
there is a certain amount of fiduciary duty that you can
provide. And I find it very unusual that somebody would
leave the island for a lengthy period of time and not have
anybody picking up their mail, not have any kind of means

of corresponding while they're gone. I have a lot of clients that leave the island for periods of time, and they always make sure either there's a forwarding address or somebody is picking up their mail.

I kind of disagree to the point of what is the fiduciary duty of the department, to search for a year or two or six months? And then it becomes so cumbersome by the department it puts a lot of weight on them to find these people. Unfortunately, when things are made by this nature and they are taken care of and sent out, if that person is not there and they have nobody else checking

their mail, I say unfortunately that's just a bad time.

But you cannot continue to put the premise or the weight of

the figuring out where and when these people are on the

department, because that's not their responsibility.

So I think when you look at something like this

it's been said 30 days. I think that's more than fair and

adequate. And I don't know many people that leave this

island for an extended period of time and have no means of

communication when they're gone. In other words, don't

have someone picking up their mail or having some way of

getting their correspondence to wherever they may be staying at that period of time. Many times the post office will forward mail, especially if it's being requested.

I don't know again, and I'm not trying to say that 30 days is enough, but if we have got to set something then we have got to be realistic on how we set it because this could be an ongoing process. And people could be waiting and six months later still saying, "I wasn't here, so I'm sorry. Now you have got to put me back on the priority list, and is that fair?"

CHAIRMAN NOBRIGA: Is that a question or a statement?

MR. VICTORINO: I don't know if we can change it, that's my question.

CHAIRMAN NOBRIGA: Mr. Starr?

MR. STARR: Yes. I know that we were talking about distributing 300,000 gallons worth of source. But I'm curious to know how many services were requested under the policy where we had a window for people to come in, those with vested rights and those under the empty lot rule

and all of that. Do you know how much water we committed to giving out under that before we actually got to the top of the list?

MR. CHANG: Are you talking about -- I don't have an answer, but the question was were you asking between 1993 and 2002 or the 60 day period?

MR. STARR: There was a point when the board made a finding that there was 300,000 gallons of water available -- and then at some point after that the rule was passed, and at the time the rule was passed there was the feeling that 300,000 gallons should be given away -- but there were

quite a number of people that still had vested rights.

And we opened up a window of I believe it was 90 days after the rule was passed when people could come in and make their applications under their vested rights and under the empty lot rule. What I'm wondering is how much water was committed at that time? And my belief was that that was going to come out of the 300,000 gallons as well. You know, if it's trivial then it's a moot point, but if it's 100,000 or 150,000 that was already given away before we started going down the list, then maybe some thought

should be given to this.

MR. CHANG: I don't think it was a small amount. I don't know if it was 100,000, but it was some amount, it wasn't small, that the people that had the opportunity within the 60 day period because there was a whole bunch of reservations made.

MR. STARR: Perhaps that should be added up, and at least I think we should note how much that is, approximately. It looks like George wants to comment. I know he's involved in this.

MR. TENGAN: Mr. Chair, I guess, you know, we can go back and look at how many meters were applied for, and if the number is significant then we can consider that as part of the 300,000.

CHAIRMAN NOBRIGA: Thank you, Mr. Tengan. Mr. Hiranaga?

MR. HIRANAGA: Going back to this 30 day issue, I just wanted to say that personally when I leave the island I make a request to the post office to hold my mail. I don't have someone pick up my mail on a daily

basis. So when I return from that absence I go to the post office to pick up my held mail. I am not sure what the process is with the post office if there's a certified return receipt and there's a note saying hold mail if they will attempt to -- if they will just hold that certified receipt until the date that the mail is said to be held to.

CHAIRMAN NOBRIGA: Thank you, Mr. Hiranaga.

MR. TENGAN: May I respond?

CHAIRMAN NOBRIGA: Mr. Tengan.

MR. TENGAN: Mr. Chair, I guess the only thing

the staff can do is to go by the rule. If the Board Members feel that there are other ways in which we could contact these people and still comply with the rule, we'd be open to these suggestions.

CHAIRMAN NOBRIGA: Thank you, Mr. Tengan.

Mr. Hashimoto?

MR. HASHIMOTO: You said there was 300,000

gallons available for the new water meters. When the

Pookela well kicks into service that's what, about a year

and a half from now, will that figure go up as far as

availability to the Upcountry area?

MR. TENGAN: That's what we're looking at. As soon as we can determine or at that point in time when we can determine that the well can be considered as an additional source for the Upcountry area, then we would look at issuing more meters at that time.

CHAIRMAN NOBRIGA: Any further questions, members? Thank you, George, for your report.

Moving to Director's Report 03-03, answering board's questions from last meeting regarding Central Maui

system. Mr. Tengan?

MR. TENGAN: Mr. Chair, we do have a report included within the packet. If there's any specific questions then I will call Ellen up here.

CHAIRMAN NOBRIGA: Thank you. Miss Kraftsow, could you please come forward? Members, any questions? Mr. Starr.

MR. STARR: Yes, I see a real nice chart showing water sales. I believe this is sales. However, what's conspicuously absent from the package is the chart showing

pumping.

MS. KRAFTSOW: It's on the next page.

MR. STARR: No, I don't see the chart that shows by well and aquifer area that we have been getting for the last several years, and I'm wondering why. Because when we did ask this question, I originally brought this issue up and it was because I added up the pumping numbers and added up the sales numbers and found a very large gap. I think it was almost 15 percent. Now I can't do that because there's no pumping. And I'm wondering is this a policy decision not to give us the monthly pumping figures?

MS. KRAFTSOW: No. I just did Maui yesterday, which is too late to get it out in the packet because I had just gotten the final January pumpage. So I have it here. It's 17.071 or 71,071,545. So that was the MAV as of January 31st.

But the reason that I included the charts that you have on page 20 is because I was concerned last time when you found that 15 percent that you were just taking two points which weren't even at the same time and using them to make an average. What you see on page 20 is we

plotted over a period of years our production, and this is based now on data that that's been collected by our consultant for district classifications and use classifications.

And billing has been broken out into actual monthly billing with dates from the Honolulu billing system, okay. We have taken our pumpage and in the solid heavy line on the top graph and compared that to our consumption for the same month now, and then plotted at the bottom is the percent difference.

So you can see we were running about 12 percent in the 1997-1998 years, and since then it's come considerably down, and it is in fact below six percent in Central Maui. That is the unaccounted for water as done over a moving annual average as a percent of production.

So if you want to actually look you can't just take two points, because you see how the pumpage and the consumption go up and down like that. If you are taking just two points you could get them off center, where you're not looking at apples and apples, you will be looking at

apples and oranges.

If you look at the top graph you can see because of the way that curve goes you need to look over a period of time, and this is calculated each point each month and then smooth as an annual average percent losses, and this is what you're seeing on the bottom graph. So our percent losses in the central system now look like they're down around six percent.

MR. STARR: I still don't buy it. First of all, when will we have the pumping report?

MS. KRAFTSOW: You can have it next month. I am

still waiting for some Molokai data.

MR. STARR: I know when we compared them last month I was taking annualized numbers.

MS. KRAFTSOW: The analyzed MAV as of the 31st is 17 point --

MR. STARR: No, that's not correct, because you are only talking about Iao.

MS. KRAFTSOW: Right.

MR. STARR: You're the one who is confusing things, Ellen, because we are taking the entire Central

Maui system.

MS. KRAFTSOW: But this is not just Iao, this chart on page 20 is all central system production.

MR. STARR: I know. Why are you only talking about the Iao production? You are not talking about North Waihee and other sources.

MS. KRAFTSOW: In the most recent annual as of January 31st Waihee was five.

MR. STARR: Okay. So you take 17 point something, you take 5, and now you are getting over 22. So

you compare 22 with 20. And you were talking about 10 percent.

MS. KRAFTSOW: You're comparing 22 as of January 31st with 20 as of --

MR. STARR: They call this view due economics. I think we should get a better clarification at a subsequent meeting.

MS. KRAFTSOW: Jonathan, regardless, this plot on page 20 has the pumpage, the production each month and the pumpage each month, and both of them annualized and

subtracted. Done by the computer, not by us.

MR. STARR: Okay, I don't believe it, you know.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr. Any

other questions?

MR. VICTORINO: Mr. Chair?

CHAIRMAN NOBRIGA: Yes, Mr. Victorino.

MR. VICTORINO: Ellen, thank you very much for

this, okay, because it does give us a much better

comprehension of what is being used from the central system

and where it's going. And I'd like to see the January

report as much as possible following the same graph,

because it really gives us a more in-kind pumpage versus meter consumption. I like this very much because I can have an actual comparison with the same chart, not two different charts. So if you could continue this I would appreciate that for the January one.

MS. KRAFTSOW: We break the pumpage down by well field, but I don't have, you know, because the valves can be switched on any given day, it's hard for me to say this exact water from this well went to this part of Kahului and this part went to Waihee. So I can't do an identical

breakdown, but I can do this breakdown by wells.

MR. VICTORINO: So we can have an actual accurate look at what we're consuming versus what we're pumping. I think that's what Mr. Starr is asking, and I agree with him that he'd like an accurate comparison. If that's not possible then the actual comparison.

MS. KRAFTSOW: As far as the breakdown of consumption, it looked almost too good to be true to me too, so I did have my consultant check it. So he's here, and if you have any further questions you are welcome to

Speak to him as well.

MR. VICTORINO: Thank you, Ellen.

CHAIRMAN NOBRIGA: Yes, Mr. Helm?

MR. HELM: Ellen, mahalo for providing us with this information. But I just wanted to comment and maybe get feedback from you or the Director with regards to accountability of water. It's always been a challenge I guess for every water purveyor to reach, you know, a goal where you get your percentage on accountability loss down to where it's at. Like the Mayor says, in a nutshell, how

did you guys kind of put it together with regards to achieving that?

I mean kind of summarize it so that I'm curious how you guys went about to get the loss minimized down to six percent when seven years ago, you know, or nine years ago it was up as high as 12 percent, and in 1997 it was up as high as 14 percent, and it's down to 6 percent at this point. I'm just curious, you know, what were some of your practices?

MR. TENGAN: Board Member Helm, although we cannot specifically -- it's difficult to specifically

isolate exactly where these gains have come about, but I would suspect that our meter replacement program had a lot to do with that. If you notice, back in 1995 we were up to 14 percent, and that's about when -- well, it was maybe about a year or two later that we started on the meter replacement program. If you notice, that 14 percent now has dropped down to below 6 percent. I would believe that the meter replacement program has a lot to do with that in that we replaced old meters with newer meters, thereby achieving more accurate billing records.

MR. HELM: Thank you.

CHAIRMAN NOBRIGA: Yes, Mr. Hashimoto.

MR. HASHIMOTO: This is a great map for us to see how the breakdown is. Can we also have similar for

Upcountry or the whole system in Maui County, would that be too much?

MS. KRAFTSOW: It's not a problem. I can give you a breakdown for each system. But this is annual report data, okay. The data that's on page 20 is actual consultant working with the Honolulu billing system getting

more precise data, breaking it out monthly. It's much cleaner data that's used on page 20, so they're not going to look exactly the same. They're averaged over different periods, they're a different number of days, et cetera. But I can break out the annual report data any way you want, that's no problem.

CHAIRMAN NOBRIGA: Thank you, Ellen. Miss

Parsons?

MS. PARSONS: This is wonderful information, and

I know it's a hardship on your department to pull these

figures together since we are so understaffed. And maybe this is an issue we bring up in one of our next board meetings, how we can help the resource management conservation department maybe with a little bit of personnel to help assist. Because I think we all appreciate these charts, and the Mayor talked about the fact that this is a tool that he'd like to see us put to work, and I know that there's a lot of areas that we still yet need to break out.

My question though, Mr. Tengan, is with these

figures that we're pumping on this annual basis are we at

that 70 percent for central valley, and with the 193

subdivisions coming on board over here for Central Maui is

it going to radically affect that area?

MR. TENGAN: As I stated earlier, we're just

about at 17 million gallons as of today. We anticipate

another 3.8 of demand that's been on reservation. So in

total we're looking at a potential of about 17.3, 17.4 that

we need to pump out of Iao.

MS. PARSONS: Are we then -- are we surpassing

that 70 percent rule?

MR. TENGAN: 70 percent of 20 million would be
14 million.

MS. PARSONS: So we have surpassed it. As a
board do we need to make some directives to the County on
how to handle this, suggestions, recommendations?

CHAIRMAN NOBRIGA: Are you asking me?

MS. PARSONS: I'm asking you and Mr. Tengan. Do
you feel that the board maybe should make some
recommendations in this area?

MR. TENGAN: I would say that if the Board wants

to take a look at this matter and consider the matter and
come up with recommendations then we can pass that on to
the Mayor.

CHAIRMAN NOBRIGA: Thank you. Mr. Starr?

MR. STARR: Yes. I think we should keep in mind
that we're over-pumping North Waihee by a million gallons a
day. And when you add North Waihee, the 4 million that is
an allowable yield compared to the 5 million we're pumping,
we actually break 90 percent overall on the source for the
Central Maui system.

So this is something that, you know, I have been hoping the board would deal with for awhile. I know the Director takes it seriously and is doing his best. I can't fault him in any way. But I think Ginny's suggestion that some kind of statement be made is a good idea.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr. Mr.

Tengan?

MR. TENGAN: Mr. Chair, in answer to or in response to Mr. Starr's concerns, we are monitoring the deep wells that we need to monitor based on the requirement by the State Water Commission. And so far we have been

able to maintain the levels that the commission has
required.

CHAIRMAN NOBRIGA: Thank you, Mr. Tengan. Any
further questions, members? I'd like to thank Miss
Kraftsow for her diligent work. I know she has a major
wealth of information, and if we can interact with her a
little better I'm sure we can understand a whole lot more
of what's going on in our County. Thank you, Miss
Kraftsow.

Communication 03-03 was a letter from Poelman &

Langa with the CD, a book on a CD. We will write a letter back to Mr. Langa & Poelman thanking him for his generous contribution. Any objections? So ordered.

Communication 03-04, minutes from the November 13, 2002 Upcountry Maui Watershed Project sponsor's meeting provided by Clark Hashimoto. Mr. Hashimoto?

MR. HASHIMOTO: This is just, the minutes are just for the board's information. And, you know, I'd like to have I guess move on the agenda to have Mr. Dudley Kubo. But before that, back maybe six months ago Peter

Rice appointed me as chair to make up a committee of myself and six members to be advisory to, I guess, the committee would recommend the issuance of operating procedure and water allocations.

And I'd just like to read the members, including myself, they are Wayne Otani, he's a farmer with the Olinda-Kula Soil Water Conservation District; Warren Watanabe, he's the president of the Maui County Farm Bureau; Doug MacCluer, Maui Pine and the Center Maui Conservation District; Buzz Stluka, from the Haleakala

Ranch, in which the system is -- the pipeline is through their property; Ben Yamamoto is a farmer and represents the Maui Farmers Exchange; Neil Nakamura, another farmer, who represents the Maui Produce Processing Co-op. Also included to be on the committee non-voting, but Elliot Krash, who has been a very staunch supporter of the agricultural line from the Kula Community Association. And also Kekoa Enomoto representing the Department of Hawaiian Homelands, which would be coming on line I guess maybe two years down the road.

So with that, I'd like to defer to Mr. Kubo.

CHAIRMAN NOBRIGA: Thank you. As far as the minutes, we should receive the minutes and file. Any objections? So ordered. I'd like to take a short recess at this time before we go to Mr. Kubos' presentation. I'd like to thank Mr. Kubo for waiting so patiently for us.

Recess.

CHAIRMAN NOBRIGA: We will reconvene the meeting. Thank you. Now we get to hear first-hand from Mr. Dudley Kubo on the status of the Upcountry Watershed Program, aka the Dual Line. I thank Dudley for his efforts

and his endeavors in making this project a reality. I know it's a long, long project.

MR. KUBO: It sure is a long project. Thank you Mr. Chair and members of the board for having me here. I know that you wanted both NRCS, Natural Resources Conservation Service and the Hawaii Department of Agriculture to be here, but Brian Kau was unable to be here.

I was involved in the finding of this project, Upcountry Maui watershed project, so I am going to provide

background on what the planning process was and what the attempt of the project was. I think Brian Kau, he provided you a written testimony, and he kind of indicates where the funding is coming from and what's on line in the future.

Also within our organization, NRCS, Doug Davis our state preservation engineer whose name is down at the bottom of the fact sheet that I have provided you, will be the primary contact, the most knowledgeable person about implementation of the Maui Upcountry Watershed Project.

CHAIRMAN NOBRIGA: I thought it was Clark

Hashimoto.

MR. KUBO: We put Clark's name on the top of everything we send out. (Laughter).

We really think that this project has come along this far because of the community support that this project has held. To start off, I have provided at the last minute a handout which has a project map of the Upcountry Maui watershed, and you can refer to that map, and I also have an outline of my presentation.

But the Upcountry Watershed Project is a federal local partnership effort, and the formal sponsors of the

project are the Hawaii Department of Agriculture, the Maui Department of Water Supply, the Olinda-Kula Soil Water Conservation District, and NRCS, the federal agency. We have signed a watershed agreement, which is an MOU of sorts that indicates that all of the signatories, these four organizations, support and will make efforts to implement this watershed project.

The federal authority under which the watershed project was planned and is currently being implemented is this Watershed Protection and Flood Prevention Act, public

law 83-566, and it authorizes NRCS to come in and assist communities with water resource problems to provide both technical assistance and financial assistance for implementation of a plan that's developed through the planning effort. And the federal cost share effort, I mean the federal cost share is up to 100 percent for planning, although the State Department of Agriculture, and I know the County has also provided quite a bit of their funding and effort in the planning period.

And for the construction period the federal

government can provide up to 50 percent of the construction cost, although the local costs may be higher than 50 percent because the land costs are not considered part of the construction cost. So it's breaking down to about 60 local and 40 federal.

The background of this project, we started back in about 1985. The Olinda-Kula Soil Water Conservation District, headed at that time by Elmer Cravalho, stated that the inconsistent and inadequate water supply was causing farmers in the Upcountry area to suffer crop losses

and not be able to expand their crops or to take advantage of this unique farming area up in Kula.

In 1985 a water resources study was started and this was just an inventory analysis study of the water resources up there and the farming conditions up there.

And it also included the formation of a steering committee which included both community members and members from all the interested agencies. And that committee met for about twice a year for a period of about four or five years to see this study through.

In 1989 the study was finally completed and

that's the purple covered book, it's the water sources study for Upcountry Maui. Some of you may be aware of it. If you need a copy let me know. And we recommended improvements to the transmission, storage and distribution system for the Upper Kula line.

Shortly after that, both the transmission and storage improvements were made through efforts by both the state and the county governments, which resulted in replacement of -- not replacement, but the addition of a 36 inch transmission line from Waikamoi Dam down to the Olinda

treatment plant, and also the installations of two 50 million gallon county reservoirs.

So the distribution system was left to NRCS and the sponsoring group to put in, and planning was started following the study report and was finally completed in 1997 with the issuance of a final watershed plan and final environmental impact statement. And in that plan I called out for a dual pipeline system where agricultural water would not be treated. And installation of that system is ongoing right now, and it's being installed as funds become

available both in the state budget and the federal budget for design and construction of the phases. So it's a phase construction.

The summary of this plan that's included in the watershed plan which I provided two copies to you earlier is installation of a separate agricultural water distribution system for farmers providing them with untreated water. The water source and storage facilities would be shared with the existing Department of Water Supply domestic system.

The plan projected into the future an average demand for domestic water of 1.0 million gallons per day, and an average annual demand for agricultural uses of 1.0 million gallons per day. During the peak agricultural use we projected up to about 2 million gallons a day for agricultural use, and the pipeline system was going to accommodate that higher number.

The current capacity of the Olinda-Kula -- I mean Olinda water treatment plant we understand is 1.7 million gallons. So right off the bat we have an increase of .3 million gallons on an average basis to provide water

to farmers.

The main distribution pipeline extends from Olinda to Keokea and falls between the 4,000 foot and 3,000 foot elevations up there. The distribution pipeline is going to be at an elevation -- well, it's being constructed at an elevation higher than the existing water, the domestic water distribution pipeline to take advantage of gravity effects and to try to get a larger number of farmers serviced in the service areas.

Nine lateral systems were identified during the

planning period back in the mid '90's, and those show up as crosshatched areas on the watershed map. Right now the Maui Farm Bureau, with assistance from the County of Maui, is doing a study to try to document where the farming activity is taking place in the Upper Kula area to make sure that the areas that we had identified back in 1997 are still valid.

The plan called for approximately 473 acres of irrigated crop land to be benefitted by this irrigation system. Basically our analysis showed that we could get

about 90 percent reliability. 90 percent reliability,
translating in one sense to mean that nine out of ten years
farmers would get as much water as they needed for their
crop usage, and during that one other year you would get
somewhat less than needed water. If we expand that 473
acres to more acreage that reliability will drop down.

We feel confident that there is some flexibility
there where you can add more than 473, add more than 473
acres of irrigated crop land up there, while still
maintaining the reliability that's available to the farmers

in the area. The project benefits include improved quality of production of crops, expansion of crop acres by farmers that have the land up there, and reduction of water treatment costs to the County.

The improved system is assumed to be managed by the Hawaii Department of Agriculture as a state operated irrigation district, and that would be in conjunction with the Department of Water Supply providing most of the operation of the system. And this is a relationship that the federal government is not stepping into, it's a relationship between the State Department of Agriculture

and the Board of Water Supply.

This is where Brian was very sorry that he couldn't be here, because this discussion needs to be started. He is expecting, you can read in his submittal, that maybe a year or two down the line this district is going to be formed, and the operating procedures need to be in place very soon after that so that water can be provided to the farmers and the farmers can be charged accordingly for the operation of the system.

So I have these two contacts at the bottom of

the fax sheet. Neil Fujiwara is our district conservationist, and Doug Davis is the program manager for this particular project, and that concludes my presentation and I'm open for questions.

CHAIRMAN NOBRIGA: Thank you. Members, any questions? Mr. Helm.

MR. HELM: Yes, I have two questions. One, in terms of acres, I guess what number was used based on -- if you had to come up with a formula for acre use consumption for farms, what number would you use, like five thousand

gallons per day?

MR. KUBO: We went through a consumptive use analysis and it incorporated both like the type of crop that was being used and we had a consumptive use factor, incorporated the monthly rainfall patterns in that particular area, and we found that from the northern part of the project area where you have much more rainfall than the southern part, you know, the rainfall pattern really influenced how much water the crops would need. And also like we found that many of these crops were several crops a

year. So depending upon the time of the year that the crop was grown it changed the amount of water needed.

But generally speaking, I think the supplemental water need was in the range of about 3,000 gallons per acre to about 1,000 gallons per acre.

MR. HELM: The other question I had was, you know, what makes this project going in the right direction is it does have a separate distribution line from agriculture to domestic. And the reason why I say that, one of the complications that we had over on Molokai was sharing a line a domestic user. So that complicates things

in terms who has priority when there's a drought situation.

But then I go back, we are sharing the reservoir. So are there going to be policies in place with regards to how much of, you know, when we run into a drought situation how much of that water can the farmers actually use and how much for the domestic?

MR. KUBO: Those are the policy guidelines and decisions that need to be made by the State Department of Agriculture and the Board of Water Supply. As far as our

federal involvement we are going to step out at that

contentious juncture.

But those are very important considerations, and

they Brian Kau from the State Department of Agriculture

wants to enter into this discussion as soon as he can so

that by the time the irrigation district is set up that

there is agreement on how this water allocation is going to

be conducted. We know that domestic water will always take

preference over agricultural water during times of

drought.

In our project plan we assumed that domestic supply would be provided at 100 percent reliability, meaning that domestic users will always have water in their pipeline, whereas the agriculture users will suffer restrictions as the water supply drops.

CHAIRMAN NOBRIGA: Thank you. Mr. Hashimoto?

MR. HASHIMOTO: Well, I guess along the same lines, in the case of a drought, I don't know if George or what happens, are they going to shut down the agricultural line and run all the water through domestic? And then in

that case will the farmers have to pay domestic rates

versus the ag rates which would be -- what would the ag

rate be right now, 26 on the dual line?

MR. KUBO: Right now we don't know. When we did

the study there was a uniform ag rate for the water across

the state. I think the State Department of Agriculture is

looking to change that. In the past the variability used

to be on the acreage charge. I think they're looking at a

different system, and perhaps by the time this system comes

on line they may have that in place.

MR. HASHIMOTO: What is the current rate now

approximately?

MR. KUBO: I thought it was on the order of about 25, 30 cents per thousand gallons, plus an acreage fee that brought the water up to about 250 for a thousand gallons.

MR. TENGAN: As far as the priority is concerned, as Dudley says, you know, my understanding is that domestic use would have priority over ag uses in times of drought. There needs to be one qualification to that. I would say that the domestic uses would be restricted to

health and sanitation purposes. As far as how do we control that? The original design of the project I believe did not include a valve at the Olinda treatment plant for the ag line, but I do believe a valve and a meter is going to be installed so that we can monitor how much water is going into the ag line, and if need be, we can shut off that ag line during times of drought.

MR. HASHIMOTO: So that means they're going to -- if the water level is low enough they're going to completely shut off? The plan is to completely shut off

the line to the ag?

MR. TENGAN: Hopefully we will never get to that point, but I would think a determination has to be made between human needs and ag needs. I would think that the human needs would take precedence over the ag needs.

MR. HASHIMOTO: As it stands now, usually the farmers get to use their allocation with no cutback, and if there's any cutback I guess it's a cutback on the domestic use. So I guess that will all change once this is implemented?

MR. TENGAN: The board a couple of years ago took the position that any cutbacks, mandatory cutbacks wouldn't affect the farming community. From my point of view, I intend on carrying on with that policy as long as we can supplement our domestic needs with groundwater.

MR. HASHIMOTO: Would you need an existing water meter to get into the ag line, or can someone who had never farmed before and has some land available get onto the line? Of course, maybe the existing farmers would have preference, but would they be able to get onto the ag line?

MR. TENGAN: As far as management of the ag line is going to be under the jurisdiction of the State Department of Agriculture. So they would be making the determination as to who gets an ag meter.

CHAIRMAN NOBRIGA: Thank you. Mr. Starr?

MR. STARR: Adequacy regarding this line has always raised a very interesting issue. This line draws water off the upper level system, which is the first system to become inadequate. However, over the last few years we have increased our ability to pump water from sea level up

into the upper system. And our ability to do that, once Pookela comes on line, and I hope that the board will drill an additional well after Pookela, which will for, you know, for quite awhile really droughtproof the Upcountry system.

Now, the real question comes about cost, because when we have Pookela, and especially if we have another well, we have the ability, and we have the ability no matter what happens with the surface water to make the Upcountry system adequate. The only thing is when we're pumping water from sea level to 4,000 feet that's costing

us about 75 cents per thousand feet, so we are talking about \$3.00 per thousand in pumping costs plus, you know, treatment costs and whatever.

So if it becomes dry and all of the water from the upper system is going into the ag line and it's generating 30 cents per thousand in revenue, we are replacing all of the water in the domestic line with 3 and a half or \$4.00 per thousand gallon water. So, you know, I am not saying that maybe it doesn't make sense. I think the farmers should be subsidized to a certain extent. But

this is an issue that, you know, the board should deal with, whether it really is fair to spend \$4.00 per thousand to replace 30 cents per thousand water.

You know, I don't know, maybe the Director has a comment, maybe you have a comment, but I don't think this is a very easy one to settle.

MR. TENGAN: I do think that we are contemplating doing a rate study soon, and I would think that this would be an appropriate time to address that issue. And discussions and research can be done as to what would be acceptable to the community. We certainly can do

that, take a look at that.

CHAIRMAN NOBRIGA: Mr. Hashimoto?

MR. HASHIMOTO: I guess we have the first phase complete and we are going to start with the second phase.

But when will the lateral lines be placed so that the system will become usable, what's the timeline?

MR. KUBO: Brian Kau indicates in his submittal that after phase one and phase two there are future phases, and there will be surface laterals and main line extensions. The second phase brings the line only up to

Crater Road, and we are anticipating the next phase to also be a main distribution pipeline that extends probably down toward the old Von Tempsky Ranch property. After that decisions will be made as to whether the line continues south or the lateral lines start to be constructed. We would like to get users on the system as soon as we can.

And the fourth phase might be a likely phase to start dropping laterals, but this is something that probably Brian Kau or Doug Davis would have a better handle on.

MR. HASHIMOTO: I guess the Farm Bureau is doing a survey. So pending the survey maybe a better outlook could be determined.

CHAIRMAN NOBRIGA: Mr. Helm?

MR. HELM: I see here that you have got the Department of Hawaiian Homes listed as one of the possibilities of them contributing to the project. Do you have any idea as far as what the department's role is and the availability of agriculture on homestead lands that would be utilizing this water?

MR. KUBO: For the Upcountry system, the upper line, we worked with the Department of Hawaiian Homelands and they had a few farm lots up by the Kula Highway, but most of their farming operations were down at a lower elevation, which probably could be better served from the Lower Kula pipeline. So we put into our figures about 75 acres of Hawaiian Homelands. So out of those 473 acres, 75 of them are Hawaiian Homelands out of the Keokea area. Most of the lands are right along the highway there.

CHAIRMAN NOBRIGA: Very good. Thank you,

Mr. Kubo, for waiting on us and giving us an excellent

report. Hopefully we will have another follow-up meeting with Brian Kau and Neil, and maybe get some other questions answered. I know you have a plane to catch, but thank you so much.

MR. KUBO: Thanks very much.

CHAIRMAN NOBRIGA: The next item on the agenda was to establish a nominating committee to provide nominees for chair and vice-chair for fiscal year 2003-2004. I'd like to appointment Jonathan Starr and Adolph Helm to discharge this duty, and they shall report back at our

March meeting. We have had -- well, yes, Mr. Starr?

MR. STARR: Mr. Chair, there was some discussion earlier today, and it has followed discussion in previous years about possibly moving the officer election process into the beginning of a new term. And I'd like to -- I think the board knows how I stand on that. I'm happy to serve on a nominating committee, but I do feel that it would be fairer to actually do the process in a new term.

I'd like to hear how the members feel before proceeding, if they want to give their opinions.

CHAIRMAN NOBRIGA: Sure. I only put it on the agenda because normally these are established in February.

It's always been the last four or five years. I am not objecting to changing it to April or May. Mr. Helm?

MR. HELM: Personally, I don't see that as being an issue. I think I go on what board member Parsons was saying in regards to, you know, a lot of these new board members will be new at the process and it's good to have. Because we do select new chairs and vice-chairs every year, and I think to get the process moving forward it's good to

have an existing chair and vice-chair already in place. I

don't see that as being an issue.

CHAIRMAN NOBRIGA: Thank you.

MR. HIRANAGA: Mr. Chair?

CHAIRMAN NOBRIGA: Mr. Hiranaga.

MR. HIRANAGA: I just wanted to say I agree with

Adolph's comments, thank you.

CHAIRMAN NOBRIGA: No action on that item then.

Any objections? So ordered.

Moving on to approval of the Resolution for

outgoing Board of Water Supply member Howard Nakamura. I'd

like to ask our secretary Kathy Howard to read the
Resolution into the record, please.

MR. HIRANAGA: Mr. Chair?

CHAIRMAN NOBRIGA: Yes, Mr. Hiranaga.

MR. HIRANAGA: Were you going to discuss the
March meeting date?

CHAIRMAN NOBRIGA: No.

MR. HIRANAGA: Well, for myself, I don't know if
this is the appropriate time or not, but I will not be
attending the March meeting because it is spring break and

I plan to be off island.

CHAIRMAN NOBRIGA: I was going to talk to the
Director later on about moving the date, but that's like
later. Thank you.

Proceed, Miss Howard.

MS HOWARD: Board of Water Supply. County of
Maui Resolution Number 1, (2003).

Whereas, Howard K. Nakamura of Wailuku, Maui,
was appointed to the Board of Water Supply of the County of
Maui on April 1, 1999 and served until December 23, 2002;

Whereas, the said Howard K. Nakamura has

unselfishly and with dedication and integrity devoted,

without compensation, his time and energy into matters

dealing with the Board of Water Supply, all in the interest

of the people of the County of Maui;

Whereas, during the time of his service as a

Board Member, he has contributed generously of his

knowledge and skills to make business and policy decisions

for the Board that will influence its direction and

operation for the years ahead;

Whereas, his interest in this Board and the

Department has been greatly appreciated by his fellow Board

Members; now, therefore, .

Be it resolved by the Board of Water Supply of

the County of Maui that it does hereby congratulate,

commend, and thank the said Howard K. Nakamura for the

three years and nine months of faithful and outstanding

service he has rendered as a member of the Board of Water

Supply; and, .

Be it further resolved that the Members was this

Board extend to Howard K. Nakamura our sincere Aloha and

Best Wishes for his continued success and much happiness in
his future endeavors; and,.

Be it further resolved that a certified copy of
this Resolution be transmitted to the said Howard K.
Nakamura and to the Maui County Mayor and Council.

Approved as to form and legality:

Edward S. Kushi, Jr., Deputy Corporation

Counsel.

CHAIRMAN NOBRIGA: Thank you. The motion is in
order, gentlemen.

MR. VICTORINO: So moved.

MR. HASHIMOTO: Seconded.

CHAIRMAN NOBRIGA: Moved by Mr. Victorino,

seconded by Vice Chair Hashimoto. Any discussion? All

those in favor please signify by saying -- oh, sorry, roll

call vote. I love roll call votes.

Okay, Clark Hashimoto?

MR. HASHIMOTO: Aye.

CHAIRMAN NOBRIGA: Adolph Helm?

MR. HELM: Aye.

CHAIRMAN NOBRIGA: Kent Hiranaga?

MR. HIRANAGA: Aye.

CHAIRMAN NOBRIGA: Mike K. Nobriga? Aye.

Ginny Parsons?

MS. PARSONS: Aye.

CHAIRMAN NOBRIGA: Jonathan S. Starr?

MR. STARR: Aye.

CHAIRMAN NOBRIGA: Michael P. Victorino?

MR. VICTORINO: Aye.

CHAIRMAN NOBRIGA: It is unanimously passed, the

Resolution. Thank you, gentlemen.

Reports, division reports. Any questions?

MR. STARR: Yes.

CHAIRMAN NOBRIGA: Mr. Starr?

MR. STARR: Once again, I would like to make

sure that pumping reports are included in the package every
month without fail.

CHAIRMAN NOBRIGA: Thank you, Mr. Starr.

Anything else? Miss Parsons?

MS. PARSONS: Pursuant to the conversations that

we had earlier, usage figures on the projection of

subdivisions, breakouts and -- usage figures or breakouts, if we can work with Alva and put together a spread sheet so that we can break everything out, residential, agriculture, how many subdivisions, and what kind, to give us a little more detailed information on the 731 pending subdivisions. If that would be all right with you, sir, and the Director, so we can all review.

CHAIRMAN NOBRIGA: I don't know how to answer

that one. I'm going to ask the Corporation Counsel if I can do that kind of stuff. I guess she's asking me to

appoint a committee of one to do something.

Mr. Kushi?

MR. KUSHI: I'm sorry, I wasn't following you.

MS. PARSONS: We've got these 731 pending

subdivisions. We have no idea what the usage is. And what

we spoke to the Mayor about this morning was being able to

provide a little more detailed information. So we're

looking for maybe spread sheet information breaking out

these various subdivisions, whether they're ag, they're

residential, how much usage, maybe there's a number of zero

to three subdivisions, maybe there's four to ten, and work with planning and with the board and planning and with the department on providing a little more detailed information than what we're getting right now.

Outline what we want, we all take a look at it, then give it to the department to help fill in the blanks.

I think we should all work on this.

CHAIRMAN NOBRIGA: Mr. Kushi, please.

MR. KUSHI: Mr. Chair, if I understand the situation is that you want some kind of report from the

department?

MS. PARSONS: Yes. We just need to help

establish what we want out of it.

MR. KUSHI: Well, first of all, it's an

administrative request from the board to the department.

The department should respond in terms of can we do it,

when can we do it, how long will it take. In terms of

forming a subcommittee, that's up to you on any matter.

But again, the information will come from the department.

When you say planning, are you talking about the

department's planning staff or the planning department?

MS. PARSONS: I think it's all got to work together, it's all integrated anyway. The department's engineering department, because they control -- from what I'm understanding, our data is all over the place. We don't have it centralized, we don't have a compilation of figures in any one place.

Ellen handles new projects that are coming on board. Alva handles subdivisions with engineering. So if we can take this information and break it down and compile some data we might be able to merge it together once we get

it broken down a little better.

Right now 731 subdivisions pending for Maui

County has no detail of usage, has no detail of what type of subdivisions they are. All we have are generalities in the area of how many subdivisions we have. So it's hard to tell what the usages are and what it's going to draw from.

So what I'm asking for is a little more detail, and we give them some guidance in the detail we'd like to have.

CHAIRMAN NOBRIGA: I am going to recommend that

we put that on the next meeting's agenda so we can discuss it and come up with what criteria we want to look for, and then from there we will ask the department to create a report for us that has all the bells and whistles that we need, that we would like information on, if you don't mind.

MS. PARSONS: That's perfect.

MR. VICTORINO: Mr. Chair?

CHAIRMAN NOBRIGA: Mr. Victorino.

MR. VICTORINO: I'd like to make this request

through you, sir, but I would like, if possible, if Ellen

could provide us with a similar graph and breakdown of the Upcountry and West Maui systems, because I think it's something important. If we are going to discuss that, then we need to have that data available. If you can provide it by our next meeting, I would request that, George, and I'm sure to the Chair, Mr. Nobriga.

CHAIRMAN NOBRIGA: Mr. Hiranaga?

MR. HIRANAGA: I agree that the board needs to define exactly what they want, and if it's feasible, how much manpower it's going to take, and what use will it have, before we assign such a project on the staff.

I just have a quick question. On this report from Alva, the 720 previous projects, subdivisions, is that projects pending with Public Works or projects pending before the department for conditions to be met, department conditions, or is it just pending LUCA applications?

MR. KOGASAKA: That includes subdivisions that were not approved by the department. And of all those subdivisions that came out, some of them had -- we have not taken action on some of them.

MR. HIRANAGA: So some of them could have lapsed

because there's a one-year period where the preliminary subdivision approval is authorized unless you ask for an extension. So there may not be necessarily 720 active applications pending?

MR. KOGASAKA: That is correct.

MR. HIRANAGA: Thank you.

CHAIRMAN NOBRIGA: Thank you. Any further questions? Okay, hearing none, motion is in order to adjourn.

MR. VICTORINO: So moved.

MR. STARR: Second.

CHAIRMAN NOBRIGA: Moved by Mr. Victorino,

seconded by Mr. Starr. All in favor signify by saying

"aye."

(A chorus of ayes).

The meeting is adjourned.

(The proceedings were concluded at 11:55 p.m.)

IWADO COURT REPORTERS, INC.

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