

County of Maui Water  
Supply

**BOARD OF WATER SUPPLY**  
**COUNTY OF MAUI**  
**REGULAR BOARD MEETING**  
**THURSDAY, FEBRUARY 24, 2005**

Kahului Shopping Center

Kaahumanu Avenue

Kahului, Maui, Hawaii

Reported by: Katherine Eismann, RDR, CRR, CSR #439

APPEARANCES

Chairperson: MICHAEL VICTORINO

Vice Chairman: KENNETH OKAMURA

Board Members: KENT M. HIRANAGA

STACY HELM CRIVELLO

GINNY PARSONS

DOROTHY R. PYLE

SALLY RAISBECK

RALPH JOHANSEN

MICHELLE McLEAN

Corp Counsel:

EDWARD KUSHI

Director:

GEORGE TENGAN

Board Secretary:

CATHY HOWARD

Staff:

ELLEN KRAFTSOW

HOLLY PERDIDO

HERB CHANG

ALVA NAKAMURA

JOE MENDONCA

(Thursday, February 24, 2005, 9:05 a.m.)

CHAIRMAN VICTORINO: I'd like to call the Board of Water Supply meeting for February 24th, 2005, to order.

Members present, Michele, Stacy, Kent, Ken, Sally, Dorothy, Ginny, and myself, Mike, Chair. Missing is Ralph, and I'm not sure why, because I saw Ralph yesterday and he said he was going to be here. Hopefully nothing serious or maybe stalled in traffic.

First is approval of minutes. Oh, before I move on, announcements. Sally, you had an announcement you wanted to make.

(Mr. Johansen entered the hearing room.)

BOARDMEMBER RAISBECK: Thank you, Mr. Chair. Yes,

I noticed that the Planning Committee of the Board of Water --

of the County Council is having a meeting next Monday

afternoon, and they will be taking up the question -- a bill

submitted by Dain Kane, which would make the Water Use and

Development Plan a part of the General Plan process.

And I haven't yet learned the details of that

bill, but I think it is something that the whole Board should

inform itself about and possibly take a position on as it

proceeds through the Council. Thank you.

CHAIRMAN VICTORINO: Thank you. And let the record reflect that Ralph has now come in. Thank you.

Any other announcements? None?

I will move to approve the minutes from the January 2nd, 2005, Budget Workshop. The minutes was included in the packet you got and also, if I'm not mistaken -- were the minutes from the regular meeting also in there?

MS. HOWARD: No.

BOARDMEMBER RAISBECK: Also, correction,

Mr. Chair. I believe that's January 12.

CHAIRMAN VICTORINO: January 12. Oh, what did I

say?

BOARDMEMBER RAISBECK: I think you said 2nd.

CHAIRMAN VICTORINO: I apologize. January 12,

2005. Do I hear any motion to approve the minutes?

BOARDMEMBER JOHANSEN: So move.

BOARDMEMBER RAISBECK: Second.

CHAIRMAN VICTORINO: It's been moved and seconded.

All those in favor say aye.

(Chorus of ayes.)

Opposed?

(Silence.)

Okay. Agenda item number five would be testimony from the public. Do we have anyone?

I have nothing here, Cathy. Do we have any testimony from any public member out in the audience? Seeing none.

Going on to item number six, unfinished business. Unfortunately, I just was informed that Holly -- I forgot to put my phone on stop. Excuse me. Quiet. Okay. It's off now. Sorry.

I was just informed by Cathy that Holly is going



to be late in arriving. They had some car trouble. So, I would like to ask if we could defer under unfinished business, under items A and B, until their arrival, if that's all right with the committee.

BOARDMEMBER RAISBECK: No objection.

CHAIRMAN VICTORINO: No objection. Thank you.

Moving on to item number seven, other business, we will start off with A, verbal update for the Hamakaupoko wells.

Mr. Director. Mr. Tengan.

DIRECTOR TENGAN: Mr. Chair, we have Alva from the

Engineering Division to do this update.

MR. NAKAMURA: Good morning, Mr. Chair, Council Members.

CHAIRMAN VICTORINO: Alva, would you introduce yourself, please?

MR. NAKAMURA: My name is Alva Nakamura. I am the engineering program manager for the Water Department. As far as the H'poko wells, I have been contacted, in fact, this morning. And the latest is is that Maui Electric has indicated that the service for this well is now slated to be completed by about mid-April. Initially, it was going to be

the latter part of March or early April. Now they are talking about mid-April.

The main reason for the slight delay is they have been trying to coordinate the cane burning out in that area, because the cane has to be burned before they can begin the installation of the poles. That, coupled with the wet weather out in that general area, has kind of hampered some of the efforts in terms of trying to meet the timeframe that they had initially indicated.

However, I've been reassured by them that they are making every effort to move forward and get the permit power

to H'poko by the middle of April. So, that is where it sets  
right now.

CHAIRMAN VICTORINO: Any Board Members have any  
questions for --

BOARDMEMBER JOHANSEN: No, I was just pointing.

CHAIRMAN VICTORINO: Oh, I am sorry. Yeah, go  
ahead, Ken.

VICE-CHAIRMAN OKAMURA: Thank you, Mr. Chair. So,  
the electricity would be -- the purpose of it would be to --  
it doesn't have any electricity now?

MR. NAKAMURA: That's right. As you know, both

wells are currently on generators. And once the pole line is brought in to both well sites, then we will have permanent power. And that's, in essence, what the intent is.

VICE-CHAIRMAN OKAMURA: Okay. And then -- I will wait to ask another question.

CHAIRMAN VICTORINO: Okay.

BOARDMEMBER PARSONS: Where are we currently pumping to at this point with H'poko?

MR. NAKAMURA: I think it's going to Upcountry. I mean, you know, to the treatment plant.

BOARDMEMBER PARSONS: To which one?

MR. NAKAMURA: Upcountry, I believe, Upcountry.

BOARDMEMBER PARSONS: To which one of the  
treatment plants?

MR. NAKAMURA: I think it's Kamole, if I'm not  
mistaken.

BOARDMEMBER PARSONS: Kamole.

MR. NAKAMURA: It's routed up that way. Now,  
initially, once this well becomes permanent, you know, we also  
have in the works to bring a pipeline down from H'poko wells  
to tie it into the Paia tank. And that's currently being

negotiated with the general contractor for the change in scope of work.

BOARDMEMBER PARSONS: And then for pumping up to Kamole, do you have any idea what the cost -- just since we are going to get into rates and things like that, what the cost is to pump up there? Do we have any figures?

MR. NAKAMURA: I don't have that information with me right now. I guess we could look at -- you know, we could find out what it is, but I couldn't answer that right now.

BOARDMEMBER PARSONS: Okay. If we could find that out.

CHAIRMAN VICTORINO: Okay. Ken? Anybody else

have any other questions? Sally.

BOARDMEMBER RAISBECK: Yes, thank you, Mr. Chair.

Alva, just to straighten my thinking out about this, when is it planned to have water from the H'poko wells go to Paia to replace part of the Central Maui water?

MR. NAKAMURA: I think this is going to be

dependent upon how soon we can finish up the negotiation with the general contractor, who they will -- they are reviewing the plans right now, and once that has been completed and they have given us a final proposal, what the change in scope of



work is going to be and what it's going to cost, then I think we will be in a better position to determine exactly when the pipelines will be completed.

So, right now, I can't really tell you. If I were to guess, maybe the end of the year or early next year sometime. But, again, it's just purely a guess right now.

BOARDMEMBER RAISBECK: Okay. So, when the project is complete, the water will go to Paia?

MR. NAKAMURA: Paia, that's correct.

BOARDMEMBER RAISBECK: Is that correct?

MR. NAKAMURA: That's correct.

BOARDMEMBER RAISBECK: It's planned.

MR. NAKAMURA: Yes.

BOARDMEMBER RAISBECK: Thank you.

CHAIRMAN VICTORINO: Okay. Anybody else? Ken.

VICE-CHAIRMAN OKAMURA: Thank you. I know when I went to the meeting in Haiku or Paia and they were discussing this issue, the residents were concerned about the -- you know, having that water put into their system.

And it wasn't determined, at that point, that it was going to be done. It was just like getting public input.

And, so, what else would need to be done so that -- you know, or dialog with the residents. So, has a decision already been made, or don't we have to have a process for making the decision, or, you know, or inform the residents that it's going to be done or -- I don't know what would be the best way to do it.

MR. NAKAMURA: I think I will defer to the Director for response.

CHAIRMAN VICTORINO: Defer to the Director. Okay.

DIRECTOR TENGAN: Mr. Chair, I believe at a meeting, we stated to the community that we would hold another

community meeting before we put the wells on line.

In the meantime, we will be looking at alternatives as to how we can use the -- utilize the water and minimize the amount of water that we would be putting into the Paia system. There are a couple of alternatives available to us, and I haven't received any response from A&B yet. But one alternative is to pump the water out to the Hamakuapoko -- I mean, to the Kamole treatment plant. In exchange, to bring treated water from the Kamole treatment plant down into the Paia system.

Another alternative is to pump the wells and pump

it into the plantation's reservoirs, after the CAC plan, because we don't want to be contributing more DBCP back into the ground without treating the water. So, that's been -- that's in the works also.

We looked at -- we looked at diluting the water, but that seems to have more complications involved. Anyway, those are the alternatives we are looking at right now and working out.

CHAIRMAN VICTORINO: So, would the public have an opportunity, when you -- I mean, you are going ahead and

putting the pipeline, that is correct?

DIRECTOR TENGAN: Correct.

CHAIRMAN VICTORINO: Okay. So, once that's done,

then the options, as you just discussed, will the public have

a chance to put their input before that final decision is

made?

DIRECTOR TENGAN: As to how we utilize the water?

CHAIRMAN VICTORINO: That's correct.

DIRECTOR TENGAN: Yes. What I plan to do is

present to them the alternatives that are available to us and

that are workable. And when I say workable, we will have the

cooperation of the plantation. Without that, these alternatives would not be available to us, and we would need to -- whenever the Central Maui System needs some supplemental source, then we will use the Hamakuapoko wells.

CHAIRMAN VICTORINO: So, the primary use, at this time, if I gather you right, is that we want to use most of that water for Upcountry via the Kamole treatment plant?

DIRECTOR TENGAN: No. The wells were intended to provide water for Central Maui.

CHAIRMAN VICTORINO: Central Maui.

DIRECTOR TENGAN: Yes.

CHAIRMAN VICTORINO: Okay. And do you have any time line? And I know Alva has said it's going to go out to contract and bid and all these other aspects. But do we have any other time line as far as when the public would be called in to come in and sit down and discuss this matter with the Department? Do you have any kind of idea when that might occur?

DIRECTOR TENGAN: No, we haven't discussed the matter as to when would be a good time to meet with the public again.

CHAIRMAN VICTORINO: Okay.



BOARDMEMBER PARSONS: Since this is such a hot topic with the public, the Department of Health has a -- what they call a chain of command, chain of custody sheets for pesticide chemical reports, and organic chemical reports, and volatile organic chemical reports.

Could we see those for the H'poko in the next Board meeting and discuss, so that we can look at them together, so that we can feel comfortable, when we are speaking to the public, that what we are seeing, the water quality, so that we can help to support what you want to do?

DIRECTOR TENGAN: Mr. Chair, I believe the

document that Member Parsons was talking about is strictly a control to make sure that the samples taken are appropriately handled and not, you know -- there's not a break in the control of the sample from the sample point to the lab.

And I would think that you would be more interested in the lab results than the chain of custody document.

BOARDMEMBER PARSONS: Right. That's --

CHAIRMAN VICTORINO: You are looking for results,

Ms. Parsons?

BOARDMEMBER PARSONS: Right.

CHAIRMAN VICTORINO: Yes, if we could. Is that possible?

DIRECTOR TENGAN: Yes, that's not a problem. We can get you the latest report.

CHAIRMAN VICTORINO: Okay. We will put that as an agenda item for the next meeting.

Any other discussion on this matter? Thank you, Alva. Appreciate it.

If it's all right with the Board, I'd like to go back out of order again and go back to where we were in

unfinished business, item six, because Holly is here. And I guess you guys are about ready, Miss Perdido, to give us the good news. So, we are going to start, A, update of the water rate study, yeah? Holly.

MS. PERDIDO: Yes.

CHAIRMAN VICTORINO: So, you need to introduce yourself, because today we are live.

MS. PERDIDO: Good morning. My name is Holly Perdido. I am the fiscal officer for the Department of Water Supply. Just wanted to give a brief update of the water rate study.

We have finished all the public meetings, as everybody should be aware of. The draft -- the comments are all in your packet, and I hope everyone was able to look at them from all the meetings. The turnout was low, but from past meetings, it's not to be ex -- you know, unexpected.

The draft report of the water rate study has been handed out to numerous people. I think the Board Members, Stakeholders -- I think a copy even went up to the Council and the Mayor. We are waiting for comments on this draft report.

The Stakeholders did attend most of the meetings.

They are also meeting with various County Council members now.

I know Bruce Falkner, Elliott Krash, and Mike Quinn are

heading that up and making sure the Stakeholders are meeting

with Council members.

Next month, R.W. Beck will be here at the Board

meeting to update and any questions or -- and, actually, go

over our next steps, what we are going to be doing in the rest

of this year.

CHAIRMAN VICTORINO: Any questions? Any questions

from the Board Members as far as the report is concerned? And

also one quick comment.

I want to thank all of the Board Members who made the time to attend these various meetings throughout the County of Maui. I'm going to be honest. I was a little taken with the lack of participation from the public, not that it was unexpected, but I was sure hoping a lot more people would show up or at least more than did. I mean, some meetings, we had one or two members from the public, and --

BOARDMEMBER PYLE: Or none.

CHAIRMAN VICTORINO: Or none. And it was kind of a sad chronology that here is an opportunity for people to give us their input and very few people showed up. And we all

know that as we get closer, there will be more public testimony, but here was an opportunity to really understand what was going on.

Unfortunately, it didn't happen. So, we will go -- we will take the ball and run with it from here.

Members from the Board?

BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: Sally.

BOARDMEMBER RAISBECK: Would it be -- is it necessary and appropriate that the Board, at this time, consider this Stakeholders report and it -- and pass it on



officially to the Mayor, with our either recommendation or  
lack of recommendation regarding it? Would that be  
appropriate?

CHAIRMAN VICTORINO: I think that's exactly what  
we want to do. That's exactly what we are trying to  
accomplish right now.

BOARDMEMBER RAISBECK: Then I will -- for purposes  
of this discussion, I will make a motion that the Board accept  
or approve -- approve the Stakeholders report to the Board of  
Water Supply and transmit it to the Mayor for his approval.

Thank you.

CHAIRMAN VICTORINO: Do we have a second?

BOARDMEMBER PYLE: Second.

CHAIRMAN VICTORINO: It's been moved and seconded.

I open the floor for discussion. I will open -- okay. Ralph.

BOARDMEMBER JOHANSEN: I just want to speak to the questions that I raised in my letter to the Chair with respect to how the distinction was being made between new growth and existing plant equipment.

And I think that's been answered to my satisfaction except for one thing, and that is that the

16 percent, which was originally the proportion of the total CIP that was reflected as new growth, seemed to me very low and still does. And that's a question I still have that is unresolved in my mind. Thank you.

VICE-CHAIRMAN OKAMURA: Repeat the last of the question.

CHAIRMAN VICTORINO: Okay. The part of the question that Ralph was asking, the last question was he still -- he still doesn't quite understand the 16 percent earmarked for new development out of the CIP. He thinks that's very low, right? It seems extremely low for that

portion.

And we did have a meeting, and we went over a lot of this area. And that still seems to be, even in my mind, a little bit low. But we also have the water development fees, and there's other fees that go in to making or developing new water sources as well as hooking up people or systems to our system.

So, but anyhow, that's another discussion matter.

So, I will try to stay right with the report as itself. Any other discussion from members of the Board as far as the Stakeholders report is concerned or the comments from the

public, too, and that is also open to discussion?

BOARDMEMBER RAISBECK: Yes.

CHAIRMAN VICTORINO: Go ahead, Sally.

BOARDMEMBER RAISBECK: Thank you, Mr. Chair. I

did attend some but not all of the Stakeholders Committee

meetings, and I congratulate them for working very hard and

making a very concerted attempt to deal with the question of

the operating and maintenance budget and what would be

required to do a good job.

They recommended a much larger CIP budget than

they considered the Department, at this time, would be able to do. They did it as a challenge. And they are -- they were fully aware of the failure, really, of the Department to accomplish dealing with its CIP budget in the past.

And they were very concerned by this. In fact, their report really has been late because of trying to deal with that issue specifically. I think, at this point, the budget process for the Council is close enough that we must simply transmit this, their report, to the Mayor. And I note, with great regret, that the rates recommended basically amount to, in practice, a 12 percent across the board increase,

although less for agriculture.

But I am very disappointed that the rates that the consultants came up with and that were approved by the Stakeholders Committee show no conservation structuring. It's there on paper, but not in practice, that there's no real increase in water rate depending on how much you use.

That was the goal of the committee. I understand they did not accomplish it. And basically, it's just status quo with a slight increase for everybody. So, I find this disappointing that we don't have truly conservation structured rates.

They also did not deal, because of time problems, with the question of -- and in furtherance of my remarks about not being conservation oriented, I refer to the testimony of Dick Mayer at our last meeting, which went into detail about the actual numbers that showed there was no actual real conservation stepping in the rates.

But, due to lack of time, they were unable to deal with the question of different rates for different classes of consumer. They put that off to be possibly considered next year. If the Council renews the contract of the consultants, they have promised to deal with that in the coming year. And



these rates are recommended for one year only. It's a --  
although they included possible increases, what the Council  
would be voting on this time is only this one-year increase.

So, I will be voting -- actually, I considered  
abstaining on this vote, because a abstention is counted as a  
yes, so it wouldn't hold up the process. But I guess I will  
vote in favor of my motion. Thank you.

CHAIRMAN VICTORINO: Thank you, Sally. Any other  
comments? Ms. Parsons.

BOARDMEMBER PARSONS: I just have a quick

question, and I was not involved in this Stakeholders process.

I have only been -- I have only asked some questions after

people have attended. But have we polled -- have we or has

the Department considered polling the public and asking them

some of the questions of -- since we didn't get such a

turnout, is it something we are considering or did we do, to

see how they are going to feel about the rate increases, and

how they feel about their service? I mean, we could

incorporate a lot of questions in there.

But to get a feel, because these are -- these are

rather large hikes in the -- although it's -- it relates to

pennies when it comes out, but they are rather large increases being considered. Just a question there.

CHAIRMAN VICTORINO: Mr. Director, has anything -- any consideration been done in that area?

DIRECTOR TENGAN: No, we don't plan to, you know, conduct any kind of survey as to the acceptability of the proposed rate increases. That's part of the reason why the Stakeholders Committee was formed. That was to get a representation from a broad spectrum of the community. And hopefully, the members of the committee would have -- would have voiced their concerns about the rate increases. I don't

know that we have time to go and -- and poll the community.

CHAIRMAN VICTORINO: And I think I -- are we correct in saying this, that this still has to go before the Council, and people will still have an opportunity to give testimony at that point?

DIRECTOR TENGAN: That's my understanding.

CHAIRMAN VICTORINO: So, you will have additional opportunities to give feedback to the Board as well as the Council as far as these rate increases are concerned.

So, hopefully, the public will take that as notice that this is another opportunity for their involvement, so

that whatever rate increase we do come up, it is a workable and tangible type of increase that all of us can live with, you know.

DIRECTOR TENGAN: Mr. Chair, if you look back at, you know, the activities that occurred throughout this process here, the public has had at least three opportunities to provide input, once with the Stakeholders Committee, once through the Board, and then at the community meetings. And they will have a fourth opportunity when it goes before the Council.

CHAIRMAN VICTORINO: Thank you. I think the

public has had ample opportunities and hopefully, at the

Council meeting, will be our last chance -- their chance to

give. Yes, Miss Dorothy.

BOARDMEMBER PYLE: I think, from my own

experience, Maui Community College frequently does needs

assessments and surveys in the community. And they are really

difficult to handle. The amount of information or the amount

of work that goes into developing a questionnaire of some kind

that has questions that are not ambiguous and difficult to

answer is really difficult, and you need a lot of lead time to

do it.

So, I understand the problem of doing that. It does concern me, though, that there are many, many people that live in Maui County, not just in Kahului or in Kula, or maybe even Kihei, who are not really well aware that we have these meetings.

And I know that we can say publicly, yes, it's been noticed in the newspaper. There are announcements made, and so on and so forth. And we should be able to say plainly they have had their opportunity. Yes.

But, is it possible to just put a notice in

everybody's water bill that simply says water rate increase coming up in the next year, hearings to be held at this time, and put it in everybody's water bill? So, when they open their water bill, they will see this little, bright, violent-pink-colored paper, or citrus-colored yellow, or something, with a big bold statement on it that says now you need to make your comments known.

To me, that's a far more efficient way of notifying the public than putting a notice on the back page of the Maui News. Thank you.

CHAIRMAN VICTORINO: Point well taken, Dorothy.



Thank you. Something to keep in mind for futuristic meetings,

yeah? I think --

BOARDMEMBER PYLE: Not the future, now.

CHAIRMAN VICTORINO: You think they should do that  
in the next billing?

BOARDMEMBER PYLE: Yes.

CHAIRMAN VICTORINO: Would that be possible? I am  
not really well aware of the billing system that the County of  
Maui -- that the Water Board does. Would that be possible, a  
notice of that nature?

DIRECTOR TENGAN: Mr. Chair, I think I will leave

that question to Holly.

CHAIRMAN VICTORINO: Okay. Holly.

BOARDMEMBER PYLE: Holly.

MS. PERDIDO: I would have to check with who does our billing, Honolulu Board of Water, and I know they have -- our billings actually come, I think, out of Texas now. So, I -- it's been -- I can't think of the word, but --

BOARDMEMBER PYLE: It's been farmed out.

MS. PERDIDO: Yeah.

BOARDMEMBER PYLE: Outsourced.

MS. PERDIDO: Outsourced.

CHAIRMAN VICTORINO: That's the word, outsourcing.

MS. PERDIDO: So, what I could do is check with them to see the timing, you know, that we have to get some notices together and get them to insert into the billing.

But we do insert things. We can add a line item onto the billings as a memo. So, we could do that, you know, when the Council -- we don't even know when that will be yet, the Council meetings for our budget.

BOARDMEMBER PYLE: Just a heads up.

MS. PERDIDO: Yeah, but we could do like a memo on

the bills, definitely, we can do pretty quickly. Just a notice, I'm not sure when I could get that to them.

CHAIRMAN VICTORINO: I guess we need to find out from the Council when they intend to have these hearings, and we can incorporate that. Maybe what we can do, Holly, if you could check with the Council and see what their dates -- tentative dates would be, and if we could incorporate it in the next mailing, that would be great. I am not sure when the billings go out. I think it's bimonthly, right?

MS. PERDIDO: Correct.

CHAIRMAN VICTORINO: Am I correct? So, our last

one was February, last month, January.

MS. PERDIDO: Actually, billings are going out constantly, you know, every day. Not necessarily every day, but billings go out throughout the island over a two-month period as we read everybody.

CHAIRMAN VICTORINO: So, it's segmented.

MS. PERDIDO: Yeah.

CHAIRMAN VICTORINO: In other words, some of the community get their billing this time of the month.

MS. PERDIDO: Correct.

CHAIRMAN VICTORINO: Okay. Somebody has a phone on, if you don't mind, please. And I am guilty, so I will be the first to admit I forget sometimes myself. Okay. Ken.

VICE-CHAIRMAN OKAMURA: I wanted to talk about the -- yeah, the public information thing. I agree with Dorothy, maybe -- well, I was thinking that the way the public was informed about the meetings for the rates was sort of last minute, and it wasn't part of the plan into the process for notifying or having the meetings with the community.

So, what if a part of the contract for next year would include this thing where the committee or the consultant

would be responsible for trying to define some kind of timetable for notifying the public.

I think the other thing about a lot of -- you know, some of the notices were good. I didn't see all of them. But if we just say that there's going to be a 12 percent increase, people might sort of jump at that, you know. But if you explain -- we explain what the specific increases will be and how it would affect them, so sort of like an education notice or something, so that they understand the increase, I think that would be better. Thank you.

CHAIRMAN VICTORINO: Thank you. Any other

discussion? Yes.

BOARDMEMBER RAISBECK: Yes, Mr. Chair. If I may,

I would like to, for the record, include what the

recommendations of the Stakeholders Committee were, if that's

acceptable to you.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER RAISBECK: This is a letter from the

Water Rate Stakeholders Committee, to Director Tengan, dated

December 14th, 2004. They have seven recommendations.

The first three deal with CIP, with capital

improvement programs. They recommend that they vigorously



pursue the implementation of the CIP implementation plan. The plan must specify the actions necessary to accomplish capital projects at an annual level of approximately \$25 million.

CHAIRMAN VICTORINO: Right.

BOARDMEMBER RAISBECK: That is much larger than the Department has been able to do recently. Recommendation two, progress reports for CIP implementation plan. They recommend a reporting mechanism be developed to regularly assess their, the Department's, progress on the CIP implementation plan and the completion of projects.

Recommendation three, management audit of DWS.

The WRSC recommends that a management audit of the DWS be conducted in fiscal year 2005. Specifically, that they recommend the audit include, not be restricted to, but include an assessment of the engineering and planning divisions of DWS and a determination as to how CIP spending levels can be increased in order to support the renewal and replacement of aging infrastructure as well as future growth in Maui County.

Recommendation four has to do with the proposed rate adjustments, and we have talked about those.

Recommendation five is the need for future rate

increases. They simply mention that there probably will be need for future rate increases.

Recommendation six, plan to move to customer class based rates. That is not included in the current budget, the current rate structure, but they are hoping to move to that later.

Recommendation seven is a miscellaneous set of issues for further consideration.

And I would like to have the Board discuss and possibly say that the management audit of DWS is a very important recommendation here that the Board fully supports,

and I would -- I notice, included with this letter, is a draft contract for management audit, but it only refers to the engineering and planning sections.

I would like to have the Board, if they so desire, state that the management audit should include the entire department.

BOARDMEMBER PARSONS: Absolutely.

BOARDMEMBER RAISBECK: So, that would be my -- I support their -- all of their recommendations, and it would be nice if the Board could especially highlight the need for the management audit of the department. Thank you.

CHAIRMAN VICTORINO: We have a motion on the floor at this time. If you want to, we can add another motion or amend the motion as stated. Okay. So, Dorothy, do you want to amend the motion?

BOARDMEMBER PYLE: What I was going to offer is a friendly amendment to the motion that we have before us, and that this friendly amendment actually has two pieces to it.

One, that the issue of conservation and a strong appeal to the Council and to the Mayor to look at the conservation of water issue and perhaps a method by which that

can be placed into this rate structure. That, I think, is one part of the amendment.

The other is that we add and note very carefully that the -- what are they called?

CHAIRMAN VICTORINO: Recommendations.

BOARDMEMBER PYLE: The group that made the --

BOARDMEMBER RAISBECK: The Stakeholders.

BOARDMEMBER PYLE: That the Stakeholders Committee made a series of recommendations, and that we support those and clearly note them as part of their report, particularly the issue of an audit for the water supply -- the Department

of Water Supply.

CHAIRMAN VICTORINO: Is it all right with the Board, the rest of the members, as a friendly amendment, or should we have it --

BOARDMEMBER RAISBECK: I would withdraw my motion and include Dorothy's, the motion as amended by Dorothy.

CHAIRMAN VICTORINO: I don't think -- we can just add that?

BOARDMEMBER PYLE: It becomes the final.

CHAIRMAN VICTORINO: So, that would be added. So, do we have a second on that amended motion?

BOARDMEMBER JOHANSEN: I second.

CHAIRMAN VICTORINO: Okay. All right. So, I hope  
you got all of this. Thank you. Any other discussion? Yes,  
Sally.

BOARDMEMBER RAISBECK: No.

CHAIRMAN VICTORINO: If not, then I will -- Ralph.

BOARDMEMBER JOHANSEN: Just can we have the motion  
restated, because it got kind of lengthy.

CHAIRMAN VICTORINO: It is.

BOARDMEMBER JOHANSEN: And put it in a more  
succinct form?



CHAIRMAN VICTORINO: Is it possible that you restate the motion along with the amendment? You made the motion, and you made the amendment, so --

BOARDMEMBER RAISBECK: May I make a -- maybe Michele has something to say.

BOARDMEMBER McLEAN: Thanks, Mr. Chair. I understood the original motion to be approving the report as drafted and transmit that to the Mayor. And we would be making an amendment to change one of the components of the report by focusing on -- asking that an adjustment to the

rates be made to acknowledge conservation, which I -- I --

maybe you can clarify that, because they seem to be

contradicting. Either we support the report or we prefer that

the rates acknowledge conservation measures instead.

Maybe we could support the report, but in our

transmittal letter, in a separate motion, saying we support

the report, but we would also like to see more emphasis on

conservation. Something like that.

BOARDMEMBER PYLE: That was my intention, is that

the initial motion to support the report and forward it still

stands, but that the Board of Water Supply has noted that

there is a -- several areas that we would like to call out for particular continued observation or continued information, one of them being the area of conservation, the other one clearly noting that, in the report, there are these other recommendations made, so that those will not be ignored.

That was really my intention, not to undermine the sending forward of the report, but to just note that there are issues that need to be continually looked at. Okay.

CHAIRMAN VICTORINO: Okay. Is everybody all right with that now?

VICE-CHAIRMAN OKAMURA: So, we are going to be

voting on the amendment to the motion or -- I think it would be simpler if you just did what Michele said. We vote on the main motion and make other recommendations as our recommendations to the -- as our recommendations to the Mayor.

BOARDMEMBER PYLE: I don't want to do that. I actually don't want to do that, if possible, because it will be too easy to simply say that the Board of Water Supply voted in favor of this and then to ignore the second motion.

VICE-CHAIRMAN OKAMURA: I didn't mean to -- I didn't mean to ignore the second motion, but --

BOARDMEMBER PYLE: No, no, not you, not us, but

for someone then down the road to report, in the newspaper, or in the Mayor's office, or somewhere else to say the Board of Water Supply voted to approve this, period, and never say they had a second motion where they made these recommendations. I think it's really important to put them together, so that they will always be looked at together.

VICE-CHAIRMAN OKAMURA: Okay. Thank you.

BOARDMEMBER PYLE: Thank you.

CHAIRMAN VICTORINO: Are you through with that,

Ken?

BOARDMEMBER RAISBECK: Mr. Chair.

BOARDMEMBER PARSONS: While I agree with you, you cannot control how they are going to write this anyway.

Whether we put them together, it doesn't matter. They are going to say -- they are going to shorten it to however they are told to shorten it.

BOARDMEMBER PYLE: It's a better shot to have it there.

BOARDMEMBER PARSONS: No, it's not. Six of one, half dozen of the other. I think it's clearer if we vote on this to accept it, and then we do motions. I think it will be

stronger, after the fact, and then they have to -- if they are going to do anything at all, they will have to note what motions went along with it and what was passed and what wasn't, if they are going to do a full story.

But, to base it on the fact that we are going to get better coverage won't happen. I just --

BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: I think we are getting a little -- go ahead, Sally.

BOARDMEMBER RAISBECK: May I substitute a condensed version that I hope will be satisfactory to what we

want to accomplish?

CHAIRMAN VICTORINO: Why don't we do this. Before we do that, just to get back into some semblance of order, will you retract your amendment?

BOARDMEMBER PYLE: I will.

CHAIRMAN VICTORINO: And will you retract your second to that amendment?

BOARDMEMBER JOHANSEN: I will, yeah.

CHAIRMAN VICTORINO: So now all that's on the floor, if I am correct, is the original motion to accept the report at this point. Am I correct? Everybody clear on that?



To approve -- I guess to approve the report. Now --

BOARDMEMBER RAISBECK: I would like to withdraw that motion and substitute a motion to the following effect, if that is -- may I withdraw that motion?

CHAIRMAN VICTORINO: Then who made the second needs to withdraw your second.

BOARDMEMBER PYLE: Withdrawn.

CHAIRMAN VICTORINO: So, the main motion now is being withdrawn and the second. Go ahead, Miss Raisbeck.

BOARDMEMBER RAISBECK: Okay. I would like to make

a motion that the Board of Water Supply conditionally approve the report -- the final report of the Stakeholders Committee, dated December 14th, 2004. That the conditions on which we approve it are that the -- a notice be -- or that we note the lack of true conservation rate structure along with the -- that we note the lack of true conservation rate structure -- I will wait -- and recommend that, if possible, conservation rate structure should be included.

And we note with great approval the recommendation of the Stakeholders Committee that a management audit of the Department of Water Supply be performed in fiscal 2005.

BOARDMEMBER PYLE: I will second that.

CHAIRMAN VICTORINO: Okay. So, you are saying, if

I am correct in summarizing, we accept this report

conditionally.

BOARDMEMBER RAISBECK: Conditionally approve.

CHAIRMAN VICTORINO: Approve this report with the

following conditions. That conservation be noted as one of

the -- being lacking in this report, right?

BOARDMEMBER RAISBECK: Yes, yes.

CHAIRMAN VICTORINO: And that the recommendations

made by the Stakeholders, especially the audit of DWS, be

noted.

BOARDMEMBER RAISBECK: Yes.

CHAIRMAN VICTORINO: Are we clear with that,  
ladies and gentlemen? Okay.

BOARDMEMBER PARSONS: That's not exactly how she  
stated it. She stated that the conservation be placed into  
this. And my question is, by whom is going -- is going to  
facilitate placing the conservation structure? Who do you --  
who do you imagine to do that?

BOARDMEMBER RAISBECK: This report will go to the  
Mayor for his consideration and approval, and he will, if he

so desires, transmit it to the Council or transmit his recommendations to the Council. Either one of those could put a more conservation-oriented rate structure in if they wanted to.

CHAIRMAN VICTORINO: Okay. Holly.

MS. PERDIDO: I just want to bring up, during the Stakeholders -- one of their main meetings, conservation was a very big issue for them. Our current rates do hold some conservation. As you use more water, you get charged more. So, we do have -- I mean, that's what we have right now.

Unfortunately, we did not have the data available to give them for another -- and the time available to give them another -- what am I trying to say? Structure, that we could change a total structure. It would take a lot of work to change the structure.

That's why they are looking at going into the multifamily, customer class rate structure in the future.

MS. KRAFTSOW: What they did do, in deference to the concern about conservation, was increase the steps, so that the steps of the tiered rate are steeper than they used to be. And that, in itself, will increase the incentive for

conservation and should hopefully also increase actual conservation.

But in order to do a specific customer class based conservation rate structure, it was determined that a certain amount of research needed to be done, and that that research could take us five months to a year, depending upon the various factors and how difficult it was to get the data correct enough. And that's why they went with the one year approval, with the intention to move towards a more conservation-oriented rate structure as soon as we could dedicate the staff and the resources and gather the data.

So, I think that they did try, at least, to specifically target this rate increase for conservation, although it's not the perfect solution yet.

CHAIRMAN VICTORINO: Member Kent.

BOARDMEMBER HIRANAGA: I would be voting against this motion basically for -- based on the statements that Ginny made and also staff. And basically, this motion is recommending that the administration look at the rate structure and possibly come up with a new rate structure. And what basis are they going to have to do that?

There's been a lot of time and effort to create



this rate structure, and I'm satisfied with it. So, I will be voting against this motion.

CHAIRMAN VICTORINO: Thank you. Member Michele.

BOARDMEMBER McLEAN: Thanks. In a similar vein, I am voting against it, too. I agree with the intent of it, but I -- my support of this report comes without conditions. I support the report, and I would also like to emphasize the issues that were raised, but that's not a condition of my approval of the report. Thanks.

CHAIRMAN VICTORINO: Member Stacy.

BOARDMEMBER CRIVELLO: I also will vote negative

on that motion, because if you look at the report that will be submitted, we have a section on issues for further consideration, and it includes a rate designed issue for conservation as well as for low income, when you look at the next rate. So, it appears, you know, sort of packaged in this report.

CHAIRMAN VICTORINO: Thank you. Any other further comments?

BOARDMEMBER RAISBECK: I just would reply to the statements made by Holly and Ellen that customer class based

rates are one thing. Conservation-oriented rates are a different aspect. And the testimony provided, as I said, by Dick Mayer last time, showed that, in practice, the rates, as presently structured, although they are stepped, the steps are such that it does not result in a true higher cost for higher usage. So, which is the whole intent of conservation-based rates. So, I would just make that distinction and that has nothing to do with customer class. Thank you.

CHAIRMAN VICTORINO: Thank you. If there are no further discussion, I will call for the question, and I will ask by roll call the members vote, just to make sure we have

no confusion in this. Okay? Ralph.

BOARDMEMBER JOHANSEN: I think before we wind this up, we should have a little more detail, so that we can read into the record again what it was that the Dick Mayer specifically said about where this falls short in terms of conservation.

I don't know. We could take a recess and be very, very easy to locate it, in the minutes that we just approved, but I would like to see something more specific about the grounds for Sally's motion before we vote on it.

BOARDMEMBER HIRANAGA: It's your call.

CHAIRMAN VICTORINO: Okay. I am going to say I am going to call for the question, Ralph, even though you made that request, and see what happens after that. So, going by with that, starting from Michele.

BOARDMEMBER McLEAN: No.

CHAIRMAN VICTORINO: No. Stacy.

BOARDMEMBER CRIVELLO: No.

CHAIRMAN VICTORINO: Kent.

BOARDMEMBER HIRANAGA: Nay.

CHAIRMAN VICTORINO: Ken.

VICE-CHAIRMAN OKAMURA: No.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: Yes.

CHAIRMAN VICTORINO: Sally.

BOARDMEMBER RAISBECK: Yes.

CHAIRMAN VICTORINO: Dorothy.

BOARDMEMBER PYLE: Yes.

CHAIRMAN VICTORINO: Ginny.

BOARDMEMBER PARSONS: No.

CHAIRMAN VICTORINO: And I vote no. So, six to

three. Okay. So, the motion fails. So, now, Member Kent.

BOARDMEMBER HIRANAGA: I would like to make a motion that we approve the Stakeholders Committees Recommendation and forward it to the Mayor.

CHAIRMAN VICTORINO: Do we have a second?

BOARDMEMBER CRIVELLO: Second.

CHAIRMAN VICTORINO: Okay. So, the motion is just to forward the Stakeholders Report and Recommendations.

BOARDMEMBER HIRANAGA: With the Board's approval.

CHAIRMAN VICTORINO: With the Board's approval, so I get it perfectly clear.

BOARDMEMBER RAISBECK: Clarification. I think we

already accepted the report as a report, but this would be approving the report. Is that not --

BOARDMEMBER HIRANAGA: Yes.

CHAIRMAN VICTORINO: Yes, it's an approval of the report. Member Michele.

BOARDMEMBER McLEAN: And I would ask -- this isn't a motion -- just ask for consensus that the transmittal from the Board to the Mayor indicate the two issues that we have talked about, wanting to underscore our concern about conservation and wanting to highlight the recommendations, to report that out in our transmittal.



If that's more appropriately done in a motion,  
that's fine. But that would actually be the Chair's decision  
in preparing that transmittal of what to include in the  
Board's discussion in forwarding the report to the Mayor.

CHAIRMAN VICTORINO: Well, I think that came clear  
from many Board Members, and I will make sure that is in the  
transmittal and be very much highlighted as a very important  
point of this approval process. Okay.

So, I will assure you that will be. I will make  
sure you folks see it before I send it out. Okay?

Any other discussion on the approval of this

report to be forwarded on to the Mayor? I will do the same  
thing through a roll call. Michele.

BOARDMEMBER McLEAN: Aye.

CHAIRMAN VICTORINO: Stacy.

BOARDMEMBER CRIVELLO: Aye.

CHAIRMAN VICTORINO: Kent.

BOARDMEMBER HIRANAGA: Aye.

CHAIRMAN VICTORINO: Ken.

VICE-CHAIRMAN OKAMURA: Yes.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: Yes.

CHAIRMAN VICTORINO: Sally.

BOARDMEMBER RAISBECK: Aye.

CHAIRMAN VICTORINO: Dorothy.

BOARDMEMBER PYLE: Yes.

CHAIRMAN VICTORINO: Ginny.

BOARDMEMBER PARSONS: Yes.

CHAIRMAN VICTORINO: I say aye also. Thank you,

members. Okay. If it's all right with everybody, let's take

a five-minute recess, I think, before we move on to the next

one. I want to give her a moment to rest her fingers. I will

call a five-minute recess.

(Recess, 9:58 a.m. Resumed, 10:14 a.m.)

CHAIRMAN VICTORINO: I would like to reconvene the meeting. A question was brought up by a Board Member, and I will allow her to read into the record her question in regards to a transmittal from R.W. Beck. Miss Raisbeck.

BOARDMEMBER RAISBECK: Thank you, Mr. Chairman.

We got into a discussion during the recess as to whether the Stakeholders Committee letter was final or merely a draft.

And it turns out that we were given -- when the Board of Water Supply packet was sent out, we were sent out a draft report

from the consultants, not from the committee, but from the consultants, R.W. Beck.

And the first page transmittal letter says, in the third paragraph, as -- this letter is dated February 14th, and today is February 24th, 10 days later. As we -- this is a letter to Mr. Tengan transmitting a draft report.

It says, as we discussed, we need you and your staff's comment on this report by February 16th, so that we can send out another draft to the Water Rate Stakeholders Committee and the Board on February 18th. We will need their

collective comments by the 22nd in order to prepare a final draft for you to transmit to the Mayor on February 28th.

The Board did not receive another draft on February 18th. We have not had any opportunity to comment on the draft. This one, I have noted, I received it -- actually, this draft, which they -- would be to say the first draft, and we haven't received a second draft.

And my question would be has the Department transmitted any comments to the consultants in the interim about this draft or any previous drafts? Have they transmitted comments? Thank you.

CHAIRMAN VICTORINO: Okay. So noted in the record. Mr. Director, just to follow up on Sally's question, have comments been made from the Department as regards to this draft report?

DIRECTOR TENGAN: Mr. Chair, no. I personally, you know, haven't submitted any comments to the consultants. I don't know if Holly sent anything to them.

CHAIRMAN VICTORINO: Holly, do you have any comments in this area?

MS. PERDIDO: I'm still reviewing it and commenting as we go. I know some Stakeholders have commented

and the consultant did ask that the Board review it, and if they have any comments, also, that, you know, they could give to the consultants also. So, I have been working with them back and forth, but I'm not completely done reviewing the whole document as of right now.

CHAIRMAN VICTORINO: Okay. Thank you. And just so we note this, that the recommendation or the motion that we passed was just the acceptance of the recommendations by the Stakeholders Committee to the Mayor. Yeah, we approved that, and that was all we did. Nothing else. There is no final draft at this time. Member Dorothy.



BOARDMEMBER PYLE: Pardon me for just being a

little disturbed. A lot of the discussion that we just had a while ago about approval, not approval, amendments, not amendments, whatever, would have been somewhat avoided if someone from the staff or the Department would have informed us very clearly that this was a draft, it was not a final, we were under a misconception, and that there were ongoing comments back and forth between the Department and the consultant.

And that there was plenty of time, apparently, for

us to add comments before we were going through any kind of an approval process. So, I really do find that the kind of lack of information is really disturbing. Thank you.

DIRECTOR TENGAN: Mr. Chair.

CHAIRMAN VICTORINO: Thank you, Member Dorothy.

So noted.

DIRECTOR TENGAN: If I may.

CHAIRMAN VICTORINO: Director Tengan.

DIRECTOR TENGAN: I would like to respond to that.

CHAIRMAN VICTORINO: You may.

DIRECTOR TENGAN: If you notice, the document

clearly states that it's a draft report on one page here. On the back side, on the transmittal letter from the consultant, it all states draft. And if you notice, even the narrative within the report itself has provisions to discuss matters where it's indicated in the brackets.

So, it's clearly a draft document in my mind, and

I didn't think that I needed to insult the Board members'

intelligence by repeating that it's a draft.

CHAIRMAN VICTORINO: Okay. George, first of all,

I would like to say thank you for getting this together for

us, and Holly and all the staff that has worked along with the

Stakeholders and the R.W. Beck.

I mean, there has been, I think, a real challenge from all of us trying to put this together and get it out in a timely manner. And you folks have done an excellent job in many areas.

There's sometimes been things that have not been communicated and whatever. Whoever fault it may lie on, I apologize up front to all the people here. Now, you guys have done a -- I would like to say an admirable job. Now it's up to the public, the Council, and the Mayor to accept these recommendations, and reports, and rates, and move it on.

So, with no further discussion on this matter, moving along, I would like to go to item B under agenda, unfinished business. Discussion possible action on approval of the submission of the 2006 operating and CIP budgets to the Mayor.

Now, this was given to us in November and December's meetings. I think most of us got that information. I will open up the floor for discussion. But before I open it up for discussion, I would like to open it up with a motion to either accept, to move on -- you know, some kind of motion,

then we can discuss the matter with that motion. So, would somebody like to make a motion? Okay.

VICE-CHAIRMAN OKAMURA: Just a point of order. I was hoping that we could decide whether we want to talk about the CIP first or the operating budget and deal with them separately instead of just as one. Is there -- Mr. Chair.

CHAIRMAN VICTORINO: Am I correct in saying that they are one in the same, or they are one in the same. They are not two separate. Operating budget and the CIP are for 2006 is one.

MS. PERDIDO: Yes.

CHAIRMAN VICTORINO: Is that correct, Director

Tengan?

DIRECTOR TENGAN: That's correct.

VICE-CHAIRMAN OKAMURA: The material we have is like the operating budget is one different set of things, where we had the CIP budget where we have the different CIP budgets. We could discuss it together. That's fine. But I guess to make it -- possibly make it easier to deal with.

DIRECTOR TENGAN: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

DIRECTOR TENGAN: The budget -- this operating and

the CIP is a single document. If you notice on the operational side, where it involves or shows schedules referring to the funding of the project and the cash flow schedule, you will see that there are some funds being transferred to the CIP fundings and some funds come in from the water system development fee going to pay for improvement projects.

So, the budget itself is a single document.

However, it can be segmented, for discussion purposes, for, you know, taking operations by itself and also CIP sections.

So, it's up to the Board.



VICE-CHAIRMAN OKAMURA: Thank you. I stand corrected, and I guess I was talking about the Capital Improvement Program proposal versus the operating budget. And I thought it would be easier to talk about the CIP improvement program proposal separate from the operating budget. But, I guess it doesn't really matter. Thank you.

CHAIRMAN VICTORINO: Thank you, Member Ken. I still open the floor for a motion, so that we may really get some discussion started on this item. I guess nobody wants. Yes, go ahead.

VICE-CHAIRMAN OKAMURA: Mr. Chair, I move that we

approve the CIP and operating budget for 2006.

BOARDMEMBER McLEAN: Second for discussion.

CHAIRMAN VICTORINO: It has been moved and

seconded. Now I open the floor for discussion. Ralph.

BOARDMEMBER JOHANSEN: We have got a very large

volume of material here to digest, and I'm not sure that

everyone has done that. I will assume that we have. I get

back to my point about the apportionment between new growth

and existing plan as a part of the improvement project budget.

They state here 16 percent, and they have not

committed that. I have seen the figures that were shown to me yesterday. In the voluminous material, I overlooked them. But I would like more information about -- this isn't the total budget. This is the Capital Improvement Budget.

And the 16 percent, as the total of the amount of new growth budgeted for the Water Department, is very difficult for me to accept, and I would like more information.

If they are telling me that these figures are the only accurate figures, and that's what I have to live with, I still question them. I look out at the community, and I see growth up one side and down the other. And that improvement

includes only 16 percent of the expenditure for new growth just doesn't wash with me. That's what I stick with. Thank you.

CHAIRMAN VICTORINO: Ellen, do you have a comment?

MS. KRAFTSOW: Yeah. Holly and I were kind of looking at each other. I am sorry, Mr. Johansen, but we are not sure where you are getting the number 16 percent from. What is it based on?

BOARDMEMBER JOHANSEN: It's based on one of the pie charts that was presented for discussion. It's based on the first document that we got on December 14th, which was the

recommendations. And if somebody can help me out here, the information was plain, but I have got a lot of material in front of me.

DIRECTOR TENGAN: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER JOHANSEN: December 14th.

CHAIRMAN VICTORINO: December 14th. Okay.

DIRECTOR TENGAN: Maybe I can ask a question of Mr. Johansen.

CHAIRMAN VICTORINO: Yes, go ahead.

DIRECTOR TENGAN: I think, if I am interpreting

you right, I think you are looking at all this growth as being taking place right now in Wailuku and in Kihei especially.

And you are questioning why is our CIP so low, when you see all this development going on.

Maybe it can be explained in a manner that all these projects that are going on in Wailuku and in the Kihei area, the on-site infrastructure is paid for by the developer. So, we don't -- we don't expend any monies for the distribution system. We don't expend any monies for the on-site fire protection. That's all the developer's cost.

BOARDMEMBER JOHANSEN: If I may respond, the water source development fee is, as I understand it, a fee which is generated by payments by new applicants for meters as part of the cost of obtaining a meter and water. And I understood that that was the main source of funding for new growth.

If there's another source of new growth -- for new growth of funds, then that's something I would like clarified, because I didn't understand that.

DIRECTOR TENGAN: Maybe I can respond by saying that, you know, as I stated earlier, the developers pay for the improvements on site. If there are off-site improvements

needed, they often construct a tank at their cost and issued a credit. They may develop their own source, such as Dowling did up in Kula, and they get a credit for a portion of their water system development fee.

If they provide a transmission line, then they get a transmission credit, and that -- the credits themselves don't enter into the -- into the budget. You know, it's not an expenditure on the part of the Department to construct facilities to service these developments.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: Well, then I would like



to -- I'd like to know what the total cost, including transmission, which is a very big item, treatment, a very big item, storage, a big item. I just would like to be clearer why only 16 percent of that cost is coming from -- from the new development.

I would like to understand how, with all this development, even though individual developers may be paying fees in other ways, which aren't reflected in this budget, we can have a clear picture of just what is going on. I don't have that picture at all.

CHAIRMAN VICTORINO: Ellen, go ahead.

MS. KRAFTSOW: You know, I am sorry, because I wish that I had the pie chart you are referring to. But I can't recall a time ever when I estimated expansion projects as only 16 percent of the budget. It's simply not. And if you look at page five of the handout you got today, which all the projects are the same. The costs of a couple projects have changed, and there is one project added which is Wailuku and Fleming Roads.

But other than that, the costs you received in your original document are just as more information came in

about the project costs. But if you would turn to page five of that handout, please. No, this one sitting on your desk. You got it today. Ralph, see this one?

MS. PERDIDO: Is this the one?

MS. KRAFTSOW: It's the fifth page. I am sorry.

They don't have page numbers, but it's the pie chart broken down by program. Also, we just -- somebody just handed me a pie chart in which distribution projects --

BOARDMEMBER JOHANSEN: Before you go on, let me say that where I got my initial figure of 16 percent was the projected CIP five year program was \$179 million. Of that

amount, water resource development fund was \$29 million, and that comes out to 16.1 percent.

And then following out on the pie chart that was distributed, which I don't have here right now, the same figures were reflected both in terms of resources and in terms of expenditure for their development.

MS. KRAFTSOW: 179 million, 16 percent. Do we have that one? I can look at that, but I don't -- it doesn't -- it doesn't register that way with me that it's been that way.

But anyway, looking at this year's budget,

5.3 million are capital reserve projects, 8.2 million are new bond projects, and 8 million are water system development fee projects. It's often the case that an expansion of a tank or an expansion of a line will serve both purposes.

BOARDMEMBER HIRANAGA: Mr. Chair.

CHAIRMAN VICTORINO: Yes, Member Kent.

BOARDMEMBER HIRANAGA: May we ask someone to define what new growth is so we know what we are talking about?

CHAIRMAN VICTORINO: Okay. The question has been

posed by one of the members for a definition of new growth.

Sally or Ralph, would you like to define, in your mind, what new growth is? That's the question the other member is asking.

BOARDMEMBER JOHANSEN: New growth is additional need for water for commercial, industrial, agriculture, and housing development, as I understand it. I would be glad to be corrected. And that includes transmission, generation of new sources, storage, treatment, and distribution as well as accounting for costs in building.

CHAIRMAN VICTORINO: Member Kent.

BOARDMEMBER HIRANAGA: With the utilization of County funds, not private funds, or you want new growth that includes County funds and private funds or just County funds?

BOARDMEMBER JOHANSEN: Well, I am talking about the funds that are committed to the Department of Water Supply to obtain new -- new supply of water.

MS. KRAFTSOW: Can I -- if this would help.

CHAIRMAN VICTORINO: Yes, Ellen, go ahead.

MS. KRAFTSOW: I have an query in the database program that we use for the CIP that will instantly generate a five-year picture of what's improvement versus what's

expansion. And not only that, it can say how it's all funded.

I could bring that to the next meeting. It will only take me like 10 minutes to prepare. It won't look pretty, but it will break down the funds, and you can then -- then we can maybe discuss it more.

But my off-the-top-of-my-head recollection is that it usually runs about 50/50, sometimes more, sometimes less. And distribution lines tend to be -- you know, growth includes source, storage, and transmission, as I think you were saying. It's not just distribution. Everything that we are finding, where there's a 16 percent, is referring to distribution not



to improvement versus expansion.

So, without looking at that chart that you are specifically referring to or knowing which one it is, I can't say what that is. You know, and I apologize for that, but I can certainly pull the numbers out of my computer. They don't change, and they will break it down for you.

CHAIRMAN VICTORINO: Miss Parsons.

BOARDMEMBER PARSONS: I would just like to note that we are about almost two months overdue from our meeting with the Planning Commissioners, and I think that this might

help with what Ralph's query is on capital improvements and what can be done.

Also, the fact that since we are doing what we are in the budget, I think it's imperative that, within the next month, that we do put this meeting together, so that we can see if there's any areas of development that they may be able to help offset some of this budget with, so we can do some comparison notes.

CHAIRMAN VICTORINO: I can answer that question as far as why the meeting wasn't held in January. Because it came from their Planning Department and from the Planning

Commission that they wanted to move it to March due to some --  
some reasons that they didn't discuss with us. But they  
wanted to move it to March.

No, after March. Excuse me. I stand corrected.

It was after March. And it was a letter transmitted to us  
that they couldn't do it until after March.

Okay. So, I will, as soon as possible, put that  
together with them. And I know that will help clarify a lot  
of the matters. Kent. Ken, I should say.

VICE-CHAIRMAN OKAMURA: Thank you. In the budget,  
CIP budget, you don't have a separate category for expansion,

right, from what I see here?

MS. KRAFTSOW: We don't -- we don't consider it in terms of -- yes and no. We have a field, and in the field, it's either an I for improvement or an E for expansion. And each project gets assigned to that. And based on that, that's how I programmed for the initial funding.

But then that sometimes changes based on what we have. And, you know, some projects actually serve both functions, and I don't have a between I and E field. I just have I or E.

VICE-CHAIRMAN OKAMURA: Because like maybe here

you budget one million for Iao source development, and the source is needed because there is a need for more water and because there's more growth. So, that's expansion in a way, right?

MS. KRAFTSOW: Well, actually, right now, I think that Iao source projects are -- that's a good example of something that's both. Iao source projects are basically to distribute existing withdrawals, because we can't expand our withdrawals from the Iao. So, it's to protect the aquifer.

So, in a sense, it's an improvement project, even

though it's an expanded -- it looks like it would be an expansion. Waihee is budgeted as an expansion project even though we also need better sources away from Iao. So, there are gray areas here, but I do have each project assigned and the computer will break it out.

VICE-CHAIRMAN OKAMURA: But it could be

misleading, because some things that you repair because you have added demand, and so you are sort of expanding the system at the same time.

MS. KRAFTSOW: Or sometimes we need a bigger line

because of existing zoning, but it's a bigger line.

VICE-CHAIRMAN OKAMURA: In the operating budget, under director program, there was a expansion for one position? What was that for?

MS. PERDIDO: The director's office requested a safety officer.

VICE-CHAIRMAN OKAMURA: What's that? What is that for?

CHAIRMAN VICTORINO: What is the safety officer he's asking. Director Tengan.

DIRECTOR TENGAN: Mr. Chair, that would be a person that would be in charge of our safety programs. Part

of the function would be to look at Worker's Comp claims, vehicle accidents, and all those kinds of things, and to conduct safety training programs.

Right now, we don't have anybody doing that, and it's pretty much left up to the division. So, there's no concentrated effort in this area right now.

CHAIRMAN VICTORINO: I think you make a good point that most departments and most businesses today have someone who is regularly scheduled or mandated to continue the safety programs and safety training, also to monitor Worker Comp claims and various other losses that may be occurring. So, I



think it's a position that really needs to be filled, yeah.

VICE-CHAIRMAN OKAMURA: Thank you. The other thing I wanted to bring up was -- which was in the public meeting. And I think it was Haiku they talked about trying to use alternative sources of energy. And, you know, because it was brought out that one of the biggest costs right now is electricity, about \$7 million.

And I was thinking, you know -- and I notice that in your budget, you had a section for studies and stuff like that. So, I was wondering, would it be possible, or not

necessarily possible, but is there some way we could find out,  
or you could find out the feasibility of trying to shift to  
alternative sources of energy?

You know, because I don't think the price of oil  
will be coming down in the future. It doesn't seem like it.  
But maybe \$7 million, if you can save 10 percent, that's  
\$700,000 you are saving. And, so, maybe we owe it to the  
people that pay the rates that we try to look into alternative  
energy as a possible means to save -- you know, cut down on  
costs, and this was brought up at one of the community  
meetings, informational meetings.

So I was thinking, you know, is there some way we could look into it to see if it's feasible?

CHAIRMAN VICTORINO: Director Tengan, do you have any comments in that area?

DIRECTOR TENGAN: I'm pretty sure that we have considered alternative energy sources in the past, such as utilizing the flows going downstream and the head pressure to generate electricity. It's been done successfully on the Big Island at the water treatment plant there.

And you know, the hydroelectric plant produces enough energy to run the plant and provide some power into the

utility's grid. We haven't really explored alternative energy projects. We have been concentrating on what we need to do right now to get the systems up to speed and the other issues with water quality. Frankly, we really haven't had time to -- to look into this area.

VICE-CHAIRMAN OKAMURA: What about the possibility of getting some -- you know, paying some money or budgeting some money to have a consultant look at it or somebody? I know not the staff, because you are understaffed right now, but some way to look at it. You know, because it would not only take a study, but if it seems feasible, take capital

costs to do that.

But, maybe it's feasible now, because oil prices are so high. We are paying like -- it seems like the Department is paying about 25 percent of its income for power costs for electricity. But just a suggestion, but get some consultant, or you could look into it further somehow. It might be worth it, but just a suggestion. Thank you.

CHAIRMAN VICTORINO: Thank you, Member Ken.

That's a good suggestion, and we will see if we can somehow continue this discussion and maybe see what we can come up

with, yeah?

Any further discussion as far as the budget is concerned? Member Raisbeck.

BOARDMEMBER RAISBECK: Yeah, I think I do not feel competent to make a recommendation for this budget. I think the whole process has been so badly delayed. We should have had data to review much earlier, and I hope that -- I would take this opportunity to request the Board that next year, a budget subcommittee be appointed, possibly in September, so that that subcommittee, at least, can be kept apprised of exactly what the Department's budget process is coming up with

as we go along, so that we will have before us, in November or December, preferably November, a budget proposal that we understand and can comment on from a knowledgeable basis.

I will be abstaining from a vote on this motion, which will not interfere with passage of it, because an abstention is an affirmative -- counted as an affirmative vote, but simply to indicate my disapproval of the fact that we were not included in the budget process early enough to be effective in reviewing it and even in making changes to it. I will be abstaining on this measure. Thank you.

CHAIRMAN VICTORINO: Thank you, Member Raisbeck.

Do you have something else?

It was brought to my attention, and I will make a note of this, that the following statements have been put in to the 2005-2006 capital improvement program proposal. And I am reading directly off of the proposal. Under the areas of drought, efficiency, facilities -- for example, under drought, it says the Board will develop/implement plans to reduce the impact of drought to BWS customers. This is the same we just got. That would be page seven.

And the next one on the efficiency, the Board will continue to enhance conservation, automatically and other



efficient efforts. The one that I really get a little nervous on is on the facilities. The Board will insure the systems elements, property, and building, will be well maintained and that space, supplies, and resources are adequately -- are adequate for efficient operations.

Under Iao, the Board will plan, organize, and control the activities necessary to reduce the draw from the Iao aquifer. I have just made it a note that all of these really do not fall under our preview anymore. I mean, we can advise, but we do not have in one area control, as it states.

BOARDMEMBER PYLE: Unless we pass rules that say  
  
we do.

CHAIRMAN VICTORINO: But at this point, we don't  
  
have any rules.

BOARDMEMBER PYLE: That's right.

CHAIRMAN VICTORINO: So, I just want to make a  
  
note of that as far as our budget. And there's some more  
  
statements if you read on further that are kind of conflicting  
  
saying that the Board, you know, will formulate and implement  
  
programs to replace, you know, Board will repair and replace.  
  
I think, Holly, this was just a continuation, yeah? Ellen.

MS. KRAFTSOW: Yeah, thank you. Yeah, I will change that. It was just programmed in. These were Bob's bullets way back when. I just never changed the wording, but I can change the word Board to Department everywhere.

CHAIRMAN VICTORINO: Yeah, I think it has to be noted as that, yeah. Ken.

VICE-CHAIRMAN OKAMURA: One question. Regarding the increases in the Planning Division, it says here like they are going to increase conservation by 180,000. What would that include?

MS. KRAFTSOW: A little bit of it is just

increases in our usual media costs, but then there's some provision for a pilot toilet retrofit and a leak detection -- enhancement of the leak detection program.

Also, in the Water Use and Development Plan process, as he evaluates the financial structure of the Department and the operating costs, when he goes over the supply options, it will be the same as an energy efficiency study but both energy and conservation will be included in those evaluations.

VICE-CHAIRMAN OKAMURA: Can you repeat the last thing you said? I am sorry, the last few sentences regarding.

MS. KRAFTSOW: Just that this is just sort of a preliminary budget for some conservation measures that we want to increase, and that we hope and expect to increase them further, as conservation is considered as a supply option in the Water Use and Development Plan process. And also, as part of that process, the relative operational costs of different choices had been included in the evaluation, which won't -- will not be the same as the energy study that you recommended earlier, but will help get at some of those questions.

VICE-CHAIRMAN OKAMURA: So, like who is going to

do the conservation thing? Like the same staff will be doing more, or are you going to get more bodies to do this?

MS. KRAFTSOW: Well, we actually asked for an additional position for another conservation specialist so that we can fill out that. Some of the things that we want them to do, they should go out in pairs for safety reasons. But we -- as you know, we are moving our office to -- our Division Office to another building.

Right now, we are getting the County safety officers on our case. Every couple months, they come down and say when are you moving out, because we are in all kinds of

violations because of crowding. And as soon as we move, we plan to try to hire and fill out our organization, so our staff will be doubling, so hopefully we will be able to accomplish more.

VICE-CHAIRMAN OKAMURA: Thank you. Yeah, I would be interested to see what -- what you guys are doing in terms of conservation and, you know -- you know, the planning things that you do, not to keep track of you, but just to know that these things are going on.

And I was going to suggest that maybe in the division report, maybe quarterly or something, you know, if it

doesn't take too much time, that you would know -- or at some interval know, you know, what you are doing, or at least give us a one-time basis of -- you know, one-time explanation of what you guys are doing in the planning department. And right now, it's a big black box for me.

MS. KRAFTSOW: I can provide a little outline of our current and planned measures, if the Board wishes.

VICE-CHAIRMAN OKAMURA: Outline?

MS. KRAFTSOW: An outline of our current and intended, you know, as we grow conservation measures, but understanding only with the proviso that, of course, there



could be edits as our consultant looks at these issues.

CHAIRMAN VICTORINO: Any other discussion for the budget, both operating and CIP? Sensing none, I will call for the question, and I will again do a roll call, starting with Member Michele.

BOARDMEMBER McLEAN: Aye.

CHAIRMAN VICTORINO: Stacy.

BOARDMEMBER CRIVELLO: What is -- what is the motion, to approve this?

CHAIRMAN VICTORINO: Yes, to forward it onto

the --

BOARDMEMBER CRIVELLO: I am going to abstain on the basis that I don't feel I'm knowledgeable. I appreciate -- I can appreciate the work that staff has done, but I need to have more in-depth studies to support that kind of recommendation approval.

CHAIRMAN VICTORINO: Okay. Thank you.

BOARDMEMBER HIRANAGA: Aye.

VICE-CHAIRMAN OKAMURA: Yes.

CHAIRMAN VICTORINO: Ralph. Member Ralph.

BOARDMEMBER JOHANSEN: No.

CHAIRMAN VICTORINO: Member Raisbeck.

BOARDMEMBER RAISBECK: Abstain.

CHAIRMAN VICTORINO: Okay. Dorothy.

BOARDMEMBER PYLE: Yes.

CHAIRMAN VICTORINO: Ginny.

BOARDMEMBER PARSONS: Well, I am confused. Are we

going to make the changes on there first, and then take it?

Because right now, it has the Board on there. I have to say

no.

CHAIRMAN VICTORINO: Well, the changes as far as

the wording, I think that's what she's concerned about. And

that will be changed. That will all be removed and put

Department instead of Board.

MS. KRAFTSOW: Yes. But also, that -- that is just a summary packet that we do for you. The County has a whole different format which is less informative. Actually, it's one-by-one-by-one sheets. So, you have --

BOARDMEMBER PARSONS: They are less informed. You got to be kidding me. That's all they need is to be less informed.

MS. KRAFTSOW: No, we just submit in the format that they request. But I think you got these, too. You got

these sheets, too, or an earlier draft of them. But that's all that they ask for. So, the summary sheet was just for the Board's information, because it seems more concise and informative.

BOARDMEMBER PYLE: Clearer.

MS. KRAFTSOW: You did get what we send to the County though.

CHAIRMAN VICTORINO: Generally, would you change that with the words being removed, your vote?

BOARDMEMBER PARSONS: I know we have worked as

hard as we can with the numbers that we have. If you change the wording, I will support the motion.

CHAIRMAN VICTORINO: Thank you. And I also vote yes.

DEPUTY CORPORATION COUNSEL: What's the count?

CHAIRMAN VICTORINO: The count, if I am not mistaken, was one to eight. Two abstained, one -- wait. Hang on. There were two abstains, one no, and six yes. Okay. That was the count.

DIRECTOR TENGAN: Just for clarification.

CHAIRMAN VICTORINO: Yes.

DIRECTOR TENGAN: Those statements that you read off earlier, with all the CIP projects, we have continued to use those -- those goals that the Board had established some years ago to give us some direction as to, you know, planning our CIP and how it relates to the overall goals of the Department and the Board. And, so, we have continued to use that. However, they are not official budget documents that go up to the Mayor's office.

CHAIRMAN VICTORINO: Thank you for that clarification. Okay. Now, going back to item number seven, under other business, B, report on number of all wells on

Maui. Holly. Okay, Ellen.

MS. KRAFTSOW: I think we provided a list in your packets, yeah? So, I don't have anything to add to that, unless you have questions.

BOARDMEMBER PYLE: I have lots of questions.

MS. KRAFTSOW: Oh, I was packing up to go.

BOARDMEMBER PYLE: And actually, I have to go to school very soon. I thank you. I don't know where you got all this information from, but I thank you. It is amazing to me how many wells there are in Maui County. And that was, I think, my purpose in the first place was to bring to



everyone's attention how many wells there are in Maui County.

And who has oversight over them still is a major question in my mind, and what kind of impact these wells have on our aquifers is a huge question in my mind. For the information that you gave us, which I really appreciate, but, where it says over here well type, what's an ROT?

MS. PERDIDO: Rotary.

BOARDMEMBER PYLE: Rotary. Under uses, UNU means unused?

MS. KRAFTSOW: Yes.

BOARDMEMBER PYLE: All right. There's a bunch of other terms here that I really don't understand. So, it would have been great if we could have had a little --

MS. KRAFTSOW: Key?

BOARDMEMBER PYLE: Key. Thank you.

BOARDMEMBER PARSONS: E-mail one.

BOARDMEMBER PYLE: Yeah, we can probably do that.

Also, there is no amount on here which says what amount of water is withdrawn from these wells.

MS. KRAFTSOW: That's correct.

BOARDMEMBER PYLE: And I'm sure you probably have

no idea.

MS. KRAFTSOW: Actually, one of our biggest frustrations, you know, I look in the Maui Tomorrow web site, and it says there's been a history of poor resource management, you know, in the Water Department. And I am thinking, you know, actually, historically, there was no resource management, and now we actually have a crew trying to start managing resources. And instead of supporting and helping, they write this.

But, you are right. This was a State -- this was a State database, and nobody is required to report what they

are pumping to us. And there have been cases, historically, where we have asked that pumpage be reported to us, on planning condition approvals, and that has not happened.

One of the things we want to raise during the Water Development Plan process with the Stakeholder Committees, and then it will go on to whoever else, is whether or not there should be some sort of County level approval process and/or reporting requirements so that reports are sent.

Because, as it is, I have some requests for information to the State that are literally more than three

years old where I still don't have the data, and they are understaffed, too, and they are struggling as it is.

BOARDMEMBER PYLE: I understand, and we have

talked about this a little before when you were here before.

And I really do recognize that there are different requirements for different agencies.

All, I guess, my point is trying to make is to bring to everyone's attention how important it is that we work together, as best we can, and to try to put this particular issue on everyone's radar screen, so that as more and more

private wells are developed -- and a lot of these, as you can see, are private wells -- that there be some kind of an accounting for the water that's being taken out of the aquifers, or the Department's going to be short somewhere down the road.

And we just simply don't know. If we don't know how much is being taken out, we have no idea. And that's really what my point was. So, I thank you for the work, and I really would hope that more information will be continuously brought to the attention of the Board. Thank you.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: First of all, I would like to know if all of this information was obtained from the State and what -- what department of the State, if that is the case.

CHAIRMAN VICTORINO: Ellen.

MS. KRAFTSOW: We get regular updates from the State Commission on Water Resource Management as to the list and location of wells that they have registered. When somebody applies for a well, it is plotted into the database, and we get that information.

BOARDMEMBER JOHANSEN: Then I would like to know if there is --

MS. KRAFTSOW: But --

CHAIRMAN VICTORINO: Go ahead, Ellen.

MS. KRAFTSOW: But the pumpage is kept in a separate database, so although there is a column for the draft, it is not a reliable column. It's not one that is regularly updated.

BOARDMEMBER JOHANSEN: And my second question is, what is the State legislation that requires that these records of wells, in the four counties of the State, be kept and by whom? What information is required? What reporting requirements are there of individual well driller's or their



contractors? And what are the sanctions or what is the enforcement process if someone fails to make this necessary report?

CHAIRMAN VICTORINO: Ellen, if you would like to comment on that.

MS. KRAFTSOW: Okay. I didn't get all the parts. The State Constitution says that there will be a Commission on Water Resources Management, and then the State Water Code sets the guidelines for what they have to do and includes a well permitting process. And then administrative rules under that

give more specifics.

Wells are required to report if they -- the number's escaping me right now, but I think it's -- they are required to report monthly if they pump more than one amount, and they are required to report annually if they pump more than another amount. And forgive me for my brain lapse right now, but I can't remember the exact number.

There is currently no fee or enforcement. They have technically got the authority to withdraw the permit, but there's no fee or enforcement for failure to report right now. That's one of the things they are trying to work on

themselves. So, we are both relatively powerless to do our --  
fulfill our mandates.

BOARDMEMBER JOHANSEN: Then also, what kind of  
monitoring is available to either the State or the County as  
to what wells exist? Same answer, I assume. None.

CHAIRMAN VICTORINO: Yeah. Okay. Dorothy.

BOARDMEMBER PYLE: Since this is the last day that  
I'm going to be here, I guess I am just going to say it. It's  
also very apparent, under the current political scenario in  
our State, that the Governor does not support the State Water  
Commission or any kind of, apparently, a recordkeeping of this

type.

So, I think that it becomes increasingly important for our County to do this, as best we can, because we are going to have increasingly less. If there was already none, how can we have less than none? But there is going to be less interest on the part of the State to do this kind of thing.

Thank you.

CHAIRMAN VICTORINO: Thank you, Dorothy. That's a good, valid point, and I think we just read recently that the Deputy for the --

BOARDMEMBER PYLE: They have all resigned.

CHAIRMAN VICTORINO: They have resigned due to some political pressure. That is correct. Thank you. That's all.

BOARDMEMBER PARSONS: I would just like to say, before I was a Board member, it was brought to our -- actually, shortly after I became a Board member, before Mike and I joined the Board, that the Board of Water Supply passed rules where there is no oversight on private well systems through the Board or the Department of Water.

BOARDMEMBER PYLE: Mistake.

BOARDMEMBER PARSONS: They have fallen through the cracks. And I want folks to know this. I mean, Department of Health has not taken over this area either. And I have a great concern, and we have talked about this. George has asked the Department of Health, I believe, to look at this a little bit closer, and they have just kind of said they are on their own, even for some of our two-tier well systems or tanks systems.

So, I don't know how we -- I am just appalled --

BOARDMEMBER PYLE: Appalled.

BOARDMEMBER PARSONS: Yes, if you haven't been

paying attention, right?

BOARDMEMBER PYLE: That's why I did it.

BOARDMEMBER PARSONS: Of the number of wells here.

And I think that if anybody in the Council or anybody considering running in the next administration doesn't take a hard, long look at this issue, that the health and the welfare of the Maui County residents and the people that are utilizing these wells is a great, great concern, considering all the issues we have going on throughout the County.

CHAIRMAN VICTORINO: Thank you. Sally.

BOARDMEMBER RAISBECK: Yeah, Mr. Chair. I would

like to ask Ellen if it would be possible, from the same database or an associated database, to put the pump size.

Because even a well that isn't fully utilized, if it has a very large pump, obviously, it is capable of producing a lot more water, whereas a tiny pump would produce a negligible amount of water. So that if there were a column, in the lists that we were given, that had the pump size, I believe that is available.

MS. KRAFTSOW: There is a column. It's a little bit sporadic, and I'm not sure how updated it is or how filled it is, but I can certainly produce a report. I will have to



take out one of the columns just to fit it on the page. But,  
  
yeah, I can do that.

CHAIRMAN VICTORINO: Okay. Can I just interrupt  
  
one second? And if this is off the record -- I mean, not off  
  
the record, but this is going off the agenda item. But  
  
Dorothy Pyle, as many of you know -- wait. Sit down, Dorothy.  
  
Dorothy, sit down.

BOARDMEMBER PYLE: No, I have to go.

CHAIRMAN VICTORINO: Before you run out, has  
  
resigned from the Board. And we would like to take this

opportunity, on behalf of us members here, to thank you very much for your efforts, your contributions over the short span of time, but very well received time with the Board.

BOARDMEMBER PYLE: I'm going to another agency.

CHAIRMAN VICTORINO: She's going to another agency, Culture and Resources, so I want to thank her very much. On behalf of all the Board Members, thank you very much for all your contributions, and good luck, and we hope to see you around.

BOARDMEMBER PYLE: Thank you.

BOARDMEMBER RAISBECK: May I ask, although Dorothy

would like to leave, I would like to be able to read her  
letter of resignation into the --

CHAIRMAN VICTORINO: I will later. Since she's  
running off now, I won't take the time. But thank you very  
much.

(Boardmember Pyle left the hearing room.)

BOARDMEMBER PYLE: Okay.

CHAIRMAN VICTORINO: Back to what we were  
discussing. I apologize for getting off track. Ralph.

BOARDMEMBER JOHANSEN: First of all, I looked at  
this report of wells. There are, from page 12 to 34, which is

what, 22 pages, there are an average of 50 wells reported on each page. Do the math. That's an enormous amount of water, and yet we have an administration that is exploring the feasibility of desalination. I mean, we have got to account for what water is available here before we make any investigation of converting seawater, which is -- as I understand, is a very expensive process.

It's what they do in Saudi Arabia, aside from hauling icebergs to the peninsula. And I want to say that the current State Chair of the Sierra Club -- I think she still is -- Lucienne de Naie, recognized this problem and, on her

own, obtained a grant, and spent weeks and weeks with the records and the archives over in Honolulu exploring well permits and any other historical information that she could obtain on the islands here in our County as to what wells there were, and what wells were in use, and how much usage and that sort of thing.

This has not been asked for, as I understand it, by the Department of Water Supply. And I understand that there's an objection that they don't know what her methodology was, and there was no participation by the Department of Water

Supply in obtaining that information. But nevertheless, this is valuable information which can be easily verified.

Methodology can be easily explored.

I don't know why we don't have that information as part of this report on wells. And I am asking the question of the Department, why that has not been done and if it can be done.

CHAIRMAN VICTORINO: Let's take it two parts.

First of all, why it's not included, and that's the first part of the question. Okay.

MS. KRAFTSOW: Actually, I have, by phone, a

couple of times asked for the report. I don't have it. I have asked Lucienne personally a couple of times. I have never written a formal letter requesting it.

We were not only not invited to participate, they stated, at a Board meeting, that they didn't want the Board staff to -- or Department staff to participate, because they wanted to be sure the information would be correct. And you can check the minutes on that.

I don't have the report. I have asked for the report. What I did was use the best and most reliable and broadest sorts of data which is still the State.

CHAIRMAN VICTORINO: Okay. Ralph.

BOARDMEMBER JOHANSEN: I will just respond that there was a lot of -- a lot of suspicion and a lot of hostility in the community. And I think that's reflected very clearly in the fact that a Charter Amendment was passed removing semi-autonomous status from the Board of Water Supply. And I think that there's an easy chance to overcome that kind of hostility.

I don't think that Lucienne de Naie is a person that is going to hold that kind of a grudge. I think a formal letter should have been submitted or should be submitted now



obtaining that information from her, so it can be at least evaluated if not included.

CHAIRMAN VICTORINO: Okay. Thank you, Ralph.

Okay. Any other discussion on the wells? Thank you very much for the information. I think this is very eye opening. I mean, you know, just the awesome number of wells throughout the County of Maui is just astonishing. And I think that information alone brings up or raises a red flag as far as what we are doing and how we are doing it.

A lot of it is not your fault and a lot of it was

done many years ago, prior to not only the Board being autonomous or semi-autonomous, but even before then, when the Board was under the County, a lot of deals were made. And today we live with the past. But we can hopefully correct ourselves now, right this year, and get these documents.

You know, if Lucienne's report needs to be included, I have no qualms in asking for it in a formal letter. I will ask for it to include it. I have no problems with that, barring the fact that I want to make sure that whatever information we have is as accurate as possible. So, I will put that in the commentary with the letter that I will

send out to her. I will ask her for that information. Okay?

Sally, you have something else to add?

BOARDMEMBER RAISBECK: Yes. I would like to have a revised version of this excellent list of wells that includes the pump size, where available, and if we need to leave out a column, I would be willing to leave out the column that says geology, since I don't understand the notations anyway.

And I would request that on other columns, where units are needed, that a key be given as to, for example, units on chlorides, and initial chlorides, and so on. And

whether -- I assume all the distances are in feet, but it's not explicitly said what the units are. So, I would request a revised version that includes pump size, so it can distinguish between major wells and minor wells.

CHAIRMAN VICTORINO: Put that on the request for future agenda item.

BOARDMEMBER RAISBECK: Thank you.

CHAIRMAN VICTORINO: Okay. So noted. Ellen.

MS. KRAFTSOW: I am sorry. I just have one more thing to respond to.

CHAIRMAN VICTORINO: Sure.

MS. KRAFTSOW: Because it's been something that bothered me, and I talked to Lucienne about it. I like Lucienne. No problem with that. The time she was pursuing the grant, before she got it, as far as I know, I heard about it. And I called her, and I said, this is great, because we have been talking with EPA and DOH about the same thing, inspecting wells where we don't know the status. A lot of them are unused and some are lost. And we don't have the staff or the time to do this, and maybe we can work together. And at the time, it was like, no, no, no. It's no big deal.

It's no big deal.

And I said, well, okay, if it comes that you want to work with us, call me. So, it's -- the whole thing proceeded. We did actually try forthrightly to work with them, and because of this air of distrust or whatever was going on, we really just weren't given the opportunity. It's not that we were unwilling.

And I had called the State Water Commission staff member to ask what they knew. And that's when they expressed a concern about, well, neither you nor us have been involved in oversight. Even if it's great work, how can -- you know,

we can use it to check our future work, but how can we rely upon it.

It's not criticizing that she might have done poor work or anything like that. It's just that's just how it happened.

CHAIRMAN VICTORINO: And I think that is well noted, and history has not always worked out real well in the past. Hopefully, in future, we can work in a more harmonious way with these various organizations. Ralph and all of us understand they bring to the table a lot of good information.

But, barring that, let's say we start with a clean

slate. Let's get the letter off. I will put the letter together, get it off to Lucienne, and go from there. And I think that will start the ball. And maybe some of this distrust can be dissipated. You know, the first step in any journey is one step, and then I will take the next step after that. Okay?

BOARDMEMBER HIRANAGA: Question.

CHAIRMAN VICTORINO: Yes, sir.

BOARDMEMBER HIRANAGA: Ellen, you may have answered this question, but this list is based upon permits applied for?



MS. KRAFTSOW: I believe it's based upon permits -- actual drilling reports for wells that have been drilled and approved.

BOARDMEMBER HIRANAGA: But this doesn't indicate whether they are active or not. This is just that they were approved but some of these could be inactive?

MS. KRAFTSOW: Right. Where it says use, if there's a UNA, they know it's inactive. But often they just don't know. Some of the wells have disappeared, and they can't even find them anymore. A lot of them, the majority --

the vast majority are probably unused. But it needs to be verified, because unless they are properly sealed, they are also a potential contamination into the aquifer.

CHAIRMAN VICTORINO: That's a good point. Thank you.

BOARDMEMBER HIRANAGA: Thank you.

CHAIRMAN VICTORINO: Any other discussion?

BOARDMEMBER PARSONS: Are we going into agenda items? Because on that same line, there was something I wanted to discuss.

CHAIRMAN VICTORINO: I am going to go into

discussion regarding improvement procedures for the Board to receive more timely information from the Department, item number C. If we are done with B, I am going to item C.

I think this was a request by Board members, and I understand, and I think most of the Board members will understand, that right now, the Department is inundated with reports, budgetary, other reports needing to go to various -- whether it's the EPA, whether it's the Department of Health. And you are understaffed, and many times we make requests -- Board members make requests which are difficult to be done because of your time constraints. I understand that part.

But I think what they are -- that most of the challenges that we have been hitting upon were things that if we don't have it, we can't make good, educated decisions. We can't make good, informed decisions. And I think that's where the challenge comes up.

That's where, I think, the Board is requesting, when information is requested, not just by a single Board member, but by the entire Board, if it cannot be obtained by the next meeting, that it be let -- that we be let known that, so that we don't put it as an agenda item.

But if it can be, in all possibilities, especially

when you are talking budgetary, like you were referring to,  
Sally, if we don't have these supplementing with budgets in  
September, it's going to be difficult in January to start  
making decisions, at least informed decisions anyhow.

And whether they are water rate reports or  
whatever, we need the help of the Department, wherever  
possible, especially for these decisions or recommendations  
that we need to forward to both the Council, the Mayor, and  
whomever else is requesting it. So, wherever possible, I  
strongly urge, from the Board to the Department, your

assistance in these areas.

Now, I have said to the Board members many times, if you have a specific question that you want to ask of budget, of Ellen, or Holly, or anybody, you can go directly to them, so long as you understand that they are busy people, and they may not be able to get back to you right away with an answer. You don't have to bring it before the whole Board as far as a question is concerned.

I just want to make sure that that is clear. That every one of you have the right to ask questions, but understand and give the respect to the Department, because

they are busy people. And we need to, you know, work with them in conjunction with that aspect. Yeah? Any other comments in that area? Kent.

BOARDMEMBER HIRANAGA: I would just like to say, on behalf of the Department, that we did have a Budget Workshop, and we had difficulty obtaining a quorum. So, there was an opportunity for the Board members to analyze the budget in depth and many of them did not take advantage of that opportunity.

CHAIRMAN VICTORINO: Again, I place no blame on anyone. Again, I hope that's clear that we are just trying to

work harmoniously with the Department. I think all the Board members understand that.

And that is a fact. That if you are not doing your due diligence, when you get your reports and taking the time to look at them and read them -- I will be the first to admit they are difficult to understand. I would be the first to admit I don't understand a lot of the things, and I have called Holly and Ellen and asked questions.

But don't be afraid to ask what these codes mean, what these charts mean, you know, don't be afraid. That's something that you need to take upon yourself. But again,



understanding they are busy people, and they can always --

they can't always get back to you immediately. Sally.

BOARDMEMBER RAISBECK: Yes, Mr. Chair. I would

like to say that asking about specific questions about

specific details is one kind of thing. But what about

major -- major developments in the field of water that we read

about in the newspaper rather than hearing about from the

Department.

And I'm sure you all remember when the Iao Aquifer

was designated. We did not hear this from the Department. We

heard it -- we read it in the newspaper. There are other issues. For example, I asked last fall a number of times -- I asked about the progress of our water use permit applications for Iao Aquifer. I was given, unfortunately, that there is no problem. There is no problem. We got them in on time, and so on, and so on.

And only when it actually came before the State Commission did we find out we were listed as late and incomplete in our application for a third of the water from the Iao Aquifer. So, we are not receiving -- on important issues, we are not receiving timely information.

And you can't call up every week and say has

anything major come down the pike that we ought to know about?

It's their responsibility to let the Board know what is

happening before it appears in the newspaper. That is what I

am talking about here, not minor details of what do you mean

in this column. I am talking about very major issues

affecting the Department's relation with the State Water

Commission.

We found out in February, I think -- well, no. I

guess we found out in January that in December, the Department

asked for a declaratory ruling from the Water Commission that

we did indeed get a -- even though we got it in late and incomplete, our water use permit application was actually timely. We don't hear any of these things that severely affect our water.

So, this is what I'm talking about. Unless the Department changes its procedures, so that we are at least informed about these major issues, there is no way we are -- and I don't want to read about important things in the Maui News or read about them in an e-mail from a friend of mine in Honolulu, who happened to attend the State Water Commission meeting. Thank you.

CHAIRMAN VICTORINO: Thank you.

BOARDMEMBER PARSONS: Sally, maybe the direction's not coming from the Department. Maybe it's coming from the ninth floor. I think that's where you need to address that issue of what gets -- what gets filtered down to the Department.

The Mayor has spoken, live, on record, on radio, on television, that the Board gets the manini portions of what he wants them to see. So, if you have an issue with that, I think that's where it needs to go. It's not the Department's

fault that this doesn't come down this way.

DIRECTOR TENGAN: Mr. Chair.

CHAIRMAN VICTORINO: Yes, Mr. Tengan.

DIRECTOR TENGAN: I would like to clarify that statement. There has been no direction from the Mayor's office as to what should be passed on to the Board members in terms of information. None whatsoever.

BOARDMEMBER PARSONS: I can --

CHAIRMAN VICTORINO: Thank you for the comment.

BOARDMEMBER PARSONS: I can play the radio --

DIRECTOR TENGAN: I am sorry, Boardmember Parsons,

but I personally haven't gotten any instructions from the Mayor not to pass on information to the Board members.

CHAIRMAN VICTORINO: Thank you.

MS. KRAFTSOW: Can I?

CHAIRMAN VICTORINO: Yes, Ellen, go ahead.

MS. KRAFTSOW: I believe that when we forwarded the information to the Board, we gave the dates about when the applications were submitted. All of the applications were submitted on time. One was lacking the landowner's signature, which I believe we did say to the Board, and we also said that having spoken to Commission staff -- both myself and one of my

staff members spoke to two different members of the Commission staff and were reassured, that so long as the signature was, in fact, forthcoming, which it was, that they didn't feel that there would be a problem with our application.

And, so, we reported as we -- as far as we understood the situation, based on input from the Commission, fully and faithfully to the Board. And I just didn't want to leave it on the record that it was any other way.

CHAIRMAN VICTORINO: Thank you, Ellen. Ralph.

BOARDMEMBER JOHANSEN: This item -- this item on the agenda is called discussion regarding improving procedure



for Board to receive more timely information from the  
  
Department.

There's a question here about implementation.

What is the problem, and how do we solve it? And one thing  
  
that occurs to me is that we have been revising the rules, and  
  
we have suspended revision of the rules temporarily because  
  
there's so many other things on our plate.

But when we get back to that, I think, in  
  
consultation with the Department and maybe the Mayor's office,  
  
we can present a list of an agenda of what it is that we

expect, and what we feel has been lacking, so that we have a basis on which to -- to make some kind of a requirement that -- that will be in writing and will help to clear up this problem.

The other thing I'd like to say, since I notice that we are being taped today and this discussion is going out to the public, is that we are a group of citizens here on the Board of Water Supply, and it's our hope that -- that we will be listened to. That we do reflect, to some extent, what the citizens at large feel about the water problems and water solutions here.

And that we hope that we won't be bypassed on important issues, because I think discussion of general issues is one of the very important functions of this Board aside from reflecting community sentiment. Thank you.

CHAIRMAN VICTORINO: Okay. Any other discussion?

Thank you, Ralph. If not, I will move on to received from Board members for future request -- agenda items to be placed on future agendas, I should say. Ginny, you had something.

BOARDMEMBER PARSONS: I noticed that we had in the project report -- we had a contract for vulnerability assessment with Brown & Caldwell, and it was 60 percent

complete as of December 31st. If we could bring that into the -- one of the meetings, the report, and even if we have to go into executive session, just to see what the overview was.

CHAIRMAN VICTORINO: Thank you. We will keep that. Any other future agenda items that would like to be looked upon?

BOARDMEMBER HIRANAGA: I would like to request that the status of the Pookela wells -- verbal update be made a monthly agenda item until it comes on line.

CHAIRMAN VICTORINO: Okay. I will do that.

Sally.

BOARDMEMBER RAISBECK: Question, Mr. Chair. I

would like to have a discussion or information about the fire flow requirements of the Department and how these differ from the Fire Department requirements about fire flow, and whether or not these can be reconciled. And basically, about the difference in fire flow requirements between the Fire Department and the Department of Water Supply. I would like that to be an agenda item.

I have another request. I don't think this needs to be an agenda item, but if the minutes from, for example,

today's meeting, which are being taken by a court reporter and will be within 30 days posted on the web site, on the Department web site, if those minutes could be posted as soon as they are received by the Department, rather than waiting the full 30 days that's allowed, that would be -- excuse me.

CHAIRMAN VICTORINO: Cathy.

MS. HOWARD: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

MS. HOWARD: They are placed on the -- on the web site as soon as I get them.

BOARDMEMBER RAISBECK: Thank you, Cathy.

MS. HOWARD: You are welcome.

CHAIRMAN VICTORINO: Does that clarify that?

BOARDMEMBER RAISBECK: Yeah, that would take care  
of that one.

BOARDMEMBER McLEAN: Mr. Chair, excuse me.

CHAIRMAN VICTORINO: Yes, Member Michele.

BOARDMEMBER McLEAN: Back to your request on fire  
flow.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER McLEAN: That's a great idea, and I  
would ask if someone from the Fire Department could be here as

well, so that they can represent what they are saying. And if they are not available at the next meeting, which hopefully they are, we should hold scheduling it until someone from the Fire Department is available.

BOARDMEMBER PARSONS: Right.

CHAIRMAN VICTORINO: Thank you.

BOARDMEMBER RAISBECK: Another thing that I think -- I'm not quite sure how to phrase it. But clearly, the Council is taking up the question of the Water Use and Development Plan. In December, I believe, we had a meeting of the Central Maui Upcountry Committee that was going to start



working on the Water Use and Development Plan. We have not --  
this is the end of February. We haven't had a second meeting  
yet.

I would like to have, again, a meeting in which --  
well, and if the Council decides to include the Water Use and  
Development Plan as part of the General Plan, that will  
require adjustments within the Department, and it will also  
mean that we would need more coordination, as Ginny has said  
earlier, with the Planning Commission, so that this whole  
question of how we are going to, in a very timely way,

accomplish a Water Use and Development Plan, and who is going to be doing it -- basically, that question.

Who is going to be doing it, how they are going to be doing it, has the procedure, which has been specified by the Department -- will that be overridden? What's going to happen?

CHAIRMAN VICTORINO: Yeah, I guess the February 27th meeting will start the ball rolling as far as what's -- what next steps are going to occur. Isn't that correct? Yeah.

BOARDMEMBER RAISBECK: I don't know.

CHAIRMAN VICTORINO: I don't know either, and I can't answer that question. And I would not want to put Corp Counsel in between that until we see what kind of action they are going to take on Monday and then go from there. So, I will put that as an agenda item for discussion to see where they are at next month at this point. Okay?

BOARDMEMBER RAISBECK: Yes.

CHAIRMAN VICTORINO: Okay. Any other items?

Kent.

BOARDMEMBER HIRANAGA: I would like to request the -- I would like to request the Board look at the

possibility or feasibility of exploring to drill another well Upcountry, because it's my understanding that the anticipated capacity of Pookela well will not satisfy the current waiting list. So, there appears to be additional demand for water Upcountry, and maybe we should start the process of discussion as to whether it is justified to look into drilling another well Upcountry.

CHAIRMAN VICTORINO: Okay. We will put that on the agenda for next month. Anything else, ladies and gentlemen?

Okay. Then I will move on to item number eight,

Divisional Reports. They were provided. Do you have questions on the Division Reports? Ken.

(Ms. Parsons left the hearing.)

VICE-CHAIRMAN OKAMURA: I wanted to ask this question for a long time. Thank you now. This is regarding the web site, the DWS web site. Who -- do you have a staff person to run it? It seems to be a pretty good page, you know.

MS. HOWARD: The web site is administered by our administrative officer, Jacky Takakura, and I assist her in

that when I receive Board documents and update pages as with well.

VICE-CHAIRMAN OKAMURA: Thank you. Pretty good job. I haven't visited that often, but looks like it's always up-to-date. The other question I had is in regards -- sort of similar to Division Reports to the Director's Weekly Report.

CHAIRMAN VICTORINO: Okay.

VICE-CHAIRMAN OKAMURA: In regards to the desalinization project, and it looks like that you are thinking about seeking a consultant to see the feasibility of it. The preliminary -- your preliminary thinking, on the

subject, is that it is maybe feasible to do desalinization, and that's why it would be good to get a consultant, or what is the rationale for getting a consultant for desalinization, knowing that it's very expensive to get it done, and it wasn't feasible in the past?

CHAIRMAN VICTORINO: Mr. Tengan.

DIRECTOR TENGAN: Yes, Mr. Chair. In the past, we always got information that it was very expensive to do desalinization. However, there's been talk out in the community that the technology has improved, and that the costs may have reduced -- have come down. And, so, we are looking

at, you know, addressing this issue whether it is, in fact, feasible at this point in time or not.

Another purpose for the study, if you recall, part of the East Maui settlement was that the County look at all its alternatives for source waters in the West Maui area before we return to the East Maui project. And, so, this report here will help us determine whether, at this point in time, if we needed additional sources, and if it's unfeasible, then it will just give us a better footing to stand on in returning to the East Maui project.

CHAIRMAN VICTORINO: I think that was very clear



yesterday, with the address by our Mayor, who is very in tune to this desalinization. We have sent, I think, Jeff off to Florida to take a look at some desalinization plants there, and also that he's been in Okinawa. Our Mayor has been in Okinawa and has seen the projects they have there, which are American technology.

And he felt that Maui may be getting ready to get in to this, not only because of the sources that we may not have or may have available to us in the freshwater area or even in the groundwater, but he felt that this would be a

great way of augmenting during the drier months, the summer months that we have this as a backup program ready to run on line.

And, so, I have really no qualms with it. I don't know the expenses. I think that's what the public would like to know is what kind of expense you would be looking at. But when you put that along with the East Maui litigation settlement, I think that makes it very, very keenly aware for people in Maui to understand that desalinization may be something we look upon in the new feature, just because that's something that is available and may be cost-effective

depending on how we look at it. Yeah?

BOARDMEMBER HIRANAGA: Was this an agenda item?

CHAIRMAN VICTORINO: We are just discussing it.

BOARDMEMBER HIRANAGA: Maybe you should make it an agenda item. We are on Division Reports. This is not part of the Division Reports.

VICE-CHAIRMAN OKAMURA: I brought it up because --

CHAIRMAN VICTORINO: We were on the weekly report.

VICE-CHAIRMAN OKAMURA: And, yeah. It's a part of the weekly report.

CHAIRMAN VICTORINO: Thank you for your question.

VICE-CHAIRMAN OKAMURA: And was a division of the Department, so I was assuming that this was part of the report.

BOARDMEMBER HIRANAGA: May be more appropriate to make that request as part of a future agenda item.

CHAIRMAN VICTORINO: So noted, Member Kent.

VICE-CHAIRMAN OKAMURA: I don't think it needs to be discussed, you know, in the future. I just wanted to ask a question about it. It wasn't anything that we need more information on, except what it is and the question that I asked. Thank you.

CHAIRMAN VICTORINO: Okay. Sorry about that. I  
went off, too.

BOARDMEMBER RAISBECK: May I ask -- may I ask --

CHAIRMAN VICTORINO: Member Sally.

BOARDMEMBER RAISBECK: -- ask the Director if a  
consultant has been appointed for desal? Has a consultant  
been appointed and, if so, who?

DIRECTOR TENGAN: Yes, the Department has selected  
Brown & Caldwell to do a feasibility study, I believe. We are  
negotiating on the scope of work right now and awaiting the

final proposal from Brown & Caldwell.

CHAIRMAN VICTORINO: Okay. We will put this as an agenda item for the next meeting, and that way --

BOARDMEMBER RAISBECK: Thank you.

CHAIRMAN VICTORINO: -- we will be up-to-date as far as where we are there. Sticking and going back to the Divisional Reports, any questions in that area? Yes, Mr. Hiranaga.

BOARDMEMBER HIRANAGA: Returning to Division Reports, page 23, I note 75 5/8th-inch water meters were issued in the Wailuku area. 34 3/4-inch were also issued in

the month of January. Can you just -- Is this a single project or --

CHAIRMAN VICTORINO: Holly.

MS. PERDIDO: Yes, there was Wailuku Country Estates, Waiehu Kou III in the Wailuku area. Palauea subdivision also. Those are the majority of them.

CHAIRMAN VICTORINO: Do you know the breakdown on how many per subdivision?

MS. PERDIDO: For instance, Wailuku Country Estates, we had 21 5/8-inch, three 3/4-inch. Waiehu Kou III, 52 5/8-inch, one one-inch. Palauea, 19 3/4-inch. And then

Maui Lani Legends, we had 6 5/8-inch.

BOARDMEMBER HIRANAGA: And the 40 meters in

Makawao, 5/8-inch?

MS. PERDIDO: I had the girls give me like a lump

amount, but some of the large ones, Kulamalu -- Kulamanu

subdivision, 15 5/8-inch and 13 5/8-inch which were on the

reservation list. Kamehameha Schools, we had one large meter

installed there as well as two 5/8-inch. Hawaiian Homes had

three 5/8-inch, and numerous other 5/8-inch meters which were

either reservations or a few are from the priorities list.

BOARDMEMBER HIRANAGA: Thank you.



CHAIRMAN VICTORINO: Any other questions on the --

Member Sally.

BOARDMEMBER RAISBECK: Yes, thank you, Mr. Chair.

It would be very helpful if, in this report on number of services by meter size, if a summary could be included for each section, Wailuku, Makawao, Lahaina, Hana, and Molokai, giving the number of gallons that those meters represent, so that we would have a month-by-month accounting of how much additional water requirement is being issued along with these meters. Would that be possible?

CHAIRMAN VICTORINO: Director Tengan.

DIRECTOR TENGAN: Mr. Chair, I really --

individual Board members could do a rough calculation in their heads, if they use -- if a Board Member would use 600 gallons per day as an average that would be used by each meter. Of course, on the larger meters, you know, you would need to use a different factor.

But, generally, for the 5/8-inch meters, and to give Board members a quick and dirty estimate of how much water is involved there, if we use 600 gallons per day, you would be using pretty much what the Department uses as an

average for estimating how much water is involved.

CHAIRMAN VICTORINO: So, the 5/8 -- to make it clear, 5/8 uses 600 gallons per day?

DIRECTOR TENGAN: Right. Take, as an example, Makawao, 40 meters, multiply that by -- by 600, you end up with 24,000 gallons per day.

CHAIRMAN VICTORINO: Does that give you a little insight?

BOARDMEMBER RAISBECK: Yeah. Does the Department keep a list of how much water the meters that's issued are -- are accounting for?

DIRECTOR TENGAN: I believe Ellen does keep some records regarding this. Might be listed in the reservations.

BOARDMEMBER RAISBECK: Yeah, I would rather have that than a quick and dirty assessment.

CHAIRMAN VICTORINO: Go ahead, Ellen.

MS. KRAFTSOW: This gets back to the Water Use and Development Plan being late and everything else -- everything being late. Okay. We have had -- we just got a new staff member, which I am very excited about, although he's -- you know, when you are new, right now it's just training. It's not really increasing productivity yet, but it will soon.

He just started like yesterday or the 16th,  
whenever that was. But, right now, Sally, the truth is, is  
that we track -- after we get the meters installed, we are  
tracking installed meter reservations for Central Maui. About  
subdivisions and building permits, we don't even, as a  
Department, actually -- the information that -- the estimates  
that we try to make have always been rough and dirty, because  
we don't get enough information about the specific project.

So, only about -- discretionary reviews, where we  
have all the details -- the proposed details and actual meters

issued, where we actually get the map, and the size, and where it is and everything. The tables are not kept to the extent and frequency that you would be interested in in any detail. Because right now, we have been having two-and-three-quarter people to do all the water use and development planning, all the CIP planning, all the long range planning, all the GIS, all the conservation, all the resource protection, and all the discretionary permit review, and some of the regulatory functions.

We just -- you know, every time we come to the

Board, it's at least another day's work just in answering

questions for the Board. And this is something that would need a dedicated person to give you regularly. And at this point, until I get more staff, I would just ask you to wait on that. Because we just -- we just don't have it for every district at the level of detail that's appropriate.

CHAIRMAN VICTORINO: Does that answer your question?

BOARDMEMBER RAISBECK: Well, I'm not sure it does, because I would like to have the Department keep track of how much water goes along with the meters that they give out. I would like to have the Department keep track of that.

MS. KRAFTSOW: And that is something I agree with and we intend to do. And right now, we are doing it for all meters in Central Maui, but the other districts we are not doing it as meters are given out. We are doing it as we receive discretionary permits to review, because that's the point at which we get the full information.

BOARDMEMBER RAISBECK: Thank you.

CHAIRMAN VICTORINO: Okay. Anything else on Divisional Reports? All right. I would like to close the meeting by saying a couple of brief comments, and we will close up this -- we will close shop up today.



BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER RAISBECK: You did say I could read

Dorothy's letter of resignation.

CHAIRMAN VICTORINO: That's correct, but I was

going to read it, but you go ahead.

BOARDMEMBER RAISBECK: You read it. No, no.

That's fine.

CHAIRMAN VICTORINO: No, go ahead. Please read

the letter. This is the letter of resignation received from

Dorothy Pyle to the Board, the Board Chair, and the Director.

It was addressed -- it was cc'd, copied. Actually, it was addressed to Alan Arakawa, Mayor of Maui. Go ahead.

BOARDMEMBER RAISBECK: Dear Alan. Please accept this letter as my resignation from the County of Maui Board of Water Supply to which I was appointed in March 2003. I appreciate your recognition that my background, training, and skills will better serve Maui County on the Cultural Resources Commission and look forward to my appointment to this Commission in April 2005.

I would like to take this opportunity to comment

on the current status of the Board of Water Supply and offer you my observations from the past two years. As you know, the Charter change that established an advisory Board of Water Supply was voted on more than two years ago. In the interim time, no rules have been established for the current Board. As a result, the following problems are recurrent.

In spite of the talent and best intentions of the current Board members, nothing of any substance transpires at the monthly Board meetings. The Board is in limbo and hamstrung by having no rules. I am not sure who or what agency of government is responsible for foot-dragging in this

issue -- perhaps you are aware and can do something about it.

Currently, a group of busy, capable people come to meetings once a month to discuss nothing of substance.

This is a waste of their time and surely a waste of taxpayer resources. I believe that the citizens of Maui, who voted for the change in the Charter, fully intended that the new, advisory Board would still have a potent role in water supply decisions and fully intended that rules would be adopted immediately to allow the Board to function. This lapse has not gone unnoticed by the voters.

Since there are no rules, the Department does not

take the Board seriously. Requests for information are often forgotten about, agenda items requested by the Board are not adequately responded to, and the Board is often kept out of discussions about important issues for the County.

Three, Board members have pointed out some serious issues concerning water quality and water supply. Are these issues ever presented to you by the Department? My observation is that there is a breakdown in communication on all levels.

I believe that the Board of Water Supply has an

important role to fulfill, even in an advisory capacity. But the failure to have rules and the lack of communication on all levels have made their role impossible. I do hope some of these problems can be addressed in the coming year.

Thank you again for your faith in my abilities. I look forward to serving on the Cultural Resources Commission. With Aloha, Dorothy Pyle.

Thank you, Mr. Chair.

CHAIRMAN VICTORINO: And in closing, I will say that these people that come here, all of you Board members, the Department, your staff, the people of Maui, we have tried

very diligently to work hard to work with solutions to  
problems that exist or may exist.

Okay. And I want that to be known to the public,  
that these people, I think, try to work with the Department,  
and the Department tries to work with us. But the failure  
with rules or having clear direction has made it very  
difficult.

In fact, it wasn't just so recently that the Mayor  
actually gave us the autonomy or the so-called autonomy to  
work on judicial -- what do you call those cases?

BOARDMEMBER RAISBECK: Waivers.

CHAIRMAN VICTORINO: The waivers, yes. Excuse me.

Thank you very much more reminding me what the word was.

Waivers that people brought before him, because he is so busy.

So, again, I don't want anyone to think that the Department isn't trying their best, and I think you guys have put a great effort, you know, Holly, and Ellen, and George, and Alva, and Cathy. You guys all do a good job, everybody in the Department. But it's extremely difficult, when you have many entities that have a finger in the pie, and makes it hard for to us get anything accomplished when we don't have any clear guidelines, rules to work with, and we are still, in



essence, operating under the old rules that no longer exist,  
and we have no autonomy to enforce these rules.

So, I hope that this year we can, in the upcoming  
session, with both the Council as well as the Department and  
the Mayor, somehow clarify the role of the Board as an  
advisory -- as a viable advisory Board and do things to  
enhance the quality of water for the people of Maui and the  
sources that need to be developed, so that we can continue,  
not only in growth, but to continue to serve the people that  
exist here right now. Make sure they have clean and drinkable

water.

So, with no more comments to be made today, I

thank everyone, and I call this meeting adjourned.

(Adjourned, 11:51 a.m.)

*"By Water All Things Find Life"*

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