

County of Maui Water
Supply

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

Planning Department Conference Room

First Floor, Kalana Pakui Building, 250 South High Street,

Wailuku, 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

SALLY RAISBECK

RALPH JOHANSEN

MICHELLE McLEAN

Corp Counsel:

EDWARD KUSHI

Deputy Director:

JEFFREY T. PEARSON

Board Secretary:

CATHY HOWARD

Staff:

ELLEN KRAFTSOW

HOLLY PERDIDO

ALVA NAKAMURA

HELENE KAU

(Thursday, March 24, 2005, 8:09 a.m.)

* * * * *

VICE-CHAIRMAN OKAMURA: Will this meeting please come to order. This is the Board of Directors Meeting for the Board of Water Supply. Today's March 24th, 2005. We are at the Planning Department Conference Room in Wailuku, Maui.

Present are Kent Hiranaga -- Board members Kent Hiranaga, Stacy Helm Crivello, Michelle McLean, Ralph Johansen and myself, Kenneth Okamura. Also present is Deputy Director Jeff Pearson and various staff from the Department of Water Supply, Department heads -- the Department heads from the Board of Water Supply.

Okay. So, the first order of business for today,

are there any announcements that we need to make? Okay. If not, we will move on to approval of the minutes. The minutes were provided in the mailout. So, is there a motion to approve the January 27th, 2005, meeting minutes?

BOARDMEMBER JOHANSEN: So move.

BOARDMEMBER McLEAN: Second.

CHAIRMAN VICTORINO: Okay. It has been moved and seconded that we approve the minutes from January 27, 2005.

Any discussion? Okay. If not, all those in favor say aye.

(Chorus of ayes.)

Opposed same sign?

(Silence.)

Motion carried.

Is there a motion to approve the minutes for the
February 24th meeting 2005?

BOARDMEMBER McLEAN: So moved.

BOARDMEMBER JOHANSEN: Second.

VICE-CHAIRMAN OKAMURA: Okay. It has been moved
and seconded. Any discussion?

BOARDMEMBER JOHANSEN: I have just one correction.

On page 60, line 14, preview should be purview.

VICE-CHAIRMAN OKAMURA: What page was that, Ralph?

BOARDMEMBER JOHANSEN: Page 16 of 60 -- 60, line

14.

VICE-CHAIRMAN OKAMURA: It should be --

BOARDMEMBER JOHANSEN: Purview.

VICE-CHAIRMAN OKAMURA: Purview instead of

disapproval?

BOARDMEMBER JOHANSEN: Instead of preview.

VICE-CHAIRMAN OKAMURA: I don't know if I am at

the right page. Okay. So noted, Ralph. Any other

corrections or additions to the minutes? Okay. If not, the

minutes stand approved as distributed. Okay. Thank you.

Next order of business, is there any testimony from the public that we have today? Okay. If not, we will move on to unfinished business.

Number one, the update of the water rate study, we have Ann Hajnosz from W.R. Beck.

MS. HAJNOSZ: R.W. Beck.

VICE-CHAIRMAN OKAMURA: R.W. Beck. Thank you.

MS. HAJNOSZ: Good morning, everyone. Ann Hajnosz with R.W. Beck, and I am here to give an update to you of what happened at the most recent Stakeholder Committee meeting.

So, really, I have two things to do. I want to talk about -- give you this presentation on the customer class data review, and then I will talk briefly about what also was discussed at the Stakeholder meeting.

I think you all have handouts, right, for this presentation? Okay. Good. What we started off saying, and this is really from the Stakeholder recommendation where we talked about, in the next rate study, looking at customer classes versus the existing DWS rate classes.

As you can see, we have got general use, which is

an increasing three-block rate, agriculture which is an increasing and then a decreasing three-block rate, and then nonpotable which is on a uniform rate. So, those are the existing classes.

Just for some background, this is what the customer breakdown looks like, with almost, you know, 97 percent of your customers are in that general use category, and that was really the category that we were targeting to stratify some more.

Consumption is generally the same picture with 90 percent of the consumption in the general use category.

So, this is just some background for you to kind of let you know this is where we are starting from.

In general, what we were talking about was that customer class rates should, as much as possible, reflect the cost of service for each customer class. And, so, this is just very basic rate making, you know, theory that if you are able to distinguish between the different customer classes, with regard to their costs, and able to match that up with the benefits that accrue to that customer class, those are the kinds of rate structures that we would most like to see.

The second point is very important, because we can

get very complex in rate design with all this data that we have got. We can design some pretty complex rate structures. But in the end, that may not be too helpful if the customer doesn't understand it, and they have a lot of questions about those -- their bills, that provide -- that puts more administrative burden on the utility. And then, in some cases, the customers end up not paying their full bills for a long time. So, you have to really weigh the costs of perhaps a more equitable rate structure that's closer to cost of service with those costs of administering a more complex rate structure.

And then finally, as we have all been talking about, we want to encourage conservation as much as possible. And by separating it out into customer classes, we get a little closer to that.

What we did was we looked at a few utilities on the mainland that had comparable characteristics to the County of Maui. We haven't contacted them yet. This is -- we are still kind of ongoing, trying to contact them to get a little more information on their rate design. But we contacted some utilities in California and Florida. Tried to get a little

bit of resort nature to these County -- to these cities.

These are the kind of customer classes that we found. They have, in the residential side, single family, duplex, triplex, and they have multifamily, and they also had some distinctions between multifamily as a whole and then multifamily that was condo in nature as opposed to, you know, timeshare or renters.

And then, of course, you have got the ag and nonpotable. That's what Maui also has. And then on the right-hand side, you can see we have also got city, hotel/motel, commercial, quite a bit of stratification on the

commercial side. And then in many cases, they do have a class for nonprofitable organizations like schools or religious institutions and things like that.

The rate classes in Hawaii look like this. Three out of the four counties have pretty much the same structure with Maui, Big Island, and Kauai, of general ag and the nonpotable. Honolulu Board of Water Supply is the one exception. As you can imagine, they serve almost a million people, so they look and feel more like a big city and are able to stratify their customer base a lot more. So, they have got single family, multifamily, and then nonresidential

as well as the ag and nonpotable classes. So, that was the one that we kind of looked at as a model -- potential model for Maui.

So, to give you more information on Honolulu Board of Water Supply, we have -- their single family is an increasing three-block rate, just like Maui. You can see their rates right there. See their first block is zero to 26,000 gallons. Okay. Then their second block is 26,001 to 60,000 gallons. So, it's a much larger spread on their blocks as compared to Maui.

You can see on the multifamily, that includes

duplexes, townhouses, and small apartment buildings, they also have an increasing three-block rate, but the blocks per unit are lower than the single family blocks. So, whereas in the single family block you had zero to 26,000 in the first block, for the multifamily, the first block is zero to 18,000. And the reason why it's lower is it's basically giving some consideration to the fact that single family typically will have some irrigation, you know, outdoor usage whereas multifamily would not.

On the nonresidential side, you have got a uniform

block rate, which means everyone that's on that rate from the small mom and pop business to the large, you know, hotels and everybody in between is on that same rate, and they all pay a non -- the same -- a uniform block rate for that usage. Ag and nonpotable are very similar to what we have in Maui.

And, so, taking all that information that we have seen, we have come up with a few options to consider. You can see that compared to the existing, option one would be sort of taking that general use and carving out the single family customers and also having your ag and nonpotable.

Option two would be further carving out single

family and multifamily and then going on to have a nonresidential rate similar to Honolulu.

Option three we have yet to determine. And this will -- this may fall out once we complete our survey of these other cities.

The data so far has come from Haiku Design & Analysis. They basically took customer class data from reclamation and looked at their sewer class designations kind of as a model. There were some corrections that needed to be applied to that data, and further verification is still needed from the Department's standpoint. They really need to go and

look through our lists that we have already got in terms of who really are the single family customers.

This is kind of how the data shakes out right now.

The far left you can see the existing class consumption data.

Option one would stratify that general use category into

single family and general use. And then the third bar right

there would stratify it further into single family,

multifamily.

Okay. The data issues, as I mentioned earlier,

was that we have got about 80 percent of the general use

customers designated as single family, but that needs further

verification from the Department of Water Supply. The data on the number of multifamily units is very, very preliminary. We have almost nothing on that. And that's where the real stickler is, because we are thinking that it's going to be pretty costly to get that data.

The time line for the data collection is very tight. In order for us to design rates by the fall, we need this data like in May, you know, just a couple months from now. We have looked -- we have started looking at how much it's going to cost to collect the data for option two, which

would include the multifamily units, and while we don't have complete data, we are guessing that's going to be tens of thousands of dollars.

Basically, it would involve having a -- hiring a survey firm to collect data on the multifamily complexes in the County, and then getting additional data on number of units in each of those complexes as well as some water usage data. So, essentially, what we are kind of faced with is some high costs at collecting additional data to get us to option two, versus looking at option one and saying we have most of our data right now. We need to do some additional work to

verify it, kind of clean it up, but the cost wouldn't be nearly as great as if we have to go to option two.

So, possible plan would be, for option one, to either do something like designing a steeper inverted three block rate to promote conservation. So, we would take these existing three blocks the way they are. We might look at changing some of the usage blocks, or we might look at just the rates themselves and design a steeper rate structure, which would mean that the third block would be higher than it is right now, much higher.

Another alternative is to keep the existing sort

of steepness of the three block rate structure and then add a fourth block, a fourth rate block, which would be -- which would, you know, really hit those people that are using a lot of water.

Under this scenario, the large general use customers would not be impacted, since they would not be on the same rate schedule. They would be in a nonresidential rate structure. This option still allows lifeline usage allowance that you have got right now. The zero to 10,000 category in the first block would still be an option.

However, we would need to address or continue to address any

affordability issues that come out of this rate design.

We would consider a uniform rate for the general use customers. Again, this would include multifamily in that category as well as your retail and your commercial businesses. And ag and nonpotable we would envision being pretty much the same.

Okay. If we were to go to option two, the single family rate would look pretty much the same. But the multifamily rate, we would also carve that sector out to have a separate rate structure just for multifamily. It would be

based on the number of units in each of the multifamily -- for each of the multifamily customers.

When I talk about a multifamily customer, I am talking about an apartment or condo complex that may be on a two-inch master meter or something, and they provide water to, you know, two, three, 400 units, right? So, the rate structure would be based on an allocation of water for each of those units. Okay. And as in Honolulu, those -- the usage allowances are lower for multifamily than for single family, so, again, recognizing the nonirrigation characteristics for multifamily.

What we need to recognize here though is as much as you want to have a multifamily rate and say that we are going to encourage conservation from a per unit basis, in the end, if one person -- one, you know, unit is using a lot of water and doesn't care about conservation, and you have got another person who is really trying to conserve, in the end, all that water goes into one bill and is going to get split out probably pretty evenly among the customers. So, it's really difficult to tie that conservation signal back to the person that's trying to use it. So, we just need to recognize that there are limits to that kind of a strategy. And under

option two, the nonresidential customer and ag and nonpotable would be treated similar to option one.

So, the next steps -- this was as of Tuesday. We had wanted to collect more data on how much it was really going to cost to get this multifamily data. We needed to get a decision on whether to develop multifamily rates.

Department of Water Supply was going to complete the initial data collection to design these rates, and then we would also complete our survey of customer class rates for these comparable water utilities.

We would -- we would anticipate having something

to look at probably by the fall in terms of a rate design proposal. So, this is as of the Stakeholder meeting on Tuesday. At that meeting, the Stakeholders basically discussed sort of the merits of going to the multifamily rate -- let me close this down here -- going to a multifamily rate with a cost. And what they were really concerned about was that, you know, we are going to have to spend 10, \$20,000 to get this multifamily data. Maybe that money could be better spent even maybe applying it to a public information campaign to help educate the consumers on what's going to be

coming down with the new more conservation-oriented rate structure.

So, in the end, they are recommending that we go with option one, to still find out how much it would really cost to get multifamily data for a possible implementation in the future. But there was also -- you know, it was noted that, you know, there's some other data-gathering efforts going on with regard to the Water Use and Development Plan. That perhaps some of that data might be collected in conjunction with that effort, which wouldn't happen in the next two months. But over the next year or so, we could get

to multifamily data in a different way, and then perhaps consider designing multifamily rates at a later time.

And, so, that was pretty much what the Stakeholders sort of came down on as far as options one and two. So, we are planning on moving forward with option one right now subject to, you know, your input as well as the County Council's.

Before I take questions -- well, why don't we open it up to questions on that specific topic. I do want to let you know that we talked about some other things and maybe we can talk about that later.

Are there any questions specifically on this presentation?

VICE-CHAIRMAN OKAMURA: Michele.

BOARDMEMBER McLEAN: Thank you. Thanks for the presentation. Do the other -- any of other counties have considerations for low income customers?

MS. HAJNOSZ: Not that I know of. You know, this is -- where I have seen consideration for low income customers specifically with the utilities is on the electric side more than anything, although I am beginning to see it more also on a comprehensive utility standpoint.

So, it's not only the Water Department or the electric utility providing assistance. It's, you know, the city or the county providing assistance on your total utility bill, which would include wastewater and solid waste perhaps, so all the utilities are kind of sharing sort of that burden.

VICE-CHAIRMAN OKAMURA: Are there any other questions for her? Ralph.

BOARDMEMBER JOHANSEN: One question I had was you obviously have considered this, but I would like to know why census data wouldn't be helpful in determining multifamily as

opposed to single family.

MS. HAJNOSZ: Yeah, we have actually looked at some of that, not an extensive search, but from what we are looking -- what we are seeing, the data is not broken up as specifically as we would need it. For example, we -- in looking at some of the census data, it would say, well, the number of -- what is it called? Number of dwelling units, you know, and we would have a number, but it doesn't distinguish between, for example, is it a single family or is it a multifamily.

It's sort of a stand-alone, detached dwelling unit

versus a nondetached. We are not exactly sure what that means. And, so, the data might be there, but at this point, we haven't been able to identify it. And the reason why we need it -- we need it to be very specific to the county is really to do our revenue projection.

We really -- it's going to be difficult to say, well, there are just -- we know there are, you know, 10,000 multifamily units, without knowing, you know, how many complexes those units are -- you know, how many complexes those number of units are attributed to. Because the revenue projection includes not only a usage charge -- we could

certainly get a usage charge revenue out of that, but we need also a service charge revenue projection. So, we need both components of that. We need to know how many complexes there are and how many units are in each of those complexes.

BOARDMEMBER JOHANSEN: Thank you.

VICE-CHAIRMAN OKAMURA: Okay. Any further questions?

BOARDMEMBER JOHANSEN: I have one other question.

VICE-CHAIRMAN OKAMURA: Ralph. Go ahead.

BOARDMEMBER JOHANSEN: I don't know if this is the place to raise it, but how long has it been since the cost of

new meters has been correlated with the cost of new source development?

MS. HAJNOSZ: I believe that was like about three years ago, four years ago, when the water system development charge was raised. It's been about four years, I want to say now.

BOARDMEMBER JOHANSEN: Okay.

MS. KRAFTSOW: Three or four.

MS. PERDIDO: 2002.

MS. HAJNOSZ: Three or four. That's when it was

raised about 6,000. Is that the charge you are referring to?

BOARDMEMBER JOHANSEN: Yes.

MS. HAJNOSZ: Thank you.

VICE-CHAIRMAN OKAMURA: Any other questions? I

had one question regarding the nonresidential.

MS. HAJNOSZ: Uh-huh.

VICE-CHAIRMAN OKAMURA: I guess if you would have

trouble getting data for multifamily, you would have a much

harder time trying to break down that nonresidential.

MS. HAJNOSZ: Yes, absolutely. Because, you know,

the characteristics of nonresidential go everywhere from, like

I mentioned, you know, the small mom and pop or bed and breakfast to the Grand Wailea. That's a big spread.

VICE-CHAIRMAN OKAMURA: Yeah, my feeling was that, you know, maybe we should try to look at that area, because a lot of the bigger users probably would fall into that category, as opposed to a homeowner, and to try to promote conservation for the bigger users who have an option to conserve.

MS. HAJNOSZ: Yeah, I mean, there are counties, you know, cities and counties that have that specific, for example, hotel rate. And like I said, we are going to be

talking to them a little more, especially because, you know, saying what a hotel is might seem easy. But when you really get into it, what about timeshare and, you know, smaller hotels, and, you know, bed and breakfasts and, you know. It all starts to get a little murky as you dig down deeper.

But I would be interested in finding out from some of these resort communities how they do treat their more transient customers, you know. Because in some places, I understand, you know, we have got a multifamily complex that might have condo characteristics as well as transient or timeshare characteristics, you know. So, there could be one

customer that's -- that sort of displays multiple-usage-type characteristics. So, that makes it even murkier.

VICE-CHAIRMAN OKAMURA: Uh-huh. Yeah, I guess

my -- my thought is that maybe I'd -- like a large hotel, they might have a choice between, you know, water-conserving landscape and any kind of landscape. And somehow if we were able to encourage them to save water in their landscaping, that would be good.

MS. HAJNOSZ: Uh-huh, yes. And I definitely agree with you, and I think what I'd like to point out, too, is that

conservation is more than just about what your rates look like. It's also -- it includes, you know, things like water audits, and talking to your big customers, and helping them really design landscaping that conserves water, or putting in low-flow toilets, and all those kinds of things.

And, so, the rate structure is not the only mechanism that we are going to use, you know, to get some more conservation. It is an effective mechanism for single-family, residential-type customers. It may not be quite as effective on your large customers, because, you know, typically, they are in a business. They got to make money, and they are

trying to conserve on their utility bills already.

So, I think, you know, having a program where, for example, Department of Water Supply staff go and meet with the large users -- and we see that on the mainland. A lot of people do that. For more customer standpoint -- customer-service standpoint, they are meeting with their customers and asking them about their water usage and trying to help them reduce that way versus trying to force some conservation through their rates.

VICE-CHAIRMAN OKAMURA: Thank you.

BOARDMEMBER JOHANSEN: I have one.

VICE-CHAIRMAN OKAMURA: Ralph.

BOARDMEMBER JOHANSEN: Just one more question.

For people who may not understand it, could you go through --
you have a very clear presentation here and your Power Point
is very clear. Thank you for that.

MS. HAJNOSZ: Oh, thanks.

BOARDMEMBER JOHANSEN: Would you go through why
you have an up and down rate schedule for agriculture? It
starts at 142 in the proposed and in the existing, and then it
goes 191 in existing to 76 if you are 25,000 gallons or more.
That may be confusing to some people. Could you explain that?

MS. HAJNOSZ: Sure. I think in the State of Hawaii, really, this is a pretty classic situation where the state has traditionally supported agriculture by setting rates that are lower than the cost of service. And it's a -- it's strictly a policy decision that the various counties have all embraced for a long, long time.

That since agriculture is such a big part of the state, not only in their economy but also the culture, that the counties have adopted a policy -- this is strictly a policy decision -- to support agriculture by having lower

rates in that third block. It's strictly a policy decision.

BOARDMEMBER JOHANSEN: Thank you.

VICE-CHAIRMAN OKAMURA: Okay. No further

questions, Ann. Can you continue, please? Thank you.

MS. HAJNOSZ: Okay. Yeah, I wanted to let you

know that in addition to this discussion, we also sort of went

through -- because this was our first meeting since, like,

December, and so we just pretty much updated everybody in what

had been happening with the rate process in terms of having

the -- you know, the Board approve and recommend for

transmittal to the Mayor the rates as they were, with a couple

recommendations to have the audit be expanded -- the management audit be expanded to the whole department and also to focus on conservation-oriented rates.

So, that was communicated to the Stakeholders. We also updated the Stakeholders in what the County Council actions had been in the last few months, specifically with regard to the Water Resources Committee and their concerns sort of over process and those kinds of things. So, we talked through that.

I did give a presentation to the Water Resources Committee last Thursday -- Wednesday, and it was a pretty

comprehensive presentation over the whole rate proposal. And I think that went pretty well. I'm going to be giving a presentation at 9:00 o'clock to the whole County Council, that's going to be similar, that basically lays out the whole proposal.

We also talked about the CIP. We got an update of where the progress was on the CIP and spent quite a bit of time -- actually, there was an -- that's right. Lance Hiramoto from Department of Personnel Services came and talked to us again about hiring of engineers and what was being done to more aggressively recruit engineers and that sort of thing.

And I think that was about it. That's pretty much where we stand. This is going to be the last Stakeholder meeting until probably the fall. Any questions on that?

VICE-CHAIRMAN OKAMURA: Okay. I have a quick question, you know.

MS. HAJNOSZ: Uh-huh.

VICE-CHAIRMAN OKAMURA: Would like an energy surcharge fall under your -- your area of work?

MS. HAJNOSZ: Yeah, the Stakeholders did consider a rate design mechanism that would basically pass the

increases in power costs to their -- to the consumers. And other counties have adopted a power adjustment clause in their water rates. So, for example, when MECO raises their costs, and I know they have got an oil adjustment clause in their rate, so, you know, water could also have that. And the Stakeholders discussed it, and they are thinking about doing it for the next one.

VICE-CHAIRMAN OKAMURA: Yeah, because, well, that would help. I think maybe the Department needs to look at measures to conserve energy. But, you know, it consists maybe 10 percent of the operating costs of the Department.

MS. HAJNOSZ: Uh-huh, right.

VICE-CHAIRMAN OKAMURA: Thank you.

MS. HAJNOSZ: So, at the very end, the way we left

it was that the Stakeholders were going to be thinking about

their ongoing commitment to the process. Because when we

initiated this group a year ago, it was thought that it was

going to be a one-year commitment, and it's gone over that one

year.

And, so, they are all going to be thinking about

their commitment -- their continuing commitment. At the same

time, I think it was raised that, you know, there were some

questions on sort of the process of how this rate recommendation gets developed. And, so, we would really appreciate guidance from the various parties, including the Board, and we are going to be asking that from the County Council, as to how this whole process should best be implemented.

What is the Stakeholder's role? Should there be a Stakeholder's role? You know, what's the Board's role? What's the Water Resources Committee role? And I think, over the next few months, if we could sort of get that sorted out, that would really help the next rate process.

BOARDMEMBER McLEAN: I have one more question.

VICE-CHAIRMAN OKAMURA: Sure. Go ahead, Michele.

BOARDMEMBER McLEAN: One more question to the extent that you can answer this. In looking at conservation, there are two separate but related goals. One is conservation, because it's a finite resource. But also, looking at the water rates, it's also insuring that the water rates get as close to revenue neutrality as we can.

Is one more of a priority than another, in terms of encouraging conservation, in having the rate structures

tiered like that, to get -- to have the revenue that we need to keep the system operating and to have the revenue cover the cost, or is it as much or more so because it's a finite resource, and we want to have the financial incentive for people to conserve? Or is it both? Is it 50/50?

MS. HAJNOSZ: I think we have to have both.

BOARDMEMBER McLEAN: Is it 60/40? Is one driving more than another? Again, to the extent that you can say what they are thinking.

MS. HAJNOSZ: Sure. Well, we always -- our primary goal, when we are designing rates, is to have a water

utility be self-sufficient, so, revenue stability, revenue predictability. That is foremost in our mind. But over, you know, the past few years, throughout the rate-making methodology, there's always been a -- sort of a sense that, you know, we can design conservation-oriented rates, and we have the tools to be able to test or determine whether any of that conservation is going to impact our revenue predictability. I mean, it's called price elasticity, you know, and we do all these -- the economists do these elasticity-type of studies.

And it's been pretty much determined that

municipal water is in-elastic. So -- and that's probably because the rates have been so low for so long, that you can increase rates quite a bit before you get a real decrease in consumption and then -- and hence an impact on your revenues.

(Ms. Raisbeck entered the hearing room.)

Okay. So, while revenue stability and predictability is definitely the primary goal, we can certainly design conservation-oriented rates so it doesn't have a negative impact on that. Okay.

BOARDMEMBER McLEAN: Thanks.

VICE-CHAIRMAN OKAMURA: Okay. Are there any other

further questions? If not, thank you, Ann. It was a great report. Thank you.

MS. HAJNOSZ: Okay.

VICE-CHAIRMAN OKAMURA: Okay. We have Board member Sally Raisbeck.

BOARDMEMBER RAISBECK: I apologize for being late, Mr. Chairman.

VICE-CHAIRMAN OKAMURA: That's okay, Sally. I'm glad you made it.

Okay. Our next agenda item is the report on the

number of wells -- of all wells on Maui with requested revisions. So, Jeff, are you going to make -- be able to discuss this area, since the Director is not here?

MR. PEARSON: We can discuss this. The report was generated from our planning side, and Ellen Kraftsow is here, so I think, if you have any questions on the details of the report, I think Ellen should be able to answer the questions.

VICE-CHAIRMAN OKAMURA: So, what shall we do? Shall we just -- you guys want to discuss this matter? It's on the agenda, and so we will have Ellen make the presentation. Is that what --

MR. PEARSON: Maybe if Ellen could just speak to how she generated the report, and maybe she could go over some of the basic columns and what the description of the columns are. Maybe she could -- that could give a start to provide you with the information.

VICE-CHAIRMAN OKAMURA: Great. Ellen, go ahead.

MS. KRAFTSOW: This is just from the statewide database. The aquifer codes are just -- they have assigned a code to every aquifer. The well numbers have to do with the latitude and longitude of the wells and which number chronologically they were in that square.

The well name is self-explanatory. Owner, user, drill year, and driller are self-explanatory. The well type, I have provided a key in your -- in your letter there, and same with the use. There's a key.

The ground elevation and pump elevation, where they have it, the depth and the bottom of the hole. I mean, this is the same report that you saw last meeting, just with the change that you requested to replace geology with pump capacity. So, it's really just if you have any questions.

VICE-CHAIRMAN OKAMURA: Are there any questions, or concerns, or input on this topic that you guys would like

to make now, or would you like to -- how would you guys want to deal with this issue? Sally. You have your own.

BOARDMEMBER RAISBECK: Okay. Yeah, no. I wanted to thank Ellen for making the revision. I appreciate that very much, Ellen. And I just wanted -- maybe Ellen could give us the conversion from gallons per minute into mgd? I think --

MS. KRAFTSOW: 1440.

BOARDMEMBER RAISBECK: 1440 gpm is a million gallons a day. Is that right?

MS. KRAFTSOW: There's 1,440 minutes in a day, so,

yeah.

BOARDMEMBER RAISBECK: Well, what I mean is the

conversion factor. A 1440 gpm pump can pump a million?

MR. PEARSON: 693 gallons per minute is a million

gallons per day.

BOARDMEMBER RAISBECK: Oh, okay. So --

MR. PEARSON: Say more or less 700.

BOARDMEMBER RAISBECK: -- roughly 700.

MR. PEARSON: Roughly 700.

BOARDMEMBER RAISBECK: And 1440 --

MR. PEARSON: Forget 1440.

MS. KRAFTSOW: No, that just gives you gallons,
straight gallons.

MR. PEARSON: 700 gallons a minute.

BOARDMEMBER RAISBECK: Is a million gallons.

MR. PEARSON: Is a million gallons a day.

BOARDMEMBER RAISBECK: Okay. Thank you.

VICE-CHAIRMAN OKAMURA: Any other questions?

Ellen, you know, this test gpm?

MS. KRAFTSOW: Uh-huh.

VICE-CHAIRMAN OKAMURA: Does that say how much --

what does that say?

MS. KRAFTSOW: That means that when the well was tested, it was tested at that pumping rate. But that doesn't necessarily mean that that's the actual capacity that they installed.

VICE-CHAIRMAN OKAMURA: So, there's nothing here that says how much is drawn from the well or has been -- is --

MS. PERDIDO: No, that's not maintained --

VICE-CHAIRMAN OKAMURA: -- that can be drawn?

MS. KRAFTSOW: That's not maintained in this particular database, and we do have a lot of difficulty

getting regularly updated data on that question from the state.

VICE-CHAIRMAN OKAMURA: Then what would be like the -- is there anyplace where it tells what the aquifer code -- what aquifer it refers to?

MS. KRAFTSOW: Yeah, I just realized that as I was going over it with you that I should have provided that legend, but I didn't provide it here. I'm sorry. But if you go to the Commission web site, it's right there, or I can bring it next week, the list of aquifer codes.

VICE-CHAIRMAN OKAMURA: Okay. Yeah, this is

really good. It's really surprising to see how many wells there are, and what's the capacity. So, but I don't -- Ralph.

BOARDMEMBER JOHANSEN: I noticed that you don't

have any data on a lot of the pump capacity of the wells. And

I just wonder how those blanks can be filled in reasonably.

What is it going to take?

MS. KRAFTSOW: There are a couple of different

answers to that. The other side of the Commission that

actually tracks the use will have some of the data on capacity

that we lack. And then in addition, the vast majority of

these wells, of course, are not used at all. In fact, some of them are lost.

What needs to happen is an inspection, just one, by one, by one of all of these wells to determine their status, whether they still exist or not, whether they have been properly sealed or not. If they are in operation, what are the pumps.

We just -- it's more than we've had staff to take on at this point. There are some opportunities to do some interagency cost-sharing to do it, but, at this point, we don't have a program going yet.

BOARDMEMBER JOHANSEN: Thank you.

VICE-CHAIRMAN OKAMURA: I have a question. Should it be a concern, you know, that there are lots of wells into the various aquifers without any kind of monitoring that the aquifer would be -- you know, the potential for the future -- could be a potential problem in the future?

MS. KRAFTSOW: There are two things that can happen. One is that you can find that you are inadvertently pumping more than you realize, and the other is that you can contaminate the aquifer itself through an improperly sealed well. So, yes, it can be a concern.

If you look at where most of them are, there are a huge number right along the coast there. So, you wouldn't be likely to contaminate inland where the water really is, but where the -- where the water really is. The water is everywhere, but where the drinking water really is. But still, it's always a concern, yeah.

VICE-CHAIRMAN OKAMURA: And actually, right now, nobody is really monitoring that -- those issues?

MS. KRAFTSOW: The State has a requirement that if you pump more than a certain amount, you must report every

month. And then after that, there's a criteria for annual reporting. But they don't get all of the reports that they are supposed to get, and they haven't been able to enforce that reporting historically.

VICE-CHAIRMAN OKAMURA: Thank you.

BOARDMEMBER RAISBECK: Oh, Mr. Chair.

VICE-CHAIRMAN OKAMURA: Sally.

BOARDMEMBER RAISBECK: Yeah, I just wanted to say the chlorides columns, the initial chloride and also test chloride, those would be in like pp -- pp what? Ppm?

MS. KRAFTSOW: Probably milligrams per liter which

is ppm, yeah.

BOARDMEMBER RAISBECK: Milligrams per liter, and
anything over 250 would be considered undrinkable?

MS. KRAFTSOW: Well, actually, no. There are many
utilities that that serve water over 250, but 250 is kind of a
target that we use. It's a secondary standard. It's a target
that we use.

BOARDMEMBER RAISBECK: We never, in our system,
have chlorides in water we distribute that's over 250, do we?

MS. KRAFTSOW: I think that there have been
historically wells that have exceeded that, but they are

usually not a sole source well. So, it's mixed, so the water that people actually drink wouldn't be over that.

BOARDMEMBER RAISBECK: So, it would get mixed, you said. Okay. Yeah, one other comment. Ellen, it would be nice when you -- when you have like pump elevation, feet, well depth, feet, it would be helpful to have -- to have units for figures.

MS. KRAFTSOW: Okay. Sorry.

BOARDMEMBER RAISBECK: Thank you.

VICE-CHAIRMAN OKAMURA: Ralph, do you have a question? Okay. If not -- go ahead.

BOARDMEMBER JOHANSEN: The other thing is, until -- until this is firmed up, particularly by the State, we have no idea what the extent is of the draw down on aquifers around the islands of this county. And I'm wondering what kind of a problem that presents and how -- how you address that?

MS. KRAFTSOW: I think it's kind of unequal in certain ways. I mean, this sort of gets to the designation, no designation letter that I wrote you guys for later in the agenda, but it clearly has to be cleaned up. But, at the time

that the Commission made the decision to structure their reporting requirements this way, they seemed to feel that the vast majority of pumping from any aquifer came from the larger wells, and that the smaller wells -- it took so many of them to pump a substantial amount, and so many of them were unused, that from their perspective of just water quantities -- and they don't address the issue of quality -- that they were getting the most important results.

I think that all of the agencies feel that it's something that needs to be looked at more closely and cleaned up. I don't know if that answers your question.

VICE-CHAIRMAN OKAMURA: Okay. Any further

questions?

Okay. Thank you, Ellen. It's a good report. I

think it's something important that we need to know about,

and, so, thank you.

Okay. The next item on the agenda is the update

on the Pookela well. Jeff, are you prepared to speak on that

issue?

MR. PEARSON: Again, the EPM, Engineering Program

Manager, Alva Nakamura, will respond to that agenda item.

VICE-CHAIRMAN OKAMURA: I am sorry. Okay. Go

ahead.

(Chairperson Victorino entered the hearing room.)

MR. VICTORINO: Good morning, Mr. Chair --

VICE-CHAIRMAN OKAMURA: Good morning.

MR. NAKAMURA: The status on the Pookela well is

that we have been working with our consultants, in the last couple of weeks, to resolve an issue that has come up for the submittal of the pump and motor requirements from Baylick Drilling & Pump Service, who is the subcontractor for Maui Master Builders.

They had submitted a revised motor --

700-horsepower motor to Fukanawa for evaluation. And in dealing with the Maui Electric Company, it was determined that the 700-horsepower motor would be outside of the allowable flicker curve that MECO would allow on their system.

We have been working with MECO. We looked at the possibility of maybe restricting the pumping when we can start the pump. MECO did not want us to start this pump using this particular motor anywhere from 6:00 a.m. in the morning to about 10:00 o'clock at night. So, the only time we could start this motor would be between 10:00 o'clock at night and

6:00 o'clock in the morning.

So, that created some operational difficulties which, you know, we were trying to deal with. However, as we dealt with this more, there was another option that came up where we would be able to put in a 600-horsepower motor, which would now be within the flicker curve of MECO. And we have decided to go this route.

Keep in mind that if we had to go with the 700, with the restrictions, what that -- and MECO did not allow us to do that, what that would entail would be that Maui Electric would have to upgrade their transmission line that feeds the

Pookela well. And, in essence, what that would do, that would create a major delay in the service date for the well.

Going with the 600-horsepower option, this would not now be necessary. And in the interest of trying to keep the project on schedule, it was decided that we would go this route and go with the 600 horse power motor.

So, we have gone that route, and, at this point, in time, Fukanawa is going to take a look at the scheduling in terms of the project, and we believe that in terms of delay, the delay will be minimal at this point going this particular route. So, that's where we stand right now.

The gpm rate, by the way, between the 700 and the 600 -- the 700 was about 980 gpm versus the 600 at 900. And basically, the only difference is that we -- using the 600, if we pump, say, another hour, you know, we would come up to 980. So, it just involves approximately another hour of pumping to reach the same output as the 700-horsepower motor. That's kind of where we stand right now, Mr. Chair.

VICE-CHAIRMAN OKAMURA: Thank you, Mr. Nakamura.

Any questions for Mr. Nakamura?

I have a question. Originally, you were going to put in like a 1,000-horsepower and get -- the capacity was

going to be 1.2 million gpm.

MR. NAKAMURA: Yeah, we looked at that. That would have created a major problem with MECO. In other words, with the 700, if they didn't allow us -- they didn't allow us this restriction, they would have to bring up what they call a 23,000-volt transmission line to Pookela.

If we went with the thousand, they said that they would have to bring in a 69,000-volt transmission line to feed that -- to keep the motor starting within their flicker allowance. And that would have created a major, major delay

in the project.

They weren't even sure where they were going to bring the 69,000-volt transmission line from, let alone having to acquire all the right-of-ways and the location of the power line and all of that. So, you know, in terms of -- from a timing standpoint and keeping the project on schedule, that -- although it would have been beneficial in that you get more output, that would not have kept the project on schedule.

VICE-CHAIRMAN OKAMURA: Okay. Thank you. Oh, Kent.

BOARDMEMBER HIRANAGA: So, what is the projected

completion date now?

MR. NAKAMURA: We are still looking at January of '06. However, the contractor is going to be resubmitting a new construction schedule, because we had several weeks of delay because of this submittal by Baylick. So, hopefully, we will get a revised schedule from him shortly exactly where we are on this project.

VICE-CHAIRMAN OKAMURA: Yeah, are there any further questions? So, he's going to submit a new schedule, so we don't know really.

MR. NAKAMURA: Yeah, shortly. We have been

putting a lot of pressure on him to give us a new schedule, so we should be getting something shortly.

VICE-CHAIRMAN OKAMURA: If we generate our own electricity with a generator, it's not feasible when you get to this high voltage, right, with a diesel generator?

MR. NAKAMURA: When you do that, you see, now you get into a situation where you are going to have to have a storage facility for fuel, and then again you have maintenance problems with the generator. You are going to have to, you know, maintain that thing, and it would be costly to do that.

VICE-CHAIRMAN OKAMURA: Okay. Thank you. We have

our Chairman back with us now. So, Mike, welcome back.

CHAIRMAN VICTORINO: Thank you very much. I

apologize for being late. Unforeseen delays, and I apologize.

Okay. So, we are on now D, if I am correct.

VICE-CHAIRMAN OKAMURA: Yes.

CHAIRMAN VICTORINO: Okay. Discussion regarding

pros and cons of the designation versus nondesignated water

management areas. And you will find that in pages 28 to 43.

This, if we remember correctly, was brought up

shortly after the seminar we had down in Makena. And I've

purposely wanted all of you to understand what designation meant, and what a water resource management plan would mean to the County of Maui.

So, I hope you have had time to look it over. Do you have any questions or discussion on this, the pros and cons of designation? Any member have any comments?

BOARDMEMBER McLEAN: Mr. Chair.

CHAIRMAN VICTORINO: Yes, Michele.

BOARDMEMBER McLEAN: I don't have any questions.

I just wanted to thank you for following up on this and keeping it on the agenda, and I really appreciate the

Department's lengthy and detailed letter to us that basically says, okay, you can argue designation or nondesignation, but the important thing is protecting the resource.

And either way, these are a number of important things that -- that policy makers and decision makers need to keep in mind. I don't have any questions about it. I just wanted to thank you and thank the staff for putting this together. It's very valuable information.

CHAIRMAN VICTORINO: Yeah, I think this is something long overdue. Any other comments or questions?

VICE-CHAIRMAN OKAMURA: Would questions regarding

the memo from Ellen and the Director --

CHAIRMAN VICTORINO: Yes.

VICE-CHAIRMAN OKAMURA: -- be in order now?

CHAIRMAN VICTORINO: Yes, go ahead.

VICE-CHAIRMAN OKAMURA: Okay. Great. On page 32,

on number eight, the last sentence says, perhaps multi-agency

support could influence the Department of Health stance on

this.

What does that mean, number eight, the last

sentence, paragraph eight?

MS. KRAFTSOW: Yeah, I'm just trying to -- oh,

this is a -- just regarding the State revolving loan fund.

There was a time when we wanted to acquire -- use that fund to acquire a large amount of watershed land for protection. And we submitted the application to the State revolving loan fund with our justification, and the State came back that the policy was that they do not -- will not use the SRF funds for land acquisition.

I had spoken to Region 9 about this, and they actually do allow the State revolving loan funds to be used for acquiring lands to protect both key watersheds and

wellhead protection areas, but the State is not allowing that right now. It would be a really good thing if we could say, you know, okay, for the next 30 years, here's where we want to put our wells. And developers, these are the sites you pay in to, and we have chosen them because they are the best and safest sites. And we are going to acquire the land immediately mauka within a certain wellhead protection area using these SRF funds to protect them.

I mean, that would be almost the ideal way to plan a water system. Very few communities have the opportunity to do this, but in Maui we have some chance to do this still.

And, so, that was why that was put in.

MR. PEARSON: Mr. Chair, I need to clarify that State revolving loan funds are supplied from the federal government. And when Ellen mentioned Region 9, she went to the federal government, and they stated that they support this. But DOH -- State DOH are the -- is the body that handles the money, and they make the final decision.

So, although the fed allows it, DOH takes the money that they receive from the fed and their criteria doesn't allow it.

CHAIRMAN VICTORINO: So, you have kind of a

mishmashing of what policies one has, saying, yes, you can,
and the other agency saying, no, you cannot.

MR. PEARSON: Well, the Department of Health, once
they receive the funds from the feds, they have the final say
on how to allot those funds. And we can maybe influence them,
and that's what Ellen is referring to here. But that's how it
is right now. And that's not just with State revolving loan
funds, that's with other policies with Department of Health.

CHAIRMAN VICTORINO: They make that decision.

MR. PEARSON: Yeah.

BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: Yes, Ms. Raisbeck.

BOARDMEMBER RAISBECK: It sounds to me like this is a point where what the Department is -- via Ellen is saying is they would really like to see the State policy changed.

CHAIRMAN VICTORINO: Uh-huh.

BOARDMEMBER RAISBECK: Which is a possibility that could happen, if the Board -- you know, if the Board felt this was an important issue, it could convince the Mayor and the Council to request the State to change that policy.

CHAIRMAN VICTORINO: Okay. We will take that

under advisement and maybe send a letter over to both the Mayor and the Council asking for their assistance, yeah.

BOARDMEMBER RAISBECK: If we think that would be a good -- a good thing to do. Do you know any reason why the Department of Health doesn't -- doesn't want to use the funds? Is it because they say we have better uses for the funds? We don't want to use the funds for this?

MS. KRAFTSOW: I think that it was a question of how they did their triage. They decided that they wanted to prioritize some other projects first. You know, what do they say, an ounce of prevention is worth a pound of cure, so --

BOARDMEMBER RAISBECK: How much money is at issue?

I mean, how much money do they get from the feds that could be used for this purpose?

MS. KRAFTSOW: I don't know what their total budget is, and these can be expensive projects, but there are several other expensive projects that are funded through them. These would still be candidate projects on a list of eligibles. You know what I mean? It's not like they would have to fund every request that came in.

It would just be that they would enable these projects to be considered. Anyway, that was just one -- one

small point, but, yeah.

BOARDMEMBER RAISBECK: Thank you.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: You spoke of Region 9. You made inquiry. What is that a division of? What department of the federal government?

MS. KRAFTSOW: The Environmental Protection Agency divides the country into regions, and we are part of Region 9, along with California and the Pacific. And, so, that's where we are put under there.

CHAIRMAN VICTORINO: Again, the main reason that I

wanted this brought up was the fact that the County of Maui still has an opportunity, via the Council, whomever, that Water Resource Management Plan, if implemented and accepted, we take a lot more control on the water resources here in Maui County.

And when the former director spoke to us, she really emphasized the fact that once that was in place, that would also strengthen the State Water Resource Commission's position, because that's the plan that they would follow.

Unfortunately, Maui County does not have or has not

implemented a plan. Is that correct, Ellen?

MS. KRAFTSOW: Well, actually, I -- there are a few points there that I would differ with.

CHAIRMAN VICTORINO: Okay.

MS. KRAFTSOW: The first is we have, in both the 1990 and the 1992 Water Use and Development Plan efforts, referred to the intention to use water in the Haiku aquifer and to protect water. And when we have raised these comments, that has been ignored. And those are established and accepted plans that have been publicly on the books for a long time.

Now, with East Maui Development Plan Settlement

Agreement, we are changing course a little bit. But ultimately, the most water is still over there. And, so, sooner or later, whether it's in my lifetime or not, we will be needing water from there. And, so, it needs to be protected.

Another thing is, you know, I am not an attorney, but I don't read the code the way that former Director Izu did. I think that there really is nothing that would preclude the State from -- for instance, in the case when they had already been holding meetings on Maui to consider designation of Iao and Waihee, and then they approved four or five more

wells on the Iao/Waihee boundary region, it's unfathomable to me that they couldn't have made any other selection or couldn't offer us pumpage guidelines per well before we get to the designation point. There are any number of things that I think the Commission is enabled by the code to do that are more proactive short of designation. So, I -- that's just my opinion.

CHAIRMAN VICTORINO: Okay. No, no. And I think that's the main -- main point I'm trying to make. Is somewhere there's got to be some methodology for which we can control the water resources here on Maui County. And that's

what I'm trying to -- to develop. If it's the Water Development Plan or whatever methodology, but we should control our water.

Now, designation is fine. I have no problem with that. But it doesn't seem -- even with designation sometimes -- excuse me -- that even the State Commission even follows along those lines. Because like Ellen just mentioned, they grant additional wells within the area that we are discussing, the Iao aquifer.

So, you know, it's kind of a Catch-22. But I am

not going to belabor the point. I just wanted this to be brought out so that the public as well as the Board members had an opportunity to review it and have a better understanding. And hopefully, in the near future, the Council is supposedly working on a water development to be connected with the planning -- the master plan, the general plans or whatever they are called.

And, so, once all of these are interconnected, hopefully then Maui County will have a more substance way of taking and biting into problems and stopping those problems before they get to a point where we don't -- you know, we lose

the water resources. Okay.

Like you say, we are going to have to tap into East Maui one day. But let's not do that unless that becomes absolutely necessary, and let's make sure that we preserve and better the water resources that we have that exist out there. Okay. Any other questions on this matter? Yes.

VICE-CHAIRMAN OKAMURA: One last question.

CHAIRMAN VICTORINO: Sure.

VICE-CHAIRMAN OKAMURA: You know, the County's responsibility and role in terms of water management, it was mentioned in here that it's stated in the Charter, or is it

like County Code or what? You know, what law or document would give the County some say in the water resources of its -- on the island?

MS. KRAFTSOW: If you look at page 31, Item 1, the first article of the State constitution says that the State and its political subdivisions, which are the counties, have the responsibility to conserve and protect resources, and it lists them and water is one of them. And then the seventh article establishes a Water Commission.

So, clearly, the Water Commission has primacy. I don't think any of us question that. I think that the issue

is that the Charter is not entirely clear on what our responsibility and authority is to protect water resources.

VICE-CHAIRMAN OKAMURA: Charter meaning the County Charter?

MS. KRAFTSOW: The County Charter, yes.

VICE-CHAIRMAN OKAMURA: Okay.

CHAIRMAN VICTORINO: Yes, Ralph.

BOARDMEMBER JOHANSEN: Just one question. This document dated March 15th, which is entitled, preliminary thoughts designation, will be on line, if anyone wants to look

at it?

MS. KRAFTSOW: That would be up to the Director.

MR. PEARSON: Yeah, I don't speak for the Director, but I am sure we can put it on the web site. I don't see any reason not to. It's a public document.

CHAIRMAN VICTORINO: Okay. Michele.

BOARDMEMBER McLEAN: Thank you, Mr. Chair. And I apologize if this question was asked while I stepped out.

Ellen, has there been an occasion to give this same information to the County Council, to the Water Resources Committee?

Have you had the opportunity to do that or, if not, could we ask that it be forwarded at least to the Committee Chair, as an FYI, and if they chose to put it on their agenda to discuss it. Just especially with the Charter amendment and our lack of clarity as to what the Board's role is with some of this, they are really the main policy makers now. And I think this would be helpful to them, if it hasn't been provided to them in some other way.

CHAIRMAN VICTORINO: Jeff.

MR. PEARSON: Again, we can make that available to them.

CHAIRMAN VICTORINO: Okay. Go ahead.

VICE-CHAIRMAN OKAMURA: Yeah, I think that's a good point, Michele. I think really the Board should say that we would like or we recommend that the Council address this issue, because it's not being addressed, or something like that.

CHAIRMAN VICTORINO: Okay. I will ask that this be forwarded to the Council Chair, Michelle Anderson -- I mean, the Council Chair as well as the Water Resources Chair, and make sure that Riki and Michelle have copies of this. And if they choose to move it on in various committees, then that

would be their call. But with a letter recommending, from the Board, if I am hearing correctly, that you guys would like them to look into this matter and get some clarity.

BOARDMEMBER McLEAN: Well, it's for their consideration as they -- as they develop water use policy.

CHAIRMAN VICTORINO: Okay. Okay. Michele, thank you very much.

BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER RAISBECK: I would like to bring up a

further point, which is related to a number of these paragraphs, apparently. The Water Use and Development Plan, I read a draft ordinance or draft bill over at the Water Committee that was submitted by Dain Kane. And it was -- it made clear that the Department was the responsible body to prepare the Water Use and Development Plan.

And it wanted to see more coordination between the Planning Department and the Water Department in preparing -- make it part of the general plan. But still, the preparation of the Water Use and Development Plan would have to be done in the Department. And I'm concerned about the speed with which

this can be accomplished, the Water Use and Development Plan.

I know that Ellen has very small resources of time and of staff to do this.

(Boardmember Parsons entered the hearing room.)

And I'm also concerned, because before Christmas, there was the first meeting of the Joint Central Upcountry Citizens Group to consider -- to help with the -- advise on the Water Use and Development Plan. And yet it's now almost the end of March, and they haven't had a second meeting.

So, I'd like to ask Ellen what can be done to speed up the process, so that if the general plan is started,

the Water Use and Development Plan, certainly, for Central and Upcountry, which is sort of the meat of it, how are we going to accomplish that within a reasonable timeframe? What do you need in terms of staff, and in terms of time, and in terms of cutting loose other obligations, because you are so involved in CIP, many other things?

MS. KRAFTSOW: I guess, first, we need to get out of the building, which we have signed a rental agreement and are expecting to be moving sometime in May, which right away will enable us to start hiring. Secondly, I need faster turnaround. There are position descriptions that have been --

I don't know. They have been approved since 2003 and still not filled. So, I need more assistance in getting those positions filled.

I know that the Planning Department has had such difficulty hiring that they are now allowed to hire at least high-level planners at a higher step. We have had difficulty filling not only our high-level planner positions but our low-level planner positions. So, we need help getting more staff and getting out of the building.

Unfortunately, in order to get to that point, that

also is a major distraction dealing with moving, you know.

So, it slows down before it speeds up. But we do have another

Central Maui and Upcountry meeting scheduled actually

separately now, Central Maui, Upcountry. I think Central Maui

is April 20. I know that's longer than you wanted it to be,

but we felt that we needed the time to do some internal work.

And Upcountry was the 27th.

That conflicts with another meeting, and we are

trying to decide whether -- we are holding a room for the 26th

and the 27th trying to determine whether it's better to have

two water meetings one night after the other or two water

meetings on the same night and actually in the same community center, just at the same time next door to each other. Kind of conflicting, but at least everybody is there already.

So, either the 26th or 27th would be Upcountry and the 20th for Central Maui. That's our current plan. Other than staff and moving, I personally -- my experience is that the way that the budget is done could be made -- possibly there are certain efficiencies we could look for within the County which, you know, I would hope to have a chance, at some point, to talk to Sherry about now that she's Budget Director.

I think once we get that, it will take a while to

get that, and then there's the problem of needing to train people, which also slows you down. But once we get there, I am hoping things will start moving faster and faster.

CHAIRMAN VICTORINO: Okay. Any other questions or comments? If not, I am going to call for a five-minute recess.

(Recess, 9:20 a.m. Resumed, 9:27)

CHAIRMAN VICTORINO: I'd like to reconvene the meeting. Moving on to Director's reports. Director's Reports 05-01, operational costs per week for the Hamakuapoko wells. Mr. Pearson.

MR. PEARSON: Thank you, Mr. Chair. This is just kind of a brief breakdown of costs per week for the H'poko wells. Our division head Joe Mendonca is here if there are any questions. He provided this information.

This information was taken when both wells were operating 24 hours a day for the entire week. So, this is kind of the higher operational costs. Right now we are not operating, if I --

MR. MENDONCA: No, we are not.

MR. PER: I will bring Joe up here anyway in case

anyone has any more specific questions about details of H'poko wells.

CHAIRMAN VICTORINO: Okay. I open the floor up to questions. Ms. Parsons.

BOARDMEMBER PARSONS: I have a couple of questions, Jeff, for H'poko. Can the public view the latest reports that you have on the studies that you have done on the quality -- water quality of the well? Can we get copies of that?

And the other one is kind of a cross between a comment and a question. One of the things that we heard, when

we went to the grant meeting Upcountry for the lead issue, from Boyle Engineering, was that, yes, groundwater is better. Yes, that's more stable to deal with. However, you can't afford it.

And I think before we take that jump, if we could have a survey of the public or somehow do a study of how much bottled water is actually purchased per household, because I think you are going to find that the number for bottled water is probably quite high in comparison. I know that our household spends over \$100 a month, in addition to our water bill, for bottled water.

And I think even if we had to raise rates

Upcountry, specifically Upcountry, you know, for the purpose of putting more groundwater up there and also keeping H'poko wells cleaner, whatever we have to do to keep that water as pure as we can, I -- I don't think that five, 10, \$20 on a water bill is going to make that much difference to folks Upcountry.

So, and I know when we amortize it, it's a whole lot less than that. Before we jump to those conclusions that we can't afford it or we can't afford to look at other alternative sources for Upcountry, can we see if we can't

maybe do a study for the costs the households are expending?

MR. PEARSON: The first part of that comment was we can put the H'poko water quality. It's in -- there's some data in the -- in your packet. I know there's additional data from earlier. I think we just didn't include it here. That is -- like everything else, it is public information, so I don't have a problem providing that information.

On your second comment, I think we -- that's part of what the water supply does is evaluate the -- you know, provide clean water efficiently. So, efficiently is the word.

And, so, if there's a possibility that the community would choose to pay a higher price for the water for additional pumping, we will evaluate that at the time.

BOARDMEMBER PARSONS: Thank you.

CHAIRMAN VICTORINO: Ralph? Oh, any other questions or comments in regards to the report?

VICE-CHAIRMAN OKAMURA: Question.

CHAIRMAN VICTORINO: Yes, go ahead.

VICE-CHAIRMAN OKAMURA: The figure for the week in this report is like \$6,356. And that was like you're pumping of how many million gallons a day? Would you know offhand,

approximately, roughly?

MR. MENDONCA: Yeah, this is 1.4 million.

BOARDMEMBER JOHANSEN: Mr. Chair. Mr. Chair, I

wonder if we could have the Department member give his --

CHAIRMAN VICTORINO: Would you introduce yourself,

Joe, please?

MR. MENDONCA: My name is Joe Mendonca. I am the
operations manager.

CHAIRMAN VICTORINO: Thank you, Joe.

MR. PEARSON: Yeah. Joe was the temporary
assignment to that position for approximately a year, and

recently we followed through, and now he's in the position permanently.

CHAIRMAN VICTORINO: Our congratulations, Joe.

Now we can call on you all the time. Okay. Go ahead.

VICE-CHAIRMAN OKAMURA: That's what I wanted to know. This is when, like, when there was a drought, and we were pumping water. That is when you were using the well full time, but not anymore, right? It's sort of not being used now, is that correct?

MR. MENDONCA: It's not in the system, but we actually run the wells just for maintenance purposes.

VICE-CHAIRMAN OKAMURA: Okay.

CHAIRMAN VICTORINO: Any other comments or questions? Okay. Moving on.

MR. MENDONCA: Thank you.

CHAIRMAN VICTORINO: We go on to Director's Reports 05-02. Well, that's the quality report which I think we just brought up. Okay. If you have any questions on the quality report, you can go ahead and ask it now, pages 45 and 46.

I do have a couple of questions, and I -- and I do

apologize, because I've not a real good understanding or have a good understanding of all these terms. So, I had a couple that I kind of highlighted. And the alkaline -- yeah, calcium alkaline, maybe Joe -- I'm not sure who can explain that a little more. There is just all these centimeters, you know, different types of codes. What -- can you kind of --

MR. PEARSON: Basically, milligrams per liter --

CHAIRMAN VICTORINO: Yeah, milligrams per liter.

MR. PEARSON: -- is parts per million of whatever they are looking at.

CHAIRMAN VICTORINO: Okay.

MR. PEARSON: Micrograms per liter is parts per billion.

CHAIRMAN VICTORINO: Okay.

MR. PEARSON: And then if you look down below on the maximum contaminant levels, that's a criteria that the federal or the -- of course we have to meet the State requirements that are sometimes more stringent. I guess every time they are more stringent.

So, if you look at the maximum contaminant levels down below for -- for an example, EDB, it's .04 parts per billion. And in the H'poko 2 well, at the top of the page,

under 10/29, it's .054. So, that means it was higher than the maximum contaminant level. So, then when you have the -- when you run the water through the GAC, which is granular-activated carbon, this 50 percent bed, 75 percent bed, that's in different depths where we have a tap where you pull water off of carbon filter.

CHAIRMAN VICTORINO: Yes.

MR. PEARSON: And it shows what the values of those levels are at different depths of the bed. So, as you can see, after it's traveled just half of the bed, there's nondetect of that EDB which was above the contamination level

before. So, in other words, the carbon filters work and so forth.

And, so, there's just -- there's just a few values that were above the maximum contaminant level on these dates tested. One thing that I should clarify, the nitrate and the nitrite, I don't see the maximum contaminant levels here. I think they are 10.

MR. MENDONCA: Yeah, that's 10.

MR. PEARSON: It's 10 -- what is the values -- parts per million. And you can see that that's one of the

bigger concerns with these wells is the nitrates and the nitrites. And the value that you can see is half on the H'Poko 2 on the October 25th date.

So, we are -- we are -- before we get this water into the system and how we get it into the system, we still need to meet with the community and discuss their concerns, especially the community in the Paia area, where one of our options was to pump the water from these wells directly into the Paia tank and then serve mostly the Paia community.

And there's some vocal opposition that any -- any nitrates or any DBCP is unacceptable, even though it's under

the maximum contaminant level or nondetect. Some of the people in the Paia area consider that still unacceptable. So, we have a little work to do before we find out how we are going to utilize that water.

CHAIRMAN VICTORINO: Okay. Yes.

BOARDMEMBER PARSONS: Do we test for metals or does DOH test for any kind of metals that come out of the fertilizers and things like that? Is that a normal standard testing?

MR. MENDONCA: Yes, that would be a phase two or phase five testing, but we haven't ran the wells that long to

perform those tests.

MR. PEARSON: And we have already discussed with the public that once the wells are closer to getting on line, that we would again run that full suite of testing as you would do if you are starting up a new well.

BOARDMEMBER PARSONS: I don't understand exactly what fertilizers do to the water. Do either one of you? Can either one of you tell me, you know, what the fertilizer -- and they say metals, because that's what I have heard the community talk about. What exactly are they referencing?

MR. MENDONCA: I would think that the fertilizers

would promote the nitrate levels to be high. That would be the result of that.

BOARDMEMBER PARSONS: But what about -- what metals are they talking about that they get into the water? Are they talking about minerals, or lead, or what is the --

MR. MENDONCA: There's like, I think, 83 chemicals and metals that's tested throughout the phase five requirements, and they could be chemicals from inorganic chemicals, also organic chemicals.

BOARDMEMBER PARSONS: Can you give me an example?

Because I am still not clear. I am not clear what they are
referencing to.

MR. PEARSON: Maybe what I could do try to pull up
the suite of chemicals that they test for for -- what do you
call it -- phase five. If I could pull up that suite of
chemicals that is under the EPA guidelines, that might give
you an idea by, you know, listing hundreds of chemicals that
are tested for which would be the inorganics and the organics.

BOARDMEMBER PARSONS: And we will do that at some
point?

MR. PEARSON: That's what I said. Already I spoke

with the community. We had a meeting -- it was a while ago, but when speaking with the community, we thought it would be good for our own knowledge, too, to test the wells as if it's a new well as required by EPA. And when you test them, as a new well, you have to test the entire -- I think Joe called it phase five, the large -- it's like three pages of chemicals that are tested.

It's kind of an expensive endeavor, of course, because there's a lot of samples that need to be taken, but we plan on doing that before the well is put on line.

BOARDMEMBER PARSONS: Do we do that with all of

our wells, even like downtown wells and --

MR. PEARSON: When the wells start up, when you start up, and prior to putting the well to serve the -- to put it into the system, that's required. And once -- once that meets that -- you know, passes that requirement, then we do some of these basic testing, and it isn't always -- it definitely isn't that whole large testing procedure anymore once it's been deemed --

BOARDMEMBER PARSONS: And then -- are we in hopes that the carbon filter takes all this out? That's the way it's supposed to work?

MR. PEARSON: That's one of the debates. Like I say, even though we call it nondetect, which is less than 5 parts per billion, which is considered nondetect, if the community feels that there's still concern of the water quality, then it's debatable, I guess. But the carbon filter has removed -- as is shown here and in other tests, it has removed these concerned chemicals to the nondetect levels.

BOARDMEMBER PARSONS: And just from a clarification standpoint, this goes through -- we go through our filter system, and if they are going through a home filter

system on top of that, that's just another process to help

eliminate?

MR. PEARSON: I suppose. I mean, I don't know the

details.

BOARDMEMBER PARSONS: I mean, talking in theory.

MR. PEARSON: In theory, if it's a good home

filter system. I know a lot of those are carbon-based.

BOARDMEMBER PARSONS: Surface water is a problem,

I know, but groundwater we should be --

MR. PEARSON: I don't have knowledge of all of

that.

BOARDMEMBER PARSONS: Thank you.

CHAIRMAN VICTORINO: And has this -- these wells, when do we project or do we have any projection of when we put them on line?

MR. PEARSON: Well, Alva just left, but he's working on providing the permanent power to these wells. And I think that's scheduled for sometime this April, within the next month or so, to get permanent power, so we get off the generator.

CHAIRMAN VICTORINO: Okay.

MR. PEARSON: Then we need to do the construction

of the pipeline that goes from the wells to the Paia tank.

Again, I am not assuming that that's the exact way we are going to put it on line, but that has to be done.

CHAIRMAN VICTORINO: Okay.

MR. PEARSON: Then we have to meet with the community more than once to share our direction or to get input on other directions. One thought is to pump the water up to the Kamole treatment plant. We would have -- it could be treated already, but it would be pumped up to the Kamole treatment plant.

At the outlet of the plant, the water would be

mixed, and then that same amount of water that we pump up, we could gravity flow back down. It's expensive. It might not be the best operational way, but that might be to meet the concerns of the public.

CHAIRMAN VICTORINO: Would that make it safer? Is that what the theory behind that?

MR. PEARSON: Well, safer is a tough word, but, of course, it would -- it would defuse -- it would blend the water with the water that's coming out of the Kamole plant. So, you have nondetect chemicals in the water, and you dilute

it, you know, by -- you double the volume of the water, it's going to be less -- less intensive.

CHAIRMAN VICTORINO: At this phase five testing for the -- like a new well, has that been scheduled or is that still kind of in the --

MR. PEARSON: That has not been scheduled yet.

CHAIRMAN VICTORINO: Okay. Okay. You know, if we are going to put something on, you know, I guess a timeframe again is what -- more or less what were looking for, yeah.

MR. PEARSON: I would think it's a year at least before it would be on line.

CHAIRMAN VICTORINO: I understand.

MR. PEARSON: And again, that's with a lot more communication with -- especially with the Paia area, but with the general public also.

CHAIRMAN VICTORINO: Okay. Ken.

VICE-CHAIRMAN OKAMURA: Yeah, thanks for explaining this thing, this chart. So, what it means, like -- like maybe the EDB, the H'poko 1 and H'poko 2, that's how much there is of that particular thing before treatment. Then as you go down, it shows a different -- the different treatments -- I mean, the different -- like, I would assume --

MR. PEARSON: Concentrations.

VICE-CHAIRMAN OKAMURA: Yeah, the different
filtrations?

MR. PEARSON: Correct.

VICE-CHAIRMAN OKAMURA: And the final GAC combined
effluent, the ND, that's the final product?

MR. PEARSON: Correct. There's portions of the
bed, like, that says 50 percent, 75 percent, and effluent, of
course, is after it's gone through the whole bed. And that's
the -- I guess there's two effluent points, because there's
two beds, yeah. Because there's both GAC -- the filters are

in series. And then after the second filter then, of course,
it's the two -- they are -- the flows are combined, and I'm
not sure what a Weir-Vault is.

MR. MENDONCA: That's Kamole.

MR. PEARSON: That's Kamole. Okay. Excuse me.

So, that's a little off. May not need to be there.

VICE-CHAIRMAN OKAMURA: Okay. Thank you.

CHAIRMAN VICTORINO: Any further areas of
discussion? Ralph.

BOARDMEMBER JOHANSEN: Just one for members of the

public that are interested in this. Will these two documents be on the web site? I'm speaking of the two documents having to do with the H'poko wells, the one operational costs per week --

MR. PEARSON: I guess I could say the same answer.

This is a public forum, so I will just check with -- I will verify with the Director, but I don't see any reason why we can't place them on the web site.

BOARDMEMBER JOHANSEN: Thank you.

CHAIRMAN VICTORINO: Okay. Moving on. Going to

Director's Report 05-03, clarification of CIP funding, pages

47 and 48. Open up the floor for discussion and questions.

BOARDMEMBER RAISBECK: Yes, Mr. Chair. I have some questions. I believe this is an answer to a request by Member Johansen last time. And I want to clarify, first of all, what the units are? These are thousands of dollars?

MS. KRAFTSOW: Yeah. Sorry.

BOARDMEMBER RAISBECK: Thank you. Thousands of dollars. And E means expansion funds, and I means improvement funds. So, that would be -- improvement would mean like upgrading present piping, et cetera. And expansion, in fiscal year 9, 10, 11 and 12, those very increased amounts, does that

represent a new reservoir? Am I right?

MS. KRAFTSOW: Yeah. One of them is -- looks like 10 here. I don't actually have the schedule in front of me, but one of them is a \$55-million dollar reservoir for Lower Kula.

BOARDMEMBER RAISBECK: Okay. And that would be considered expansion, not --

MS. KRAFTSOW: Well, that's interesting.

BOARDMEMBER RAISBECK: Not improvement?

MS. KRAFTSOW: It looks like it's funded from multiple sources, because it's needed now for reliability

backup, and it's also going to serve expansion. So, probably the bulk of the funding is in expansion sources. Actually, the bulk of the funding is probably in State sources, but some of the funding would also come out of -- could also come out of improvement, because it is --

BOARDMEMBER RAISBECK: So, some of the lower line would also be going toward that big reservoir is what you are saying, some of the lower line?

MS. KRAFTSOW: Right. The reservoir that I am talking about is the Lower Kula reservoir, and that's

something that we need now as well as something that will improve reliability, increase firm yield.

BOARDMEMBER RAISBECK: Right. But what is the status, and is that a specific project that is in design?

MS. KRAFTSOW: Yes, yes. It is in design, and a preliminary study has been done by Okahara, but we won't be able to build that reservoir until we get some State or federal funds to help with it.

BOARDMEMBER RAISBECK: Okay. I added up the E line and the I line, and it looks to me like 60 percent of the total -- over the whole thing, if you add up all those

figures, they come to \$286 million, and 60 percent of that is for expansion and 40 percent for improvement?

MS. KRAFTSOW: Actually, can I just make one thing? I handed out to you a revised version of that. As I said, that first year, I had jumped the gun a little bit when I ran it. I had already made a change in the database that I shouldn't have made. There's a project that was scheduled in '04 that we put it out to bid and nobody bid. And we couldn't -- by then, it was too late to get it in '05, so we scheduled it in '06.

But actually, we are going to -- probably once the

budget thing is done, we will probably go to Council and request to amend to '05, so we can do it soon. So, I had jumped the gun. And, so, you can see that fiscal year '05-'06 should be -- correctly be 20.564 million. And I handed out a correction to you. So, the total is 287.

BOARDMEMBER RAISBECK: So, just the only change is the number for I in fiscal year '05-'06?

MS. KRAFTSOW: Right.

BOARDMEMBER RAISBECK: And that changes the total. Okay. Well, I guess what surprised me seeing this is that I think when Ralph made -- you know, asked for the breakdown, it

was to find out how much is going to be expansion, how much is going for improvement. And given the fact that we constantly hear about the terrible state of much of our system, I just wondered, should we be spending a lot more on improvement, basically?

MS. KRAFTSOW: Yes. We have -- there are a couple things to consider though. I don't think that -- one is just the number of projects that -- that we can get done, and we are looking at combining projects into big groups, so that we can do more miles per year.

But, the improvement projects are a lot less expensive than the expansion projects. The expansion projects tend to be the more expensive projects. Source development is much more expensive than just pipe repair, in general.

Enlarging tanks, tanks are very expensive projects for reservoirs. So, they tend to run -- after doing this over the years, it tends to run about 50/50.

But you are going to get periods like where we have a huge reservoir that we need and some more huge source issues, and actually, another reservoir that we need, you are going to see some jumps in the expansion portion. Or other

times you might see jumps in the improvement portion if we lost a huge transmission line or something. But over the years, my experience is that it tends to run about 50/50.

BOARDMEMBER RAISBECK: Well, it looks like the plan is over the next seven years, it's going to run 60/40.

MS. KRAFTSOW: Yeah. Based on those large reservoirs. I mean, those are huge projects for us.

CHAIRMAN VICTORINO: Ralph.

BOARDMEMBER JOHANSEN: Well, the Director explained that a good deal of the source is derived privately by -- by developments. And I wondered if the Planning

Commission has the overall picture of how much is generated by private source and how much -- for new development, and how much is generated by the Department of Water Supply.

MS. KRAFTSOW: Let me just check if I understand your question. We do track. When we get any kind of permit to review from the Planning Commission, we respond to them this permit we anticipate will use this much water, and we maintain a table that we update quarterly for each system of projects pending based on approvals and review.

But, a lot of the times, the developer -- we are looking at a demand curve, a natural demand curve, and we are

saying, okay, based on our experience, demand is going to increase like this. And, so, we need this source by then, and that source by then.

It may come time that there is a big development, and the developer pays for the source, but it will still have been in our long range plan just to meet the natural demand curve. And then sometimes there are developments that would exceed the natural demand curve, and then we just tell them you have to develop source.

BOARDMEMBER JOHANSEN: So, these projected private

draws on the aquifers are charted by the Department?

MS. KRAFTSOW: What is charted by the Department for the Planning Commission is how much each project will use. If you are talking about private draws, in the cases where a developer is saying we are going to develop our own well, we still have the data on how much we think that project is going to use. But ultimately, the better data on that would be to see what's really pumped.

MR. PEARSON: The majority of the time the developer, when Ellen is talking about developing source, they develop the source, and they dedicate it to the County. So,

it ends up being the County of Maui's source that we operate.

They just have to pay the certain fees.

BOARDMEMBER JOHANSEN: They are paying the cost of generation and transmission and so forth?

MR. PEARSON: Correct, either by developing the source or through the water system development fees.

MS. KRAFTSOW: And we do also keep track of which developments -- we have written a statement in our letters about you will be or you may be required to develop source based on the size of the project.

BOARDMEMBER JOHANSEN: One other question. Is a

breakdown of these two components, expansion and improvement,

readily available if we wanted to look it up?

MS. KRAFTSOW: You mean the one that I just gave

you?

BOARDMEMBER JOHANSEN: I mean the breakdown of the

figures as you have presented them here.

MS. KRAFTSOW: You mean with the project list?

BOARDMEMBER JOHANSEN: Yes.

MS. KRAFTSOW: Yeah, that can be generated, yes.

CHAIRMAN VICTORINO: Ms. Parsons.

BOARDMEMBER PARSONS: Would you suggest -- I know

when we talked to the Planning Department, when we had our co-meeting a couple months ago, that they were willing to do assessments. And they can do assessments on developments that -- for the purpose of helping to build this fund.

And it doesn't necessarily mean the same development that's going to be utilizing it. It would just be this is an assessment fee that goes into the water pool. Would that be something that you think we might want to explore with them on our next meeting? Since you have such a -- I mean, this is a pretty big nut to crack.

And then on top of that, I realize that we don't have enough personnel to do a lot of the -- you know, to do a lot of the development that we need done. So, when we get to that issue again -- when we finish this, I want to talk about maybe salary projections of where you think we should be as to where opposed that we are. But do you think this is something we need to talk to Planning about?

MS. KRAFTSOW: I don't actually -- I think that what Planning is saying is that they have already the authority established by ordinance to do roads assessment and parks assessment, et cetera.

We have our water system development fee, and then there are times when a project, because of its size, exceeds what the water system development fee -- actually, almost everything exceeds what the water system development fee covers, because we couldn't politically get the true costs right away in one big jump.

But, I think that one issue is where sometimes we have looked at the size of a project, the whole project, and written in our comments that the applicant may be required to develop source instead of just paying the fee. Once or twice engineering tried to do that and was told that -- they were

told that they did not have the authority to do that.

It's not clearly in our rules. And, so, that's one of the issues I wanted to resolve with the Water Use and Development Plan about, okay, at what point can we -- will we require it? But I don't know that the Planning Department would necessarily be the one that would issue the assessment for us. I think that we can say an assessment will be required or source will be required if a project is over a certain size.

The other counties do it. It just -- it has to be much larger here than we think it should have to be to do it

here, if that makes any sense.

CHAIRMAN VICTORINO: Any other questions or
comments? Okay. Thank you.

Moving on to Director's Report 05-04, conservation
program outline, and that's pages 49 to 57. I thought this
was -- along with all the other materials, I think
conservation, in my mind, is something that has not -- and for
no fault of anyone -- has not been really, really brought to
the public's attention.

I think that's one of the areas where we can see

some immediate results. And working with the public, the Department -- some of the ideas they put down here as far as the retrofitting programs, toilets, shower heads, faucets, the sprinkler detection system, checking for leaks -- I mean, these are all what I call very simple, not difficult to do. If the Department as well as the public would embrace this, I think there we would really save a lot of water. And I thank them very much for this -- this outline. Jeff, you guys did a great job on this one.

The other areas with the commercial line, you know, as far as hotel, commercial business, restaurants and

those areas, I think the assumption is when people are visiting, they use a lot more water. And knowing -- I have been part of the hotel industry for many years. Yes, there is an accessible -- excess use of water when people are on vacation. Well, because they are on vacation, and they are enjoying themselves.

So, I think it's very important that these industries, because they're such a big part of our everyday life, and they tap into a lot of our resources, whether they are private or public, it makes no issue. The water is still a resource for the people of Maui, and that needs to be really

pushed forth.

So, I hope that this is not just a nice document that's just left sitting somewhere. That some real push be done in this area, Jeff, by the Department. And, you know, good public relations, I agree, is really vital in this area.

Any other questions or comments in this? I just -- I think this is something that I felt was very important.

VICE-CHAIRMAN OKAMURA: A question.

CHAIRMAN VICTORINO: Go ahead.

VICE-CHAIRMAN OKAMURA: Like you are planning to

get a conservation person, hire a conservation-related person
in your Department?

MS. KRAFTSOW: Yeah.

CHAIRMAN VICTORINO: What would they handle -- of
this outline would they handle?

MS. KRAFTSOW: Actually, this outline is probably
almost 10 years old, and it's the outline we have been
following gradually. The conservation person, when they first
come in, will probably be handling leak detection throughout
the system, and public events, and education to start.

But we are looking, as you can see, at some other programs. We would want to do a benefit cost analysis. Just to give you an example, our budget, until recently, tends to run 50, 60,000 a year for conservation. Okay. MECO, for the residential portion only, just the residential portion of their conservation demand side management program is 1.5 million a year.

Okay. So, next fiscal '06 where we propose 260,000 is like our first step into those waters really. Other than that, we have had, you know, low flow fixtures required in all new development. That's been in place for

years. Conservation advertising in every paper and every radio station on the island, that's been in place for years.

That's kind of -- they are kind of user-friendly, low-cost things that we have been doing. With the demand forecast model and the water use and development planning process, it's already actually commenced that our consultant is starting to look at cost benefits of different conservation options. And when we have that data, and we are talking in the millions now, then we will be proposing a more extensive program based on the results of that analysis.

VICE-CHAIRMAN OKAMURA: So, right now, we are

having a consultant -- or you are having a consultant look at -- a conservation consultant on board?

MS. KRAFTSOW: Our Water Use and Development Plan consultant also has another contract which is to develop an IWR main forecasting model. And what that model can be used for is -- he's actually built sort of a separate model. But that can be used to look at what we know about market penetration of certain water using and water conserving behaviors, or fixtures, or uses, and then what we can save and what the costs would be by taking different steps.

And those -- those measures would be evaluated

right alongside new source development in this upcoming effort. And they are starting, actually, cost-wise to be evaluated just to the extent that we can have real data to give to the water advisory committees and not just --

VICE-CHAIRMAN OKAMURA: One last question. Thank you. One last question would be does the County have in place, like, water conservation in its departments, like in Parks and Recreation, or in the County building, things like that?

Does the County have water a conservation program

in place, or does the Department of Parks and Recreation have a water conservation program in place that you know of?

MS. KRAFTSOW: No, we've talked to Parks about distributing low-flow fixtures through the pools as other satellite distributions. We haven't actually finalized how we are going to get that. A lot of the problem is the data issue. We need to get data when we give out these fixtures, but they don't have a -- an ongoing one.

VICE-CHAIRMAN OKAMURA: Because the County is a big user of water also. That's probably one of the big users.

MS. KRAFTSOW: Yes, the County is a user and

landscape conservation is certainly one of our biggest opportunities.

VICE-CHAIRMAN OKAMURA: Yeah. And maybe

conservation should start at home in the County departments first.

MS. KRAFTSOW: You have a good point.

VICE-CHAIRMAN OKAMURA: And also maybe it could be addressed in terms of planning requirements for conservation.

MS. KRAFTSOW: We do actually put conservation measures in our comments to the Planning Commission.

VICE-CHAIRMAN OKAMURA: Okay. Good. Thank you.

CHAIRMAN VICTORINO: I didn't -- yeah, and I think one of the things that always gets my goat, when I'm riding around on a rainy day, and you see all these sprinklers on, whether they are State, County, or private systems. It doesn't make a difference. This should be -- and I have never understood. Because they have so many automatic rain systems that you can just install and at a very reasonable price, which automatically shuts off the system when it rains. And yet you see it constantly occur.

And it's very frustrating, because here it's raining beautiful rain out there, and you got all this natural

water, and you got sprinklers, and you see it going right down the road into the storm drain and out to the ocean.

I agree. If we had someone who can focus their attention -- in the Department who can focus their attention, not only for the County, for the State, but all users, I think this is so important. I think this is something that's now. It's an immediate method to relieve the shortcomings that we are looking at. Unless we do this today, tomorrow we will be hurting in a big way. Sally.

BOARDMEMBER RAISBECK: Yeah, Mr. Chair. I just

wanted to say -- I think I have said this in the past -- that whenever I meet somebody who's moved here from Southern California, they almost invariably comment that in Southern California, people are so conscious of saving water. And on Maui, nobody is. In the general public I am talking about.

And I think there's a very prevalent feeling, that sometimes I share, that when you see other people wasting water, you think, well, why should I conserve when everybody else is wasting it. I think if you do hire somebody to do conservation specifically, I would recommend not getting a planner, not getting an engineer, not getting somebody

who's -- I would recommend getting somebody really good at PR.

And we do have people, plenty of people on Maui who are very good at PR, and they understand what it takes to change the public's mind, which is quite different from, you know, doing a cost benefit analysis or anything else.

It takes creativity and experience, and I would recommend looking on Maui for a really clever PR person to do something about conservation. Thank you.

CHAIRMAN VICTORINO: Thank you. Any other comments? Ralph, do you have something?

BOARDMEMBER JOHANSEN: Just one thing. I have

been here for 12 years, and before I came here, I was here as a vacationer. You go up in the Iao Valley or you go over to Kauai, and you are told that these are two of the wettest places on earth. So, that perception has to be dealt with as well.

MS. KRAFTSOW: I think one of the challenges, too, is because landscape conservation is one of the biggest possible opportunities, especially on the south side of Maui. But it's, I think, frightening. The hotels do have their native plant walk and some other good things, and they do a lot of conservation measures with their fixtures, but there's

still the oasis -- oasis aesthetic.

And these are top-end, world-class hotels. And to change some of those large landscapes -- of course, a lot of that landscape water is not coming off our system anyway.

But, to change some of the large landscapes in South Maui would be probably a large savings that we could attain, if we can create as lush-looking, as nice-looking a landscape with native plants.

And, so, it's part of -- we had, actually, an effort to develop a landscape conservation ordinance some

years ago, and it's been sitting in a drawer about three-quarters or more drafted for a decade. I don't even know, at this point, if I could find it, but I probably still can. Because at that time, the committee determined that we didn't have enough infrastructure to support a major landscape conservation effort.

For instance, in California, Southern California, like you mentioned, they have done consumptive use estimates on every plant. A lot of the plants that are recommended in Sunset Magazine or through California are actually quite invasive here, and we don't want to be encouraging people to

use them. But we don't have really good consumptive use data on a lot of our plants. We have the brochure. That's the best data we have available.

So, when you try to get somebody to encourage an landscape, at that time, there were not enough sources for large-scale landscape -- landscape projects to get native plants, and then there weren't enough people who really knew how to properly care for them. They tended to be overwatered and underweeded. And, so, there was a need for an education facility, and that's why we funded the nursery, the Botanical Gardens, and continue to fund them and have more funding

proposed. So, we have been sort of very slowly, with very limited budget, going in that direction, but, granted, much too slowly.

CHAIRMAN VICTORINO: Thank you. Okay. If no further discussion or questions, we will move on to other business. We have, under A, opinion from Corporation Counsel regarding the Board of Water Supply members receiving reports from the Department of Water Supply and the Department of Corporate Counsel via e-mail and whether this is a violation of the Sunshine Law.

DEPUTY CORPORATION COUNSEL KUSHI: Yes, Mr. Chair,

Members.

CHAIRMAN VICTORINO: Mr. Kushi.

DEPUTY CORPORATION COUNSEL KUSHI: First of all, I need to apologize from our office. Obviously, you don't have the response or the advisory memo on this. I would request that you defer this matter and put it under your next meeting under unfinished business. But if you would like, I can give you a verbal preview of what the report will say.

CHAIRMAN VICTORINO: I'd like to hold it, so that we have it to review before. Just getting a verbal, that's

going to ask a lot of questions, and maybe by having the actual report itself and putting it under unfinished business, if the Board will grant me that privilege, I will put it under.

Okay. I will put it under the next month's unfinished business, and Mr. Kushi, I hope that we will have the report by then.

DEPUTY CORPORATION COUNSEL KUSHI: As long as I am here, you will.

CHAIRMAN VICTORINO: Well, thank you, Mr. Kushi.

Don't leave town in the near future. Anyhow, moving on to

other unfinished business, this is where we receive from Board members requests for items to be placed on future agendas.

BOARDMEMBER HIRANAGA: Mr. Chair.

CHAIRMAN VICTORINO: Member Hiranaga.

BOARDMEMBER HIRANAGA: Just wanted to repeat my request that we, at some time, have a discussion about the possibility of drilling another Upcountry well.

CHAIRMAN VICTORINO: Okay. Thank you. Ralph?

Sally? I mean, this doesn't mean you can't send something, or call me with something, or e-mail me with something else, but at this time, if there's nothing else, I will move on to

divisional reports, which have been provided.

And I will say, if you have specific questions on division reports, I will open it up. I don't want to ask them to go line item by line item. But if you have specific questions on the divisional reports, I guess between Ellen and Jeff, they can answer the questions for us. Any questions?

Okay. One announcement I will put in between, and I should have put under receipt. I just wanted to remind all Board members that the upcoming AWWA convention in San Francisco is slated for June 12th through the 16th. And I may be off by a day or so, and I think most members are planning

to attend.

Make sure that you have conferred with Cathy on various items, such as travel, hotel. She can be of major assistance in that area. I'm not sure if we are all trying to stay at the same hotel. That sometimes becomes extremely difficult.

BOARDMEMBER RAISBECK: Yeah, I was going to say, from my experience last year, it would be very helpful if all of the members stayed at the same hotel, so that they could interact better, and they could share transportation and so

on .

CHAIRMAN VICTORINO: Very good point.

BOARDMEMBER RAISBECK: I think it would be very good. And can I ask how many members are actually planning to go?

CHAIRMAN VICTORINO: I hear right now all except Michele.

MS. HOWARD: Sally I haven't heard from.

CHAIRMAN VICTORINO: Sally, I think you are planning to go.

BOARDMEMBER RAISBECK: Yeah, I'd like to.

CHAIRMAN VICTORINO: So, that would be eight

members, if I am correct in my numbers.

BOARDMEMBER McLEAN: Seven. We don't count --

CHAIRMAN VICTORINO: Oh, excuse me. I apologize.

Seven.

BOARDMEMBER RAISBECK: And, in fact, if I could

say, Mr. Chair, for the benefit of those who haven't gone

before, it's a wonderful opportunity to learn. You have the

most interesting things going on, you know, eight simultaneous

meeting. It's hard to choose which to go to it's so good.

And then they give you -- at the end, they give

you a CD that has the content of every paper presented at the meeting. It's fabulous experience.

CHAIRMAN VICTORINO: Okay. What I will try to do, before our next meeting, is meet with Cathy and see if we can arrange, as far as hotel, and if we can get everyone in the same hotel. And if somebody else -- or somebody doesn't want to do that, then that's fine. They can do their own thing, you know, but I will do that with Cathy.

MS. HOWARD: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

MS. HOWARD: I don't book the hotel. You do that

on your own.

CHAIRMAN VICTORINO: I know, but maybe you and I
can look it over.

MS. HOWARD: You guys can decide.

CHAIRMAN VICTORINO: Yeah. Okay. And I will just
ask for some help, because the booking has to come directly
from us and then we turn it in. Okay. So, I will do that and
come back with some recommendations.

BOARDMEMBER JOHANSEN: Where is the convention
being held?

CHAIRMAN VICTORINO: San Francisco.

BOARDMEMBER JOHANSEN: I mean the --

CHAIRMAN VICTORINO: Moskoni Center. The Moskoni
Convention Center.

BOARDMEMBER RAISBECK: And I was also going to
ask, Mr. Chair, could Jeff tell us how many members of the
Department are going?

CHAIRMAN VICTORINO: Jeff, do you have an idea at
this point?

MR. PEARSON: I don't have that information now,
but I will try to get it. I know George has made the division

heads aware and to find out who is going from each division.

So, I will try to follow it up.

BOARDMEMBER RAISBECK: Because I thought last time it was a wonderful experience for Board members, but also I think, you know, they have so many technical things, I had wished more of our staff could have been at the last meeting.

MR. PEARSON: I will try to find out at least generally how many people will be there.

CHAIRMAN VICTORINO: And one more announcement. Right now over at the County Council chambers, the Budget Committee is meeting on the water rates. And if any of you

members have some time to pop in and see what's happening,
that would be greatly appreciated. If nothing else, I will
call the meeting.

BOARDMEMBER McLEAN: One thing.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER McLEAN: In my packet, and I am
assuming in everyone else's, was the postcard from HC&S.

CHAIRMAN VICTORINO: Yes, for the visitation, yes,
yes.

BOARDMEMBER McLEAN: For the visitation. And I
went on one of those a number of years ago when I worked for

Personnel Services, and if you haven't gone on it, it's really excellent. I would encourage members to do so if they haven't already.

CHAIRMAN VICTORINO: Thank you.

MR. PEARSON: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

MR. PEARSON: The agenda for the Budget Committee right now, Ann Hajnosz might have already presented the water rates presentation as she stated. After their break at 1:30, they are going to discuss the Department of Water Supply's expansion positions.

CHAIRMAN VICTORINO: Okay.

MR. PEARSON: Just for your information.

CHAIRMAN VICTORINO: Thank you.

BOARDMEMBER RAISBECK: Mr. Chair.

CHAIRMAN VICTORINO: Yes.

BOARDMEMBER RAISBECK: If you would be available,
would it be appropriate for you to recommend to the Council
that they fund our expansion position?

CHAIRMAN VICTORINO: Yes, yes. I will make it a
point to go over there at 1:30 and see what I can do.

Before closing, I'd like to thank Akaku for coming

to our meeting today and televising. We appreciate it. The public's awareness is so important, and you are a big part of it. So, thank you very much.

If not, the meeting adjourned.

(Adjourned, 10:15 a.m.)

"By Water All Things Find Life"

Department of Water Supply
County of Maui
200 South High Street
Wailuku, HI 96793-2155
Telephone (808) 270-7816
Fax (808) 270-7951

[\[Back\]](#)