

**Department of Environmental Management
Maui Wastewater Community Working Group Meeting XI
Thursday, October 7, 2010
Velma McWayne Santos Community Center**

Meeting Notes

Draft - October 18, 2010

I. Welcome & Introductions

Jennifer Chirico attending for Joie Taylor; Mae Nakahata attending for Sean O'Keefe

II. Agenda Review, Groundrules, and Housekeeping

- Leland Chang: Reminder to speak clearly, loudly and one at a time; handout re. information for final report

- Eric Nakagawa: Provides Preliminary Engineering Report (PER) overview as a follow up to discussion of feasibility studies.

- Don Lehman: Who makes the decision regarding recommendations/alternatives?

- Cheryl Okuma: The County makes the decisions; not the consultant who provides the technical information and recommendations. What Eric covered is a typical Wastewater Project; and in the normal course of wastewater work decisions are made within the Division. For projects that perhaps present more of an issue, the recommendations would be brought to the Director and the decision made there.

- Pam Daoust: I don't see feasibility studies as engineering studies. It's only looking at whether an alternative is feasible or not. If we want to research Item D, the focus would be to look at various possibilities.

- Eric Nakagawa: Still need a specific objective in terms of what to accomplish. For Central Maui Study, where they arrived at different alternatives, there was no recommendation at the end and 20 different alternatives were presented. In this case, it was based on the Council's decision. PER takes it one step further because at the end, you have a recommendation. Assume you're trying to get to the next step of doing something.

- Cheryl Okuma: Feasibility studies are engineering studies containing technical information on feasibility and engineering costs. The PER goal is to construct infrastructure based on recommendations and engineering solutions. Wastewater obtains the engineering recommendations in terms of what is feasible to build.

- Pam Daoust: I believe we identified the problem; we wanted an overview of what would work best at Kahului and I assume it would include issues regarding birds. She has done some research on this.

- Frank de Rego: Objective is to evaluate the feasibility of certain alternatives. It should be mentioning Kahului Treatment Plant first and then develop a study of how to enhance or replace.

- Eric Nakagawa: Regarding Kahului treatment plant, what is the objective? Are you trying to replace it? What are you trying to do with it?

- Irene Bowie: Isn't this where we would ask Wastewater for recommendations? If looking at recommendations and there is not enough land, what would we do?

- Leland Chang: If recycling is going to cost more in a certain area, are there other options that could be looked at?
- Eric Nakagawa: If we are to look at all alternatives for getting rid of injection wells, we would hire consultants who would evaluate all disposal alternatives. This would be a clear objective.
- Irene Bowie: Item D refers to a constructed wetland. We would need information such as how much land is needed.
- Steve Parabolicoli: Working on verification study looking at piping, distribution from scratch, and we have good ballpark. For a constructed wetland, we would look at cost, piping, land etc. It might not be any cheaper and may be more expensive. We've done one part of looking at conventional reuse project.
- Pam Daoust: The intention was to broaden so its not just constructed wetland, but other alternative technology. I've sent away for information regarding other technologies to get away from injection wells; there is so much out there that we have not discussed so we need to take a look at other alternatives to move away from injection wells at Kahului.
- Irene Bowie: Will the Kahului treatment plant be relocated?
- Cheryl Okuma: Moving the plant is not something that will happen quickly, even if that decision was made now. In recognition of the need to protect that facility, the Council approved funding for shoreline protection. A number of years ago, Council approved a resolution regarding rather than moving the facility.
- Irene Bowie: Does this need to be reconsidered? How will this facility work if its current location is temporary?
- Leland Chang: What will happen with the existing facility may be factored in by this group
- Mae Nakahata: What is the mission of this process?
- Leland: Provide recommendations to the County to increase recycling and reduce/phase out use of injection wells

- Cheryl Okuma: Handout of Dr. Alan Tice's "Viewpoint" article in the Maui News (and posted on the website) regarding staphylococcal infections. Save Kahului Harbor previously handed out flyers quoting Dr. Tice without his authorization. Dr. Tice was aware of this and provided this article.

III. CWG Meeting summary

- Pam Daoust: Page 8 -- "would not support".

IV. Continuing Discussions re: Draft Recommendations

Financing

Item A.

- Leland Chang: The genesis is that sewer and reclaimed water fees are not seen as adequate and there is a need to look at a variety of sources.
- Don Lehman: Developers can be required to do recycling things; so more than revenue -- also construction.
- Steve Parabolicoli: We're doing this now but we need to work with the Planning Department -- not just "fair/share contribution".
- Jeff Pearson: Developers pay but at the end of the system, the public buys the home.

- Steve Parabolicoli: We need to better define “fair/share”. For every gallon of wastewater, there needs to be a mechanism so the developer will produce or do something specific.

Item B.

- Leland Chang: Potable water rates could be adjusted so that increased recycled water would still be cheaper.

- Howard Hanzawa: If incentive is that reclaimed fee be less than potable, potential big users are ag farmers -- recycled water needs to be less than the ag rate or they won't use it.

- Steve Parabolicoli: That was a guiding principle when the fees were set up; setting of recycling rates at that rate or lower. Have avoided cost and would match that rate in our ordinance. Want to provide an incentive.

- Howard Hanzawa: Hope this CWG sees that we continue this philosophy; as statement is written, it's potable water.

Item C

- Pam Daoust: Add “or the adoption of alternative technologies to reduce reliance on injection wells.” Add that non public system users should have the option of receiving funds through civic improvement districts. Private system users have to upgrade and should not be forced to do that and pay for public systems.

- Jeff Pearson: These fees wouldn't go to private water systems. This would only be surcharge for public water system.

- Pam Daoust: If purpose of fee is to upgrade public systems, then that fee should also upgrade private systems.

- Leland Chang: A universal fee with opportunity for part of it to go to private systems?

- Pam Daoust: Fee would be dedicated to private infrastructure or private system users would be paying twice.

- Jeff Pearson: Private system should be able to decide what they want to do as long as not using injection system. Shouldn't be required to do anything if not involving injection wells. They are governed differently.

- Leland Chang: To the extent they are assessed these fees, they would be involved but not getting any benefit.

- Jeff Pearson: Surcharge goes with the County system.

- Don Lehman: Two different systems.

- Russell Sparks: People with county wastewater systems with private water systems; or the other way?

- Leland Chang: Example of people paying for private schools and also paying for public school system.

- Pam Daoust: In the school situation, you have option of attending public school; but private system users don't have the option to tie in to the public wastewater system.

- Mae Nakahata: How does reuse and recycling fit in? It's as if you pay, then you can produce more. People should support this for the environment -- high producers of wastewater can afford paying higher fees. No incentive to reduce/recycle for other uses. Like water, the more you use the higher you pay. Those who can pay won't care. What's the incentive to not use?

- Leland Chang: There are other recommendations that address incentives/disincentives and we will review these.

- Pam Daoust: Either assess a fee on households or tie it to potable water. Should we separate this out as another alternative fee?
- Jeff Pearson: That's a good point because we're looking at private water user and look at potable water users in sharing in this effort/cost to improve the environment. Fees on households and businesses would be an environmental tax as opposed to just drinking water users. I would do the first part of assessing households and businesses.
- Pam Daoust: It brings us back to an overall clean water fee that lets you apply it across the board. Agree with concept that everyone should provide support. Brings us back to issue of what we are trying to accomplish. Make this a clean water fee instead of an infrastructure tax that we would fight over. Should be dedicating portion of TAT to this effort because we aren't reaching visitors. A clean water fee attached to these activities would give a much broader pool.
- Leland Chang: If we can complete work on recommendations to increase recycling and phase out injection wells, then maybe can talk about a broader reach.
- Mae Nakahata: Supports what Jeff is saying and use of potable water may not correlate with wastewater.
- Dan Clegg: If I can summarize this, we all agree that this is everyone's problem but if you are connected to public system you are going to pay more than everyone else. If you are part of the problem, then you should pay. We are going to talk later about how to spread the load out. Reference to priority #12 is to highlight that fees need to be equitable as to resource usage.
- Mae Nakahata: All farmers are connected to potable water systems but don't generate much wastewater.
- Dan Clegg: We need to disconnect the two and gauge how much wastewater each household is generating. Examples where connected to public water system but using private wastewater system?
- Don Lehman: Yes.
- Dan Clegg: If you're not generating wastewater, then some of this shouldn't touch you.
- Leland Chang: There are policy recommendations that provide consideration for ag.
- Pam Daoust: Just because you aren't generating wastewater, doesn't mean that you aren't part of the problem. EPA considers non-point sources as part of the problem. EPA would be looking at those issues. So narrowing discussion to wastewater infrastructure will just back us into a corner. Need to broaden this out so we can make better funding decisions.
- Leland Chang: For Item C, we will include the household fee and take out potable water surcharge; plus add Pam's suggestion re. alternatives to reduce reliance on injection?
- Russell Sparks: That could work, depending on how next one pans out.

Item D

- Russell Sparks: We want to use recycled water to reduce potable water use. As part of this, we need to generate revenue for infrastructure. Potable water users should be paying and in sense that's a fee for that use.
- Steve Parabolicoli: If we build pipeline for displacement, this is new source of water and whatever Department of Water Supply (DWS) would pay for new a new source could be contributed to this.
- Jeff Pearson: Tie DWS funding to looking for additional sources of water.
- Tui Anderson: How DWS looks at this will be a function of the cost. Water Use Development Plan -- if costs come in less, then it might make sense for DWS to pay and we are looking at this, though there are caveats. It's in the Water Use Development Plan, which is moving forward

with an outline of very specific projects. When it's done, it goes to Council for review, for adoption in whole or in portions. If Council adopts this, DWS will have to follow what's in there.

- Russell Sparks: Key is there are costs, and if we don't want a well drilled and its too expensive, DWS can pay part of cost of recycling water.
- Pam Daoust: Doesn't this bring back initial recommendation to bring together the two departments?
- Leland Chang: This strategy came out low among the priorities.
- Pam Daoust: Agree it came out low, but it was before this discussion.

Item E

- Steve Parabolicoli: Rates for these items have more than doubled. We can increase further but if we make it too expensive, people will seek out other sources. Connection fees are one time charges. Some room to increase but this won't solve the financial challenge.
- Pam Daoust: Reaction was don't want to do this for those reasons. Should be less than connection fees for potable water. Maybe spell this out better.
- Dan Clegg: Do E and D need to be combined and balanced somehow, because they seem conflicting. There's room for movement but maintain a level where it's still a carrot and not a stick.
- Jeff Pearson: Will these recommendations go to Council? If so, then don't combine -- then Council will have more tools to work with. Keeping it separate might be better.
- Cheryl Okuma: Wherever this document may go, this is a public document. The group will want to be sure it reflects what they intended.
- Jeff Pearson: It might be better to have it separate so it doesn't get lost.
- Leland Chang: Trying to understand the conflict that might arise.
- Steve: Add, "not to exceed potable water fees" to keep the incentive. There's permitting, retrofit costs, so there are cost issues that need to be dealt with and if charging the same as potable rate, recycling will be more expensive.
- Mae Nakahata: from ag water use standpoint, with new food safety and regulatory processes, use of wastewater penalizes farmers and forces them to go through extraordinary measures. Rates have to be below ag use rates, because of the added cost.

Item F

- Pam Daoust: Want to add: "and or dedicating a portion of the TAT".
- Dan Clegg: Is this existing RPT or an additional tax?
- Don Lehman: We should be looking at investments in this infrastructure as a policy. We need to have some of our tax revenues going to these improvements.
- Jeff Pearson: Is wastewater Enterprise Funded?
- Cheryl Okuma: No, we don't issue revenue bonds. The Council policy is that wastewater operations and debt service be self sufficient (funded by sewer fees)
- Jeff Pearson: Because there would be restrictions.
- Dan Clegg: This changes the conversation because some projects are not going to be funded. It's saying this should be elevated to higher priority. Not a proponent of raising taxes. So should word this carefully and recommend: Use existing revenue taxes to support development.
- Leland Chang: How does the CWG feel about existing versus new RPT taxes?

- Howard Hanzawa: This is where public education is important because the pool of money is set; there's no will to increase the tax base. So decision is what's most important. Is this more important than parks, roads? So education is important.
- Mae Nakahata: If successful in recycling, Wastewater will have less revenues coming in. Council established the policy that debt service needs to be funded through these revenues.
- Cheryl Okuma: The County does float GO bonds to fund wastewater projects; but we don't float revenue bonds.
- Leland Chang: Where is the CWG on this?
- Dan Clegg: What's the right thing as opposed to political way? Not a fan of raising real property tax. So inclined to use existing RPT and pressure test that against other needs. That's the point of multi-tiered ideas of financing -- so success is not just dependent on one revenue source.
- Jennifer Chirico: Is any portion paid by RPT?
- Leland Chang: Not currently. CWG is saying that RPT should be applied to this purpose.
- Pam Daoust: Leave this open -- that a portion of the RPT should be dedicated to recycling. And add the TAT to this.
- Russell Sparks: Don't have to say raise RPT but just say we can use RPT. Things are lean now by conditions fluctuate and may improve.
- Frank de Rego: I agree. Isn't the TAT a State tax? Mixing State and County taxes isn't a good idea. Make this a separate recommendation because we would have to fight with the State on TAT.
- Pam Daoust: I agree. It may be appropriate for the County to take the lead in this.
- Leland Chang: Recommendation is to separate out the TAT; and enable use of part of Maui County's share to support infrastructure.
- Pam Daoust: Can't Council pass a resolution to recommend this to the State to give more public play? If the County did this it might be picked up statewide.
- Jeff Pearson: I don't think is the place to recommend something that's statewide; too broad.
- Don Lehman: History with TAT was that 1% was to build the convention center; it goes into County budget and maybe it's money every year.
- Jeff Pearson: Okay to have it as Item G, but don't want this to go statewide and broaden.
- Don Lehman: Infrastructure investment is legitimate use of RPT; it's a responsibility of taxpayers and is legitimate investment of taxpayer dollars.
- Pam Daoust: Include the same suggestion about civic improvement districts because if we have this, then the community should have right to dedicate this to their areas.

Policy & Planning:

Item A

- Mae Nakahata: This makes me nervous if we are talking about needing an ordinance.
- Leland Chang: Can't the Department set its own performance measures?
- Cheryl Okuma: Departments can set their internal policies and measures.
- Mae Nakahata: We should state this.
- Jeff Pearson: As part of the budget process, don't departments have performance standards, so this can be put into that format?
- Cheryl Okuma: Then it would be part of the budget ordinance.
- Jeff Pearson: Suggest that this is mentioned as a departmental policy.

- Pam Daoust: Does this imply we wouldn't be looking at 40% reduction? Don't want to tie it to that -- maybe we can do more.
- Leland Chang: There is a recommendation that refers to accelerating progress on recycling beyond 40%. This item talks about flows into the wells. Not proposing numbers here but this would compel DEM to come up with numbers.
- Russell Sparks: We could integrate this with Department of Health to have more teeth; can get this included into the DOH permits.
- Mae Nakahata: Anytime you include items into permits or legal documents, then you better be ready to accept the consequences if the requirements aren't met.
- Russell Sparks: One consequence is why we're here.
- Mae Nakahata: I'm talking about legal sanctions that will result in enforcement action by DOH and payment of penalties.
- Pam Daoust: I like Russell's idea because EPA will do this. This is a politically good move.
- Jeff: I disagree. This should be kept on the Department of Environmental Management level.
- Leland Chang: There doesn't appear to be a meeting of minds on tying targets to permits.

Item B

- Leland Chang: From the last presentation on this, we heard people say that TMDL is the first step and DOH is legally responsible for doing this.
 - Cheryl Okuma: EPA requires that states establish TMDLs; and DOH is required to establish these.
 - Russell Sparks: Volume reduction is also important. So this needs to be broader. Suggest, "base plans for total nutrient reduction".
 - Jeff Pearson: Reducing load/flow into plant?
 - Russell Sparks: Enhanced nutrient reduction or reduced volumes. Do this TMDL study and then reduce total amount of nutrients.
 - Mae Nakahata: TMDLs can come from various sources and farmers are being hurt; ag has been making strides but there is a huge economic cost. How do you separate out what is from wastewater versus other sources.
 - Steve Parabolicoli: Suggestion was for DOH to do a pollutant load for all sources in the ag/watershed zone and then to quantify that and to base decision.
 - Leland Chang: Would a TMDL study help?
 - Jeff Pearson: Yes, this TMDL could define some of the causes of reef degradation.
 - Howard Hanzawa: I have no problem to advocate for DOH conducting TMDL. But ten years from now, we may have the same question, realistically.
 - Frank de Rego: This is required by EPA, so this is almost a throw away statement to advocate what they are supposed to be doing. Don't see any problem with this statement,
 - Russell Sparks: This is what Robin talks about a lot. The key is to look at the entire system because there are lots of nutrients. But if we recycle, its still going into the system and watershed planners need to do this. This needs to be broader -- advocacy for long term protection of watershed.
 - Leland Chang: What are we saying?
 - Russell Sparks: Okay with this being in here, as it's advocacy for long term management.
- Leland Chang: As written, the Department wouldn't have to move forward on expensive advanced nutrient removal without justification from a TMDL study.

- Steve Parabolicoli: Gave brief overview of what has been done to reduce nutrients going into injection wells -- biological removal to go to low levels plus reuse. Enhanced nutrient removal can drop just a little more; do we spend money on that or put it towards recycling? TMDLs are great, but this might not happen for years.
- Pam Daoust: Want it to stay in there to show concern; and information from it will help to shape plans.
- Leland: So you recognize that this will take a while. For the Department, there should be a rational reason to enhance treatment.
- Mae Nakahata: Has heartburn with leaving this in. Once this goes into place there will be costs, and we cannot even do what we are currently doing. Consultants and lawyers will be making money.
- Leland Chang: For farmers this is a major issue, so impacts may not be avoidable because this is from EPA.
- Mae Nakahata: Also talking as citizen -- with only so much money, where are we going to spend the money?
- Howard Hanzawa: This is a throw away statement as realistically, DOH is having financial difficulties. Let's concentrate on realistic statements that can be fulfilled.
- Leland Chang: This will be tabled for now.

Item C
OK

Item D

- Steve Parabolicoli: Used to do this, like taking a mortgage.
- Jeff Pearson: "Guaranteed" is bad; change to "reasonably assured".
- Don Lehman: Water Supply provides dependable source.
- Russell Sparks: We won't have money for infrastructure; and there are big users and we want them to put this in. They won't do that unless have water for the long term.
- Leland Chang: Do you want dependable (tap won't go dry) or a long term commitment?
- Jeff Pearson: I won't invest and then ask where's the water; a developer will determine that they have a source via an agreement.
- Dan Clegg: Provide a priority on capacity or something of that nature. If problem at plant and there's less available, these users get priority. This needs to be a "bankable contract".
- Steve Parabolicoli: There are times that we cannot meet R1.
- Eric Nakagawa: Infrastructure also includes the treatment plant and anything that has to do with production (not just pipelines).
- Frank de Rego: We had conversation about developers having their own treatment plants and reusing water there rather than depending on the County. There would need to be some incentive for this.
- Dan Clegg: Water quality would need to be part of this. Need to imagine a situation where there is water quality issue that cannot be controlled (e.g., salinity). Isn't it incumbent on DEM to produce a saleable product?
- Steve Parabolicoli: We have done a lot of work on this.
- Leland Chang: So in addition to receiving capacity priority on supply, we're also talking about commitment to providing usable quality water.

Item E

- Steve Parabolicoli: We're already doing this.
- Don Lehman: Does Parks pay?
- Steve Parabolicoli: Yes, Parks pays what schools and shopping centers pay, which is more than ag.

Item F

- Dan Clegg: How do you practically implement something like this. How do you know?
- Don: With lifeline phone rates, it's a self certification for certain households. Maybe talk about a lifeline rate, instead of median household income.
- Frank de Rego: Whatever mechanism, the principle should be here.

Items G, H, and I:

- Pam: Wanted discussion of a base rate and separate volume rate.
- Cheryl Okuma: This is already the current structure. It is common for sewer fees to have a base rate and a volume rate to account for large ag use. Maui and Honolulu have established base rate and volume rate. Maui caps rates at 9,000 gallons; Honolulu which struggled with the ag use issue established a cap as a percentage. Honolulu also has a lifeline rate of the first few thousand gallons with no charge.
- Russell Sparks: What about gray water? Find some way to better tie fees to sewer use.
- Jeff Pearson: Item G is not realistic so maybe delete this. Maybe can meter your gray water and maybe get a reduction in sewer usage; but we would need to quantify that use.
- Leland Chang: With the group's concurrence, Items G, H, and I will be deleted.

Item J

- Cheryl Okuma: Gray water use is currently authorized by State law; but the Maui needs to revise the Uniform Plumbing Code (Public Works is the representative on that UPC Committee) in order to allow for subsurface irrigation.
- Russell: So you can establish a base incentive fee.
- Frank de Rego: It takes a base cost to run the system that we already have, so as people move off line revenues decrease but the costs don't go away.
- Dan Clegg: Maybe missing two opportunities for revenue generating. If it costs more to irrigate, then raising the cap is raising the rates.
- Cheryl Okuma: Maui recognizes irrigation use by capping at 9,000 gallons.
- Dan Clegg: Maybe there needs to be a fresh look at this cap.
- Leland Chang: Group has mentioned trying to move people to new behavior.
- Dan Clegg: This is lifestyle cost.
- Russell Sparks: Maybe we should see this as a sustainability activity; so if people like to irrigate, they should be willing to pay the money.
- Frank de Rego: This is where we need to work with developers and community associations because there are requirements on lawns and landscaping. Graywater systems could be built in but we would have to do this at the front end.
- Irene Bowie: This fits with Water Development Plan to push conservation measures.
- Tui Anderson: Hopefully Council will have water conservation bill and that will come back up; this is years behind. A great part of this is irrigation use which is the biggest waste of water.

- Leland Chang: So add a provision to incentivize graywater -- a life style factor in the water fees tied to irrigation practices.
- Russell Sparks: Raise the irrigation cap and use increased revenues for recycled water infrastructure.

Item K

- Howard Hanzawa: Question feasibility of this. We have old neighborhoods with cesspools and septic systems because they are far away from County system. So we may be wasting our time by doing something like this.
- Pam Daoust: EPA small community grants require County support for grant application. For rural communities, this needs to be part of the County plans.
- Jeff Pearson: Do we add grant funding?
- Cheryl Okuma: There will be a cost to bring distribution lines to those communities, if feasible, as well as facility improvements needed to bring them onto the municipal system.
- Jeff Pearson: Pam is looking at individual wastewater systems.
- Leland: We will continue with this item next time.

V. Next Steps; Next Meetings

October 21st at Waikapu; November 4th at Velma Santos

VI. Comments from the Public

- John Seebart: Has seen others have vote of indebtedness where it is not property tax but is billed with property tax. Can pay for things that way (i.e. trash collection). Trying to make sure that everyone can afford to flush their toilet, but if a person is living in an apartment and has low income and using a lot of water, there may be 15 people so they may have a large source. Dave Taylor pointed out that water conservation does not help the wastewater problem because it's the solids. Can pay for it by charging. Have base rate and then for excessive use keep increasing the rate for large users. People with the million dollar homes can afford to pay. Economy is bad but it is good time to float bonds. With what federal government has paid, if we don't go into depression then we will be dealing with rampant inflation. So good time to borrow.
- Larry Stevens: Honolulu \$90 per household and goes up to \$1,000 in a few years. This suggests that we have some room between what we are dealing with now in terms of funding source. Put burden on the sewer users, instead of those just using the water. But if people are willing to pay for recycled water, we should take it.

VII. The meeting was adjourned at 4:35 p.m.