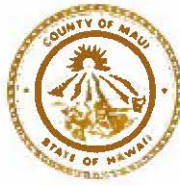


RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director

JOHN STUFFLEBEAN, P.E.
Director

JAMES A. LANDGRAF
Deputy Director



DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/water>

June 12, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

6-12-25
Mayor Date

For Transmittal to:

Honorable Tom Cook, Chair
Water and Infrastructure Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Cook:

SUBJECT: BILL 56 (2025), AMENDING SECTION 14.10.010, MAUI COUNTY CODE, TO ESTABLISH NEW WATER RATES AND PRESERVATION AND RESTORATION OF NATIVE SPECIES HABITATS (WAI-8)

Dear Chair Cook,

Thank you for your letter dated June 5, 2025. Department of Water provides the following response to your questions:

1. Please define "native Hawaiian species habitat."

Response:

A native Hawaiian species habitat is one that may consist of both endemic and indigenous plants that have evolved in Hawaii for millions of years. Many indigenous plants may have arrived naturally by water, wind or by flying birds. Polynesian voyagers from outside the Hawaiian chain later brought about 23 plants to the islands, which are now considered "native" because they have adapted to the local environment and have cultural significance. However, a non-native Hawaiian species

"By Water All Things Find Life"

habitat may contain plants from outside the Hawaiian and Polynesian geographic regions. Many of these plants have not adapted well to the native eco-system and outcompete plants in a native Hawaiian species habitat.

If the Council desires for the term "native Hawaiian species habitat" to be included, they could add an additional section to the bill amending Section 14.01.040 saying something along the lines of the following:

"Native Hawaiian species habitat" means the habitat of endemic or indigenous species that arrived either by natural means such as water, wind, or bird migration, or which were included in the approximately 23 species brought over by the first human migration to the Hawaiian islands, and which have adapted to native eco-systems."

2. Would your Department support consulting with the Department of 'Ōiwi Resources in evaluating the criteria for native Hawaiian species habitat preservation or restoration areas? Please explain.

Response:

This is an excellent idea. Yes, the Department always welcomes discussions with organizations with expertise in native Hawaiian species habitats. Since 1997, the Department has offered generous funding for watershed protection and conservation through its Watershed Protection Grants Program which now includes 10 watershed protection grantees with in-depth knowledge and expertise in native Hawaiian species habitat.

3. Why are preservation consumers limited to nonprofits and community land trusts? Does the Department support allowing privately-owned properties to qualify for the preservation rates if their activities are consistent with preservation goals? Would water use for cultural practices qualify for the proposed rates?

Response:

This bill is designed to address the specific issue of a special rate for non-profits and community land trusts engaging in preservation and restoration of native species. Non-profits and community land trusts go through a permitting process to vet complex land management plans, mission statements, and scopes of work indicating their dedication to conservation and restoration. This assures that water will be used specifically for the purposes envisioned by the Department without having to engage in excessive monitoring, and helps to economically justify offering a lower rate. Offering the preservation rate serves to

achieve specific conservation and preservation goals and is not intended for other undisclosed purposes. Implementing preservation and restoration rates on private properties would be administratively unworkable. The Department does not currently have a program to support and track cultural practices.

4. Why is eligibility limited to certain State land use or County zoning districts? Why are County Open Space Districts eligible and not the County Agricultural District? Would conservation uses conducted on Agricultural-zoned lands be eligible under the current proposal? If an area has been historically used as a native Hawaiian species habitat, could the area qualify for the preservation rates? Please explain.

Response:

The Department intended to limit eligibility to this special rate in a manner that restricts commercial use of water. We believed that including State Agricultural land use districts, State conservation land use districts, and County open space zoning districts, would help enforce this goal. However, the Department does not oppose adding additional districts that the Council deems appropriate.

As currently written, neither preservation uses conducted on Agricultural-zoned lands nor in areas within districts other than those referenced that have been historically used as a native Hawaiian species habitat would qualify.

5. What is the Department's rationale for limiting the preservation rates to County consumers? Has there been any discussion on extending access to non-County water purveyors? Please explain.

Response:

The Department does not have jurisdiction over private water systems. Private water purveyors maintain their own regulated water distribution systems, apply for separate water use permits with the State, must have rates approved by the PUC, and have separate service agreements with their customers to service areas that do not have County water service lines.

6. Can an applicant apply for more than one meter? If yes, how would that affect rate eligibility or associated fees?

Response:

Yes, an applicant can apply for more than one meter. Each meter has its own account, and rate will be applied accordingly. For example, one meter may be qualified for the agricultural water rate while another

meter on the property is qualified for the preservation rate. Each meter will be charged at the rate that it qualifies for.

In addition to the consumption charge, a monthly service fee is charge based on the size of the meter.

| Size of Meter | Monthly Fee per Meter |
|---------------|-----------------------|
| 5/8 inch | \$28.81 |
| 3/4 inch | 46.55 |
| 1 inch | 69.10 |
| 1-1/2 inches | 132.39 |
| 2 inches | 205.12 |
| 3 inches | 362.23 |
| 4 inches | 628.43 |
| 6 inches | 1,153.61 |
| 8 inches | 1,819.90 |

7. How will the Department evaluate best management practices as part of the annual application review? Will guidance be issued to help applicants understand the qualifications?

Response:

The Department intends to provide guidance on best management practices for qualified applicants to understand water conservation practices while working to preserve native Hawaiian species. Applications will be evaluated on alignment with best management practices. The DWS welcomes assistance from other county departments in processing applications. Once established in a more efficient native eco-system, the Department's expectation is that native plants will eventually depend on the environment and natural rainfall.

8. Will the preservation rates be structured as fixed rates or tiered rates? Please explain.

Response:

Fixed rate. A tiered rate is not needed since essentially all of the water will be used for preservation and restoration purposes. Applicants will be

required to apply annually, so if abuses were discovered, they will be addressed in the certification process.

9. Please provide a copy of the proposed preservation rates and illustrate how it compares to existing agricultural and general water consumer rates for Fiscal Year 2026.

Response:

| |
|--|
| General Consumer Rates <i>(Single Family Dwelling, Single Family Dwelling with accessory dwellings)</i> |
|--|

| Per 1,000 Gallons | <u>FY2026</u> | Water Shortage Rates | | |
|-------------------|---------------|----------------------|---------|---------|
| | | Stage 1 | Stage 2 | Stage 3 |
| 0 – 5,000 gal | 2.13 | 2.13 | 2.13 | 2.13 |
| 5,001-15,000 gal | 4.98 | 4.98 | 5.35 | 5.75 |
| 15,001-35,000 gal | 8.72 | 8.72 | 10.03 | 11.53 |
| 35,001-50,000 gal | 13.20 | 13.20 | 16.50 | 20.63 |

| Agricultural Water Rates | | | | |
|--------------------------|---------------|---------|---------|---------|
| Per 1,000 Gallons | <u>FY2026</u> | Stage 1 | Stage 2 | Stage 3 |
| 0 – 5,000 gal | 2.24 | 2.24 | 2.35 | 2.47 |
| 5,001-15,000 gal | 4.42 | 4.42 | 4.64 | 4.87 |
| ≥ 15,001 gal | 1.25 | 1.25 | 1.31 | 1.38 |

| Other General Water Consumer Rate | | | | |
|-----------------------------------|---------------|---------|---------|---------|
| Per 1,000 Gallons | <u>FY2026</u> | Stage 1 | Stage 2 | Stage 3 |
| ALL Usage | 8.34 | 8.34 | 9.17 | 10.09 |

| Preservation Rate | | | | |
|-------------------|---------------|---------|---------|---------|
| Per 1,000 Gallons | <u>FY2026</u> | Stage 1 | Stage 2 | Stage 3 |
| ALL Usage | 4.98 | 4.98 | 5.35 | 5.75 |

The preservation rate is the same as tier-2 of the general consumer rate (Single Family dwelling), higher than the ag consumer rate, but lower than the Other General Water Consumer rate.

10. How much of the water service costs for preservation properties are currently subsidized through county, state, or federal grants?

Response:

There are currently no preservation properties being subsidized through grants that the Department is aware of.

11. How will the Department distinguish between water used for preservation or restoration purposes and domestic consumption when both occur on the same property?

Response:

Water used for incidental purposes on the property will be charged at the preservation rate, which is the tier 2 residential rate.

12. Can a parcel be divided to allow a portion of the parcel for farming and the other portion for preservation? Why or why not?

Response:

More than one meter may be assigned to a piece of land that has been parceled. However, the allocation of each meter for its intended use is subject to water availability and permitting.

13. Would the Department consider preservation uses eligible for the rates even if initial water usage is high due to early-stage reforestation or replanting efforts?

Response:

Once the applicant is approved to receive the preservation rate, all water consumption will be charge at the preservation rate.

14. Is the Department's Fiscal Division solely responsible for site inspections and rate eligibility determinations? Please explain.

Response:

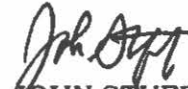
Currently, the department's Field Operation division is responsible for site inspection while Fiscal division reviews application to determine

Honorable Tom Cook, Chair
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eligibility. DWS would welcome assistance from other departments in evaluating eligibility and compliance.

Thank you for the opportunity to comment on this agenda item. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John Stufflebean".

JOHN STUFFLEBEAN, P.E.
Director

WAI Committee

From: Estrelita B. Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>
Sent: Friday, June 13, 2025 9:31 AM
To: WAI Committee; Thomas M. Cook
Cc: John Stufflebean; James A. Landgraf; Linda K. Kimura; Josiah K. Nishita; Erin A. Wade; Cynthia E. Sasada; Kelii P. Nahooikaika
Subject: TRANSMITTAL: BILL 56 (2025), AMENDING SECTION 14.10.010, MAUI COUNTY CODE, TO ESTABLISH NEW WATER RATES AND PRESERVATION AND RESORATION OF NATIVE SPECIES HABITATS (WAI-8)
Attachments: MT#11092-WAI Committee.Cook.Tom.pdf

Aloha,

Please see attached transmittal dated June 12, 2025, from Director of Water Supply John Stufflebean, P.E. regarding the above subject matter.
Thank you and have a great day!

Mahalo,
Lita



Lita B. Dahilig
Secretary

County of Maui
Office of the Mayor
808-270-7855
estrelita.b.dahilig@co.maui.hi.us