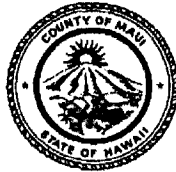


ALAN M. ARAKAWA  
Mayor



DAVID TAYLOR, P.E.  
Director

GLADYS C. BAISA  
Deputy Director

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2017 AUG 10 PM 2:17

DEPARTMENT OF WATER SUPPLY  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793-2155  
www.mauiwater.org

August 10, 2017

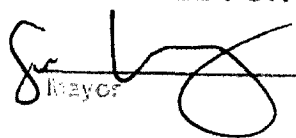
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OFFICE OF THE  
COUNTY COUNCIL

RECEIVED

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Alike Atay  
Chair, Water Resources Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL  
  
Mayor Date 8/15/17

Dear Chair Atay:

**SUBJECT: STATUS OF GRANTS UNDER THE DEPARTMENT OF WATER SUPPLY AND BENCHMARKS FOR GRANTEE PERFORMANCE (WR-9)**

Thank you for your July 21, 2017 letter regarding status of grants and benchmarks for grantee performance in accordance with Maui County Code Section 3.36.120.

Grants appropriated under the Department of Water Supply (DWS) are evaluated over a one-year performance period starting upon the grantee's receipt and acknowledgement of a dated Notice to Proceed (NTP) letter. For Fiscal Year 2016, NTP and performance periods for all grantees administered by University of Hawai'i Office of Research Services were delayed into late Fiscal Year 2017 in order for grantees to resolve indemnification of the County of Maui. The status of grants for Fiscal Year 2016 is as follows:

1. East Maui Watershed Partnership – University of Hawaii (EMWP – UH): Final report and all deliverables are met. Currently benchmarking performance.
2. East Maui Watershed Partnership (Waikamoi Source Protection and Waikamoi Watershed Preserve Management) The Nature Conservancy (EMWP – TNC): Final report and all deliverables are met. Currently benchmarking performance.
3. Leeward Haleakala Watershed Restoration Partnership – University of Hawaii (LHWRP – UH): Waiting on Final Report.
4. West Maui Mountains Watershed Partnership – University of Hawaii (WMMWP – UH): Waiting on final report.
5. Pu'u Kukui Watershed Preserve – Tri-Isle Resource Conservation and

*"By Water All Things Find Life"*

- Development Council (PKW Tri-Isle RC&D): Final report and all deliverables are met. Currently benchmarking performance.
- 6. East Molokai Watershed Partnership – The Nature Conservancy (EMWP - TNC): Final report and all deliverables have been met.
- 7. Maui Invasive Species Committee – University of Hawaii (MISC – UH): Final report and all deliverables are met. Currently benchmarking performance.
- 8. Hawaii Agriculture Research Center (HARC): Final report and all deliverables have been met.
- 9. Auwahi Forest Restoration Project – University of Hawaii (AFRP – UH): Waiting for final report.

**PROCESS AND BENCHMARKING**

Proposals are generally evaluated based on whether they meet DWS goals, if they include a pre-existing management plan that’s economically feasible, and if goals are realistic, amongst other evaluation criteria highlighted in our Request for Proposal (RFP). Once a grant is accepted and funding is awarded to a grantee, grantees are required to provide four (4) separate quarterly reports from each quarter of a fiscal year. Along with the detailed contents of the reports to see if grantees satisfied their contracted scope of work, there are five (5) main benchmarking categories. Key benchmarks are used to determine the overall performance of each grantee after each performance period. These key performance benchmarks are as follows:

- 1. Administrative benchmarks: DWS refers back to the designated evaluation criteria established in the RFP and shown below.

| <b>EVALUATION CRITERIA</b>  | <b>*MAX. POINTS</b> |
|---|---------------------|
| Degree to which the public uses and benefits from subject project to protect or enhance drinking water supply and provide public education opportunities  | 25                  |
| Cost to benefit ratio; projects that have significant potential to protect or enhance water supply and quality per grant dollar; and the plan to tackle the complexity of the project   | 20                  |
| Ability to administer and manage DWS grants efficiently and diligently including: <ul style="list-style-type: none"> <li>• Program efficiency to optimize use of funds and reduce costs</li> <li>• Financial reporting</li> </ul> | 15                  |
| Ability to complete deliverables and complete projects timely within a planned scope of work, including project performance history   | 15                  |
| Project improvement over the last three (3) years   | 15                  |
| Matching/leveraged funds obtained from other sources as part of the current proposal or a proposal approved in FY 2017  | 5                   |
| Quality and completeness of the application package   | 5                   |

2. Deliverables benchmarking: Each grantee is responsible for deliverables under their contract. We will examine how their proposed deliverables were met based on quarterly reports. These deliverables may be any of the follow tasks:
  1. Ungulate control
  2. Weed control
  3. Invasive plant control
  4. Resource monitoring/research
  5. Community outreach
  6. Research, germination, and planting
3. Expenditure benchmarking: Each quarterly report is accompanied by quarterly invoices and contains details on expenditures related to accomplishing deliverables. Agreements within each grantees signed contract and the DWS general terms and conditions provide the specific and general budgetary guidelines and rules to follow. We expect all of our grantees to comply and be fiscally responsible.

Expenditures are broken down to several categories. In FY 2016 and FY 2017, these categories were:

- A. Payroll costs
  - B. Transportation costs
  - C. Contractual services costs
  - D. Utilities costs
  - E. Travel costs
  - F. Field crew costs
  - G. Supplies and materials costs
  - H. Administrative and overhead costs
  - I. Other costs
4. Due diligence benchmarking: Every grantee is expected to follow their agreed upon contract and the DWS general terms and conditions. With a limited DWS staff, it is vitally important for each grantee to administer and manage their field work and administration thoroughly by communicating information and requests to decision makers within their organization first.
  5. Reporting benchmarking: Reporting quality matters because it provides the necessary details needed to answer questions about how deliverables were executed, if there were unforeseeable limitations and constraints, and why expenditures are ultimately justified. It also shows how much time and effort was taken by the grantee to be thorough and transparent about their project.

Improvements have since been made to our grants application and RFP to better collect data on project performances and streamline reporting.

Honorable Alike Atay  
Chair, Water Resources Committee  
August 10, 2017  
Page 4

We hope you find this information helpful. Should further clarification be necessary, please feel free to contact me at ext. 7816

Sincerely,



DAVID TAYLOR, P.E.  
Director of Water Supply

Attachment

xc: Gladys C. Baisa, Deputy Director  
DT:EB:atn  
P:\DOCS\Council\081017\_Atay(WR-9).doc