

ALAN M. ARAKAWA
Mayor



DAVID TAYLOR, P.E.
Director

GLADYS C. BAISA
Deputy Director

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DEPARTMENT OF WATER SUPPLY OFFICE OF THE MAYOR
COUNTY OF MAUI
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www.mauiwater.org

October 5, 2017

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

For Transmittal to:

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

APPROVED FOR TRANSMITTAL

Alan Arakawa 10/5/17
Mayor Date

Dear Chair Atay:

**SUBJECT: STATUS OF GRANTS UNDER DEPARTMENT OF WATER SUPPLY
AND BENCHMARKS FOR GRANTEE PERFORMANCE (WR-09)**

Thank you for your September 26, 2017 letter regarding the above-referenced subject. The Department of Water Supply (DWS) is transmitting for your review and offers the following responses to your questions:

Question:

1. *Please explain the distinction in purpose between Watershed Protection Grants administered by the Department of Water Supply and Water and Environmental Resource Protection and Conservation Grants administered by the Office of Economic Development.*

Answer: The Mayor's Office of Economic Development (OED) funds are used to promote sustainable economic development in the County. The DWS administers and funds projects that maintain or augment our drinking water supply.

Question:

2. *Please identify how the Department determines "direct benefit to water supply customers" when evaluating grant proposals prior to grant award.*

"By Water All Things Find Life"

Answer: In evaluating each grant proposal, DWS in collaboration with a grant analysis committee considers the amount requested in relation to stated deliverables, the area managed, DWS service connections impacted by the project, among other factors. A key evaluation criterion is the degree to which the public uses and benefits from subject project to protect or enhance drinking water supply. The grant evaluation scoring guide suggests high score for projects with substantial benefits to DWS public water supply. Watershed protection in the recharge area or capture zone of DWS wells clearly provide a direct benefit to rate payers, while similar efforts in a region of potential source development may be warranted for funding to some degree. Where hydrologic impact and benefit of a project cannot be exactly quantified, project funding requires some nexus to the drinking water supply subsidized by our rate payers. The DWS supports watershed protection and restoration throughout all of Maui Nui and encourages funding by private water purveyors, land owners, other state and county agencies for the many ecological, social and economic benefits our watersheds provide.

Question:

3. *Does the Department differentiate between research-based proposals and fieldwork-oriented proposals for grants? If so, please explain whether specific portions of grant monies are allocated for each of these purposes.*

Answer: Projects eligible for DWS funding include science-based projects that define methodological approaches to reach desired results consistent with protecting and conserving the County's water sources. Such research based projects should be capable of producing quantifiable results. Grant monies are not allocated by a specific ratio between research and fieldwork projects, but assessed on its own merits and evaluated based on the established evaluation criteria. Grant funds may vary by fiscal year within the DWS' projected water revenues and council approved water rates.

It should be noted that DWS has initiated a cooperative study by the U.S. Geological Survey to quantify the impacts of high-priority non-native and dominant native plant species on freshwater availability on Maui. The results of this study will reduce the uncertainty in future assessment and funding of watershed protection.

We will provide updated FY2016 and FY2017 grant reports to your Committee in January 2018.

Honorable Alike Atay
Chair, Water Resources Committee
October 5, 2017
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Should you have any questions, please feel free to contact me at ext. 7816.

Sincerely,

A handwritten signature in black ink, appearing to read 'DTaylor', with a stylized flourish at the end.

DAVID TAYLOR, P.E.
Director of Water Supply

xc: Gladys C. Baisa, Deputy Director
DT:EB:atn
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