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DEPARTMENT OF WATER SUPPLY

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February 22, 2016

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Honorable Gladys C. Baisa Chair, Water Resources Committee Maui County Council 200 South High Street Wailuku, Hawaii 96793

Dear Chair Baisa:

SUBJECT: REPLACEMENT WATER AVAILABILITY ORDINANCE CONCEPTUAL FRAMEWORK (WR-19)

Recent discussions in Water Resources Committee ("WRC") have led to the conclusion that Water Availability Ordinance should be replaced or modified to meet the concerns of the community. After listening to the concerns raised by the committee and testimony of community members, I would like to share a conceptual framework that may serve as a starting point to modify this ordinance.

This framework is intentionally presented in an outline format rather than an actual ordinance. My hope is that we could initiate a discussion on the policy direction first. If we can reach general agreement on a policy direction framework, it should be relatively straightforward to construct an ordinance.

My intention was to create a template that all parties could agree with, regardless of specific concerns. The numerical values are all simply placeholders. By simply varying the values (or by dropping specific categories completely), different policy objectives can be met. My hope is that all stakeholders can agree with this format and provide varying opinions on the values.

Some specific concerns addressed are as follows:

- It is a good idea to have a "water service rationing ordinance" so it is understood that IF there is <u>not</u> enough potable capacity available, there is a pre-determined methodology to provide service to priorities.
- Department of Water Supply ("DWS") would have the responsibility to create and update "supply vs. demand projections" based on the General Plan and

"By Water All Things Find Life"

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engineering judgment. The various 20 year projections presented to WRC are examples of the level of detail expected.

- The DWS Director would have professional discretion to develop these projections. The ordinance would describe what actions to take based on results of these analyses.
- This approach is focused on the DWS's ability to provide service. It is NOT an attempt to comment on aquifer health or stream issues because these are specifically dealt with by the Commission on Water Resources and Management ("CWRM") through existing, simultaneous processes. Therefore, it is more of an "infrastructure adequacy" policy rather than a "water source adequacy" approach.
- This approach allows "warning signs" as the situation becomes more critical. It minimizes or eliminates the possibility that we go directly from "everything is fine" and the next week there is a moratorium. It also stops the possibility that a large developer comes in, takes all the remaining capacity, and that is the first sign that anything is wrong.
- By building these "warning signs" in to the ordinance, there will be a serious commitment to fix the inadequacies BEFORE everyone is affected. The biggest developers will be raising the issue long before the little guys are affected. Everyone will know we are heading for problems.
- This still gives the larger developers responsibility to help develop source and not simply say it's the County of Maui ("COM") sole responsibility.

The actual ordinance could be structured as follows:

Replacement Water Availability Ordinance Conceptual Framework

- The Council finds that there is limited infrastructure for potable water capacity. Therefore it shall be the policy of the COM to allocate potable water usage for new users as follows:
 - Population projections will be based on the General Plan.
 - Water system capacity projections will be based on an analysis provided by the DWS compared to population projections.
 - As the Upcountry system is governed by the "meter list," this ordinance shall not apply to the Upcountry system.
- In any DWS water system where the estimated 10 year forecast for water usage is within 98%-100% of maximum reliable capacity the following limitations will be placed on new uses:
 - 1. Subdivisions limited to 3 lots
 - 2. Individual building permits limited to 2,000 gpd
- In any DWS potable water system where the estimated 10 year forecast for water usage is within 95%-98% of maximum reliable capacity the following limitations will be placed on new uses:

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- 1. Subdivisions limited to 10 lots
- 2. Individual building permits limited to 50,000 gpd
- In any DWS potable water system where the estimated 10 year forecast for water usage is less than 95% of maximum reliable capacity the following limitations will be placed on new uses:
 - 1. No restrictions
- No new Ag users over 2 acres.
- No new Ag users on land historically served by ditch water.
- 100% affordable housing projects are exempt from all requirements.
- County, State and Federal government projects are exempt from all requirements.
- Any project using more than 120,000 gpd (equivalent to about 200 homes) must provide source adequate for the project.

Again, and most importantly, <u>all of the numbers are placeholders</u>. I believe that you will find that this approach can be easily modified by changing values or adding or subtracting specific categories.

We appreciate your leadership moving this issue forward. We hope that you will find this approach useful. We are available to discuss this issue with you at your convenience and look forward to future discussions with the WRC.

Should you have any questions, please feel free to contact me at Ext. 7816.

Sincerely,

DAVID TAYLOR, P.E. Director of Water Supply

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