



Honolulu Board of Water Supply Stakeholder Advisory Group Meeting #7

May 17, 2016 4:00 – 6:30 PM
BWS Beretania Complex

Meeting Notes

PURPOSE AND ORGANIZATION OF MEETING NOTES

The purpose of these notes is to provide an overview of the Board of Water Supply (BWS) Stakeholder Advisory Group meeting. They are not intended as a transcript or as minutes. Major points of the presentations are summarized herein, primarily for context. Copies of presentation materials were provided to all participants and are available on the BWS website. Participants made many comments and asked many questions during the meeting. These are paraphrased to be more concise.

ATTENDEES

There were 14 stakeholders, and BWS and CDM Smith staff present. The stakeholders represent diverse interests and communities, island-wide.

The following Stakeholders Advisory Group members attended:

Jackie Boland	AARP of Hawai'i
Pono Chong	Chamber of Commerce Hawai'i
Bill Clark	Resident of City Council District 6
Neil Hannahs	Kamehameha Schools/Hawaiian Cultural
Mark Fox	Nature Conservancy of Hawai'i
Helen Nakano	Resident of City Council District 5
Alison Omura	Coca-Cola Bottling Co.
Kathleen Pahinui	Resident of City Council District 2
Elizabeth Reilly	Resident of Council District 4
John Reppun	KEY Project
Francois Rogers	Blue Planet Foundation (tour only)
Josh Stanbro	Hawai'i Community Foundation
Cruz Vina Jr.	Resident of Council District 8
Christopher Wong	Resident of Council District 7
Suzanne Young	Honolulu Board of Realtors

MEETING AGENDA

- Welcome
- Public Comment on Agenda Items
- BWS Updates (For possible action)
- Accept Notes from Meeting 6 (For possible action)
- Preamble and Objectives of the Water Master Plan (For possible action)
- BWS Water System Condition Assessment Results (For possible action)
- Summary and Next Steps (Information only)

WELCOME

Dave Ebersold, Facilitator and Vice President of CDM Smith, welcomed the group. He asked stakeholders who attended the tour of the BWS's facilities to share their impressions of the experiences. Stakeholders had a unique opportunity to learn more about BWS operations by touring portions of the BWS's Beretania Complex. Locations visited included the BWS Control Center, Security Center, Beretania Pump Station, and Pipeline Graveyard. The following were highlights of that discussion (comments are not verbatim):

- It was amazing. We learned that the BWS works really hard to keep our water safe and clean. Anything can happen; the BWS needs more money to upgrade the system.
- The control room was incredible. I didn't know there were wells and pumps on site!
- I had not thought much about security for the water facilities, but now that I have seen the security room, I understand that this security is obviously needed. The scope of work of the employees to meet our water needs is well thought out and amazing.
- It was worthwhile to spend time looking at the pipes out of the ground (in the "pipe graveyard"). It showed us a different perspective of the water system and why updates are needed.
- I have talked to my volunteers about this: I'm just very struck by the pride and commitment that the BWS staff has for the facilities. So far, I have noticed this in every single thing that they've done.
- You can tell people like working here. Everywhere we went, all the guys are finishing their shifts, and they're all smiling. It's a good organization.

PUBLIC COMMENTS ON AGENDA

None.

1-YEAR ANNIVERSARY TOAST AND UPDATES ON BOARD OF WATER SUPPLY ACTIVITIES

Ernest Lau welcomed the group and thanked them for attending the tour of the Beretania Complex and Meeting 7 at the BWS headquarters, which is "home" to many of the dedicated employees. The meeting location was arranged in honor of the 1-year anniversary of the BWS Stakeholder Advisory Group. Ernest asked everyone to raise their glasses of tap water and then led the group in a toast:

“This is the first anniversary of the BWS Stakeholder Advisory Group for the Water Master Plan and we are honored to have you here (*in our headquarters*). On behalf of the Honolulu Board of Water Supply and all the employees that work here, thank you so much, Stakeholder Advisory Group, for your commitment, your dedication, and your help to make this Water Master Plan even better. Mahalo! This is to you: Cheers.”

Ernest provided updates beginning with the City Charter Commission and gave an overview of the proposed amendments that could affect the BWS. Ernest reported that the Commission must select 10-15 proposals for the November election ballot by September 10, 2016. He reported that the Commission had formed a Permitted Interaction Group (PIG) to work on the proposed amendments that could specifically affect the BWS. He informed the Stakeholder Advisory Group that the BWS recently met with the Permitted Interaction Group to give them a short presentation and learn more about – and hopefully address – their concerns, but the feedback was minimal. Ernest assured the stakeholders that the BWS will distribute the report prepared by the PIG when it is available and will keep everyone apprised. He thanked Helen Nakano and John Reppun for attending the Charter Commission meeting in March and testifying in person about the BWS. That allowed the Commission to take the public’s input into account. Ernest encouraged anyone who cannot attend the Charter Commission meetings to watch them on ‘Ōlelo cable/online television.

Ernest then provided an update on Red Hill fuel tanks. Part of the Navy’s Administrative Order of Consent (AOC) is to engage subject matter experts in the process, and that includes the BWS. The BWS recently spent 2 1/2 days in intense and informative meetings about the Red Hill fuel tanks with the Department of Health, the US EPA from San Francisco, and the US Navy. The BWS’s commitment is to continue to participate in the process and make recommended changes to protect our water sources. The process limits the BWS to making recommendations related to developing the scope of work for the Navy’s two-year studies.

QUESTIONS, COMMENTS, AND ANSWERS

Q: Did the Navy explain why it needs two years to complete its studies and did anyone express concern over this length of time before taking action? The Navy has identified the problems with the tanks. Why aren’t they taking more immediate action?

A: The two-year study period does not begin until the scope of work is finalized. The AOC allows the Navy 22 to 27 years to complete the repairs to the tanks after the two-year studies are complete. The 22 to 27-year time period is the larger concern for our water sources. The groups who met with the Navy agreed that it is very important to identify immediate actions that could reduce the risk to our water supply, including improvements to leak protection and inspecting all the tanks in a shorter window of time. They’ve inspected only six of the 18 tanks that are in use. The BWS’s position will be to continue to gently put pressure on the regulators and the Navy to speed up the

process. The BWS refused to sign a non-disclosure or confidentiality agreement, so we will continue to share what we can.

The EPA, regulators, and the Navy created the website: epa.gov/red-hill. EPA and the Department of Health gave permission to the Navy to reduce the number of chemicals to be tested from 70 to 10. The BWS has requested that the EPA and the Department of Health appear before the Water Board at the June 27th meeting to explain their reasoning behind this decrease in testing. The Navy is proposing to install four more monitor wells, which is crucial for monitoring the Hālawā Shaft. Red Hill is an ongoing issue that's going to require a lot of effort and the BWS is prepared to be a voice for our customers on this issue.

Q: Did the Navy make the changes identified in the 2010 audit that was posted to its website?

A: The audit report seems to validate a lot of the BWS's concerns. In the report, there is a table that shows gaps in maintenance and records for each of the fuel tanks that vary from 27 to 47 years.

Q: What's the role of the State Commission on Water Resource Management (CWRM) with regard to the Red Hill fuel tanks and how might the BWS and other county and state level agencies help?

A. From the very beginning, the BWS thought the Water Commission should have a role because their responsibility is the management and beneficial use of freshwater resources of the state of Hawai'i as a public trust. The water is owned by the public and not by any individuals.

Ernest said that he spoke to the Water Commission about Red Hill earlier this year. The Commissioners voted to support the BWS's position. Traditionally, the Commission would address the quantity of water pumped, but not water quality. It was always the responsibility of the Department of Health – which has a seat on the Water Commission – to address water quality issues. However, the Commission clearly stated that they have a role to help protect the resource at Red Hill.

Q: Are there any other situations like this elsewhere in the western region where the Navy has fuel tanks and their water resources that are being impacted? Is there a bigger regional approach to the Navy that might be helpful so that we can get more Congressional help?

A: Guam might have a situation similar to Hawai'i. It has a large number of underground tanks, sitting right over Guam's water resources. That's a similar issue that the US EPA might be looking into. CWRM Commissioners understood and agreed with the BWS's concerns about protecting this valuable resource.

REVIEW AND ACCEPT MEETING 6 NOTES

The notes from Meeting 6 were accepted without changes.

PREAMBLE AND OBJECTIVES FOR THE WATER MASTER PLAN

Dave opened the discussion by letting the group know that Micah Kāne and Richard Dahl had approved the objectives as written prior to the meeting. He asked for the group's feedback on the final two objectives, Cost and Affordability and Water Resource Sustainability, and the draft preamble to the objectives. The intent was to come to final group consensus and include the objectives and preamble in the Water Master Plan.

The following are draft and final language for the Water Quality, Health and Safety objective. Highlights of stakeholders' discussion are summarized below.

WATER QUALITY, HEALTH AND SAFETY	
Text incorporating Stakeholder Advisory Group edits from Meeting 4	Final text incorporating Stakeholder Advisory Group edits from Meeting 7
<ul style="list-style-type: none">• Potable water is consistently safe to drink.• Water served meets or is better than regulatory standards and also is suitable for the intended water use, including recycled water.• Water system facilities are secure as well as structurally and operationally sound, protecting the public, employees and the community.• The exceptional natural quality of O'ahu's source water is sustained.	<ul style="list-style-type: none">• Potable water is consistently safe to drink.• All water supplied, including potable and non-potable water, meets or is better than applicable regulatory standards and suitable for its intended use.• Water system facilities are secure as well as structurally and operationally sound, protecting the public, employees and the community.• The exceptional natural quality of O'ahu's source water is sustained.

Stakeholders contributed the following observations, ideas, and edits, to arrive at the final version above:

- It is important to include the appropriate grades and types of water that the BWS manages, which include non-potable sources.
- It is also important to describe the different types of water for drinking and other uses for which we are trying to meet regulatory standards. This will help make clear the water's intended use.
- There are different types of non-potable water.
- Storm water and brackish water can be treated. Groundwater in some areas requires treatment before it can be used for potable purposes.

- Even in its un-served state, water is a resource that is important for us to manage. We need to be worried about what's going to happen to the source before we ever pull it up.
- We can't say that we're going to protect what's in the ground such that it meets regulatory standards because that's beyond our reach.
- There may not be established standards for some types of non-potable water yet.

The group reached consensus on this objective.

The following are draft and final language for the Cost and Affordability objective. Highlights of stakeholders' discussion are summarized below.

COST AND AFFORDABILITY	
Draft text incorporating Stakeholder Advisory Group edits from Meeting 6	Final text incorporating Stakeholder Advisory Group edits from Meeting 7
<ul style="list-style-type: none"> • Infrastructure project expenditures balance system needs, community values, and affordability for current and future ratepayers. • Water system is designed and operated to deliver water at the most responsible cost to the customer. • The price of water is transparent and reflects the whole cost of providing water to present and future generations (e.g., protecting watersheds, investing in infrastructure, sufficient financial and staff resources, maintenance, planned management, and long-term water sustainability). • Achieve water and energy efficiency via infrastructure design and construction, system operations and maintenance, and consideration of renewable energy options. 	<ul style="list-style-type: none"> • Infrastructure project expenditures integrate system needs, community values, innovation, and affordability for current and future ratepayers. • Water system is designed and operated to deliver water at the most responsible cost to the customer. • The price of water is transparent and reflects the whole cost of providing water to present and future generations (e.g., watershed protection, infrastructure investment, sufficient financial and staff resources, maintenance, planned management, and long-term water sustainability). • Achieve water and energy efficiency and conservation via infrastructure design and construction, system operations and maintenance, and consideration of renewable energy options.

Stakeholders contributed the following observations, ideas, and edits, to arrive at the final version above:

- Missing in this objective is the word “innovation” and it is important related to how we spend funds. We often attempt to save funding with the assumption that things are working fine, but we're not testing the limits of technology or advancement to see what the next thing should be.

- Dr. Chip Fletcher (Associate Dean at the UHM School of Ocean and Earth Science and Technology) spoke today about the need to be creative and innovative as the effects of climate change are approaching.
- Renewable energy should be discussed as providing “efficiency” and “conservation”.
- When looking at climate change, if you invest in the infrastructure now, you're going to see cost savings over time.
- Add “conservation” and “innovation”, but don’t try to balance “innovation” because we need to go after new ways of doing things.

The group reached consensus on this objective.

The following are draft and final language for the Water Resource Sustainability objective. Highlights of stakeholders’ discussion are summarized below.

WATER RESOURCE SUSTAINABILITY	
Final text incorporating Stakeholder Advisory Group edits from Meeting 6	Final text incorporating Stakeholder Advisory Group edits from Meeting 7
<p>Water sources are protected and available now and into the future by:</p> <ul style="list-style-type: none"> • Proactive management and improvement of the watershed and groundwater supply. • Conducting long-range planning (including risks due to climate change). • Collaborating with Department of Land and Natural Resources and other relevant land owners and land users. • Promoting alternative sources of water (e.g., storm water, recycled water, brackish water and seawater). • Ensuring sufficient financial and staff resources for implementing long-term water sustainability. 	<p>Water sources are protected and available now and into the future by:</p> <ul style="list-style-type: none"> • Proactively managing and improving the watershed and groundwater supply. • Conducting long-range planning and taking action to address risks, and adapting to climate change. • Engaging in and supporting long-term watershed partnerships, and ensuring consultation with regard to the effect of land use on water sources. • Pursuing alternative sources of water where reasonable and practicable (e.g., storm water, recycled water, brackish water, and seawater).

Stakeholders contributed the following observations, ideas, and edits, to arrive at the final version above:

- Using the word “pursue” vs. “promote” in the last bullet was discussed extensively. Ultimately, the group decided “pursue” sounded most appropriate for the future needs of the island.
- Add something after “planning” on the second bullet because planning alone is not going to be enough. Perhaps: "Conducting long range planning and action to ameliorate the risk due to climate change."

- Tier the types of water so the BWS promotes alternative sources such as storm water, recycled, brackish, and say “exploring options of seawater”, which is more costly.
- The BWS obtained almost 20 acres of federal land, which is being retained for the future in case we need to move towards seawater desalination. The site was given to the State under the condition that it's used for desalination. Brackish water sources around the island are limited compared to our supply of seawater. The Water Master Plan looks 30 years into the future; at some point, the BWS may have to consider the seawater desal option. In the near term, the BWS might do some small-scale desal work in that area.
- Why shouldn't we promote seawater in addition to storm water and recycled water? Cost aside, what is the reason why we wouldn't want to pursue seawater?
- Cost would be the reason if coming from the stance of public use. The BWS would make the right decision about when to pursue desalination.
- California just completed construction of the largest desalination plant in the US in Carlsbad. That state is experiencing extreme drought conditions, and may not get enough water from the Colorado River, Northern California, or groundwater for the long term. They're looking at more areas for seawater desalination. They're also looking at direct potable reuse. If you look into recycled water there, that doesn't mean just irrigating golf courses or using it for industrial use. It's actually cheaper to treat wastewater for drinking under direct potable reuse than to desalinate seawater. The future might bring periods of sustained drought here that could last more than a few years.
- “Promoting” is a marketing term. If you're investing for your retirement, you don't put everything into stocks. You diversify, because that's more resilient. “Pursue” these options and build them cost effectively for sustainable resources.
- We should not tier/prioritize the sources of water that the BWS can consider. We don't know what future innovation or technology will be, or what priorities might change. If we do run out of water for some reason we might have to pursue seawater desalination more.
- Why not just take seawater out of the objective, because the language says “including but not limited to”?
- The BWS is putting out an RFP for desal in this coming budget. The BWS is trying to maintain the land for the future and the future could be 100 years from now.
- Are we talking about just drinking water, or also irrigation? What about cooling water?
- How we decide to use land potentially impacts us. There are a lot of regulators besides DLNR out there. We haven't discussed how land use will affect our water source, but it does. For example, should landfills be built over our water sources?
- Related to agriculture, chemical usage and use of fertilizers can affect the quality of water.
- The BWS should be able to weigh in on impacts on water resources for any kind of land use. Water resources are protected and available by ensuring that the BWS weighs in on proposed plans. Specifically in the third bullet, it should say: “Engage in the process of consultation with regard to land use impacts on water sources”. When you have a major development or a major land use being proposed, the BWS should be consulted in an EIS for any major land use.
- It is too much to ask the BWS, whose main focus is to provide service for water, to have to also have the expertise of land use development and natural resources? To do so, the BWS

then becomes one of another group of players on the scene of land use. What is concerning is that the BWS would have the bully pulpit on water and future land use development.

- The BWS is one of the most important voices in land use development and we should be including them as a regulatory voice.
- The BWS is going to weigh in when it affects water resources and they have something to say. This objective does not give the BWS any more of a bully pulpit than anybody else. They just get the same opportunity to weigh in. It doesn't create regulatory authority.
- Having the BWS weigh in on land use creates informed decision-making. If their voice is not at the table, the decision-makers don't have all of the information they need.
- The BWS has weighed in on land use issues with respect to protecting the resources. It's within the BWS's responsibility to protect our resources and potable sources, but it would have less say for private entity types of impacts. The BWS has that say in the eight regional Watershed Management Plans, which include policies. The BWS also weighs in on future stream diversions. Watershed Management Plans are adopted by the City Council and the Water Commission. They help the BWS drive the overall protection of the resource.
- Is this issue something that's already taken care of within the context of Watershed Management Plans? If it is, we should not be trying to duplicate the issue in the Board's Water Master Plan.
- When a use affects a BWS source, we look at the project and weigh in as appropriate.
- There already are watershed partnerships on the island so replace "developed" with "engage and support" watershed partnerships.
- "Engage in and support long term watershed partnerships and ensure consultation with regard to land use impacts on water sources." Is there a suggestion to limit that to BWS water sources?
- We should not limit that to BWS sources because we're supposed to be thinking of our future needs as well as future generations. The BWS may not have a source there now, but it might need to be a future source. Why foreclose that option?
- How will this be handled for development that is currently being planned and are others thinking about this? There are 900,000 of us already here.
- Now is the time to address it.
- Legislators just gave the counties the ability to regulate storm water discharges by charging fees based on the permeable and impermeable services on property.
- We need to ensure that we have long-term access to water for all of our needs. Clearly climate change is one of the big uncertainties, but there are other things out there that would affect the water supply? How do we take action against climate change?
- We can look at risks.
- Risk includes the need for adaption of climate change. We're not going to change the climate, but we need to adapt to it. Climate change is a game changer. There are all kinds of risks. We care about them all but climate change is a game changer and we're an island community. We're going to feel it first.

The group reached consensus on this objective.

The following are draft and final language for the Preamble. Highlights of stakeholders' discussion are summarized below.

PREAMBLE	
Draft text incorporating Stakeholder Advisory Group edits from Meeting 6	Final text incorporating Stakeholder Advisory Group edits from Meeting 7
<p>The Honolulu Board of Water Supply (BWS) Stakeholder Advisory Group has developed the following objectives for the BWS Water Master Plan using a consensus-based process. These objectives cover five major areas that support the BWS's water resource planning efforts and the ahupua'a model of sustainable resource management. In establishing these objectives, the Stakeholder Advisory Group recognizes that in a world of limited resources, not all objectives will be fully attainable, and at times, some objectives may take precedence over others. For this reason, the Stakeholder Advisory Group emphasizes the guiding principle that meeting these objectives will require balance, sensitivity and shared kuleana.</p>	<p>The Honolulu Board of Water Supply (BWS) Stakeholder Advisory Group has developed the following objectives for the BWS Water Master Plan using a consensus-based process. These plan objectives support the BWS's water resource planning efforts and the ahupua'a model of sustainable resource management. In a world of limited resources, meeting these objectives will require fiscal prudence, balance, sensitivity and shared kuleana. These objectives enable the BWS to fulfill its roles and responsibilities in a larger system of agencies contributing to the management of water resources.</p>

Stakeholders contributed the following observations, ideas, and edits, to arrive at the final version above:

- It's important to say that we are in a system of regulatory bodies that BWS plays a certain finite role.
- The Board of Water Supply has a new, bigger role that is appreciated. Thirty years ago, it was "stick a straw in a cup for municipal use". Back then the Board of Water Supply really had no role for planning for protecting watersheds, or protecting water resources. Now it does.
- Instead of "Using a consensus based process" could we say: "We developed the following objectives"?
- Spelling out "consensus based process" conveys that there's been healthy, hearty conversation to reach a point of agreement.
- Delete "competition" and add "to fulfill its role and responsibilities in a larger system of agencies contributing to the management of water resources". We are so accustomed these days to dealing with "silo thinking". We're in a system where we've got to have some vested

interest in having everybody be successful, and we're all doing what we're supposed to do. Any link that breaks in the chain affects us all. That's the purpose.

- "... in a larger system of agencies contributing to management water resources and cover 5 major areas."
- Do the 5 major areas include infrastructure, and not just resource management? (Yes.)
- A concern is about the fiscal language. When we discussed the cost and affordability objective, we removed language talking about having limited resources because we would address that in the preamble.
- Add the words "fiscal prudence".
- The BWS is very aware of the issue of affordability, which is in the mission statement. Affordability has to do with balance while meeting our objectives, and making sure rates are affordable to the people.
- Is everybody okay with putting "fiscal prudence" before balance? (Yes.)
- Say: " the Plan enables". The advisory group has developed the following objectives of the BWS Water Master Plan and the process. These objectives support BWS's Plan. Then, take the discussion about the enabling BWS to fulfill its roles and tie that to the Plan.
- Also, say "There are 5 Plan objectives that support the BWS's resources".
- The whole paragraph, although it refers to the objectives on the Water Master Plan, is all about the objectives.
- It's the values of fiscal prudence, balance, sensitivity, and shared kuleana that are enabling the Board, right?
- Group: It looks good.

Dave told the group that as people left this meeting, we lost the quorum. He will send the final preamble and objectives to the Stakeholder Advisory Group and ask everyone to reply by email whether they accept them or not.

He said this has been an important and insightful conversation. Hearing how Ernest and Barry view the objectives tells stakeholders that they don't take this discussion lightly.

At the next meeting on July 12th, stakeholders are going to hear about results of condition assessment and an overview of the findings of the Water Master Plan. At that same time, the Board intends to put a draft of the Water Master Plan out to the public. BWS staff will begin giving presentations on the Water Master Plan to stakeholders' organizations, neighborhood boards, and a whole host of different organizations. Dave asked stakeholders to let the BWS know if they are interested in having a presentation to their organization. The public will have the opportunity to input to the Water Master Plan. Where it goes from there is the idea that all those comments will be received. The BWS is thinking about holding a joint meeting with the Stakeholder Advisory Group and the BWS Board. Assuming that all stays on schedule, then BWS' Board would consider adopting the Water Master Plan in late September.

Dave thanked stakeholders for their participation in this important meeting.