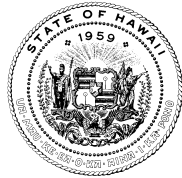


DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

May 31, 2017

Aloha Kaua'i Hawaiian Home Lands Beneficiaries,

The Department of Hawaiian Home Lands (DHHL) will be holding two Beneficiary Consultation meetings and two Public Hearings to share information and accept comments regarding a renewable energy hydroelectric project proposed by the Kaua'i Island Utility Cooperative (KIUC) that would be partially located on DHHL lands in Waimea, Kaua'i.

The attached map shows the approximate area where the proposed hydroelectric project would be located on DHHL lands. On the other side of the map are some "Frequently Asked Questions" that provide general information about the project. Details on the proposed project will be presented at the Beneficiary Consultation meetings and Public Hearings which have been scheduled as follows:

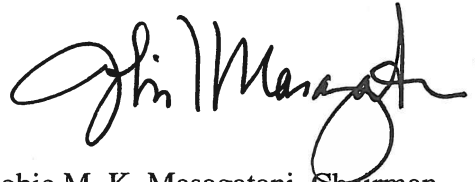
BENEFICIARY CONSULTATION MEETINGS	LOCATION AND TIME
1. June 13, 2017 (Tuesday)	Kekaha Elementary School Cafeteria 8140 Kekaha Road, Kekaha 6:00 p.m. to 8:00 p.m.
2. June 14, 2017 (Wednesday)	Kapa'a Elementary School Cafeteria 4886 Kawaihau Road, Kapa'a 6:00 p.m. to 8:00 p.m.

PUBLIC HEARINGS (open to the public)	LOCATION AND TIME
1. July 12, 2017 (Wednesday)	Kaua'i State Office Building Conference Rooms A and B 3060 'Eiwa Street, 2 nd Floor, Līhu'e 9:00 a.m. to Noon
2. July 12, 2017 (Wednesday)	King Kaumuali'i Elementary School Cafeteria 4380 Hanamā'ulu Rd., Līhu'e 6:00 p.m. to 8:00 p.m.

The Beneficiary Consultation Meetings and Public Hearings are opportunities for you to share your mana'o regarding the proposed project. Your comments will be presented to the Hawaiian Homes Commission to assist in their decision-making process. As a beneficiary on the Island of Kaua'i, your participation is important and I encourage you to attend one of these meetings. The Public Hearings are required by law and are formal meetings of the Hawaiian Homes Commission that will be open to the public.

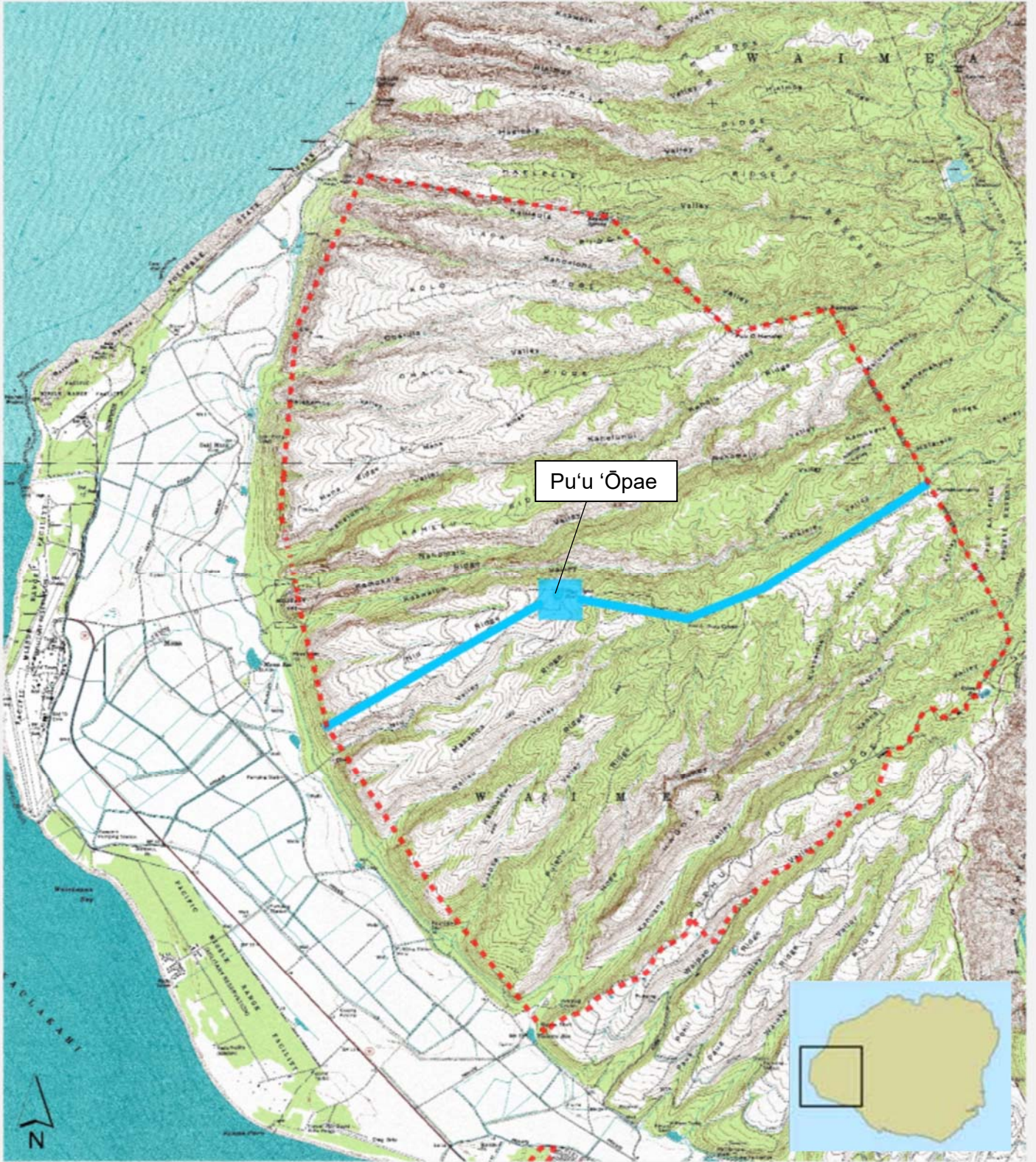
If you have any questions, please contact Bob Freitas in our Planning Office at (808) 620-9484 or via email at Robert.C.FreitasJr@hawaii.gov.

Aloha,

A handwritten signature in black ink, appearing to read "Jobie M. K. Masagatani". The signature is fluid and cursive, with a large loop at the end.

Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

Attachment



Proposed KIUC Hydro-Electric Project on DHHL Land

Legend

-  DHHL Waimea, Kauai Lands
-  Approximate Area -- Proposed KIUC Land License from DHHL
-  Approximate Area -- Proposed KIUC Utility License from DHHL



**FREQUENTLY ASKED QUESTIONS
PROPOSED KIUC RENEWABLE ENERGY HYDROELECTRIC
PROJECT AT WAIMEA**

Q: How much of our Trust lands would be used for the proposed hydroelectric project?

Waimea lands include approximately 15,000 acres or 72% of the Hawaiian Home Lands Trust on Kaua‘i. The proposed hydroelectric project would use a small fraction of the Waimea lands. The approximate size and location of that use is shown on the attached map.

Q: Why would the department use a portion of our Waimea Hawaiian Home Lands Trust for a hydroelectric project instead of awarding farming and ranching homesteads to HHCA beneficiaries on the waiting list?

The DHHL Waimea lands are largely dry, steep, and inaccessible. Less than one third of the parcel was once used for sugar cultivation, and those are much of the same lands that could be used for future homesteading – IF water and access is provided. Allowing the development of a hydroelectric project on a small portion of the Waimea Trust lands is a way to have another party develop water, roads and electric infrastructure so that the lands can be used for homestead development.

Q: How will a hydroelectric project benefit DHHL and its beneficiaries?

The main benefit is that the proposed hydroelectric project will bring water to West Kaua‘i Trust lands. The water will service existing pastoral lots and allow the future development of new homestead lots. The proposed project will shift the cost of developing and maintaining key infrastructure (roads, electricity and water) from DHHL to the energy developer. This will open the lands for beneficiary use and the development of new homestead lots.

Q: Is this project consistent with DHHL Plans for the region?

Yes, the proposed project is consistent with DHHL’s West Kaua‘i Regional Plan which was developed with Waimea, Kekaha, and Hanapēpē homestead beneficiaries through an extensive regional planning process. The proposed hydroelectric project is consistent with, and helps to implement, two Priority Projects: 1) the development of an agricultural and water plan; and 2) the development of renewable energy projects that are compatible with agriculture. The West Kaua‘i Regional Plan can be accessed online at:

<http://dhhl.hawaii.gov/po/regional-plans/kauai-regional-plans/>