

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
**HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA**

Līhu'e State Building, 3060 Eiwa Street, Līhu'e, Kaua'i, Rooms A-C  
Monday, August 21, 2017 at 9:30 a.m. to be continued, if necessary, on  
Tuesday, August 22, 2017, at 9:00 a.m.

*Note: Commission Meeting Packets will be available at [dhh.hawaii.gov](http://dhh.hawaii.gov), by Saturday, August 19, 2017.*

**I. ORDER OF BUSINESS**

- A. Roll Call
- B. Approval of Agenda
- C. Approval of Minutes for July 2014
- D. Public Testimony on Agendized Items

**II. ITEMS FOR DECISION MAKING**

**A. CONSENT AGENDA**

Homestead Services Division

- D-2 Approval of Consent to Mortgage (see exhibit)
- D-3 Approval of Streamline Refinance of Loans (see exhibit)
- D-4 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
- D-5 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-6 To Approve Setting Aside the HHC Cancellation of a Lease Application – **SIMEON L. NAEOLE, JR., Deceased**
- D-7 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds (see exhibit)
- D-8 Approval of Assignment to Leasehold Interest (see exhibit)
- D-9 Approval of Amendment of Leasehold Interest (see exhibit)
- D-10 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-11 Request to Schedule Contested Case Hearing – Authorization to Proceed to Public Notice Under Section 209, HHC, Due to Nonresponsive Designated Successor(s) (see exhibit)
- D-12 Request to Surrender Lease – **DOROTHY PATRICIA WAIAMAU**, Residential Lot Lease No. 87842, Lot No. 106-B, Nanakuli Residence Lots (First Series), Nanakuli, Waianae, Hawaii

**B. REGULAR AGENDA**

Land Management Division

- F-1 Renewal of Right of Entry Permits, Kaua'i Island (see exhibit)
- F-2 Renewal of Right of Entry Permits, O'ahu Island (see exhibit)

Planning Division

- G-1 Accept Beneficiary Consultation Report for the Kaua'i Island Utility Cooperative's (KIUC) proposed Waimea Hydroelectric project, Waimea, Kaua'i, TMK (4)1-2-002:023

Administrative Services Office

- H-2 Amendment no. 1 to Fiscal Year 2018 Department of Hawaiian Home Lands Budget  
– Increase to Hawaiian Home General Loan Fund Budget

**III. EXECUTIVE SESSION** (discussion to be held during lunch break)

The Commission anticipates convening in executive meeting pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities on these matters.

1. Legal Issues Related to Item F-3, below.

**IV. ITEMS FOR INFORMATION/DISCUSSION**

**A. GENERAL AGENDA**

Requests to Address the Commission

- J-1 Kilipaki Vaughan – Anahola Fire Incidents and Solution
- J-2 Kawai Warren - Kekaha Hawaiian Homestead Association Pu'u Opa'e License
- J-3 Ipo Toria – Kanuikapono Public Charter School
- J-4 Bo Kahui – La'iOpua 2020

**B. WORKSHOPS**

Office of the Chairman

- C-1 Draft 2017 Annual Performance Report NAHASDA

Land Management Division

- F-3 For Information Only: Request for Approval to Issue Right-of-Entry Permit and Conditional Approval of General Lease to Kaua'i Island Utility Cooperative, Subject to Compliance with, and Completion of, the Environmental Disclosure Requirements Under HRS Chapter 343, and Provided that Such Environmental Review Does Not Reveal Significant Adverse Impacts that Cannot Be Reasonably Mitigated. Delegate to the HHC Chairman the Authority to Negotiate the Final Terms and Conditions of the Right-of-Entry and General Lease, Waimea, Island of Kaua'i, Tax Map Key No. (4) 1-2-002:023 (pr).
- F-4 Proposed Assignment and Amendment of General Lease No. 294 to Arion Energy, LLC, Kalaeloa, O'ahu, TMK (1)9-1-013:029
- F-5 For Information Only, County of Kauai, Engineering Division, Aliomanu Road Erosion Repair, Anahola, Kauai

Planning Division

- G-2 DHHL Kaua'i Water Projects and Issues
- G-3 Kaua'i Regional Update
- G-4 Summary of Response to Proposed Legislative Action Request for 2018 & Draft Legislative Proposal

Administrative Services Office

- H-1 Workshop on Bond and COPs Refunding – Final Pricing

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
**HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA**

Lihue State Building, 3060 Eiwa Street, Lihue, Kauai, Rooms A-C  
Tuesday, August 22, 2017, at 9:00 a.m.

**I. ORDER OF BUSINESS**

- A. Roll Call
- B. Public Testimony on Agendized Items

**II. ITEMS FOR DECISION MAKING**

**A. REGULAR AGENDA**

Land Management Division

- F-6 Request for Approval to Issue Right-of-Entry Permit and Conditional Approval of General Lease to Kauai Island Utility Cooperative, Subject to Compliance with, and Completion of, the Environmental Disclosure Requirements Under HRS Chapter 343, and Provided that Such Environmental Review Does Not Reveal Significant Adverse Impacts that Cannot Be Reasonably Mitigated. Delegate to the HHC Chairman the Authority to Negotiate the Final Terms and Conditions of the Right-of-Entry and General Lease, Waimea, Island of Kauai, Tax Map Key No. (4) 1-2-002:023 (por).

**III. ITEMS FOR INFORMATION/DISCUSSION**

**A. REGULAR AGENDA**

Homestead Services Division

- D-1 HSD Status Reports
  - A - Homestead Lease and Application Totals and Monthly Activity Reports
  - B - Delinquency Report
  - C - DHHL Guarantees for USDA-RD Mortgage Loans
  - D - DHHL Guarantees for FHA Construction Loans

Land Development Division

- E-1 For Information Only - Soil Testing at Kekaha Residential Lots, Unit 4

**B. WORKSHOPS**

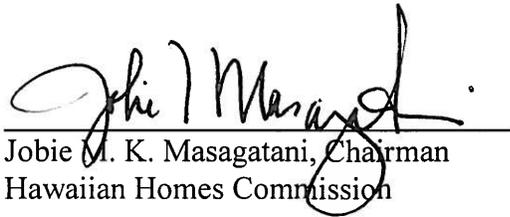
Planning Division

- G-5 Declare a Finding of No Significant Impact (FONSI) for a Final Environmental Assessment (FEA), Proposed DHHL Wailua Well Project, Wailua, Kauai, TMK: (4)3-9-002:12 Portion

#### IV. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Meeting –September 18 & 19, 2017, HHC Meeting Lahaina Civic Center, Lahaina, Maui.
- B. Adjournment

*Note: Contested Case Hearings begin at 1:00 p.m.*



Jobie M. K. Masagatani, Chairman  
Hawaiian Homes Commission

#### COMMISSION MEMBERS

Vacant, Maui  
Kathleen P. Chin, Kaua‘i  
Gene Ross K. Davis, Moloka‘i  
Wallace A. Ishibashi, East Hawai‘i

David B. Ka‘apu, West Hawai‘i  
Michael P. Kahikina, O‘ahu  
William K. Richardson, O‘ahu  
Wren Wescoatt, O‘ahu

Next community meeting is scheduled on Monday, August 21, 2017, 6:30 p.m. – 8:30 p.m.,  
Chiefess Kamakahahei Middle School Cafeteria

Special Accommodations (such as Sign Language Interpreter, large print, taped material) can be provided, if requested, at least five (5) working days before the scheduled meeting on the respective island by calling Brian Cheplic, at the **Information & Community Relations Office**, on Oahu, (808) 620-9590.

**ITEM D-2 EXHIBIT**  
**APPROVAL OF CONSENT TO MORTGAGE**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
ACASIO, Jesse K.	9707	Waimanalo, Oahu
AMARAL, Edmund K., Sr.	5981	Waimanalo, Oahu
ANAKALEA, Josephine L.	9234	Kaniohale, Hawaii
ANDAYA, Brandon I.	10286	Waiohuli, Maui
AZEVEDO, Neil A.	4228	Panaweia, Hawaii
BOTELHO, Sandra	7955	Waianae, Oahu
BRASH, Margaret L.	8925	Waianae, Oahu
DUNCAN, Bradley W. K.	12586	Kanehili, Oahu
ENOKA, Maylene K.	8788	Waimanalo, Oahu
GARZA, Lael K.	598	Papakolea, Oahu
GOMES, Keala O.	6676	Lualualei, Oahu
HAILI, Clyde	9915	Waiakea, Hawaii
HAUANIO, Wallace M.	9434	Kaniohale, Hawaii
KAHALIOUMI, Keenan K.	4263	Keaukaha, Hawaii
KAHAUOLOPUA, Natasha A. M. C.	10008	Waiakea, Hawaii
KALAI, Derek K.	10945	Waiakea, Hawaii
KAN HAI, John K.	10053	Waiehu 3, Maui
KANAHELE, Johnny K.	11359	Kekaha, Kauai
KANNO, Kainoa	10985	Lanai, Lanai
KAUO, Carole	7955	Waianae, Oahu
KAUPU, John K.	9088	Keaukaha, Hawaii
KEALOHA, Almanette K.	3980	Waimanalo, Oahu
KEKAUOHA, Joel A.	3980	Waimanalo, Oahu
KELII, Moana M. H.	4039	Waiakea, Hawaii
KEOHOHOU, Jo	5999	Waimanalo, Oahu
KIUPE, Rheda M.	781	Kewalo, Oahu
MANUIA, Jaysen K.	6272B	Panaweia, Hawaii
MATAMEA, Sharla L. H.	9872	Maluohai, Oahu
MILARE, Tyler	6846	Waiakea, Hawaii
MIYASHIRO, Mauralyn U. H.	9872	Maluohai, Oahu
NAHALEA, Quincy A, Jr.	8357	Princess Kahanu Estates, Oahu
PADEKEN-PASIGAN, Arlett	11774	Kanehili, Oahu
PAIK, Wayne C. M.	11908	Kaupea, Oahu
QUINTANILLA, Claudia C. K.	11367	Kaupea, Oahu
RAMOS, Maui J.	11179	Panaweia, Hawaii
REDOBLE, Scott K.	12026	Kaupea, Oahu
RICHARD, Minnie K.	9702	Waianae, Oahu
SANTIAGO, Summer L.	6103	Kalamaula, Molokai
SILVA, Irene K.	6846	Waiakea, Hawaii
SOUZA, Tanya	12309	Hikina, Maui
STURM, Laura K. K.	12593	Kanehili, Oahu
TAVITA, Iosefo K.	12568	Kanehili, Oahu
THURSTON, Paul J.	12098	Kaupea, Oahu
VIERRA, Christopher K.	9937	Waiehu 3, Maui

**ITEM D-3 EXHIBIT**

APPROVAL OF STREAMLINE REFINANCE OF LOANS

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
KEOPUHIWA, Joseph, III	8636	Nanakuli, Oahu
MAUNAKEA, Henrietta U.	11291	Waimanalo, Oahu
MEYERS, Carl A. K.	5642	Waianae, Oahu

**ITEM D-4 EXHIBIT**

APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARINGS

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
AIWOHI, Colleen	12119	Kaupea, Oahu
HALEMANU, Alexander	11276	Waimanalo, Oahu

**ITEM D-5 EXHIBIT**

HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

<b><u>APPLICANT</u></b>	<b><u>AREA</u></b>
AKAMU, Kenny K.	Oahu IW Res
BORDEN, Russell D.A.	Oahu IW Agr to Maui IW Pas
HAUPU, Hendrick M.	Maui IW Res
IGNACIO, Doreen	Hawaii IW Res to Lanai IW Res
KAAPUNI, Timothy K.	Hawaii IW Pas to Hawaii IW Agr
KAHALE, Oei Lan K.	Kauai IW Res to Oahu IW Res
KALAMA, Natalie A.	Kauai IW Res to Maui IW Res
KANE, Victor, Jr.	Oahu IW Res
KIAHA, Chester M.	Hawaii IW Res to Maui IW Res
KOKI, Kawehionalani	Oahu IW Res
LUM, April L.D.	Hawaii IW Agr to Maui IW Agr
LUM, April L.D.	Hawaii IW Res to Oahu IW Res
MAKUA, Ronald	Oahu IW Res
NGALUAFE, Jeannie M.	Oahu IW Res to Hawaii IW Res
PAHIA, Reginald N.	Kauai IW Agr to Oahu IW Agr
PAHIA, Reginald N.	Kauai IW Res to Oahu IW Res
PUAILIHAU, Laurence K. Jr.	Oahu IW Res
SAVEA, Charlotte	Oahu IW Res to Kauai IW Res
SPENCER, Nobleene L.	Hawaii IW Res to Oahu IW Res
SULUSI, Bobby-Jo M.K.	Maui IW Res to Lanai IW Res

\* IW = Islandwide

**ITEM D-7 EXHIBIT**

**APPROVAL OF DESIGNATION OF SUCCESSORS TO LEASEHOLD INTEREST AND  
DESIGNATION OF PERSONS TO RECEIVE THE NET PROCEEDS**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
AKAU, Paul H.	7766	Waimanalo, Oahu
AKI, Henry K.	10978	Lanai, Lanai
FUJIMOTO, Shirley L.	5927	Waiehu Kou, Maui
HOPFE, William K.	5027	Waiakea, Hawaii
KAIWI, Smiley	10288	Waiohuli, Maui
KAMALAMALAMA, Joseph J. K.	7396	Keokea, Maui
KANEAKUA, Thomas K.	835	Kewalo, Oahu
PLUNKETT, James K.	3477	Paukukalo, Maui
POOHINA, Audrey J. U.	5907	Kalamaula, Molokai
ROSA, Luella U.	3807	Nanakuli, Oahu
KAMAKA, Larry	2590	Keaukaha, Hawaii

**ITEM D-8 EXHIBIT**

**APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
BENTO, Avalanche A.	5187	Nanakuli, Oahu
BENTO, Sterline M. K.	5187	Nanakuli, Oahu
CUBAN, Roblyn U.	5187	Nanakuli, Oahu
KAILIMAI, Roscoe L.	7139	Kawaihae, Hawaii
KEALOHA, Val K.	12173	Kaumana, Hawaii
KNUTSON, Isabelle L.	4222	Panaewa, Hawaii
LANE, Robertha D. I.	8240	Waiakea, Hawaii
LEE, Randall S. K.	3643	Waimanalo, Oahu
MORIMOTO, Cheryl Lou K. K.	3202	Kekaha, Kauai
NUUANU, Theodore I.	4551	Nanakuli, Oahu
TOGIAI, Emma L. I. D.	12386	Kapolei, Oahu
GONSALVES, Marion P. K.	12386	Kapolei, Oahu
KAAWA, Logan P.	6620	Waianae, Oahu
SCHEIDT, Ruth M.	6620	Waianae, Oahu
POOHINA, Eric F.	7877	Hoolehua, Molokai

**ITEM D-9 EXHIBIT**

**APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
BRIONES, Manuel A.	3018	Hoolehua, Molokai
DAVIS, Wesley N.	155	Hoolehua, Molokai
KAMAKA, Larry	2590	Keaukaha, Hawaii
KANEAKUA, Thomas K.	835	Kewalo, Oahu
LEE, Randall K. S.	3643	Waimanalo, Oahu
PERREIRA, Olena L.	11659	Kapolei, Oahu
ROSA, Luella	3807	Nanakuli, Oahu
SOUZA, Joseph	5876	Kalamaula, Molokai
SOUZA, John K.	5876	Kalamaula, Molokai
YOUNG, Allan O.	3985	Waimanalo, Oahu

**ITEM D-10 EXHIBIT**

**APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSE FOR ROOFTOP PHOTOVOLTAIC SYSTEMS FOR CERTAIN LESSEES**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
CALBERO, Polly N. K.	9807	Maluohai, Oahu
KAIWI, Adam, Jr.	8187	Waimanalo, Oahu
KAUWELOA SCHALL, Rochelle K.	12782	Hoolimalima, Oahu
LOVELL, Alike L.	12142	Kaupea, Oahu
NAEOLE-CASUGA, Ululani T. A.	5155	Nanakuli, Oahu
NUUANU, Edward P.	4551	Nanakuli, Oahu
PANEE, Tamar P.	12746	Hoolimalima, Oahu
PELEKA-WAI, Kalena K.	8390	PKE, Oahu
UYENO, Sharleen	12772	Hoolimalima, Oahu
VALEHO, Kelii P.	9257	Kaniohale, Hawaii

**ITEM D-11 EXHIBIT**

**REQUEST TO SCHEDULE CONTESTED CASE HEARING – AUTHORIZATION TO PROCEED TO PUBLIC NOTICE UNDER SECTION 209, HHCA, DUE TO NONRESPONSIVE DESIGNATED SUCCESSORS**

<b>LESSEE</b>	<b>LEASE NO.</b>	<b>AREA</b>
KEPOO, Danette K. M.	6753	Waianae, Oahu
SIMEONA, Daisy K. T.	12522	Kapolei, Oahu

**ITEM F-1 EXHIBIT**

**RIGHT OF ENTRY PERMITS KAUA'I ISLAND**

<b>ACRE</b>	<b>NO.</b>	<b>USE</b>	<b>PERMITTEE/ADDRESS</b>	<b>LOCATION</b>	<b>Date Started</b>
11	533	Agriculture	Don Mahi *	Anahola	10/1/1990
20	543	Agriculture	Palakiko Farms	Kekaha	7/28/2009
0.344	550	Agriculture	Kuini Contrades *	Anahola	5/1/2003
8	554	Agriculture	Linda Kaauwai-Iwamoto *	Anahola	11/1/2000
1.070	558	Agriculture	Frank & Amber Rivera *	Anahola	5/1/2005
5	561	Agriculture	Harold W. Ano *	Anahola	12/1/2003
5	570	Agriculture	Donn Kale Smith *	Anahola	8/1/2005
0.253076	540	Caretaker	Michael J. DeMotta *	Hanapepe	9/1/2002
.188	549	Caretaker	William Leleo *	Anahola-Kamalomalo	9/1/2005
0.092	553	Caretaker	Sunny L. Honda *	Anahola	6/1/1992
3.6	560	Caretaker	Valerie Woods	Anahola	3/8/2002
5.153	539	Pastoral	Eldon Tanigawa	Hanapepe	5/1/2002
0.009	536	Commercial	Patricia Contrades * Woodrow Contrades & Carla Contrades-	Anahola	7/23/2013
0.023	564	Commercial	Barrett *	Anahola	4/1/1994
0.340	572	Community	Hokualele Canoe Club	Anahola	10/13/2009
0.46	538	Industrial	Kauai Habitat for Humanity	Hanapepe	7/1/1996
.58	542	Industrial	Kauai Farm Fuels	Hanapepe	4/1/2007
.23	537	Parking	Roger Palama *	Hanapepe	10/1/1995

0.344	541	Parking	Wallace Rita & Clyde Odo	Hanapepe	7/1/2005
0.367	544	Parking	Akita Enterprises Ltd.	Hanapepe	7/1/1999
0.55	546	Parking	Akita Enterprises Ltd.	Kapaa	7/22/2013
0.918	566	Parking	Jack & Margaret Phillips *	Kapaa	3/1/2001
0.059	574	Parking	Paul T. Esaki	Kapaa	2/1/1986
3.264	531	Pastoral	Solomon Lovell *	Anahola	12/1/1981
14.903	532	Pastoral	Esther K. Medeiros *	Anahola	2/1/1984
30	534	Pastoral	Richard Kauai *	Anahola	4/1/1994
13	535	Pastoral	Gordon Rosa *	Anahola	4/1/1994
2.866	545	Pastoral	Clay Kelekoma *	Anahola	4/15/1982
50	547	Pastoral	Patrick & Clay Kelekoma *	Anahola	7/5/2005
5	551	Pastoral	John Hanson *	Anahola	5/1/2005
2.849	552	Pastoral	Frances Fu *	Anahola-	
			Richard Ornellas & Kuulei Mahinai-	Kamalomalo	9/1/2005
0.55	556	Pastoral	Ornellas	Anahola	8/1/2003
173	557	Pastoral	Tarey Low	Kamalomalo	4/1/2004
21.030	562	Pastoral	Joe Borden	Anahola	7/23/2013
75	563	Pastoral	Leland & Krista Keale *	Anahola	7/23/2013
45.023	567	Pastoral	William & Alison Sanchez	Wailua	6/15/2001
11.60	571	Pastoral	Norman & Ruby Cummings *	Anahola	7/1/2005
320	573	Pastoral	Ralph Kauai *	Wailua	11/1/2009

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E , KAUA'I

C-ITEMS  
**OFFICE OF THE CHAIRMAN**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21 & 22, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
FROM: Niniau Simmons, NAHASDA Manager  
SUBJECT: C-1 Draft 2017 Annual Performance Report NAHASDA

*THIS SUBMITTAL WILL BE DISTRIBUTED UNDER SEPARATE COVER or AT THE TABLE*

ITEM NO. C-1

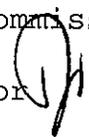
DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E , KAUA'I

D-ITEMS  
**HOMESTEAD SERVICES DIVISION**

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
From: Dean T. Oshiro, Acting HSD Administrator   
SUBJECT: **Homestead Services Division Status Reports**

RECOMMENDED MOTION/ACTION

NONE

DISCUSSION

The following reports are for information only:

- Exhibit A: Homestead Lease & Application Totals and Monthly Activity Reports
- Exhibit B: Delinquency Report
- Exhibit C: DHHL Guarantees for USDA-RD Mortgage Loans
- Exhibit D: DHHL Guarantees for FHA Construction Loans

August 21, 2017

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through July 31, 2017

	As of 6/30/17	Add	Cancel	As of 7/31/17
Residential	8,367	8	1	8,374
Agricultural	1,099	0	0	1,099
Pastoral	410	0	0	410
<b>Total</b>	<b>9,876</b>	<b>8</b>	<b>1</b>	<b>9,883</b>

The number of Converted Undivided Interest Lessees represents an increase of 407 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

	As of 6/30/17	Converted	Rescinded/ Surrendered/ Cancelled	As of 7/31/17
Undivided	921	3	0	918

Balance as of 7/31/2017

Awarded	1,434
Relocated to UNDV	7
Rescinded	109
Surrendered	5
Cancelled	2
Converted	407
Balance to Convert	918

Lease Report For the Month Ending July 31, 2017

	RESIDENCE				AGRICULTURE				PASTURE				TOTAL LEASES			
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL
<b>OAHU</b>																
Hoolimalima	63	3	0	66	0	0	0	0	0	0	0	0	0	3	0	66
Kalawahine	92	0	0	92	0	0	0	0	0	0	0	0	92	0	0	92
Kanehili	357	1	0	358	0	0	0	0	0	0	0	0	357	1	0	358
Kapolei	258	0	1	257	0	0	0	0	0	0	0	0	258	0	1	257
Kaupaa	325	0	0	325	0	0	0	0	0	0	0	0	325	0	0	325
Kaupuni	19	0	0	19	0	0	0	0	0	0	0	0	19	0	0	19
Kewalo	249	0	0	249	0	0	0	0	0	0	0	0	249	0	0	249
Kumuhau	52	0	0	52	0	0	0	0	0	0	0	0	0	0	0	52
Lualualei	149	0	0	149	31	0	0	31	0	0	0	0	180	0	0	180
Malu'ohai	156	0	0	156	0	0	0	0	0	0	0	0	156	0	0	156
Nanakuli	1,051	0	0	1,051	0	0	0	0	0	0	0	0	1,051	0	0	1,051
Papakolea	64	0	0	64	0	0	0	0	0	0	0	0	64	0	0	64
Princess Kahanu Estates	271	0	0	271	0	0	0	0	0	0	0	0	271	0	0	271
Waiahole	0	0	0	0	16	0	0	16	0	0	0	0	16	0	0	16
Waianae	420	0	0	420	11	0	0	11	0	0	0	0	431	0	0	431
Waimanalo	744	0	0	744	2	0	0	2	0	0	0	0	746	0	0	746
<b>TOTAL</b>	<b>4,270</b>	<b>4</b>	<b>1</b>	<b>4,273</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,215</b>	<b>4</b>	<b>1</b>	<b>4,333</b>
<b>MAUI</b>																
Hikina	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
Kahikinui	0	0	0	0	0	0	0	0	75	0	0	75	75	0	0	75
Keokea	0	0	0	0	65	0	0	65	0	0	0	0	65	0	0	65
Lealii	104	0	0	104	0	0	0	0	0	0	0	0	104	0	0	104
Paukukalo	180	0	0	180	0	0	0	0	0	0	0	0	180	0	0	180
Waiehu 1	39	0	0	39	0	0	0	0	0	0	0	0	39	0	0	39
Waiehu 2	109	0	0	109	0	0	0	0	0	0	0	0	109	0	0	109
Waiehu 3	114	0	0	114	0	0	0	0	0	0	0	0	114	0	0	114
Waiehu 4	98	0	0	98	0	0	0	0	0	0	0	0	98	0	0	98
Waichuli	593	0	0	593	0	0	0	0	0	0	0	0	593	0	0	593
<b>TOTAL</b>	<b>1,267</b>	<b>0</b>	<b>0</b>	<b>1,267</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>1,407</b>	<b>0</b>	<b>0</b>	<b>1,407</b>
<b>EAST HAWAII</b>																
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	2
Kamaoa	0	0	0	0	0	0	0	0	25	0	0	25	25	0	0	25
Kaumana	44	0	0	44	0	0	0	0	0	0	0	0	44	0	0	44
Keaukaha	472	1	0	473	0	0	0	0	0	0	0	0	472	1	0	473
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	0	3	0	0	3
Makuu	0	0	0	0	122	0	0	122	0	0	0	0	122	0	0	122
Panaewa	0	0	0	0	264	0	0	264	0	0	0	0	264	0	0	264
Piionua	17	0	0	17	0	0	0	0	0	0	0	0	17	0	0	17
Puueo	0	0	0	0	12	0	0	12	0	0	0	0	12	0	0	12
University Heights	4	0	0	4	0	0	0	0	0	0	0	0	4	0	0	4
Waiakea	298	0	0	298	0	0	0	0	0	0	0	0	298	0	0	298
<b>TOTAL</b>	<b>840</b>	<b>1</b>	<b>0</b>	<b>841</b>	<b>398</b>	<b>0</b>	<b>0</b>	<b>398</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>1,263</b>	<b>1</b>	<b>0</b>	<b>1,264</b>
<b>WEST HAWAII</b>																
Honokaia	0	0	0	0	0	0	0	0	23	0	0	23	23	0	0	23
Humuula	0	0	0	0	0	0	0	0	5	0	0	5	5	0	0	5
Kamoku	0	0	0	0	0	0	0	0	16	0	0	16	16	0	0	16
Kanihale	224	0	0	224	0	0	0	0	0	0	0	0	224	0	0	224
Kawaihae	187	0	0	187	0	0	0	0	1	0	0	1	188	0	0	188
Laiopua	284	0	0	284	0	0	0	0	0	0	0	0	284	0	0	284
Lalamilo	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
Nienie	0	0	0	0	0	0	0	0	21	0	0	21	21	0	0	21
Puukapu/Waimea/Kuhio VII	114	0	0	114	110	0	0	110	216	0	0	216	440	0	0	440
Puupulehu	30	2	0	32	0	0	0	0	0	0	0	0	30	2	0	32
<b>TOTAL</b>	<b>869</b>	<b>2</b>	<b>0</b>	<b>871</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>282</b>	<b>0</b>	<b>0</b>	<b>282</b>	<b>1,261</b>	<b>2</b>	<b>0</b>	<b>1,263</b>
<b>KAUAI</b>																
Anahola	534	0	0	534	46	0	0	46	0	0	0	0	580	0	0	580
Hanapepe	47	0	0	47	0	0	0	0	0	0	0	0	47	0	0	47
Kekaha	116	1	0	117	0	0	0	0	0	0	0	0	116	1	0	117
Puu Opaee	0	0	0	0	0	0	0	0	1	0	0	1	1	0	0	1
<b>TOTAL</b>	<b>697</b>	<b>1</b>	<b>0</b>	<b>698</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>46</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>744</b>	<b>1</b>	<b>0</b>	<b>745</b>
<b>MOLOKAI</b>																
Hooilehua	157	0	0	157	346	0	0	346	21	0	0	21	524	0	0	524
Kalamaula	163	0	0	163	71	0	0	71	3	0	0	3	237	0	0	237
Kapaakea	47	0	0	47	0	0	0	0	3	0	0	3	50	0	0	50
Moomomi	0	0	0	0	3	0	0	3	0	0	0	0	3	0	0	3
O'ne Aii	28	0	0	28	0	0	0	0	0	0	0	0	28	0	0	28
<b>TOTAL</b>	<b>395</b>	<b>0</b>	<b>0</b>	<b>395</b>	<b>420</b>	<b>0</b>	<b>0</b>	<b>420</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>842</b>	<b>0</b>	<b>0</b>	<b>842</b>
<b>LANAI</b>																
Lanai	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0	29
<b>TOTAL</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>29</b>
<b>STATEWIDE TOTAL</b>	<b>8,367</b>	<b>8</b>	<b>1</b>	<b>8,374</b>	<b>1,099</b>	<b>0</b>	<b>0</b>	<b>1,099</b>	<b>410</b>	<b>0</b>	<b>0</b>	<b>410</b>	<b>9,876</b>	<b>8</b>	<b>1</b>	<b>9,883</b>

**HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING  
July 31, 2017**

**AREA WAITING LIST**

DISTRICT AREA	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
Oahu District	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Maui District	73	0	0	73	4	0	0	4	5	0	0	5	82
Hawaii District	135	0	0	135	15	0	0	15	59	0	0	59	209
Kauai District	56	0	0	56	3	0	0	3	29	0	0	29	88
Molokai District	20	0	0	20	19	0	0	19	1	0	0	1	40
<b>TOTAL</b>	<b>1,299</b>	<b>0</b>	<b>0</b>	<b>1,299</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>1,437</b>

**ISLANDWIDE WAITING LIST**

ISLAND	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
Oahu	9,568	24	9	9,583	3,632	8	2	3,638	0	0	0	0	13,221
Maui	3,730	4	2	3,732	4,592	6	2	4,596	596	0	0	596	8,924
Hawaii	5,671	9	6	5,674	7,080	9	6	7,083	1,863	2	0	1,865	14,622
Kauai	1,611	1	1	1,611	2,214	0	0	2,214	296	0	0	296	4,121
Molokai	776	2	1	777	1,034	1	0	1,035	198	0	0	198	2,010
Lanai	82	0	0	82	0	0	0	0	0	0	0	0	82
<b>TOTAL</b>	<b>21,438</b>	<b>40</b>	<b>19</b>	<b>21,459</b>	<b>18,552</b>	<b>24</b>	<b>10</b>	<b>18,566</b>	<b>2,953</b>	<b>2</b>	<b>0</b>	<b>2,955</b>	<b>42,980</b>

**AREA AND ISLANDWIDE LISTS**

	RES	AG	PAS	TOTAL	ADDITIONS		CANCELLATIONS	
	OAHU	10,598	3,641	0	14,239	New Applications	49	New Lease Awards
MAUI	3,805	4,600	601	9,006	Application Transfers	17	Application Transfers	17
HAWAII	5,809	7,098	1,924	14,831	Lease Rescissions	0	Succ'd and Cancel Own	0
KAUAI	1,667	2,217	325	4,209	App Reinstatements	0	Public Notice Cancel	0
MOLOKAI	797	1,054	199	2,050	HHC Adjustments	0	Voluntary Cancellations	0
LANAI	82	0	0	82	<b>TOTAL</b>	<b>66</b>	Lease Successorships	0
<b>TOTAL</b>	<b>22,758</b>	<b>18,610</b>	<b>3,049</b>	<b>44,417</b>			HHC Adjustments	0
							Dec'd No Successor	0
							Additional Acreage	1
							NHQ Unqualified	0
							<b>TOTAL</b>	<b>29</b>

ITEM NO. D-1  
EXHIBIT A

**HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING**

July 31, 2017

	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
<b>OAHU DISTRICT</b>													
Nanakuli	179	0	0	179	0	0	0	0	0	0	0	0	179
Waianae	160	0	0	160	0	0	0	0	0	0	0	0	160
Lualualei	0	0	0	0	3	0	0	3	0	0	0	0	3
Papakolea/Kewalo	72	0	0	72	0	0	0	0	0	0	0	0	72
Waimanalo	604	0	0	604	0	0	0	0	0	0	0	0	604
Subtotal Area	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Islandwide	9,568	24	9	9,583	3,632	8	2	3,638	0	0	0	0	13,221
<b>TOTAL OAHU APPS</b>	<b>10,583</b>	<b>24</b>	<b>9</b>	<b>10,598</b>	<b>3,635</b>	<b>8</b>	<b>2</b>	<b>3,641</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,239</b>
<b>MAUI DISTRICT</b>													
Paukukalo	73	0	0	73	0	0	0	0	0	0	0	0	73
Kula	0	0	0	0	4	0	0	4	5	0	0	5	9
Subtotal Area	73	0	0	73	4	0	0	4	5	0	0	5	82
Islandwide	3,730	4	2	3,732	4,592	6	2	4,596	596	0	0	596	8,924
<b>TOTAL MAUI APPS</b>	<b>3,803</b>	<b>4</b>	<b>2</b>	<b>3,805</b>	<b>4,596</b>	<b>6</b>	<b>2</b>	<b>4,600</b>	<b>601</b>	<b>0</b>	<b>0</b>	<b>601</b>	<b>9,006</b>
<b>HAWAII DISTRICT</b>													
Keaukaha/Waiakea	72	0	0	72	0	0	0	0	1	0	0	1	73
Panaewa	0	0	0	0	15	0	0	15	0	0	0	0	15
Humuula	0	0	0	0	0	0	0	0	0	0	0	0	0
Kawaihae	19	0	0	19	0	0	0	0	0	0	0	0	19
Waimea	44	0	0	44	0	0	0	0	58	0	0	58	102
Subtotal Area	135	0	0	135	15	0	0	15	59	0	0	59	209
Islandwide	5,671	9	6	5,674	7,080	9	6	7,083	1,863	2	0	1,865	14,622
<b>TOTAL HAWAII APPS</b>	<b>5,806</b>	<b>9</b>	<b>6</b>	<b>5,809</b>	<b>7,095</b>	<b>9</b>	<b>6</b>	<b>7,098</b>	<b>1,922</b>	<b>2</b>	<b>0</b>	<b>1,924</b>	<b>14,831</b>
<b>KAUAI DISTRICT</b>													
Anahola	48	0	0	48	3	0	0	3	21	0	0	21	72
Kekaha/Puu Opae	8	0	0	8	0	0	0	0	8	0	0	8	16
Subtotal Area	56	0	0	56	3	0	0	3	29	0	0	29	88
Islandwide	1,611	1	1	1,611	2,214	0	0	2,214	296	0	0	296	4,121
<b>TOTAL KAUAI APPS</b>	<b>1,667</b>	<b>1</b>	<b>1</b>	<b>1,667</b>	<b>2,217</b>	<b>0</b>	<b>0</b>	<b>2,217</b>	<b>325</b>	<b>0</b>	<b>0</b>	<b>325</b>	<b>4,209</b>
<b>MOLOKAI DISTRICT</b>													
Kalamaula	4	0	0	4	0	0	0	0	0	0	0	0	4
Hoolehua	7	0	0	7	19	0	0	19	1	0	0	1	27
Kapaakea	8	0	0	8	0	0	0	0	0	0	0	0	8
One Aii	1	0	0	1	0	0	0	0	0	0	0	0	1
Subtotal Area	20	0	0	20	19	0	0	19	1	0	0	1	40
Islandwide	776	2	1	777	1,034	1	0	1,035	198	0	0	198	2,010
<b>TOTAL MOLOKAI APPS</b>	<b>796</b>	<b>2</b>	<b>1</b>	<b>797</b>	<b>1,053</b>	<b>1</b>	<b>0</b>	<b>1,054</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>199</b>	<b>2,050</b>
<b>LANAI DISTRICT</b>													
Islandwide	82	0	0	82	0	0	0	0	0	0	0	0	82
<b>TOTAL LANAI APPS</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82</b>
<b>TOTAL AREA ONLY</b>	<b>1,299</b>	<b>0</b>	<b>0</b>	<b>1,299</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>1,437</b>
<b>TOTAL ISLANDWIDE</b>	<b>21,438</b>	<b>40</b>	<b>19</b>	<b>21,458</b>	<b>18,552</b>	<b>24</b>	<b>10</b>	<b>18,566</b>	<b>2,953</b>	<b>2</b>	<b>0</b>	<b>2,955</b>	<b>42,980</b>
<b>TOTAL STATEWIDE</b>	<b>22,737</b>	<b>40</b>	<b>19</b>	<b>22,758</b>	<b>18,596</b>	<b>24</b>	<b>10</b>	<b>18,610</b>	<b>3,047</b>	<b>2</b>	<b>0</b>	<b>3,049</b>	<b>44,417</b>

ITEM NO. D-1  
EXHIBIT A

DELINQUENCY REPORT - STATEWIDE

August 21, 2017

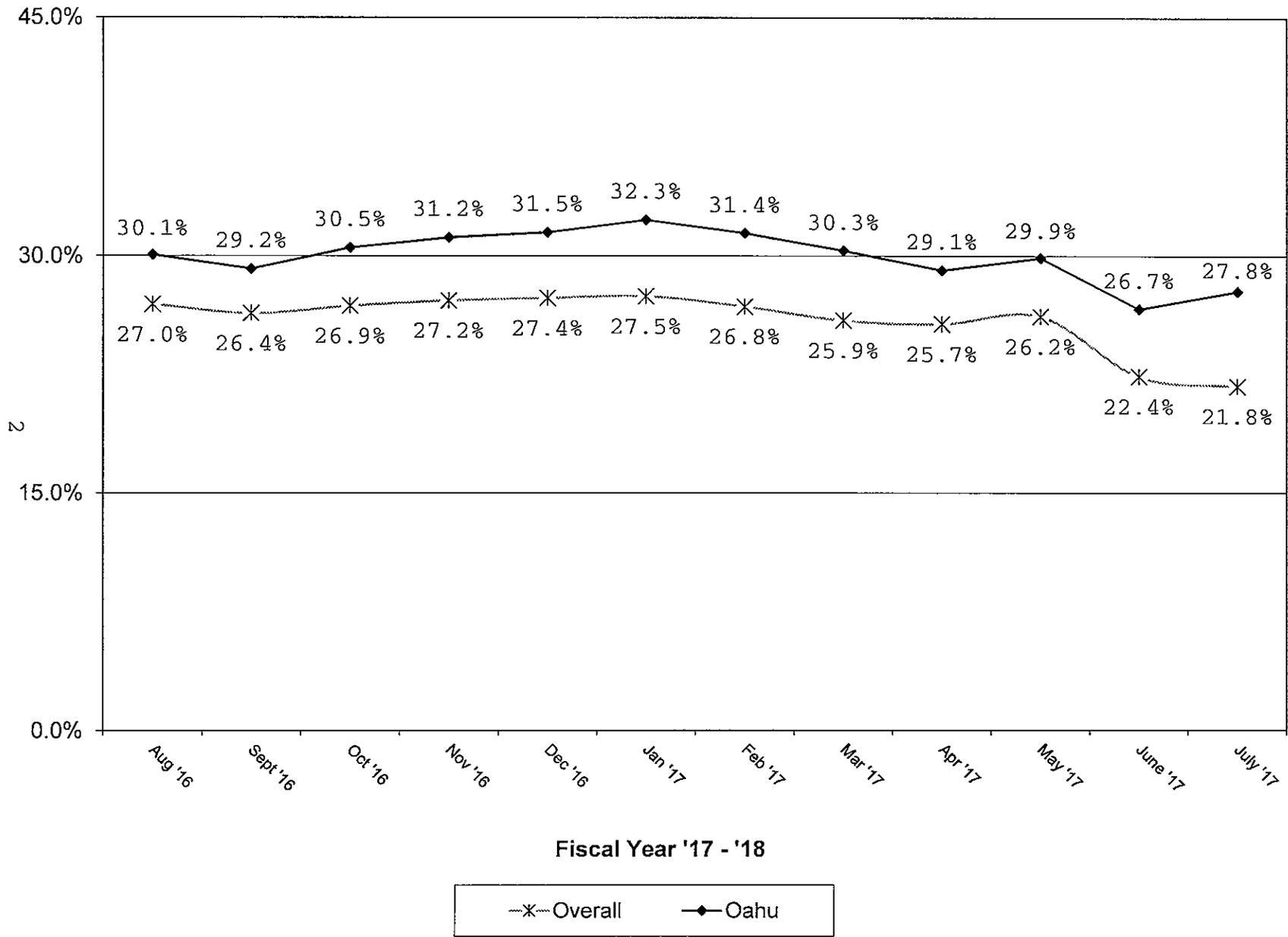
(\$Thousands)

	Total Outstanding		Total Delinquency		30 Days (low)		60 Days (Medium)		90 Days (High)		180 Days (Severe)		R I S K		% of Totals 7/31/2017		
	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	\$			
<u>DIRECT LOANS</u>																	
OAHU	408	34,270	95	9,517	17	1,444	5	602	17	1,918	56	5,552	23.3%	27.8%			
EAST HAWAII	229	14,023	63	4,004	8	240	1	17	9	343	45	3,403	27.5%	28.6%			
WEST HAWAII	80	8,172	9	489	1	7	0	0	1	135	7	348	11.3%	6.0%			
MOLOKAI	89	6,254	21	654	5	87	3	94	0	0	13	473	23.6%	10.5%			
KAUAI	103	7,332	19	1,391	5	402	1	190	4	55	9	744	18.4%	19.0%			
MAUI	<u>88</u>	<u>10,382</u>	<u>17</u>	<u>1,451</u>	<u>4</u>	<u>148</u>	<u>1</u>	<u>124</u>	<u>3</u>	<u>190</u>	<u>9</u>	<u>990</u>	<u>19.3%</u>	<u>14.0%</u>			
<b>TOTAL DIRECT</b>	<b>997</b>	<b>80,432</b>	<b>224</b>	<b>17,507</b>	<b>40</b>	<b>2,328</b>	<b>11</b>	<b>1,026</b>	<b>34</b>	<b>2,642</b>	<b>139</b>	<b>11,509</b>	<b>22.5%</b>	<b>21.8%</b>			
	100.0%	100.0%	22.5%	21.8%	4.0%	2.9%	1.1%	1.3%	3.4%	3.3%	13.9%	14.3%					
<b>Advances (including RPT)</b>	<b>246</b>	<b>8,174</b>	<b>246</b>	<b>8,174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246</b>	<b>8,174</b>			<b>100%</b>	<b>100%</b>			
<b>DHHL LOANS &amp; Advances</b>	<b>1,243</b>	<b>88,606</b>	<b>470</b>	<b>25,681</b>	<b>40</b>	<b>2,328</b>	<b>11</b>	<b>1,026</b>	<b>280</b>	<b>10,816</b>	<b>139</b>	<b>11,509</b>	<b>37.8%</b>	<b>29.0%</b>			
<u>LOAN GUARANTEES as of June 30, 2016</u>																	
SBA	1	112	0	0	0	0	0	0	0	0			0.0%	0.0%			
USDA-RD	321	43,178	55	7,541	0	0	0	0	55	7,541			17.1%	17.5%			
Habitat for Humanity	70	3,272	17	1,142	0	0	0	0	17	1,142			24.3%	34.9%			
Maui County	5	74	0	0	0	0	0	0	0	0			0.0%	0.0%			
Nanakuli NHS	1	7	1	7	0	0	0	0	1	7			100.0%	100.0%			
City & County	24	367	10	230	0	0	0	0	10	230			41.7%	62.7%			
FHA Interim	9	1,643	0	0	0	0	0	0	0	0			0.0%	0.0%			
OHA	88	987	5	47	0	0	0	0	5	47			5.7%	4.8%			
<b>TOTAL GUARANTEE</b>	<b>519</b>	<b>49,640</b>	<b>88</b>	<b>8,967</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>	<b>8,967</b>			<b>17.0%</b>	<b>18.1%</b>			
PMI Loans	224	38,083	4	698	1	124	1	208	2	366			1.8%	1.8%			
<b>HUD REASSIGNED for Recovery</b>	<b>133</b>	<b>17,512</b>	<b>111</b>	<b>16,205</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>141</b>	<b>108</b>	<b>16,064</b>	<b>83.5%</b>	<b>92.5%</b>			
FHA Insured Loans	<u>2,819</u>	<u>421,943</u>	<u>228</u>	<u>28,477</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>228</u>	<u>28,477</u>			<u>8.1%</u>	<u>6.7%</u>			
<b>TOTAL INS. LOANS</b>	<b>3,176</b>	<b>477,538</b>	<b>343</b>	<b>45,380</b>	<b>1</b>	<b>124</b>	<b>1</b>	<b>208</b>	<b>233</b>	<b>28,984</b>	<b>108</b>	<b>16,064</b>	<b>10.8%</b>	<b>9.5%</b>			
<b>OVERALL TOTALS(EXC Adv/RP)</b>	<b>4,692</b>	<b>607,610</b>	<b>655</b>	<b>71,854</b>	<b>41</b>	<b>2,452</b>	<b>12</b>	<b>1,234</b>	<b>355</b>	<b>40,593</b>	<b>247</b>	<b>27,573</b>	<b>14.0%</b>	<b>11.8%</b>			
<b>ADJUSTED TOTALS</b>	<b>4,938</b>	<b>615,783</b>	<b>901</b>	<b>80,028</b>	<b>41</b>	<b>2,452</b>	<b>12</b>	<b>1,234</b>	<b>601</b>	<b>48,767</b>	<b>247</b>	<b>27,573</b>					<b>13.0%</b>

Note: HUD 184A loan program has 397 loans, with a total outstanding principal balance of \$89,846,988.26 as of June 30, 2016. 11 loans, totalling \$5,020,610.90, are delinquent.

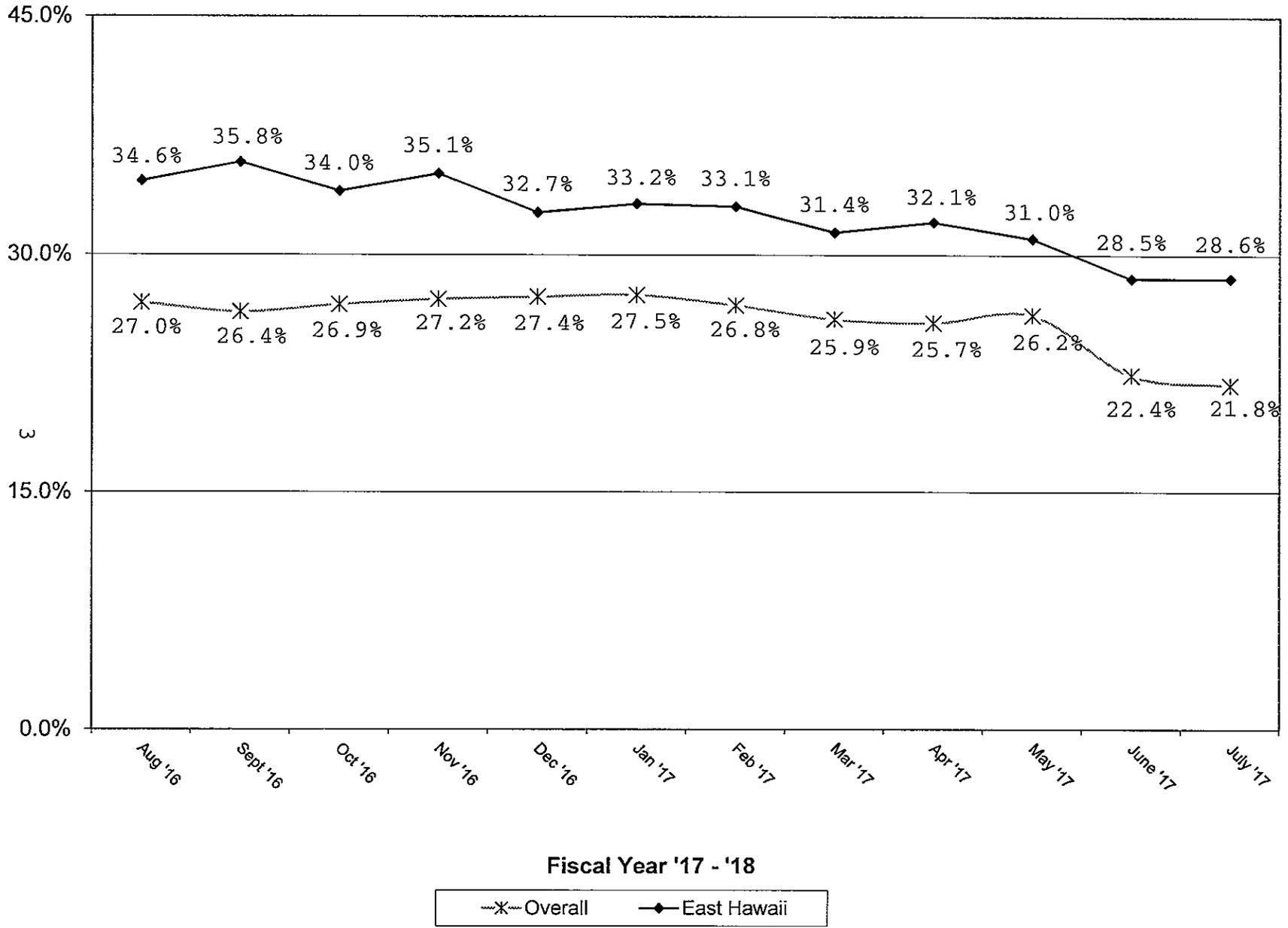
EXHIBIT B  
ITEM NO. D-1

**OAHU  
Direct Loans  
Delinquency Ratio Report**

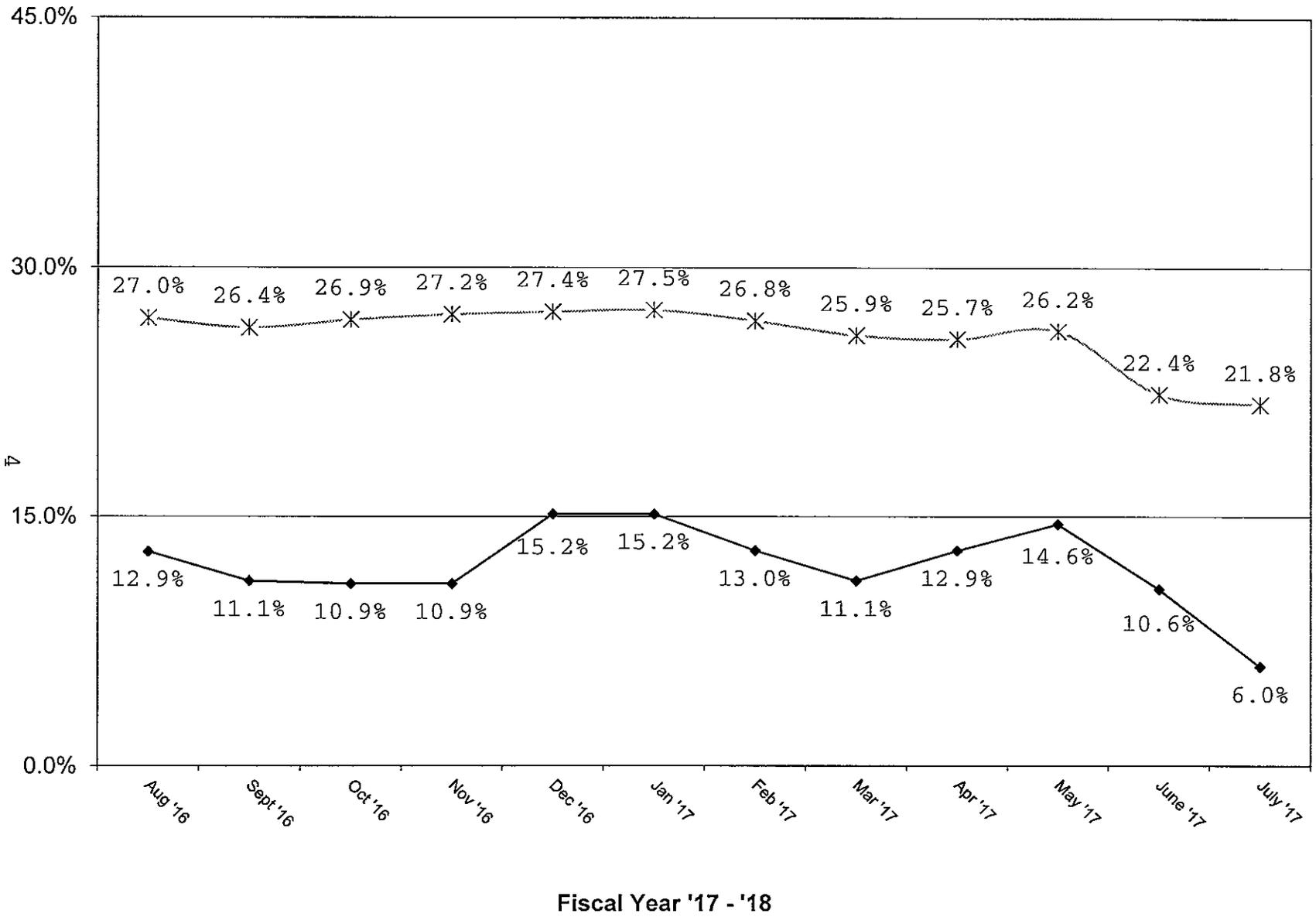


ITEM NO. D-1  
EXHIBIT B

**EAST HAWAII  
Direct Loans  
Delinquency Ratio Report**



**WEST HAWAII  
Direct Loans  
Delinquency Ratio Report**

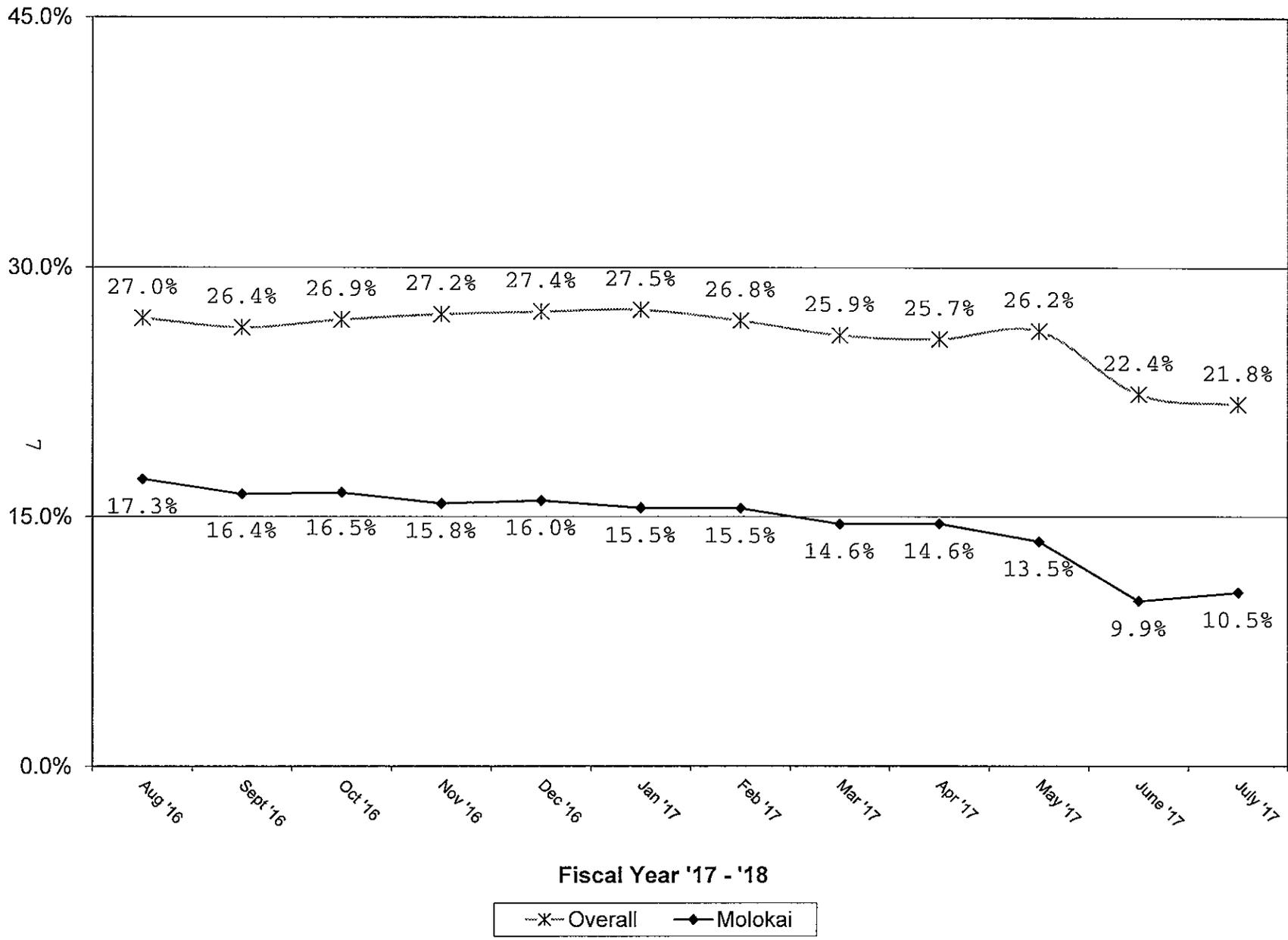


ITEM NO. D-1  
EXHIBIT B

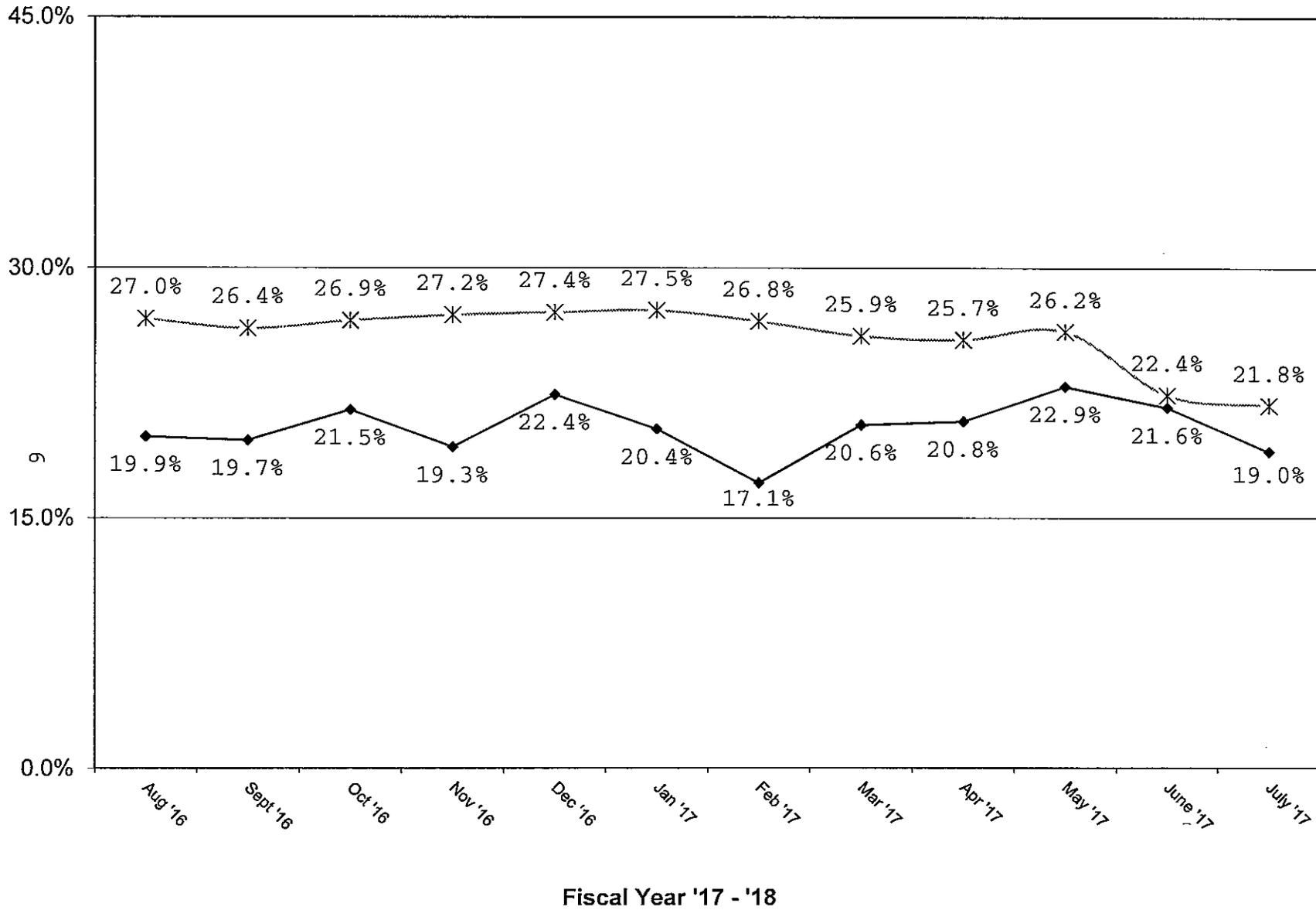
Fiscal Year '17 - '18

—x— Overall
—◆— West Hawaii

**MOLOKAI  
Direct Loans  
Delinquency Ratio Report**

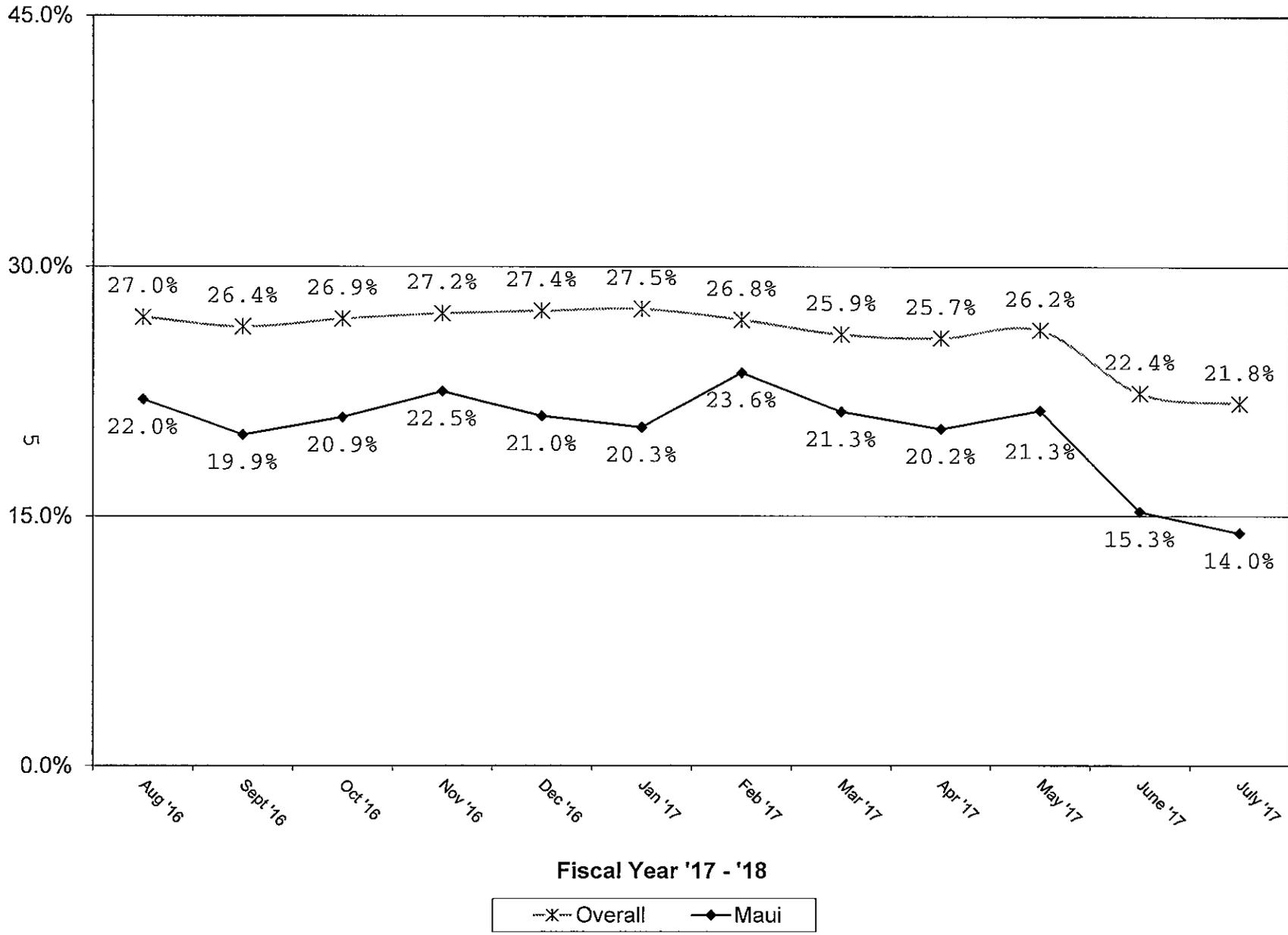


**KAUAI  
Direct Loans  
Delinquency Ratio Report**



--\*-- Overall
—◆— Kauai

**MAUI  
Direct Loans  
Delinquency Ratio Report**



August 21, 2017

SUBJECT:        **DHHL Guarantees for USDA-Rural Development Mortgage Loans**

DISCUSSION: The Department issued guarantees for the following USDA Rural Development loans:

<u>LOT NO.</u>	<u>AREA</u>	<u>LESSEE</u>	<u>Loan Amount</u>	<u>Date Approved</u>
18552	Kanehili	Wagner, Hulali-Noe	\$262,200	7/10/17

	<u>No.</u>	<u>Balance</u>
FY Ending 6/30/17	3	\$ 547,002
Previous Months	-	\$ -0-
This Month	<u>1</u>	<u>262,200</u>
FY '17-'18 to date	1	\$ 262,200

August 21, 2017

SUBJECT: **DHHL Guarantees for FHA Construction Loans**

DISCUSSION: The Department issues guarantees to FHA lenders during the construction period of a home, as FHA does not insure the loan until the home is completed. The loan term for these loans do not exceed fifteen (15) months from the date of loan signing. The following FHA Interim Construction loans were issued guarantees:

\*Note: FHA loans are insured by the U.S. Department of Housing and Urban Development (HUD) and do not impact the State's guaranty ceiling.

<u>LEASE NO.</u>	<u>AREA</u>	<u>LESSEE</u>	<u>Loan Amount</u>	<u>Date Approved</u>
9937	Waiehu Kou III	Vierra, Christopher	\$328,900	7/26/17

	<u>No.</u>	<u>Balance</u>
FY Ending 6/30/17	8	\$ 2,324,032
Previous Months	-	\$ -0-
This Month	<u>1</u>	<u>328,900</u>
FY '17-'18 to date	1	\$ 328,900

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator  
Homestead Services Division

SUBJECT: **Approval of Consent to Mortgage**

RECOMMENDED MOTION/ACTION

To approve the following consents to mortgages for Federal Housing Administration (FHA) insured loans, Department of Veterans Affairs (VA) loans, United States Department of Agriculture, Rural Development (USDA, RD) guaranteed loans, United States Housing and Urban Development (HUD 184A) guaranteed loans and Conventional (CON) loans insured by private mortgage insurers.

DISCUSSION

<u>PROPERTY</u>	<u>LESSEE</u>	<u>LENDER</u>	<u>LOAN AMOUNT</u>
<u>OAHU</u>			
Kaupea Lease No. 12098 TMK: 1-9-1-140:086	THURSTON, Paul J. (Cash Out Refi)FHA	Bank of Hawaii	\$ 254,310
Waianae Lease No. 7955 TMK: 1-8-5-029-015	KAUO, Carole & BOTEILHO, Sandra (Cash Out Refi)FHA	Mann Mortgage	\$ 202,410
Kanehili Lease No. 12593 TMK: 1-9-1-152:069	STURM, Laura K.K. (Cash Out Refi)FHA	Bank of Hawaii	\$ 311,400
Waimanalo Lease No. 5999 TMK: 1-4-1-037:065	KEOHOU, Jo (Cash Out Refi)HUD 184A	HomeStreet Bank	\$ 233,550

OAHU

Papakolea Lease No. 598 TMK: 1-2-2-015:016	GARZA, Lael K. (Cash Out Refi) FHA	Hightechlend ing Inc.	\$ 507,000
Kewalo Lease No. 781 TMK: 1-2-4-040:009	KIUPE, Rheda M. (1 Step Construction) FHA	HomeStreet Bank	\$ 359,978
Maluohai Lease No. 9872 TMK: 1-9-1-120:055	MATAMEA, Sharla L. H. &, MIYASHIRO, Mauralyn U. H. (Purchase) FHA	Mann Mortgage	\$ 377,000
Waianae Lease No. 9702 TMK: 1-8-5-029:014	RICHARD, Minnie K. (Cash Out Refi) FHA	Mann Mortgage	\$ 262,000
Waimanalo Lease No. 8788 TMK: 1-4-1-038:024	ENOKA, Maylene K. (Cash Out Refi) FHA	Mann Mortgage	\$ 255,000
Kanehili Lease No. 12568 TMK: 1-9-1-153:111	TAVITA, Iosefo K. (Cash Out Refi) FHA	Mann Mortgage	\$ 376,000
Princess Kahanu Estates Lease No. 8357 TMK: 1-8-7-042:066	NAHALEA, Quincy A, Jr. (Cash Out Refi) HUD 184A	HomeStreet Bank	\$ 294,894
Kanehili Lease No. 12586 TMK: 1-9-1-153:135	DUNCAN, Bradley W. K. (Cash Out Refi) HUD 184A	HomeStreet Bank	\$ 337,340
Kanehili Lease No. 11774 TMK: 1-9-1-153:133	PADEKEN-PASIGAN, Arlett (Cash Out Refi) HUD 184A	HomeStreet Bank	\$ 429,250

ITEM NO. D-2

OAHU

Kaupea Lease No. 11367 TMK: 1-9-1-139:089	QUINTANILLA, Claudia C. K. (Rate Term Refi) FHA	HomeStreet Bank	\$ 167,637
Lualualei Lease No. 6676 TMK: 1-8-6-003:000	GOMES, Keala O. (Cash Out Refi) FHA	Hightechlend ing Inc.	\$ 352,000
Kaupea Lease No. 11908 TMK: 1-9-1-139:143	PAIK, Wayne C. M. (Cash Out Refi) FHA	Mann Mortgage	\$ 295,000
Waimanalo Lease No. 9707 TMK: 1-4-1-031:067	ACASIO, Jesse K. (Cash Out Refi) FHA	Mann Mortgage	\$ 126,000
Waimanalo Lease No. 5981 TMK: 1-4-1-036:037	AMARAL, Edmund K., Sr. (Cash Out Refi) FHA	Mann Mortgage	\$ 136,000
Waianae Lease No. 8925 TMK: 1-8-5-031:027	BRASH, Margaret L. (Cash Out Refi) FHA	Mann Mortgage	\$ 171,000
Waimanalo Lease No. 3980 TMK: 1-4-1-030:013	KEALOHA, Almanette K. &, KEKAUOHA, Joel A. (Rate Term Refi) FHA	Mann Mortgage	\$ 131,000
Kaupea Lease No. 12026 TMK: 1-9-1-140:004	REDOBLE, Scott K. (Cash Out Refi) FHA	Mann Mortgage	\$ 256,000

MOLOKAI

Kalamaula Lease No. 6103 TMK: 2-5-2-008:092	SANTIAGO, Summer L. (Cash Out Refi) FHA	Mann Mortgage	\$ 187,000
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ITEM NO. D-2

MAUI

Waiohuli Lease No. 10286 TMK: 2-2-2-028:045	ANDAYA, Brandon I. (Cash Out Refi) FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 280,000
Hikina Lease No. 12309 TMK: 2-2-2-031:017	SOUZA, Tanya (203K Rehab) FHA	HomeStreet Bank	\$ 610,000
Waiehu 3 Lease No. 10053 TMK: 2-3-2-024:024	KAN HAI, John K. (Cash Out Refi) FHA	Mann Mortgage	\$ 313,000
Waiehu 3 Lease No. 9937 TMK: 2-3-2-024:083	VIERRA, Christopher K. (1 Step Construction) FHA	HomeStreet Bank	\$ 328,900

LANAI

Lanai Lease No. 10985 TMK: 2-4-9-024:027	KANNO, Kainoa (Purchase) FHA	HomeStreet Bank	\$ 140,233
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Kauai

Kekaha Lease No. 11359 TMK: 4-1-2-017:030	KANAHELE, Johnny K. (Cash Out Refi) FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 189,000
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HAWAII

Waiakea Lease No. 4039 TMK: 3-2-2-057:028	KELII, Moana M. H. (Cash Out Refi) FHA	Mann Mortgage	\$ 230,000
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ITEM NO. D-2

HAWAII

Keaukaha Lease No. 9088 TMK: 3-2-1-024:043	KAUPU, John K. (Cash Out Refi) FHA	Mann Mortgage	\$ 181,000
Keaukaha Lease No. 4263 TMK: 3-2-1-021:070	KAHALIOUMI, Keenan K. (Cash Out Refi) FHA	Mann Mortgage	\$ 253,000
Waiakea Lease No. 9915 TMK: 3-2-2-063:040	HAILI, Clyde (Cash Out Refi) FHA	Mann Mortgage	\$ 140,000
Panawea Lease No. 4228 TMK: 3-2-1-025:124	AZEVEDO, Neil A. (Cash Out Refi) FHA	Mann Mortgage	\$ 281,000
Panawea Lease No. 11179 TMK: 3-2-2-064:005	RAMOS, Maui J. (Cash Out Refi) FHA	Mann Mortgage	\$ 246,000
Waiakea Lease No. 10945 TMK: 3-2-2-064:008	KALAI, Derek K. (Cash Out Refi) FHA	Mann Mortgage	\$ 217,000
Panawea Lease No. 6272B TMK: 3-2-1-061:075	MANUIA, Jaysen K. (Cash Out Refi) FHA	Mann Mortgage	\$ 136,000
Waiakea Lease No. 10008 TMK: 3-2-2-062:057	KAHAUOLOPUA, Natasha A. M. C. (Purchase) FHA	Mann Mortgage	\$ 106,000
Kaniohale Lease No. 9434 TMK: 3-7-4-023:121	HAUANIO, Wallace M. (Cash Out Refi) FHA	Mann Mortgage	\$ 224,000

ITEM NO. D-2

HAWAII

Kaniohale  
Lease No. 9234  
TMK: 3-7-4-022:021

ANAKALEA,  
Josephine L. (Cash  
Out Refi) FHA

Mann  
Mortgage

\$ 188,000

Waiakea  
Lease No. 6846  
TMK: 3-2-2-063:032

SILVA, Irene K. &  
MILARE, Tyler  
(Permanent take-  
out) FHA

Siwell Inc.,  
dba Capital  
Mortgage  
Services of  
Texas

\$ 200,000

<u>RECAP</u>	<u>NO.</u>	<u>FHA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>VA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>USDA-RD</u> <u>AMOUNT</u>
FY Ending 6/30/17	300	\$ 72,689,610	8	\$3,021,043	9	\$1,695,424
Prior Months	0	\$ 0	0	\$ 0	0	\$ 0
This Month	<u>36</u>	<u>8,989,868</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total FY '17-'18	36	\$ 8,989,868	0	\$ 0	0	\$ 0

HUD 184A

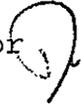
FY Ending 6/30/17	105	\$25,483,508
Prior Months	0	\$ 0
This Month	<u>4</u>	<u>1,295,034</u>
Total FY '17-'18	4	\$ 1,295,034

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator   
Homestead Services Division

SUBJECT: **Approval of Streamline Refinance of Loans**

RECOMMENDED MOTION/ACTION

To approve the refinancing of loans from the Hawaiian Home General Loan Fund.

DISCUSSION

The following lessees have met the "Streamline/Interest rate reduction loan" criteria, which was approved by the Hawaiian Homes Commission at its August 19, 2013 meeting. This criteria includes twelve (12) consecutive monthly payments, borrower's current interest rate is higher than the current DHHL interest rate, current with their Homeowners Insurance, Real Property Tax, Lease Rent, county sewer/refuse fees, and does not have any advances made by DHHL on the borrowers behalf.

HSD's recommendation for approval is based on actual payment history, over the past twelve (12) months and the review of the above-mentioned criteria. Streamline/Interest Rate Loan refinancing will provide lessees a chance to simply reduce their interest rate and payments without DHHL having to credit and/or income qualify the borrower.

The following lessee(s) has met the aforementioned criteria and is recommended for Streamline/Interest rate reduction loan refinance program:

<u>LESSEE</u>	<u>LEASE NO. &amp; AREA</u>	<u>REFINANCING LOAN TERMS</u>
Keopuhiwa, Joseph III	8636, Nanakuli	NTE \$165,000 @4.5% interest per annum, NTE \$840 monthly, repayable over 30 years.

Loan Purpose: Refinance of loan no. 19000. Original loan amount of \$169,842 at 6% per annum, \$1,018 monthly, repayable over 30 years. A Contested Case Hearing was not held for this account.

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Maunakea, Henrietta U.	11291, Waimanalo	NTE \$203,300 @4.5% interest per annum, NTE \$1,031 monthly, repayable over 30 years.
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Loan Purpose: Refinance and consolidation of loan nos. 17896 & 17897. Original loan amounts of \$159,010 and \$50,000 at 6% per annum, \$954 and \$300 monthly, respectively, repayable over 30 years. A Contested Case Hearing was held on March 17, 2015, for this account.

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Meyers, Carl A.K.	5642, Waianae Kai	NTE \$241,000 @4.5% interest per annum, NTE \$1,225 monthly, repayable over 30 years.
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Loan Purpose: Refinance of loan no. 19428. Original loan amount of \$234,847 at 5% per annum, \$1,260 monthly, repayable over 30 years. A Contested Case Hearing was not held for this account.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
FROM: Dean Oshiro, Acting HSD Administrator (y)  
Homestead Services Division  
SUBJECT: **Approval to Schedule Loan Delinquency Contested Case Hearings**

RECOMMENDED MOTION/ACTION

To authorize the scheduling of the following loan delinquency contested case hearings as shown below.

DISCUSSION

The department has been working to resolve the problem of loan delinquencies. The past due delinquent loan status with lessees continues to be a problem for the department; therefore, we recommend that contested case hearings be scheduled:

<u>Lessee</u>	<u>Lease No.</u>	<u>Area</u>	<u>Loan No.</u>	<u>Monthly Payment</u>	<u>Amount at 7/17</u>	<u>Balance At 7/17</u>
<u>Oahu</u>						
Halemanu, Alexander	11276	Waimanalo	18680	\$1,129	\$6,923	\$212,108
Aiwohi, Colleen	12119	Kaupea	17875	\$205	\$1,081	\$38,642

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Dean T. Oshiro, Acting HSD Administrator  
FROM: Ross K. Kapeliela, Application Officer  
Homestead Services Division  
SUBJECT: **Approval of Homestead Application Transfers/Cancellations**

RECOMMENDED MOTION/ACTION

To approve the transfers and cancellations of applications from the Application Waiting Lists for reasons described below:

DISCUSSION

1. Requests of Applicants to Transfer

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

BORDEN, Russell D.A.	04/11/2007	MAUI	PAS	03/31/2017
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OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

NGALUAFAE, Jeannie M.	04/04/1986	HAWAII	RES	05/01/2017
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SAVEA, Charlotte	01/30/2015	KAUAI	RES	04/17/2017
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MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

SULUSTI, Bobby-Jo M.K.	12/17/2007	LANAI	RES	04/17/2017
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HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

LUM, April L.D.	09/27/2001	MAUI	AGR	04/04/2017
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HAWAII ISLANDWIDE PASTORAL LEASE LIST

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KAAPUNI, Timothy K.                    12/04/1998      HAWAII      AGR      04/20/2017

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

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IGNACIO, Doreen                    03/14/2006      LANAI      RES      04/10/2017

KIAHA, Chester M.                    09/29/1986      MAUI      RES      04/17/2017

LUM, April L.D.                    09/27/2001      OAHU      RES      04/04/2017

SPENCER, Nobleene L.                    05/30/1986      OAHU      RES      04/24/2017

KAUAI ISLANDWIDE AGRICULTURAL LEASE LIST

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PAHIA, Reginald N.                    09/13/1995      OAHU      AGR      04/03/2017

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

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KAHALE, Oei Lan K.                    09/12/2005      OAHU      RES      05/02/2017

KALAMA, Natalie A.                    09/11/2006      MAUI      RES      04/03/2017

PAHIA, Reginald N.                    09/13/1995      OAHU      RES      04/03/2017

2. Deceased Applicant (No Successor)

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

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KANE, Victor, Jr.                    Passed away on 10/04/1998 under 7/30/1981 revision of *Hawaii Administrative Rules* allowing only qualified spouse and children to succeed with no provision for public notice which began with the 10/28/1998 revision. December 4, 1998, notification letter outlining successorship process sent to named successor (wife) who passed away on 02/14/2009 without initiating successorship process. Remove application dated 03/28/1978.

3. Awards of Leases

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

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AKAMU, Kenny K.	Assigned Residential Lease #2213, Lot 168 in Papakolea, Oahu dated 01/12/2017. Remove application dated 10/20/2000.
KOKI, Kawehionalani	Assigned Residential Lease #645, Lot 47 in Papakolea, Oahu dated 04/26/2017. Remove application dated 12/21/2007.
MAKUA, Ronald	Assigned Residential Lease #2239, Lot 181 in Kewalo, Oahu dated 11/16/2016. Remove application dated 05/18/2010.
PUAILIHAU, Laurence K., Jr.	Assigned Residential Lease #9750, Lot 13674 in Maluohai, Oahu dated 06/28/2017. Remove application dated 02/16/2006.

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

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HAUPU, Hendrick M.	Assigned Residential Lease #9525, Lot 87 in Waiehu Kou II, Maui dated 02/10/2017. Remove application dated 02/15/2006.
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4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

NONE FOR SUBMITTAL

7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL

Last Month's Transaction Total	29
Last Month's Cumulative FY 2017-2018 Transaction Total	29
Transfers from Island to Island	14
Deceased	1
Cancellations:	
Awards of Leases	5
NHQ	0
Voluntary Cancellations	0
Successorship	0
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	20
<b>This Month's Cumulative FY 2017-2018 Transaction Total</b>	<b>49</b>

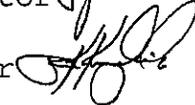
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator 

FROM: Ross K. Kapeliela, Application Officer   
Homestead Services Division

SUBJECT: **To Approve Setting Aside the HHC Cancellation of a Lease Application - SIMEON L. NAEOLE, JR., Deceased**

RECOMMENDED MOTION/ACTION

To approve setting aside the Hawaiian Homes Commission's February 17, 2015, cancellation of the May 9, 2006, Oahu Islandwide Residential Lot Lease Application of deceased applicant Simeon L. Naeole, Jr.

DISCUSSION

Applicant Simeon L. NAEOLE, Jr. passed away on March 23, 2008. At the time of his passing, the decedent held two lease applications: 1) An Oahu Islandwide Residential Lot Lease Application dated May 9, 2006; and 2) A Hawaii Islandwide Agricultural Lot Lease Application, also dated May 9, 2006. As the decedent did not name eligible successors to his application rights, for the purpose of finding eligible successors, the Department applied the public notice procedures outlined in Section 10-3-8(b-e) of the *Hawaii Administrative Rules*.

In response to the Department's November 2011 statewide publication of a legal notice listing the decedent's name, John K. BORDEN, Sr., Simeon L. NAEOLE, Jr.'s nephew, applied to succeed to the Oahu Islandwide Residential Lot Lease Application. As no respondents applied to succeed to Simeon L. NAEOLE, Jr.'s Hawaii Islandwide Agricultural Lot Lease Application, it was subsequently cancelled at the September 17, 2012 regular meeting of the Hawaiian Homes Commission.

At the time Mr. BORDEN applied to succeed to his uncle's residential application rights, he was still a Hoolehua residential lot lessee in the midst of transferring his lease to his daughter. Staff discussed the matter and it was understood

that the Application Branch would delay the processing of the application successorship to allow for the completion of Mr. BORDEN's pending lease transfer.

Unfortunately, while reviewing the background of this case, Application Branch supervisory staff noted that due to a clerical error, Simeon L. NAEOLE, Jr.'s residential application had been inadvertently forwarded to the Hawaiian Homes Commission for cancellation at its February 17, 2015, regular meeting. As the Application Branch was waiting for the completion of Mr. BORDEN's lease transfer, the application should not have been cancelled.

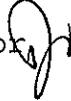
Accordingly, for the purpose of allowing Mr. John K. BORDEN, Sr. to succeed to the residential application rights of his uncle, Simeon L. NAEOLE, Jr., the Department requests that the Hawaiian Homes Commission set aside its February 17, 2015, cancellation of Mr. Simeon L. NAEOLE, Jr.'s Oahu Islandwide Residential Lot lease Application dated May 9, 2006.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator  
Homestead Services Division 

FROM: Juan Garcia, Oahu District Office Supervisor  
Homestead Services Division 

SUBJECT: **Approval of Designation of Successors to Leasehold  
Interest and Designation of Persons to Receive the Net  
Proceeds**

RECOMMENDED MOTION/ACTION

To approve the designation of successor to the leasehold interest and person to receive the net proceeds, pursuant to Section 209, Hawaiian Homes Commission Act, 1920, as amended.

\*See attached list of Lessee.

Leasehold Interest:

Ratified for August 2017	10
Previous FY 2017 - 2018	<u>8</u>
FY 2017 - 2018 Total to Date	18
Ratified for FY '16 - '17	104

Net Proceeds

Ratified for August 2017	1
Previous FY 2017 - 2018	<u>0</u>
FY 2017 - 2018 Total to Date	1
Ratified for FY '16 - '17	0

**LIST OF LESSEES WHO DESIGNATED SUCCESSORS TO THEIR  
LEASEHOLD INTEREST  
FOR MONTH OF AUGUST 2017**

<u>Deceased Lessee</u>	<u>Designated Successor</u>
1. Paul H. Akau Lot No.: 5 Area: Waimanalo, Oahu Lease No. 7766	<u>PRIMARY:</u> Kalaninuiupoaimoku S. J. Akau, Son  <u>ALTERNATE:</u> N/A  <u>DESIGNEE TO RECEIVE NET PROCEEDS:</u> Zeoma T. Akau, Wife
2. Henry K. Aki Lot No.: 1187 Area: Lanai, Lanai Lease No. 10978	<u>PRIMARY:</u> Joelle Mei Lianne Aki Aoki, Daughter  <u>ALTERNATE: Tenants in Common</u> Renette Haunani Mei Ling Aki-Kamai, Daughter Omit Mariah Mei Liane Aki Barfield, Granddaughter, due to lack of genealogy documents to determine eligibility for successorship.  <u>DESIGNEE TO RECEIVE NET PROCEEDS:</u> Omit Jordan Dane Kamalani Aki, Son, due to lack of genealogy documents to determine eligibility for successorship.

Deceased Lessee

Designated Successor

3. Shirley L. Fujimoto  
Lot No.: 24  
Area: Waiehu Kou, Maui  
Lease No. 5927

PRIMARY:  
Ruth J. K. A. Fujimoto,  
Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
Omit Lowen N. K. M.  
Okamoto, Grandson, due to  
ineligibility.

4. William K. Hopfe  
Lot No.: 104  
Area: Waiakea, Hawaii  
Lease No. 5027

PRIMARY:  
Cassandra L. Ryusaki,  
Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

5. Smiley Kaiwi  
Lot No.: 77  
Area: Waiohuli, Maui  
Lease No. 10288

PRIMARY:  
Charmaine P. Washington,  
Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

Deceased Lessee

Designated Successor

6. Joseph J. K. Kamalamalama  
Lot No.: 51  
Area: Keokea, Maui  
Lease No. 7396

PRIMARY: Tenants in Common  
William Joey K. K. R.  
Kamalamalama, Son  
Steven Louis A. K. R.  
Kamalamalama, Son  
Joleen Lehua K. C. R.  
Kamalamalama, Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

7. Thomas K. Kaneakua  
Lot No.: 116  
Area: Kewalo, Oahu  
Lease No. 835

PRIMARY: Joint Tenants  
Ellen F. Kaneakua, Wife  
Nadien E. O. Kaneakua  
Long, Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

8. James K. Plunkett  
Lot No.: 2  
Area: Paukukalo, Maui  
Lease No. 3477

PRIMARY: Tenants in Common  
James J. Plunkett, Son  
Omit Verna H. Plunkett,  
Wife, due to lack of  
genealogy documents to  
determine eligibility for  
successorship.

ALTERNATE: Tenants in  
Common  
Delphine Hoopai, Daughter  
Melecia K. Hoopai,  
Granddaughter

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

Deceased Lessee

Designated Successor

9. Audrey J. U. Poohina  
Lot No.: 126  
Area: Kalamaula, Molokai  
Lease No. 5907

PRIMARY:  
Warrene L. Stender, Niece

ALTERNATE:  
Chris Farley, Nephew

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

10. Luella U. Rosa  
Lot No.: 322  
Area: Nanakuli, Oahu  
Lease No. 3807

PRIMARY: Tenants in Common  
Waldron K. Rosa, Husband  
Denise U. Paaoao, Daughter  
Prentice K. Paaoao,  
Daughter

ALTERNATE:  
N/A

DESIGNEE TO RECEIVE NET  
PROCEEDS:  
N/A

LIST OF LESSEE WHO DESIGNATED SUCCESSOR TO RECEIVE THE  
NET PROCEEDS  
FOR MONTH OF AUGUST 2017

Deceased Lessee

Larry Kamaka  
Lot No.: 215A  
Area: Keaukaha, Hawaii  
Lease No. 2590

Designee to Appraised Value

Denise A. Kamaka, Wife

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator  
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor  
Homestead Services Division

SUBJECT: **Approval of Assignment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the assignment of the leasehold interest, pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended, and subject to any applicable terms and conditions of the assignment, including but not limited to the approval of a loan.

DISCUSSION

Fourteen (14) assignments of lease.

LESSEE

TRANSFeree

1. Name: Sterline M. K. & Avalanche A. Bento Res. Lease No.: 5187 Lease Date: 8/2/1982 Lot No.: 50 Area/Island: Nanakuli, Oahu Property Sold: Yes Amount: \$135,000.00 Improvements: 4 bedroom, 2 bath dwelling	Name: Roblyn U. Cuban Relationship: Cousin Loan Assump: No Applicant: Yes, Oahu IW Res., 11/15/1999
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Reason for Transfer: "Keep it in the family." Special Condition: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

LESSEE

TRANSFeree

11.    Name: Marion P. K. Gonsalves    Name: Alexandria K. K. Gonsalves  
      Res. Lease No.: 12386            Relationship: Daughter  
      Lease Date: 12/6/2008          Loan Assump: No  
      Lot No.: UNDV067                Applicant: No  
      Area/Island: Kapolei, Oahu  
      Property Sold: No  
      Amount: N/A  
      Improvements: None

Reason for Transfer: "To give my children a home."

12.    Name: Logan P. Kaawa                Name: Ruth M. Scheidt  
      Agr. Lease No.: 6620            Relationship: Aunty  
      Lease Date: 4/12/2002          Loan Assump: No  
      Lot No.: 45                      Applicant: Yes, Oahu IW Res.,  
      Area/Island: Waianae, Oahu      3/5/2007  
      Property Sold: No  
      Amount: N/A  
      Improvements: None

Reason for Transfer: "To give the opportunity for my family to begin cultivating the land which is such a priviledge to have here in Hawaii for them to build a home for themselves and for the future generations to come." See simultaneous transfer below.

13.    Name: Ruth M. Scheidt                Name: Kani H. Scheidt  
      Agr. Lease No.: 6620            Relationship: Son  
      Lease Date: 4/12/2002          Loan Assump: No  
      Lot No.: 45                      Applicant: No  
      Area/Island: Waianae, Oahu  
      Property Sold: No  
      Amount: N/A  
      Improvements: None

Reason for Transfer: "To have son build his own home for his family." Note: Son has farming experience and looks forward to cultivating the land.

LESSEE

TRANSFeree

5.      Name: Isabelle L. Knutson      Name: Isabelle L. Knutson &  
Agr. Lease No.: 4222      Mary L. Ramos  
Lease Date: 11/1/1976      Relationship: Lessee &  
Lot No.: 142      Daughter  
Area/Island: Panaewa, Hawaii      Loan Assump: No  
Property Sold: No      Applicant: No  
Amount: N/A  
Improvements: 4 bedroom, 4 bath dwelling
- Reason for Transfer: "To give my daughter an opportunity to live in the homestead."
6.      Name: Robertha D .I. Lane      Name: Robin N. Chai  
Res. Lease No.: 8240      Relationship: Brother  
Lease Date: 8/1/1993      Loan Assump: No  
Lot No.: 32      Applicant: No  
Area/Island: Waiakea, Hawaii  
Property Sold: Yes  
Amount: \$110,547.00  
Improvements: 3 bedroom, 1-1/2 bath dwelling
- Reason for Transfer: "To give my brother an opportunity to live on the homestead." Special Condition: Transferee to obtain funds to pay purchase price.
7.      Name: Randall S. K. Lee      Name: Sonya L. Lee  
Res. Lease No.: 3643      Relationship: Mother  
Lease Date: 5/27/1966      Loan Assump: No  
Lot No.: 75      Applicant: No  
Area/Island: Waimanalo, Oahu  
Property Sold: No  
Amount: N/A  
Improvements: 3 bedroom, 1 bath dwelling
- Reason for Transfer: "Transfer back to mom."

LESSEE

TRANSFEEEE

8. Name: Cheryl Lou K .K.  
Morimoto  
Res. Lease No.: 3202  
Lease Date: 10/24/1958  
Lot No.: 59  
Area/Island: Kekaha, Kauai  
Property Sold: No  
Amount: N/A  
Improvements: 3 bedroom, 1 bath dwelling

Name: Laureen U. M. Arashiro  
Relationship: Sister  
Loan Assump: No  
Applicant: No

Reason for Transfer: "My share of interest in the lease, I want my sister to have."

9. Name: Theodore I. Nuuanu  
Res. Lease No.: 4551  
Lease Date: 6/19/1978  
Lot No.: 14  
Area/Island: Nanakuli, Oahu  
Property Sold: Yes  
Amount: \$300,000.00  
Improvements: 4 bedroom, 2 bath dwelling

Name: Edward P. Nuuanu  
Relationship: Son  
Loan Assump: No  
Applicant: Yes, Oahu IW Res.,  
9/24/2014

Reason for Transfer: "Transfer lease to Edward P. Nuuanu."  
Special Condition: Transferee to obtain funds to pay purchase price.

10. Name: Emma L. I. D. Togiai  
Res. Lease No.: 12386  
Lease Date: 12/6/2008  
Lot No.: UNDV067  
Area/Island: Kapolei, Oahu  
Property Sold: No  
Amount: N/A  
Improvements: None

Name: Marion P. K. Gonsalves  
Relationship: Cousin  
Loan Assump: No  
Applicant: Yes, Oahu IW Res.,  
12/31/2015

Reason for Transfer: "To give my Ohana a home to continue to live in Hawaii." See simultaneous transfer below.

LESSEE

TRANSFeree

11.    Name: Marion P. K. Gonsalves    Name: Alexandria K. K. Gonsalves  
       Res. Lease No.: 12386            Relationship: Daughter  
       Lease Date: 12/6/2008            Loan Assump: No  
       Lot No.: UNDV067                 Applicant: No  
       Area/Island: Kapolei, Oahu  
       Property Sold: No  
       Amount: N/A  
       Improvements: None

Reason for Transfer: "To give my children a home."

12.    Name: Logan P. Kaawa                 Name: Ruth M. Scheidt  
       Agr. Lease No.: 6620             Relationship: Aunty  
       Lease Date: 4/12/2002            Loan Assump: No  
       Lot No.: 45                         Applicant: Yes, Oahu IW Res.,  
       Area/Island: Waianae, Oahu      3/5/2007  
       Property Sold: No  
       Amount: N/A  
       Improvements: None

Reason for Transfer: "To give the opportunity for my family to begin cultivating the land which is such a priviledge to have here in Hawaii for them to build a home for themselves and for the future generations to come." See simultaneous transfer below.

13.    Name: Ruth M. Scheidt                 Name: Kani H. Scheidt  
       Agr. Lease No.: 6620             Relationship: Son  
       Lease Date: 4/12/2002            Loan Assump: No  
       Lot No.: 45                         Applicant: No  
       Area/Island: Waianae, Oahu  
       Property Sold: No  
       Amount: N/A  
       Improvements: None

Reason for Transfer: "To have son build his own home ad for his family." Note: Son has farming experience and looks forward to cultivating the land.

LESSEE

TRANSFEREE

14. Name: Eric F. Poohina  
Pas. Lease No.: 7877  
Lease Date: 2/1/1987  
Lot No.: 21  
Area/Island: Hoolehua,  
Molokai  
Property Sold: No  
Amount: N/A  
Improvements: None

Name: Phillip M. I. Pelekane  
Relationship: Cousin  
Loan Assump: No  
Applicant: No

Reason for Transfer: "Moving to Alaska."

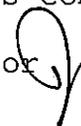
Assignments for the Month of August `17	14
Previous FY '17 - '18 balance	<u>18</u>
FY '17 - '18 total to date	32
Assignments for FY '16 - '17	229

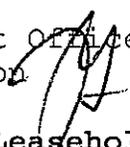
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator  
Homestead Services Division 

FROM: Juan Garcia, Oahu District Office Supervisor  
Homestead Services Division 

SUBJECT: **Approval of Amendment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Nine (9) amendments of lease.

1. Lessee: Manuel A. Briones  
Res. Lease No.: 3018  
Lot No., Area, Island: 35A 1&2, Hoolehua, Molokai  
Amendment: To amend the lease tenancy due to the death of a joint tenant lessee, to amend the lease title and lessor's name, to incorporate the currently used terms, covenants, and conditions in the lease, to amend the lease to extend the lease term to an aggregate term of 199 years.

2. Lessee: Wesley N. Davis  
Agr. Lease No.: 155  
Lot No., Area, Island: 78, Hoolehua, Molokai  
Amendment: To amend the lease to extend the lease term to an aggregate term of 199 years, to amend the lease title and lessor's name, to complete the property description, to incorporate the currently used terms, covenants, and conditions in the lease.
3. Lessee: Larry Kamaka  
Res. Lease No.: 2590  
Lot No., Area, Island: 215A, Keaukaha, Hawaii  
Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, covenants, and conditions in the lease, and to extend the lease term to an aggregate term of 199 years.
4. Lessee: Thomas K. Kaneakua  
Res. Lease No.: 835  
Lot No., Area, Island: 116, Kewalo, Oahu  
Amendment: To amend the lease title & lessor's name, to complete the property description, to incorporate the currently used terms, covenants, and conditions in the lease, and to extend the lease term to an aggregate term of 199 years.
5. Lessee: Randall K.S. Lee  
Res. Lease No.: 3643  
Lot No., Area, Island: 75, Waimanalo, Oahu  
Amendment: To amend the tenancy to tenants in common, and to incorporate the currently used terms, covenants, and conditions in the lease.

6. Lessee: Olena L. Perreira  
 Res. Lease No.: 11659  
 Lot No., Area, Island: UNDV116, Kapolei, Oahu  
 Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
7. Lessee: Luella Rosa  
 Res. Lease No.: 3807  
 Lot No., Area, Island: 322, Nanakuli, Oahu  
 Amendment: To amend the lease title and lessor's name, and to incorporate the currently used terms, covenants, and conditions in the lease.
8. Lessee: Joseph Souza and John K. Souza  
 Res. Lease No.: 5876  
 Lot No., Area, Island: 21, Kalamaula, Molokai  
 Amendment: To amend the tenancy to tenants in common.
9. Lessee: Allan O. Young  
 Res. Lease No.: 3985  
 Lot No., Area, Island: 7, Waimanalo, Oahu  
 Amendment: To amend the lease title and lessor's name, and to incorporate the currently used terms, covenants, and conditions in the lease.

Amendments for the Month of August '17	8
Previous FY '17 - '18 balance	<u>9</u>
FY '17 - '18 total to date	17
Amendments for FY '16 - '17	193

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
THROUGH: Dean Oshiro, Acting HSD Administrator   
FROM: Juan Garcia, Oahu District Office Supervisor  
Homestead Services Division   
SUBJECT: **Approval to Issue a Non-Exclusive License for Rooftop  
Photovoltaic Systems for Certain Lessees**

RECOMMENDED MOTION/ACTION

To approve the issuance of a non-exclusive license to allow the Permittee to provide adequate services related to the installation, maintenance, and operation of a photovoltaic system on the premises leased by the respective Lessees.

The non-exclusive license is necessary as the Lessee can not issue his/her own licenses.

DISCUSSION

Ten (10) non-exclusive licenses.

1. Lessee: Polly N. K. Calbero  
Res. Lease No.: 9807  
Lot No., Area, Island: 13827, Maluohai, Oahu  
Permittee: Sunrun Inc.
2. Lessee: Adam Kaiwi, Jr.  
Res. Lease No.: 8187  
Lot No., Area, Island: 52, Waimanalo, Oahu  
Permittee: Pono Power, LLC
3. Lessee: Rochelle K. Kauwelo Schall  
Res. Lease No.: 12782  
Lot No., Area, Island: 13756, Hoolimalima, Oahu  
Permittee: MDI PV, LLC

4. Lessee: Alika L. Lovell  
Res. Lease No.: 12142  
Lot No., Area, Island: 16918, Kaupea, Oahu  
Permittee: Sunrun Inc.
5. Lessee: Ululani T. A. Naeole-Casuga  
Res. Lease No.: 5155  
Lot No., Area, Island: 4, Nanakuli, Oahu  
Permittee: Sunrun Inc.
6. Lessee: Edward P. Nuuanu  
Res. Lease No.: 4551  
Lot No., Area, Island: 14, Nanakuli, Oahu  
Permittee: Hawaii Eco Project, LLC
7. Lessee: Tamar P. Panee  
Res. Lease No.: 12746  
Lot No., Area, Island: 13777, Hoolimalima, Oahu  
Permittee: MDI PV, LLC
8. Lessee: Kalena K. Pelekai-Wai  
Res. Lease No.: 8390  
Lot No., Area, Island: 99, PKE, Oahu  
Permittee: Haleakala Solar Inc.
9. Lessee: Sharleen Uyeno  
Res. Lease No.: 12772  
Lot No., Area, Island: 13795, 13795, Hoolimalima  
Permittee: MDI PV, LLC
10. Lessee: Keli'i P. Valeho  
Res. Lease No.: 9257  
Lot No., Area, Island: 44, Kaniohale, Hawaii  
Permittee: Sunrun Inc.

Non-Exclusive License for the Month of August '17	10
Previous FY '17 - '18 balance	<u>10</u>
FY '17 - '18 total to date	20
Non-Exclusive License for FY '16 - '17	69

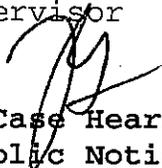
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator  
Homestead Services Division

FROM: Juan Garcia, Oahu District Supervisor  
Homestead Services Division 

SUBJECT: **Request to Schedule Contested Case Hearing -  
Authorization to Proceed to Public Notice Under  
Section 209, HHCA, Due to Nonresponsive Designated  
Successor(s)**

RECOMMENDED MOTION/ACTION

To approve the scheduling of a contested case hearing for the designated successors.

DISCUSSION

The Department has tried on numerous occasions to contact the respective designated successors to execute the Lease to complete the successorship. Department correspondence were mailed to the designated successors requesting they contact the Department to arrange for the execution of the successorship of lease document. In addition, the Department's attempted to make contact through known telephone numbers, however, these attempts were unsuccessful in having the successorship lease document signed. In certain cases, the Department has no information on any known location or mailing address for the designated successor(s), therefore, the Department has been unable to make contact.

Through the contested case hearing process, the Department will seek authorization to proceed with the public notice process to notify all interested related individuals to submit a successorship claim, or proceed with the alternate designated successor(s) to the lease.

The Department recommends approval of the motion as stated.

Deceased Lessee

Designated Successor(s)

1. Danette K. M. Kepoo  
Lot No.: 91  
Area: Waianae, Oahu  
Lease No.: 6753
  
2. Daisy K.T. Simeona  
Lot No.: UNDV203  
Area: Kapolei II, Oahu  
Lease No.: 12522

Kawahinekeakaokalani D. Kepoo,  
Daughter  
Kamule L. Kepoo, Son

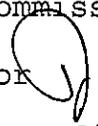
Lynnboy L. Simeona, Jr.  
Son

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator 

FROM: Darlene K. Fernandez, Homestead Lease Coordinator   
Homestead Services Division

SUBJECT: **Request to Surrender Lease - DOROTHY PATRICIA WAIAMAU  
Residential Lot Lease No. 8742, Lot No. 106-B,  
Nanakuli Residence Lots (First Series), Nanakuli,  
Waianae, Hawaii**

RECOMMENDED MOTION/ACTION

1. To approve the surrender of Department of Hawaiian Home Lands Residential Lot Lease No. 8742, Lot No. 106-B, Nanakuli Residence Lots (First Series), situated at Nanakuli, Waianae, Hawaii, consisting of approximately 10,824 square feet, and further identified as Tax Map Key: 1-8-9-005:088;

2. To accept the appraisal of the improvements, and to pay net proceeds or to collect on deficiency if the value of the improvements are deemed to be less than the amount of the outstanding debt; and

3. To authorize the department to award Lot No. 106-B, Nanakuli, Waianae, Hawaii to another qualified applicant on the waitlist.

DISCUSSION

Residential Lot Lease No. 8742, Lot No. 106-B, Nanakuli, Waianae, Hawaii, and commenced on January 19, 1997, was awarded to Herman K. Nunuha.

On July 25, 2009, Herman K. Nunuha passed away without designating a successor.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended, and Section 10-3-63 of the Hawaii Administrative Rules, upon the death of a lessee leaving no designated successor, the department shall publish a public

notice at least once in each of four consecutive weeks in a newspaper of general circulation in the State to officially notify all interested and qualifying relatives of a deceased lessee to submit their successorship claim to the lease.

However, pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended, when a lessee fails to designate a successor, the commission is authorized to cancel the lease or to continue the lease by designating a qualified successor. Acting pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended, the department designated Antoinette Geraldine Waiamau-Nunuha, wife of deceased lessee, as successor to the lease and elected not to proceed with the public notice process as she had the necessary blood quantum and priority to succeed.

On March 29, 2010, Residential Lot Lease No. 8742, Lot No. 106-B, was transferred to Antoinette Geraldine Waiamau-Nunuha by way of Transfer Through Successorship.

On June 8, 2012, Antoinette Geraldine Waiamau-Nunuha, designated her granddaughter, Dorothy Patricia Waiamau, as successor to her lease, which was approved by the Hawaiian Homes Commission on May 21, 2013.

On November 28, 2014, Antoinette Geraldine Waiamau-Nunuha passed away.

On June 15, 2016, Residential Lot Lease No. 8742, Lot No. 106-B, was transferred to Dorothy Patricia Waiamau by way of Transfer Through Successorship.

On June 2, 2017, the Department received a Notice of Surrender of Lease from Dorothy Patricia Waiamau, stating that she currently resides in Washington State and has no intention of occupying the property now or in the future.

On June 15, 2017, the Department sent her an acknowledgement letter requesting a response for appraisal method. A response for appraisal method was received by the Department on June 26, 2017.

An appraisal still needs to be completed to determine the value of the home.

As of August 15, 2017, there are two outstanding Department loans, approximate total balance of \$60,891. Both loans are currently delinquent, total past due amount of \$8,017.20. Real property taxes are current. Lease rent is paid current.

The department requests approval of its recommended motion.

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E, KAUA'I

E-ITEMS  
**LAND DEVELOPMENT DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 22, 2017

To: Chairman and Members, Hawaiian Homes Commission

Thru: William J. Aila, Jr., Deputy to the Chairman *WJ Aila*From: Norman Sakamoto, Acting LDD Administrator *N Sakamoto*

Subject: Soil Testing at Kekaha Residential Lots, Unit 4

RECOMMENDED MOTION/ACTION:**For information only**BACKGROUND:

1. On October 27, 2014, the Hawaiian Homes Commission (HHC) approved the preparation of an Environmental Hazard Management Plan (EHMP) for the Kekaha Residential Lots, Unit 4 subdivision, based on findings contained in the Phase I and II Environmental Site Assessment (ESA) Reports prepared by AECOM Technical Services Inc. (AECOM). This HHC submittal containing the historical chronology is attached as "Exhibit A".
2. Also in October 2014, the State Department of Health (DOH), after reviewing the initial Phase II report, informed DHHL of its recommendation to conduct additional soil sampling to confirm depth of the clean layer of soil present at the site, and to analyze samples from soil cores where visible debris impacts are found.
3. After review of AECOM's cost proposal to provide supplemental testing, AECOM was authorized to conduct supplemental testing of the subsurface soils between May 11 and 13, 2015. The Kekaha homestead organizations were informed of the testing period and specific lessees were informed if samples were to be taken from within their homestead lot, based on AECOM's sampling model.
4. The Phase II ESA Report including the supplemental testing was recently completed by AECOM in September 2015, and was transmitted to DOH for review. The recommendations to 1) mitigate surface tar-like materials and 2) prepare an EHMP,

provided by AECOM, mirror the comments provided by DOH Hazard Evaluation and Emergency Response (HEER) office.

5. In the Phase II ESA Report, AECOM has provided construction drawings for Lots 1, 2 and 3 to mitigate the surface discovery of the tar-like finds. These construction drawings are being submitted to the County of Kauai for approval. Land Development Division (LDD) prepared bid documents for an Invitation for Bid (IFB) to remove surface soil and tar-like finds, replacement and cover with clean fill, and construction of a retaining wall to embank the new slope. LDD had anticipated posting the IFB in early November, with construction work starting in the spring of 2017. LDD met with the lessees to share the specific construction plan details prior to posting the IFB.
6. AECOM prepared the specific management recommendations requirements in the EHMP, and completed the recommended actions by end of November 2015, subject to various reviews by DOH and Carlsmith Ball LLP. Limited copies of the finalized EHMP was distributed to the Kekaha homestead associations.
7. On September 7, 2016, staff from AECOM, DHHL and DOH HEER held an informational meeting with the homeowners of Kekaha Unit 4 subdivision to share the testing results of AECOM's Phase II ESA and proposed Soil Management Plan. The community voiced its concerns regarding the burdensome nature of the Soil Management Plan and the subsurface test results from two lots that contained levels of lead, mercury and arsenic exceeding DOH Environmental Action Levels (EAL).
8. As a result of the September community meeting, DHHL caused the implementation of additional testing of the surface soils on a community basis and subsurface testing of Lots 3 and 39. Since AECOM's contract had expired, DHHL procured a new environmental engineering firm, Elemental Environmental LLC (E2) to implement a surface soil testing program for all 50 lots with the Kekaha Unit 4 subdivision and more rigorous subsurface testing on Lots 3 and 39 to ascertain if the occurrence of lead, arsenic and mercury was prevalent through the soil profile. A community meeting was held on December 15, 2016, to introduce E2 and to explain the soil testing program. Between January 9 and January 14, 2017, E2 collected surface soil samples from 47 lots and conducted immediate onsite X-ray

fluorescence testing (XRF) for arsenic, lead, and mercury. All of these metals were found at levels below State EALs. E2 sent samples for laboratory testing for more definitive results. To date, **none** of the surface soil samples from 47 lots displayed mercury, lead and arsenic at levels exceeding State EALs.

9. In March 2017, E2 conducted subsurface soil testing on Lots 3 and 39 and tested surface soil from three lots, previously not tested. Thirty cores were drilled to a depth of five feet on Lots 3 and 39. Soil samples collected from the cores were tested with XRF technology and core samples were sent to the laboratory for heavy metal contaminant analysis. To date, **none** of the subsurface and surface soil samples displayed mercury, lead and arsenic levels exceeding State EALs. High levels of petroleum hydrocarbons were detected, but appear to be results of human activities related to boat and or vehicle maintenance. DHHL and E2 conducted a community meeting on March 15, 2017, to share the preliminary results of the surface and subsurface soil testing. Since all laboratory results for surface and subsurface soils have been finalized, DHHL and E2 will conduct a community informational meeting to provide each of the homeowners with individual results showing **no** occurrence of mercury, lead, and arsenic above State EALs.
10. Vegetable and fruit samples were collected in January 2017, to test for potential metals uptake into the vegetables and fruit. E2 and DOH HEER has evaluated the laboratory data. The following results will be shared with the community:
  - a. Trace concentrations of metals identified in the produce are from naturally occurring metals in the soil and not associated with contamination;
  - b. Any produce grown in gardens or purchased in stores will contain non-toxic, trace amounts of naturally occurring metals in soil, including nutrients like iron, and;
  - c. Consumption of this produce does not pose a risk to human health.
11. E2 will be preparing a revised/amended Soil Management Plan for the community which would supersede the management plan authored by AECOM. DOH input will be sought on this matter.

All prior testing protocols in 2017 conducted by E2 have been first coordinated with the DOH HEER office.

12. As part of AECOM's contract, a tar remediation plan and wall improvement designs were prepared for sealed bid procurement. Bids were opened in March 2017; however, all bids exceeded the budgeted amount approved by the HHC. The Hawaii Administrative Rules governing Invitations for Bid allow for negotiation with the low bidder to bring the project within budget. DHHL is discussing this matter with the low bidder and plans to revise the scope of services to address the priority matter of mitigating tar found in the exposed surface and upper soil profile. Should funds be available, slope improvements, including limited retaining wall may be constructed, if warranted.

SUMMARY:

1. Surface and Subsurface soil testing was completed and based on the test results, no further action is planned.
2. Vegetables, herbs and fruit sampling was completed and the statements contained in Paragraph 10 are being shared with the community. Based on the discussion with DOH, no further action is planned.
3. Based on the testing results, E2 will prepare a Best Management Practices Plan for the Kekaha Unit 4 community.
4. Mitigation of tar is pending revisions to scope of work and contract budget.

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E, KAUA'I

F-ITEMS  
**LAND MANAGEMENT DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21 & 22, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
FROM: Kahana Albinio, Acting Land Management Division Administrator  
SUBJECT: F-1 Renewal of Right of Entry Permits, Kaua'i Island (see exhibit)  
F-2 Renewal of Right of Entry Permits, O'ahu Island (see exhibit)

*THIS SUBMITTAL WILL BE DISTRIBUTED UNDER SEPARATE COVER or AT THE TABLE*

ITEM NO. F-1, F-2

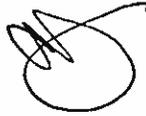
**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: William J. Aila, Jr., Deputy Chairman  
Office of the Chairman

Peter "Kahana" Albinio, Jr., Acting Administrator  
Land Management Division 

From: Allen G. Yanos, Property Development Agent  
Land Management Division 

Subject: FOR INFORMATION ONLY  
Request for Approval to Issue Right-of-Entry Permit and Conditional Approval of General Lease to Kaua'i Island Utility Cooperative, Subject to Compliance with, and Completion of, the Environmental Disclosure Requirements Under HRS Chapter 343, and Provided that Such Environmental Review Does Not Reveal Significant Adverse Impacts that Cannot Be Reasonably Mitigated. Delegate to the HHC Chairman the Authority to Negotiate the Final Terms and Conditions of the Right-of-Entry and General Lease, Waimea, Island of Kaua'i, Tax Map Key No. (4) 1-2-002:023 (por).

RECOMMENDED MOTION/ACTION:

None; for information only.

DISCUSSION:

**Purpose:**

The purpose of this informational briefing is to provide background for the Hawaiian Homes Commission ("HHC") concerning a proposed hydroelectric project at Waimea, on the Island of Kaua'i, to be developed by Kaua'i Island Utility Cooperative ("KIUC"). The hydroelectric project will be an integrated project that can generate power for the island that may include the following components:

- Kōke'e ditch system repairs and upgrade
- Rehabilitation of the Pu'u Lua, Pu'u 'Ōpae, and Mānā reservoirs
- New sections of buried pipeline to transmit water from the Pu'u Moe Divide to the Pu'u 'Ōpae and Mānā reservoirs
- Two new powerhouses (pump houses)

The Department of Hawaiian Home Lands ("DHHL") is expected to benefit from the hydroelectric project from:

- New infrastructure to deliver water that will support agriculture and food sustainability in Waimea

- Rehabilitation and maintenance of its Pu'u 'Ōpae reservoir
- Repairs, upgrades, and the maintenance and operation of the Kōke'e ditch system to efficiently transmit water for the hydroelectric project and for the surrounding lands
- Road improvements and maintenance
- Generation of electrical power at Pu'u 'Ōpae reservoir for use by DHHL and to also help stabilize the island's electrical grid system stability and reliability, especially during evening peak hours
- Jobs through construction of the hydroelectric project
- Fire suppression support
- Rent and other payments

**Location:**

Hawaiian home lands in the Waimea District, Island of Kaua'i, being a portion of Tax Map Key No. (4) 1-2-002:02, shown on Exhibit "A" attached hereto ("the Project Location Area")

**Background:**

The following provides pertinent background regarding the hydroelectric project:

- DHHL is authorized by Section 204 (a) (2) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), to grant leases for the use of Hawaiian home lands that are not required for leasing under HHCA Section 207, subject to the requirements of Chapter 171 of the Hawai'i Revised Statutes
- DHHL is authorized by Sections 171-95 and 171-95.3, Hawai'i Revised Statutes, to dispose of its lands to renewable energy producers and public utilities without public auction through direct negotiation
- The Project Location Area will be on a portion of unencumbered parcel in the Waimea District, Island of Kaua'i, State of Hawai'i
- In 2004, the HHC approved the Kaua'i Island Plan ("KIP") that provides recommendations for future uses of DHHL's land holdings on Kaua'i to meet the needs of DHHL and its beneficiaries, with particular focus on the next twenty years
- Based on land analysis and intensive community engagement by beneficiaries, the HHC assigned its Waimea lands the following land use designations in the KIP:

Land Use Designation	Acreage
Residential Homestead	202
Subsistence Agriculture	214
General Agriculture	12,527
Pastoral Homestead	475
Special District	1,258
Community Use	42
Conservation	343
<b>TOTAL</b>	<b>15,061</b>

- The KIP designated the Pu'u 'Ōpae reservoir as “special district” which indicates the presence of different resources that require more detailed planning
- On January 27, 2009, the HHC approved DHHL’s Energy Policy entitled *Ho`omaluō* to enable native Hawaiians and the broader community to work together to lead Hawai`i’s effort to achieve energy self-sufficiency and sustainability
- Objective 2 of the *Ho`omaluō* Energy Policy is “Ko`o: Facilitate the use of diverse renewable energy resources” and the second listed activity for that objective is to:

Pursue the leasing of those lands that are identified as suitable for renewable energy projects. (First priority should be given to entities that would provide “firm” renewable energy power such as garbage-to-energy (mass-burn), geothermal, pump-storage hydropower, solar-thermal and second priority to “as-available” renewable energy power such as wind, solar-photovoltaic, and wave.
- In November 2011, the HHC approved DHHL’s West Kaua`i Regional Plan following an extensive regional planning process with its Waimea, Kekaha, and Hanapēpē beneficiaries
- As a result of the regional plan process, DHHL identified several priority projects for the West Kaua`i region, including the development of renewable energy projects compatible with agriculture and the beneficiaries’ desire that the Pu'u 'Ōpae reservoir be maintained and the irrigation system be rehabilitated
- On January 15, 2013, the HHC authorized the Chairman to “[f]ormally request a Water Reservation from the Commission on Water Resource Management to adequately reserve water for current and foreseeable development and use of Hawaiian home lands in Waimea, Kaua`i (State Water Code §174C-101(a).)”
- On July 22, 2014, the HHC adopted a Water Policy Plan (“WPP”) to provide strategic, proactive, comprehensive and consistent guidance and direction to the Commission, DHHL’s staff, and its beneficiaries on water-related issues, actions, and decisions
- One of the four primary goals in the WPP is to “[a]ggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities”
- Another goal of the WPP policy is to “[d]evelop, manage, and steward water in a manner that balances cost, efficiency measures, and Public Trust uses in the short and long term”
- DHHL filed, on November 17, 2015, with the State of Hawai`i Commission on Water Resources Management, a Petition for Reservation of surface water of 33.145 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke`e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke`e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua`i Hawaiian Home Lands
- On April 17, 2017, the HHC issued a license to the Kekaha Hawaiian Homestead Association for 231 acres at Pu'u 'Ōpae for the purpose of management and maintenance of the Pu'u 'Ōpae Farm and Irrigation Project

- On April 18, 2017, the State of Hawai'i Commission on Water Resources Management approved a Mediation Agreement for the Waimea Watershed Area between DHHL, KIUC, the Pō'ai Wai Ola/West Kaua'i Watershed Alliance, the State of Hawai'i Agribusiness Development Corporation, and the Kekaha Agriculture Association ("Mediation Agreement"), which is attached hereto as Exhibit "B"
- On April 25, 2017, DHHL filed, with the State of Hawai'i, a Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke'e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke'e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua'i Hawaiian Home Lands
- The Mediation Agreement discusses DHHL's interest in developing a hydroelectric project at Pu'u 'Ōpae Reservoir and in doing so, providing a reliable means to transmit water to DHHL's lands and shifting to KIUC the costs of rehabilitating, maintaining and improving key infrastructure on the parcel
- On May 12, 2017, DHHL issued a public notice of its intent to dispose of land under a general lease for a hydroelectric project by way of direct negotiations pursuant to Section 171-95.3, Hawai'i Revised Statutes, and invited interested individuals, companies, and/or corporations to submit information by May 19, 2017 for DHHL's consideration to be qualified for participation in the selection process
- DHHL received two proposals on May 19, 2017 and thereafter selected KIUC as the potential hydroelectric project developer/lessee
- On June 13 and June 14, 2017. DHHL held two public beneficiary consultation meetings on the proposed land disposition to KIUC for a hydroelectric project
- On June 20, 2017, the State of Hawai'i Commission on Water Resources Management granted DHHL's Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke'e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke'e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua'i Hawaiian Home Lands.
- On July 12, 2017, DHHL held two public hearings on the proposed land disposition to KIUC for a hydroelectric project
- DHHL has foreseeable water needs on its lands in Waimea, Kaua'i
- The issuance of an ROE and a General Lease to KIUC is essential for the development, operation, management, and maintenance of hydroelectric production facilities on the Premises

The Beneficiary Consultation Report which contains the official public record of beneficiary issues, questions, concerns, and comments made at the beneficiary consultation meetings on June 13 and 14, 2017 and the public hearings on the Island of Kaua'i, on July 12, 2017, will be issued separately by DHHL's Planning Office for acceptance by the HHC.

The ROE and General Lease terms and conditions negotiated up to this point for the HHC's evaluation and determination to award or not award a 65-year lease to KIUC are reflected in the draft documents attached hereto as Exhibits "C-1" and "C-2". Some of the other terms and conditions for the ROE and General Lease may need to change as circumstances in the future also change, including finalization of the legal description of the land under the lease. For that reason, Land Management Division will request that the HHC Chairman be delegated the authority to negotiate the final terms and conditions of the ROE and General Lease.

**Planning Area:**

Waimea, West Kaua'i

**Land Use Designation:**

General Agriculture, Special District, and Pastoral

**Current Status:**

Overgrown vacant land area with plantation-era dirt/rocky, unimproved roads; ditches/waterways; and the State-regulated Pu'u 'Ōpae reservoir. Two thirds of the area can be described as steep, mountainous terrain and isolated valleys. There are no building improvements on the land.

**Character of Use:**

Due diligence studies to assess the potential for a hydroelectric project and for the eventual development, construction, operations, management, and maintenance of a hydroelectric production facility.

**Chapter 343, HRS Environmental Assessment/Environmental Impact Statement Requirements:**

Issuance of the ROE:

The issuance of the ROE is exempt from the preparation of an Environmental Assessment. In accordance with the Exemption List for the State of Hawai'i, Department of Hawaiian Home Lands, as reviewed and concurred upon by the Environmental Council on June 30, 2015, the subject request should be exempt from the preparation of an environmental assessment.

The direct, cumulative, and potential impacts of the ROE have been considered pursuant to Chapter 343, Hawai'i Revised Statutes and Chapter 11-200, Hawai'i Administrative Rules. Since the ROE as proposed is determined to have minimal or no significant impact on the environment, it would therefore be exempt from the preparation of an environmental assessment. The Planning Office has documented the ROE as being eligible for exemption from the preparation of an Environmental Assessment.

Issuance of the General Lease:

The issuance of the General Lease is subject to compliance with Chapter 343, HRS and Chapter 11-200, HRS and is not exemptible under DHHL's list. The ROE will require KIUC to meet certain conditions before obtaining the General Lease, including the preparation and acceptance of an Environmental Impact Statement ("EIS"). The General Lease will also require KIUC to implement all environmental mitigation requirements identified through the EIS process.

**Consistency with DHHL Plans, Programs, Policies, and Programs:**

General Plan (2002)

The action to be request for approval by the HHC is consistent with the goals and objectives of the General Plan.

Kaua`i Island Plan (2004)

The recommended action is consistent with the Kaua`i Land Use Designations of General Agriculture, Pastoral, and Special District. Per the Kaua`i Island Plan, pastoral and agricultural homesteading are not priorities in the 20-year timeframe for homesteading but this project may facilitate future opportunities.

Beneficiary Consultation Policy (2009)

The hydroelectric project is compliant and consistent with the Beneficiary Consultation Policy.

West Kaua`i Regional Plan (2011)

In the 2011 West Kaua`i Regional Plan, DHHL's beneficiaries identified five priority projects for the region. The hydroelectric project will help implement two of those priorities which are: 1) to develop an agricultural and water plan; and 2) to develop renewable energy projects that are compatible with agriculture.

Program Plans

*Ho`omaluo Energy Policy (2009)*

Objective 2 of the *Ho`omaluo Energy Policy* is "Ko`o: Facilitate the use of diverse renewable energy resources" and the second listed activity for that objective is to:

Pursue the leasing of those lands that are identified as suitable for renewable energy projects. (First priority should be given to entities that would provide "firm" renewable energy power such as garbage-to-energy (mass-burn), geothermal, pump-storage hydropower, solar-thermal and second priority to "as-available" renewable energy power such as wind, solar-photovoltaic, and wave.

*Water Policy Plan (2014)*

Issuance of the ROE and General Lease will be consistent with two of the four primary goals of the Water Policy Plan: 1) to "[a]ggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities"; and 2) to "[d]evelop, manage, and steward water in a manner that balances cost, efficiency measures, and Public Trust uses in the short and long term".

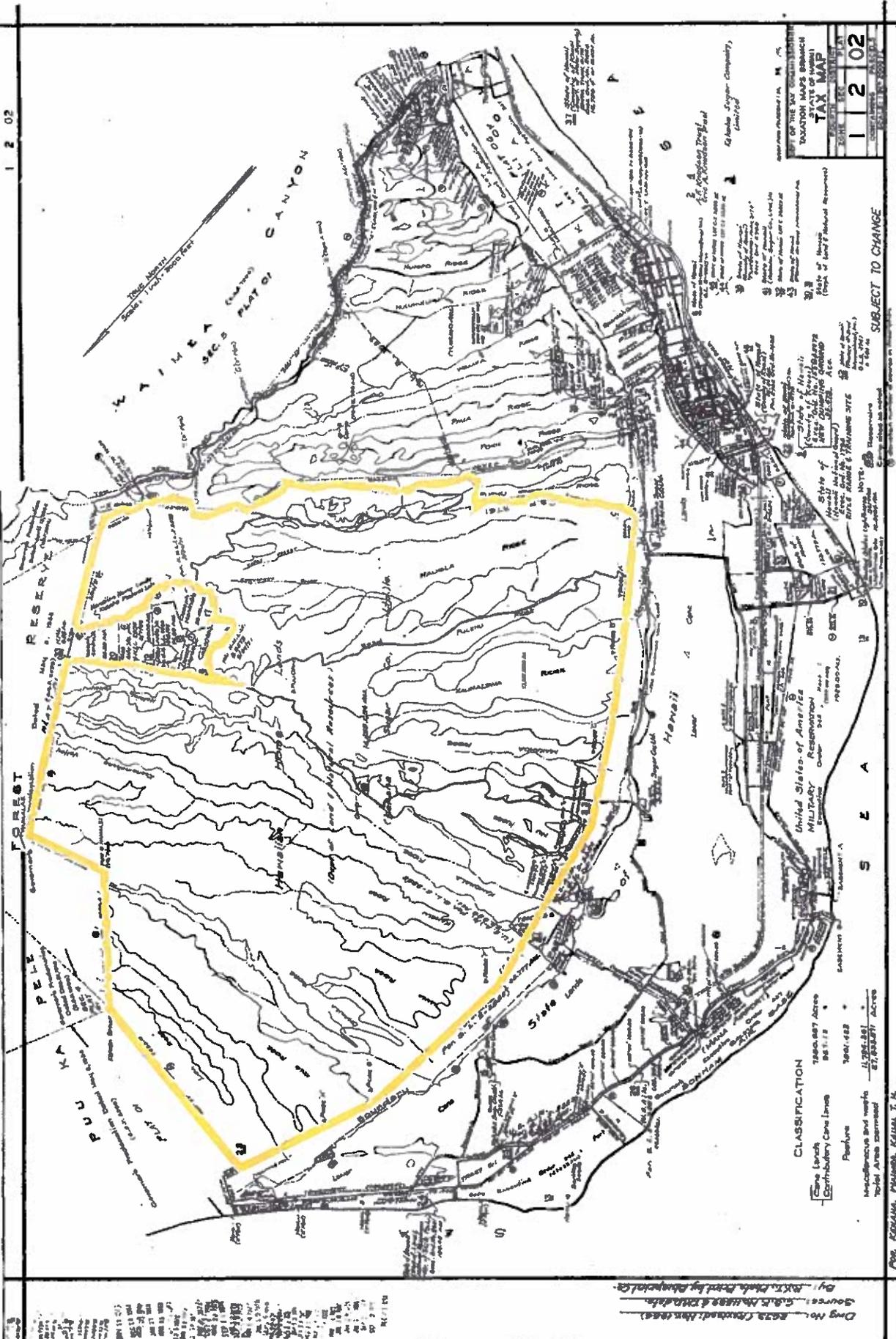
NEXT STEPS

Request for Approval of the following actions will be made at the next session of the Hawaiian Homes Commission meeting on Kaua'i:

- The issuance of an ROE permit to KIUC within the Project Location Area. The ROE shall be for due diligence activities for the purpose of developing a hydroelectric project on Hawaiian home lands in the Waimea District, Island of Kaua'i
- A General Lease to KIUC for the development, construction, operations, management, and maintenance of a hydroelectric project on land within the Project Location Area, to be more fully described in a future metes and bounds survey, and necessary non-exclusive licenses for access, maintenance and other project purposes
- Issuance of the ROE and General Lease shall be upon the terms and conditions as reflected in the draft ROE and General Lease provided to the HHC which contain terms and conditions already mutually agreed upon by KIUC and DHHL
- Delegation of authority to the HHC Chairman to negotiate the final terms and conditions of the ROE and General Lease
- Other terms and conditions deemed prudent and necessary by the HHC

RECOMMENDATION

None; for information only.



# PROJECT LOCATION AREA

MEDIATION AGREEMENT  
FOR THE WAIMEA WATERSHED AREA

This Mediation Agreement is entered into this 18<sup>th</sup> day of April, 2017, by and between the parties hereto to present reasonable interim instream flow standards to the Commission on Water Resource Management ("Commission") for its consideration in an effort to resolve disputes arising out of the diversion of water from the Waimea River and its tributaries, and to avoid protracted and time and resource consuming litigation.

WITNESSETH:

WHEREAS, on July 24, 2013, Pō'ai Wai Ola/West Kaua'i Watershed Alliance filed a Combined Petition to Amend the Interim Instream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste, which concerns the Waimea Watershed in Waimea, Island of Kaua'i, Hawai'i;

WHEREAS, on May 27, 2014, the Commission engaged Element Environmental, LLC to develop an inventory of the stream system, water uses, and water users of the Waimea River and its headwaters and tributaries, and to conduct an appropriate investigation of the water systems and the water resources in the area;

WHEREAS, during 2015, the Commission sought and received information on water uses from the agricultural interests and the Department of Hawaiian Home Lands ("DHHL");

WHEREAS, in October, 2015, the Commissioners, Commission staff, and interested parties familiarized themselves with the stream system and non-stream uses-by visiting the area over two days;

WHEREAS, on November 17, 2015, DHHL filed with the Commission a Petition for Reservation of Surface Water of 33.145 MGD;

WHEREAS, also during 2015, in light of the fact that similar petitions have historically taken decades to resolve, the Commission staff approached various parties having an interest in this area and its waters to consider participating in a mediation of the issues involved;

WHEREAS, in December, 2015, the Commission approved engaging a mediator to assist in reaching an agreement between the parties that would be acceptable to the Commission to resolve the issues in the Waimea watershed;

WHEREAS, at its February 16, 2016 duly-noticed meeting, the Commission approved the terms of reference for the mediation, and subsequently, the services of the Collaborative Leaders Network were engaged to conduct the mediation, led by its President, Robert Alm; and

WHEREAS, during November, 2016, a set of controlled releases of water was undertaken by the Commission staff and the parties to assist in the resolution of the issues in this matter.

EXHIBIT "B"

Item No. F-3

NOW, THEREFORE, the parties have reached the following points of agreement for consideration and approval by the Commission to guide the Commission staff and these parties in their respective and cooperative handling of the area's water resources in the coming years, and to amend the current interim instream flow standards of the Waimea River, its headwaters and its tributaries:

1. The Waimea Watershed Agreement which is attached hereto as Exhibit A.
2. In light of this agreement, it is also agreed that:
  - A. Pō'ai Wai Ola/West Kaua'i Watershed Alliance's Combined Petition to Amend the Interim Stream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste (filed July 24, 2013) will be considered to be resolved.
  - B. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed.
3. The terms of this Agreement are submitted to the Commission for consideration and approval. By executing this Agreement, each party represents to the Commission its acknowledgement that, based upon the information obtained to date on stream flows, ditch flows, beneficial in-stream uses and non-stream uses, each party has weighed the importance of the present and potential uses of water, including the economic impact of restricting such uses.
4. The parties recognize and respect the intent of the Water Code, Chapter 174C, H.R.S., and the Commission, including to obtain maximum beneficial use of the waters of the State for purposes such as domestic uses, aquaculture uses, irrigation and other agricultural uses, power development, and commercial and industrial uses, as long as there is adequate provision for the protection of traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and the preservation and enhancement of waters of the State for municipal uses, public recreation, public water supply, agriculture, and navigation.
5. Mediation communications and confidential information protected by the Commission's mediation rules, H.A.R. § 13-167-90, and the Uniform Mediation Act, H.R.S. ch. 65811, shall remain confidential regardless of the Commission's decision on this Agreement.
6. This Agreement shall be effective, and interim instream flows shall be established, if at all, upon approval of its terms by the Commission.

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgment, contribution, and agreement to each of the terms set forth above.

PŌ'AI WAI OLAI  
WEST KAUAI WATERSHED ALLIANCE

STATE OF HAWAII, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

*John J. [Signature]*

By: \_\_\_\_\_  
Its

STATE OF HAWAII, DEPT. OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE  
ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUAI ISLAND UTILITY  
COOPERATIVE

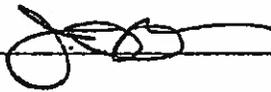
By: \_\_\_\_\_  
Its

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PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By:  \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

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PŌ'AJ WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

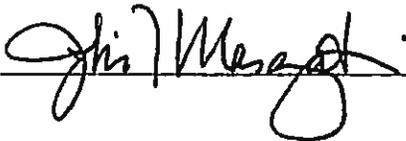
STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By:  \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

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PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By:   
Its *President*

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

*Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.*

PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: David J. Binell  
Its CEO

## WAIMEA WATERSHED AGREEMENT

- A. Statement of Guiding Principles
- B. Modification of Diversions
- C. Permits and Approval
- D. IIFS Numbers
- E. Monitoring Stations
- F. Operating Protocols
- G. Infrastructure Agreements

## A. STATEMENT OF GUIDING PRINCIPLES

The following guiding principles underlie this agreement and all phases of its execution:

1. All streams will be allowed to run from the mountain to the sea and no diversion will ever be a total diversion again.
2. Any diversion of water from a stream must be justified with no more water taken than is needed for other beneficial uses, and even then, the health of the stream must be preserved at all times. All waters not needed at any given time belong in the stream and the IIFS numbers are the minimum amounts to be provided.
3. Agriculture and renewable energy are beneficial uses of water diverted from these streams.
4. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed. The parties acknowledge DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code.
5. The ditch systems owned by the State of Hawaii's Agribusiness Development Corporation (ADC), and currently operated by the Kekaha Agriculture Association (KAA), will continue to be maintained to allow for both present and future uses.
6. Kaua'i Island Utility Cooperative (KIUC) will be allowed to complete due diligence on a set of energy projects supported by the Kokee Ditch System, and, if the energy projects are built, will receive from the Kokee ditch system a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, supra) that are to be served by the project infrastructure, with the understanding that the KIUC project is intended to serve both energy and agricultural uses which will enable the Commission to review the water needs of both systems with the goal of reducing the diversion of water into the Kekaha Ditch system. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. The term "rolling average" as used in this agreement means an average to account for intra and inter annual fluctuation.
7. If KIUC does build the energy projects, it will assume substantial responsibility for much of the Kokee ditch system and related facilities as specified in this agreement.

## B. MODIFICATIONS OF THE DIVERSIONS

Throughout this Agreement, all references to days are to calendar days.

All plans for the modification of any diversion shall be subject to review and approval by the Commission or its staff prior to any modification taking place. When plans are submitted to the Commission, a copy will be provided to each other party to this agreement.

KIUC will modify all diversions in the Kokee Ditch necessary to ensure the stream flow provided for in this agreement, as follows: KIUC will file with the Commission and any other pertinent regulatory agency its modification plans within one hundred thirty-five (135) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

If KIUC does not receive (1) the understandings from ADC set forth in Section C by April 30, 2017, and/or (2) the understandings from DHHL set forth in Section C within ninety (90) days of the Commission's approval of this agreement, KIUC shall have the option to withdraw from its responsibilities and obligations under this agreement. If KIUC opts to withdraw, it will notify the Commission and all the parties to this agreement. If KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, KIUC shall proceed with the modification plans in accordance with the paragraph immediately above.

ADC (either itself or through its licensee KAA) will modify all other diversions relating to the Kekaha Ditch system and specifically those associated with the Koaie and Waiahulu streams and the Waimea diversion necessary to ensure the stream flow provided for in this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans within forty-five (45) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

All modifications will be done in a manner that provides for water flowing over it, provides for a wetted path upstream and downstream such that adult forms can migrate upstream and larval forms can migrate downstream, and minimizes entrainment of native species to the maximum extent practicable.

If any modification requires an Environmental Assessment, an Environmental Impact Statement or other permitting or approvals, the filing of those must occur within ninety (90) days of notification by the Commission or other pertinent regulatory agency of the need for such actions.

If KIUC exercises its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, ADC (either itself or through its licensee KAA) will be responsible for the modifications to the Kokee Ditch diversions necessary to comply with this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans for the Kokee Ditch

diversions within forty-five (45) days of KIUC's notice of withdrawal. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

### C. PERMITS AND APPROVALS

In order to develop its renewable energy project(s), KIUC will need to obtain a number of permits and approvals from various governmental agencies, and compliance with the requirements of HRS Chapter 343 will be necessary prior to agency action on those permits and approvals. Nothing in this agreement obliges any government agency to grant any of those permits or approvals. Each permitting and approving agency needs to exercise its discretion without regard to this agreement. None of the signatory governmental agencies to this agreement issue the permits and approvals that KIUC will need for this project other than those provided for in this agreement.

In order to allow KIUC to move forward with its project(s), KIUC needs to know that it will have the ability to perform its due diligence (engineering, biological, and archaeological) on the project; that infrastructure for the project(s) will be available in the event that KIUC ultimately receives the permits and approvals necessary for its project(s); and the financial terms for access to and use of that infrastructure in the event that KIUC ultimately receives the permits and approvals necessary for its project(s).

If KIUC does not have in place (1) the understandings from ADC set forth below by April 30, 2017, and/or (2) the understandings from DHHL set forth below within ninety (90) days of the Commission's approval of this agreement, KIUC reserves the right to withdraw from its responsibilities and obligations under this agreement. If KIUC chooses to do so, it will notify the Commission, and all the parties to this agreement, that it is doing so and will then be relieved of all obligations under this agreement, subject to KIUC's duty to proceed with the diversion modification plans in accordance with Section B if KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission.

It is understood that, in order to facilitate this agreement, Pō'ai Wai Ola/West Kaua'i Watershed Alliance will forbear from contesting or challenging ADC's or DHHL's decisions with respect to the understandings described in this section.

#### THE UNDERSTANDINGS ARE AS FOLLOWS:

##### From ADC to KIUC:

1. A license, with an option for a lease, for the following infrastructure:
  - a. The diversions on the Kokee Ditch at Waiakoali, Kawaikoi, Kauaikinana and Kokee and all the ephemeral diversions on the Kokee ditch system.
  - b. The Kokee Ditch from the diversions to the Puu Moe Divide.

- c. The Mana Reservoir.
- d. The land needed for construction of the Mana powerhouse located adjacent to the Mana Reservoir.

The license or lease shall provide for the water for KIUC under this agreement and approved by the Commission subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58.

The financial terms of the license/leases shall be binding on KIUC and ADC if the required permits and approval are issued and the project is developed.

2. Easements as follows:

- a. The Kokee Ditch access roads for the purposes of ditch access and maintenance.
- b. The Mana Reservoir access road for the purpose of access to the Mana Reservoir, powerhouse and substation.
- c. A short-term easement for the construction of a pressurized pipeline segment on the Mana Plain with a long-term easement for maintenance of the pipeline.
- d. A short-term easement for the construction of the Puu Opae project powerhouse and substation adjacent to the Mana reservoir.
- e. A long-term easement for the Puu Opae project electrical transmission lines and pressurized pipeline.

From DHHL to KIUC:

1. A right of entry ("ROE") to be issued to conduct all engineering, biological and archaeological studies necessary to support regulatory requirements for the project.
2. Within ninety days (90) of the approval of this agreement by the Commission, the DHHL will notify KIUC as to whether it will issue a 65-year lease for the land and infrastructure (Puu Opae Reservoir) to KIUC subject to HRS § 171-95.3, the Hawaiian Homes Commission Act, as amended, and Hawaiian Homes Commission policies, if KIUC complies with HRS Chapter 343 and receives the necessary approvals and permits for the construction of the Puu Opae project. Once approved, and subject to the above, the financial terms and conditions will be binding on KIUC and DHHL.
3. If the lease to KIUC described above is issued by the DHHL, it will

- a. include the provision of a rolling average of 11 mgd of water subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58 and subject to meeting the water needs of DHHL as set forth in any water reservation the Commission may grant.
- b. grant a short-term easement for the pressurized pipeline and a buried transmission line construction and the rehabilitation of the Puu Opae Reservoir.
- c. grant a long-term easement for the maintenance of the pipeline, the buried transmission line and the access roads.
- d. will include the Puu Opae Reservoir and land adjacent to the reservoir (less than three acres) for the project powerhouse.

#### D. IIFS NUMBERS

Based on the submissions by the parties and the analysis by the Commission staff, the following IIFS numbers are agreed to in two phases.

Phase One will go into effect upon the approval of this agreement by the Commission. As part of Phase One, the parties agree to immediately take steps to restore flows to the maximum extent possible (e.g., by removing a board or lifting a gate) while working on the structural modifications pursuant to the deadlines set forth in Section B.

Phase Two goes into effect if and when the KIUC energy project goes into service.

#### PHASE ONE:

##### Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch.
2. For the Kauaikinana, Kawaikoi, and Waiakoali streams, the IIFS below each diversion is the following:

<u>Stream</u>	<u>IIFS</u>
Kokee	natural flow
Kauaikinana	0.7 mgd
Kawaikoi	4.9 mgd
Waiakoali	1.4 mgd

##### Kekaha Irrigation System

1. The IIFS for the Koaie Stream below the Koaie Diversion will be 2 mgd.

2. The IIFS for the Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume.

PHASE TWO:

Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch except for flows greater than 1.2 mgd, in which the IIFS is 1.2 mgd.
2. For the Kauaikinana, Kawaiwai, and Waiakoali streams, for flows less than or equal to the established values listed in the table below, the IIFS below each diversion is two-thirds (66.6%) of the flow in the stream; for flows greater than the established values listed below, the IIFS below each diversion is the value given.

Stream	Established value	IIFS	IIFS if stream flow is below or equal to established value	IIFS if streamflow is above the established value
Kokee	0.2	Natural flow up to 1.2	n/a	n/a
Kauaikinana	1.2		2/3 of stream flow	0.6
Kawaiwai	6.4		2/3 of stream flow	4.0
Waiakoali	1.3		2/3 of stream flow	0.8

All water flows above these numbers may be used by KIUC in support of its project.

Kekaha Irrigation System

1. The IIFS for Koaie Stream below the Koaie Diversion will be 2 mgd.
2. The IIFS for Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume subject to Commission review of its ongoing need based on the water coming to the plain through the KIUC project as provided in paragraph 10 of the Operating Protocols section, infra.

If Phase Two goes into operation, the Commission will examine the amounts being diverted at Koaie and at Waiahulu with goal of increasing the total IIFS numbers for these two streams.

## E. MONITORING STATIONS

Monitoring stations will be put in place to measure the amount of water coming into the ditches and the amount of water going into the streams below the diversions on a continuous real-time basis.

KIUC, assuming that it receives the understandings called for in the Permits and Approvals section of this agreement, will install and maintain monitoring equipment at the existing flow gauging location immediately above the Puu Lua Reservoir and for the following streams:

Waiakoali

Kawaikoi

Kauaikinana

Kokee

ADC (either itself or through its licensee KAA), if the Commission approves this agreement, will install and maintain monitoring equipment for the following streams:

Waiahulu

Koaie

Waimea at the Mauka hydroelectric plant

The information gathered by these stations shall be made available to all parties at the same time.

The Commission and the U.S. Geological Survey may install and maintain its own monitoring equipment along the streams and/or ditches in the watershed.

If the KIUC project does not receive the understandings called for in the Permits and Approvals section, the monitoring equipment will be installed and maintained by ADC (either itself or through its licensee KAA). If the KIUC project ultimately does not proceed, ADC (either itself or through its licensee KAA) will assume responsibility for the monitoring equipment.

## F. OPERATING PROTOCOLS

The goal of the Waimea water systems is to preserve the life of the streams and their aquatic resources while allowing for agricultural and renewable energy uses to co-exist with the streams.

In the operation of these systems the intent is to have instantaneous daily decisions made on where the water in any given stream would go between the streams and the ditches:

1. Flow in the stream has the highest priority and water should flow at the highest possible level with diversions only as needed for other uses with the IIFS numbers being the minimum amounts to be provided.
2. Stated otherwise, when water is not presently needed for other uses such as expanded agricultural uses or future energy projects, the water must remain in the streams.
3. Current agricultural uses by ADC (and its licensees) will continue to be provided with the water needed for their operations. Each month, ADC (either itself or through its licensee KAA) will report monthly water usage volumes for agricultural and non-agricultural uses, monthly total cultivated acres, and a list of crop types. Each year, ADC (by itself or through its licensee KAA) will report annual cultivated acres by crop type.
4. Water for the kalo farmers on the Menehune Ditch will continue to be provided by one or both ditch systems.
5. Water for agricultural uses by ADC (and its licensees) and water for uses by the DHHL (and its lessees and licensees) in accordance with DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code will be provided so long as the amounts involved are reasonable in their consumption levels and in relation to the water provided to the streams. In that regard, the need to plant less water intensive crops and the importance of using efficient water delivery methods will be taken into account as well as the availability of R-1 water and well water.
6. If one or more hydro projects are developed by KIUC on the Kokee Ditch System, KIUC will receive from the Kokee ditch a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, supra) that are to be served by the project infrastructure. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. In its project, KIUC will leave enough water in the ditch past the Puu Moe Divide to meet the needs of users of ditch water below that point.

7. Controlled releases and biological studies will be part of any protocol to help determine the best ongoing uses of water.
8. To the extent not otherwise provided by the above uses, the Commission may consider a request to allow a minimum flow of water to maintain the ditch systems to the extent necessary to ensure their ongoing structural integrity.
9. The Waiawa power plant will be allowed to operate in its current manner for no more than three years from the approval of this agreement after which it must be either decommissioned or repowered to operate using such waters as are reasonably related to agricultural (as opposed to energy) uses. Specifically, after three years, no more than 10 mgd can be diverted in the Kekaha Ditch at Hukipo Flume unless reasonable agricultural uses require more water and the Commission finds that such additional waters can be provided consistent with the IIFS numbers it has set.

If Phase Two goes into operation, the Commission will reexamine the amounts diverted to reduce them to take into account the energy and agricultural uses served by the KIUC project.

The execution of these protocols will be the responsibility of ADC (either itself or through its licensee KAA), and of KIUC. KIUC, if it receives the understandings provided for in the Permits and Approvals section above, may contract with other entities to carry out its responsibilities under this agreement.

If there is any dispute in the operation of the protocols, it shall be brought to the Commission for resolution.

## G. INFRASTRUCTURE AGREEMENTS

### PHASE ONE: CURRENT OPERATIONS

Unless and until the energy projects proposed by KIUC receive all required approvals and Phase Two is implemented, the current system will be maintained by the ADC, and its licensee KAA, and the State agencies involved in the case of the impacted dams and reservoirs, subject to the provisions of this agreement, including those pertaining to the modification of diversions and the installation of monitoring equipment.

### PHASE TWO: THE ENERGY PROJECTS

If KIUC receives the understandings required in the Permits and Approvals section; finds that the project is feasible to undertake and finance; and gets the approval of the Public Utilities Commission for the energy projects, KIUC may build and/or rehabilitate one or more energy projects in the Waimea Watershed area.

If KIUC proceeds, it will assume significant responsibility for the infrastructure on the systems involved. This section sets forth the infrastructure for which KIUC (and any firms it employs) will be responsible:

1. The Ditches

KIUC will operate, upgrade, alter or repair as appropriate, and maintain:

- a. The Kokee Ditch including the ditch, flumes and tunnels, beginning at the Waiakoali Intake to the Puu Moe Divide, including the Kauhao sluice gate and the weir gate at the Divide; and any pressurized piping KIUC installs involving the ditch and the reservoirs named below including between the Divide and the Puu Opae Reservoir. (KIUC will not be responsible for the ditch from the Divide to the Kitano Reservoir.)

2. Diversions

KIUC will operate, repair and maintain the following diversions:

- a. Waiakoali
- b. Kawaikoi
- c. Kauaikinana
- d. Kokee
- e. All active ephemeral stream diversions. Kumuela 1-5, Nawaiamaka and Halemanu on the Kokee Ditch.

ADC (either itself or through its licensee KAA) will operate, repair and maintain the following diversions:

- f. Waiahulu
- g. Koaie
- h. Waimea

3. Roadways

KIUC will repair and maintain the roadways which pertain to the operations of the Kokee Ditch.

- a. The jeep roadway extending from the Kokee Highway to the Puu Lua Reservoir;

- b. The jeep road extending from the Kokee Highway to the Puu Opae Reservoir;
- c. The jeep road extending from the DHHL/DLNR gate on the Mana Plain to the Puu Opae Reservoir;
- d. Ditch maintenance roads along the Kokee Ditch;
- e. All other jeep roads and ditch trails necessary to access, maintain and operate the ditch systems that are under KIUC's control.

The assumption of responsibility for the roadways by KIUC does not change existing access rights or in any way alter their status as public or private roads.

In carrying out the operation, upgrade, repair and maintenance to the ditches, diversions and roadways as described above in this section, KIUC and ADC (and any other firm employed by the same) shall not interfere with the quiet enjoyment of the DHHL lessees and licensees.

4. Control Equipment

KIUC will operate the Puu Opae Energy Project(s), the streamflow gauging equipment on the Kokee Ditch and pertinent streams, the Puu Lua Reservoir, the Puu Opae Reservoir and the Mana Reservoir.

5. Hydroelectric Plants

KIUC will operate, repair and maintain the hydro plants developed as part of the Puu Opae energy project:

6. Dams and Reservoirs

KIUC will rehabilitate the following reservoirs pursuant to the State of Hawaii dam safety standards and undertake the operation and maintenance of each through the life of the Puu Opae project.

- a. Puu Lua Reservoir
- b. Puu Opae Reservoir
- c. Mana Reservoir

7. Pressurized Piping

KIUC will construct and maintain the following segments of pressurized pipeline:

- a. Between the Puu Moe Divide and the Puu Opae Reservoir;
- b. Between the Puu Opae and Mana Reservoirs.

8. Pumping Stations

ADC will continue to operate and maintain the Kawaiiele and Nohili Pumping Stations.

9. Monitoring Stations

KIUC will operate and maintain the equipment discussed in the Monitoring Stations section above.

10. Agreements to Operate

The cost of all of KIUC's undertakings pursuant to this agreement will be negotiated directly between KIUC and the agencies involved.

11. Infrastructure Covered

Any infrastructure not covered by this agreement will be presumed to be handled by whoever is handling it today. This agreement covers only the specific infrastructure discussed in it.

[FINAL DRAFT OF RIGHT-OF-ENTRY TO BE ATTACHED]

EXHIBIT "C"-1

Item No. F-3

[FINAL DRAFT OF GENERAL LEASE TO BE ATTACHED]

EXHIBIT "C" -2

Item No. F-3

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: Peter "Kahana" Albinio, Jr., Acting Administrator  
Land Management Division 

From: Allen G. Yanos, Property Development Agent  
Land Management Division 

Subject: FOR INFORMATION ONLY  
Presentation of Proposed Request for Assignment of Lease and Amendments  
Kalaeloa Home Lands Solar, LLC / General Lease No. 294  
Kalaeloa, Island of Oahu, TMK No.: (1) 9-1-013:029

RECOMMENDED MOTION/ACTION:

None; for information only.

DISCUSSION:

The purpose of this informational briefing is to provide background for the Hawaiian Homes Commission concerning a proposed assignment of lease and amendments from Kalaeloa Home Lands Solar, LLC, the current lessee, to Arion Energy, LLC. A copy of the Power Point presentation is attached as Exhibit "A" hereto.

RECOMMENDATION

None; for information only.

# Arion Energy Presentation

## Hawaiian Homes Commission Meeting



August 2017

### KALAELOA HOME LANDS SOLAR Proposed Community Solar Project Lease



## Agenda

1. Kalaheo Home Lands Solar (KHLS) Project Overview
2. History on Solar Project Lease
3. Current Status of Solar Project Lease
4. About Arion Energy
5. Community Solar Overview
6. Next Steps – September Meeting
  - Request Consent to Assign Project Lease to Arion Energy
  - Request Approval of Revised Lease Terms
  - Request Approval of Interconnection Easement License

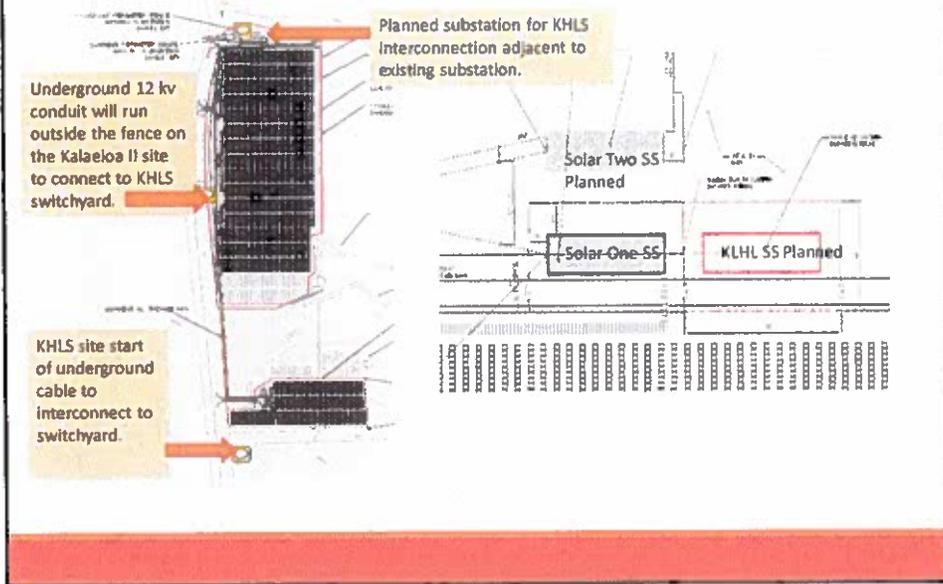
## KHLS SOLAR PROJECT OVERVIEW



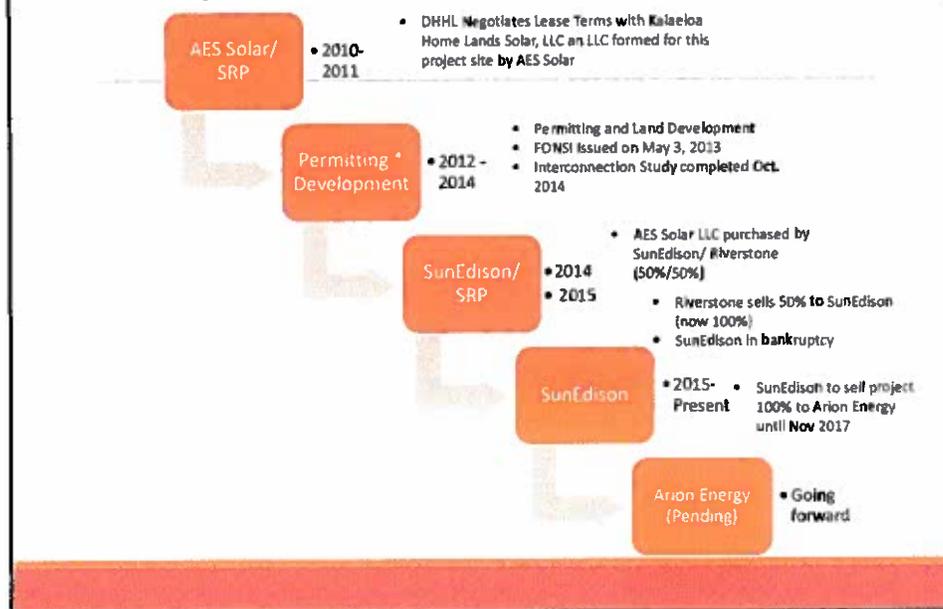
### 20 Year Lease

- Underground Interconnection Routing, Easement prepared
- EA FONSI received by DHHL
- IRS Study Completed by HECO after 4 yrs. Requires update only.
- Geotechnical Studies completed
- FAA approval needs updating. 10 ft height limitation

## KHLS: Interconnection Easement and Point of Interconnection



## History of Solar Lease



## Current Status of Solar Lease

**June 2010** – HHC Approves Lease to AES Solar

**October 1<sup>st</sup>, 2011** – Lease Executed (\$275 processing fee) with Termination Date of September 30, 2033 (22 years TOTAL)

**April 1<sup>st</sup>, 2013** - Rent Commencement Date (deferred)

- Years 1-10 (\$302,760 per year)
- Years 11-15 (\$378,450 per year)
- Years 16-20 (\$425,756 per year)

**April 22<sup>nd</sup>, 2013** -- HHC Grants Approval for Extension from April 1<sup>st</sup>, 2013 to August 1<sup>st</sup>, 2014 (\$130,000 extension payment made, \$275 processing fee) under AES Solar/ SRP

**July 2014** - SunEdison acquires AES 50% and the project company

**August 1<sup>st</sup>, 2014 to Present** - SunEdison has several meetings with DHH, sends several letters attempting to restructure, further extend and amend the lease, over this time HECO PPA rates go from 19 cents to 13.5 cents making project infeasible at lease rates

**March 2016** -- Requesting sale of the project to Arion Energy who will develop as community solar project

## Site Limitations



FAA Approval issued 11/30/12 included height limitation of 10 ft. above ground level, including construction equipment.

FAA requested that tower be advised when personnel will be moving on site throughout lease term -- limits personnel on site.

Lack of access to water, sewer & other infrastructure for alternative use.



## Benefits to Approving Lease with Arion

- Obtaining PPAs from HECO is a complex process. This project is well positioned to obtain a Community Based Renewable Energy (CBRE) PPA.
- Arion has the project rights from SunEdison (PSA extended thru Nov 2017). This project is close to “shovel ready”.
- Project is the appropriate size for CBRE
- HECO is under pressure to sign up CBRE projects quickly
- Project has the elements in place to enable a fast track COD
- Arion has good experience dealing with HECO

## About Arion Energy

- Denver-based LLC for Mainland project development
- Completed 13 Commercial / Industrial solar projects in Hawaii
- Repeat clients statewide
- 10 C&I and AO/AO rooftop projects currently underway, plus a pipeline of projects in late development stages
- 16 Wind Projects in development in 7 states 50-300 MW each
- Leading energy industry partnerships

## Arion Partners

- **Clean Energy Collective (CEC): Marketing and Structuring**  
 CEC is a clean energy company based in Carbondale, CO. Founded in 2010, the CEC builds, operates and maintains community-based clean energy facilities. Its goal is to deliver clean power-generation through facilities that are collectively owned by participating utility customers.
- **Neo Solar Power (NSP). MOU for project development & financing.** Subsidiaries include US mainland-based Clean Focus and General Energy Solutions.  
 NSP is a Taiwan-based solar cell and module manufacturer. The company was ranked one of the global top ten solar cell manufacturers by capacity in 2013 and the largest solar cell producer by revenue (\$420 million USD) in Taiwan.

## Kalaehoa Home Lands Solar Project : Ideal for a CBRE (Community Solar) Project

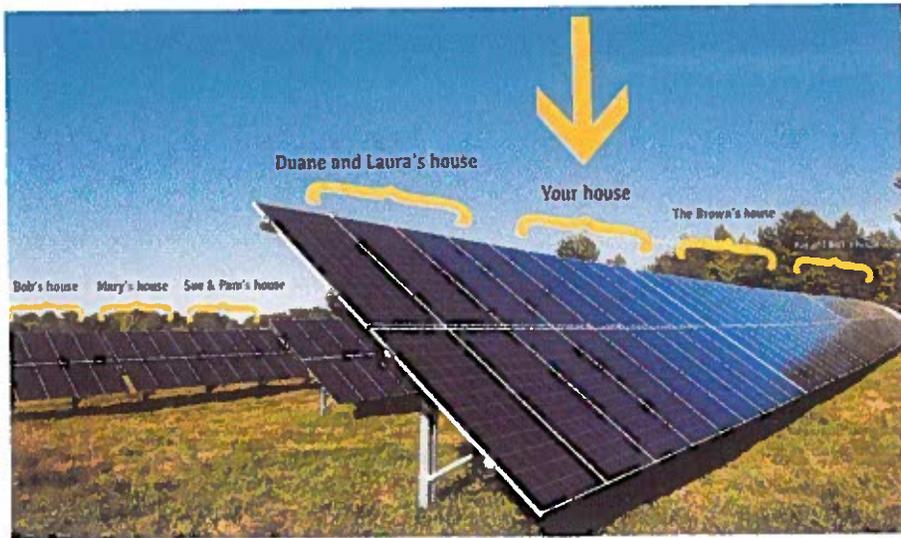


4.5-6.0 MW project as originally planned by KHLS.

450 homeowners could subscribe to this project substantially lowering their power bills for up to 20 years.

20% set aside for Homesteaders meets PUC program goal to service low income consumers.

## Community Solar Overview



## Community Solar Overview

Large projects are built in remote areas

Subscribers buy electricity production or panels from the project owner

Power is provided through HECO's system

HECO gives credit to subscribers on electric bill

Great Opportunity for:

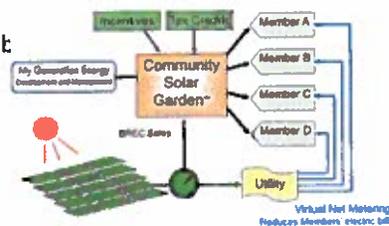
Homeowners with poor solar

Apartment or condo owners

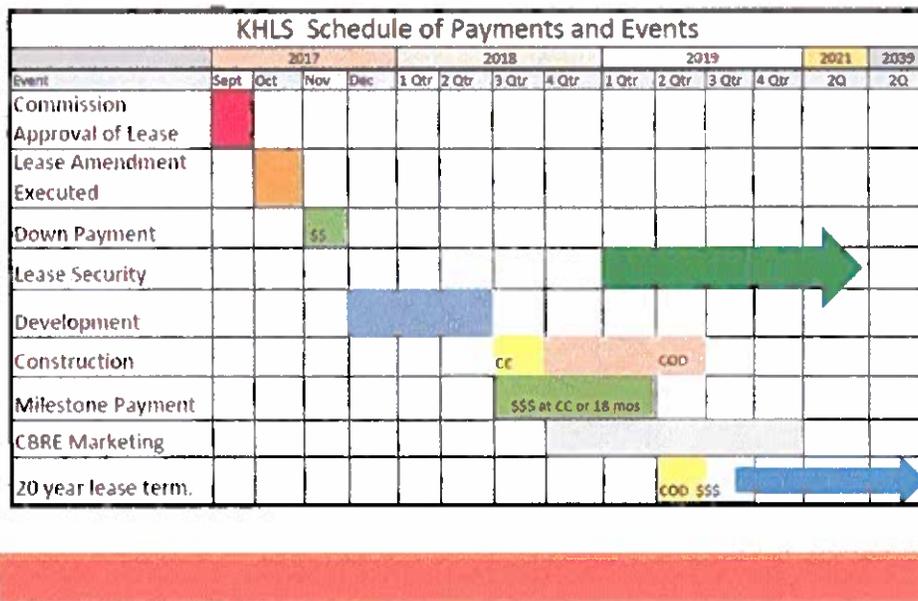
No impact on your rooftop

Good for "saturated neighborhoods" where interconnection is a problem

Contracts are transferrable to new homeowners or tenants or can go to a new location.



# Payment Schedule



## Solar Pricing = Lease Price Adjustment

**2010** Lease based on \$.19-.21/kwhr wholesale rate from HECO and generous state tax credits for large projects.

**2013** Project was too small to get a waiver contract for \$.145/kwhr. State tax credits not applicable. Waiver projects selected. All other bi-lateral negotiations on hold.

**2016** Current proposed price from HECO for Community Based Renewable projects is \$.135-.15/kwhr. State tax credits have been substantially reduced and expire in 2020.

**This 30% - 40% reduction in project income requires lower lease rates to be viable.**

## Next Steps

Request approval for consent to assign project lease to Arion Energy

Request approval for revised lease terms so community solar can be implemented at this site.

- Reduced long term lease rent
- Milestone payments proposed
- Amend lease start date to accommodate PPA term
- Approve easement license

## TIME IS OF THE ESSENCE

"The commission views the ongoing development of CBRE and DER (Distributed Energy Resource) programs as high priorities for near-term action by the HECO Companies."

From the HECO Power Supply Improvement Plan Decision & Order issued by the Public Utilities Commission on July 17, 2017

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: Kahana Albinio, Acting Administrator  
Land Management Division *KA*

Through: Kaleo Manuel, Acting Manager  
Planning Office *g*

From: Kaipo Duncan, Land Agent  
Land Management Division *KD*

From: Bob Freitas, Planner  
Planning Office *BF*

Subject: For Information Only, County of Kauai, Engineering  
Division, Aliomanu Road Erosion Repair, Anahola, Kauai

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

A hazardous condition has arose on Aliomanu Road at Anahola Bay, Anahola, Kauai. The condition was caused by large storm waves washing out soil underlying Aliomanu Road and collapsing the road pavement. Over the last 15 years Ocean waves generated from the north move easterly causing damage to the road located next to the shoreline.

The original Aliomanu Road was a two (2) lane County roadway servicing approximately 24 fee simple homes to the north (See Exhibit A). The Department of Hawaiian Home Lands (DHHL) owns land to the south and west of the eroded site. The road has been compromised down to a narrow one (1) lane roadway making it dangerous for motorist.

It is important for the County of Kauai to maintain a two (2) lane roadway for public health and safety purposes. They have determined that the only way to repair the road and fix the erosion is to use approximately 2,028 square feet of DHHL lands. A plan

to repair the damaged road and construct a shoreline protection system is being implemented to control future wave damage.

Kauai County has stated that the 2,028 square feet of DHHL lands used will be permanent. Once the erosion is fixed Aliomanu Road will again be a two (2) lane roadway.

DHHL's Kauai Island Plan (2004) has prioritized the lands in Anahola for future homestead development. The Anahola Regional Plan (2010) recognized the need to improve traffic flow in the Anahola area and the County's road repair project fits into current DHHL planning objectives.

The County of Kauai is addressing the HRS. Chapter 343 requirements and retained Oceanit, Inc. as its consultant engineer to complete the necessary requirements. DHHL assisted with the public information meetings involving the homestead community. There were four (4) development alternatives discussed with the community which involved increasing amounts of Hawaiian Home Lands to reroute the road from its current location. The community did not want to increase the use of Hawaiian Home Lands land to reroute the road. They support the current road repair plan because of its minimal impact on Hawaiian Home lands (See Exhibit B).

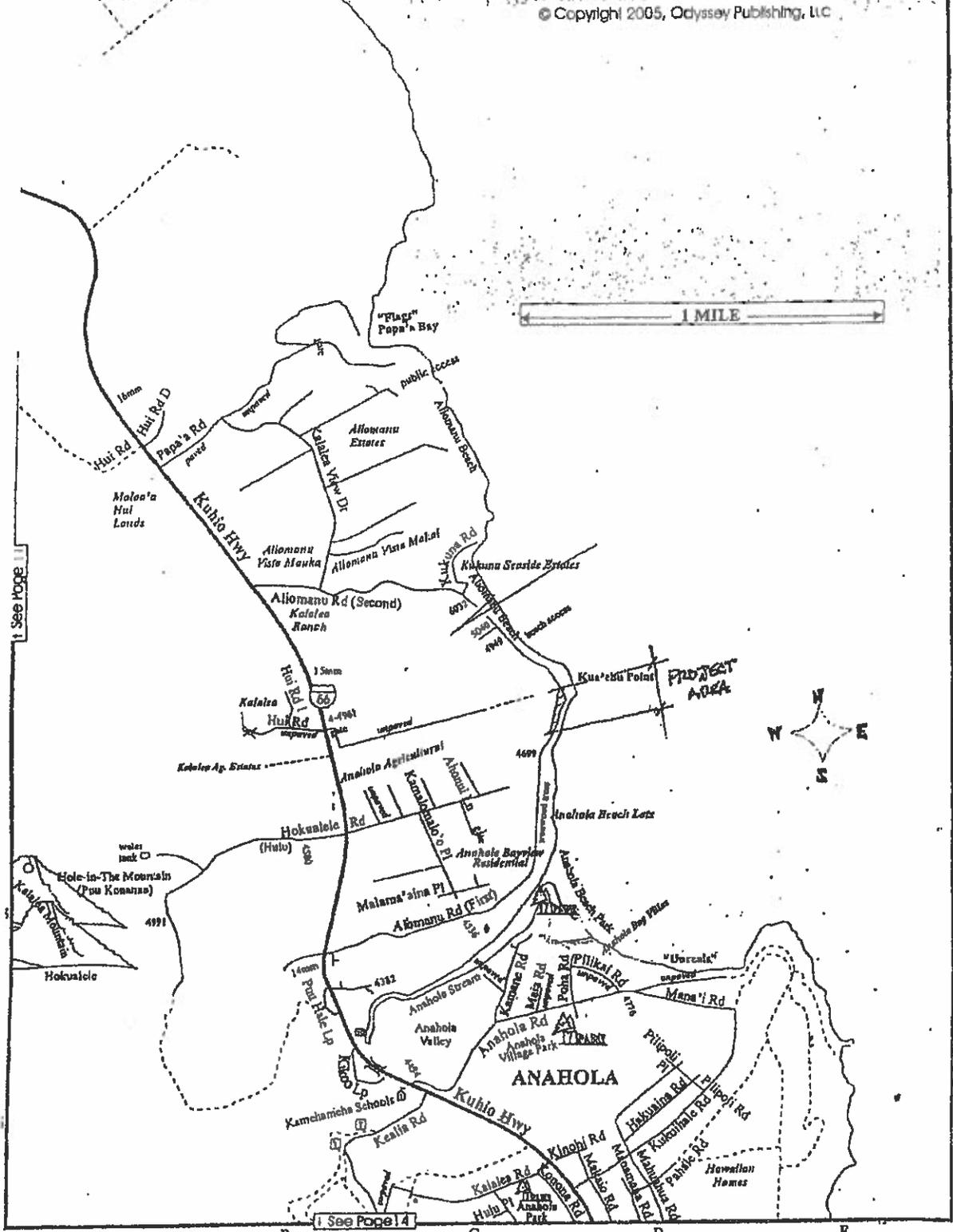
#### RECOMMENDATION

The County of Kauai is requesting a perpetual License Easement or Memorandum of Agreement for a portion of DHHL land the Aliomanu Road currently sits on (See Exhibit C). When Aliomanu Road was originally built in the 1940's a small portion was inadvertently built on DHHL lands. This type of encroachment is not unusual due to survey methods that were not precise at the time of this road construction. The requested piece of land has been used as a roadway for many years and the purpose of this request is to allow the County to continue to utilize the road.

The DHHL land is defined in the legal description and map prepared in June 2017 showing the proposed designation of easement AU-1(See Exhibit D). The proposed easement contains an area of 2,028 square feet within parcel 32 which is designated as DHHL lands.

Because the County is investing \$2 to \$3 million dollars to repair the road they are seeking to protect their investment by formalizing the use of DHHL lands.

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See Page 11

See Page 14

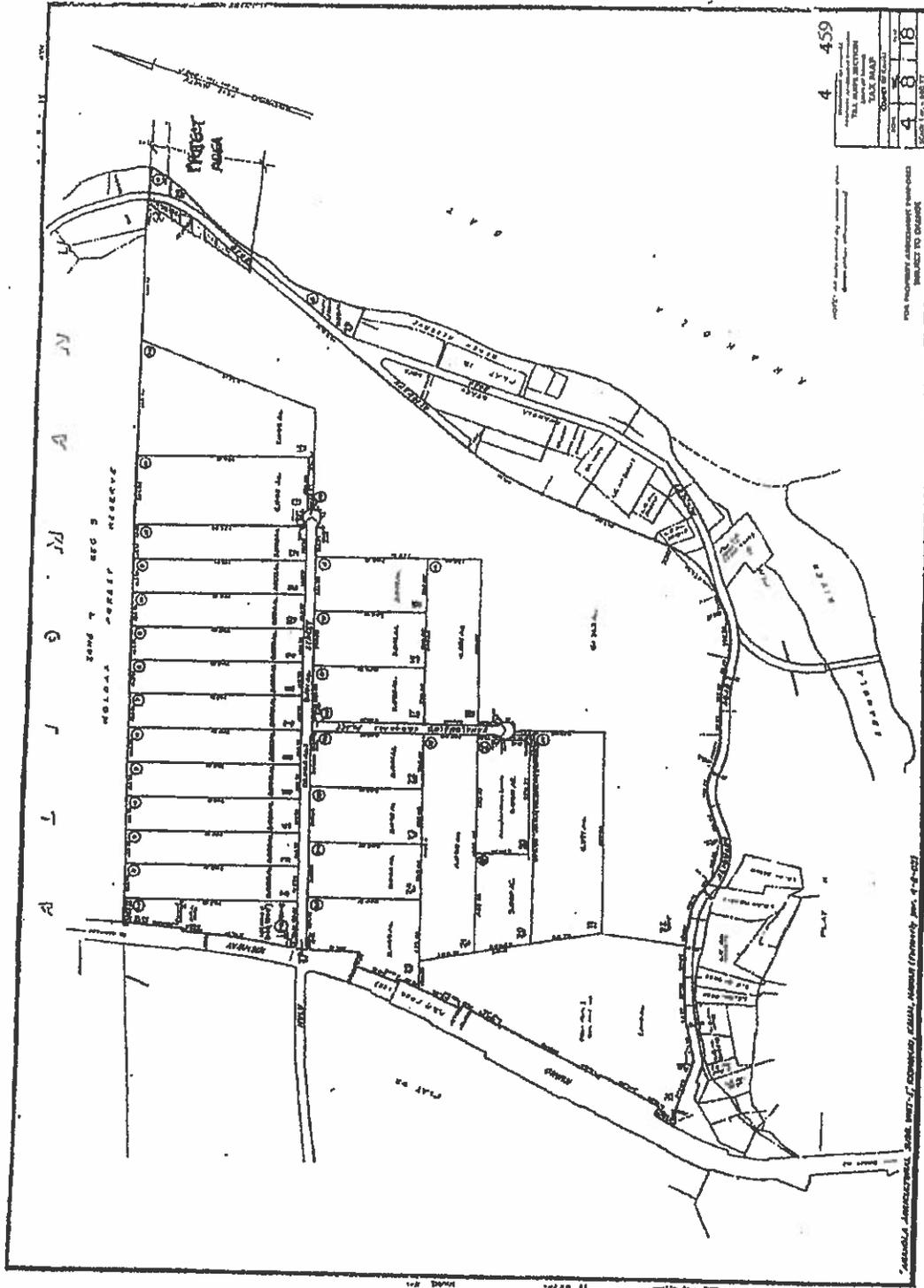
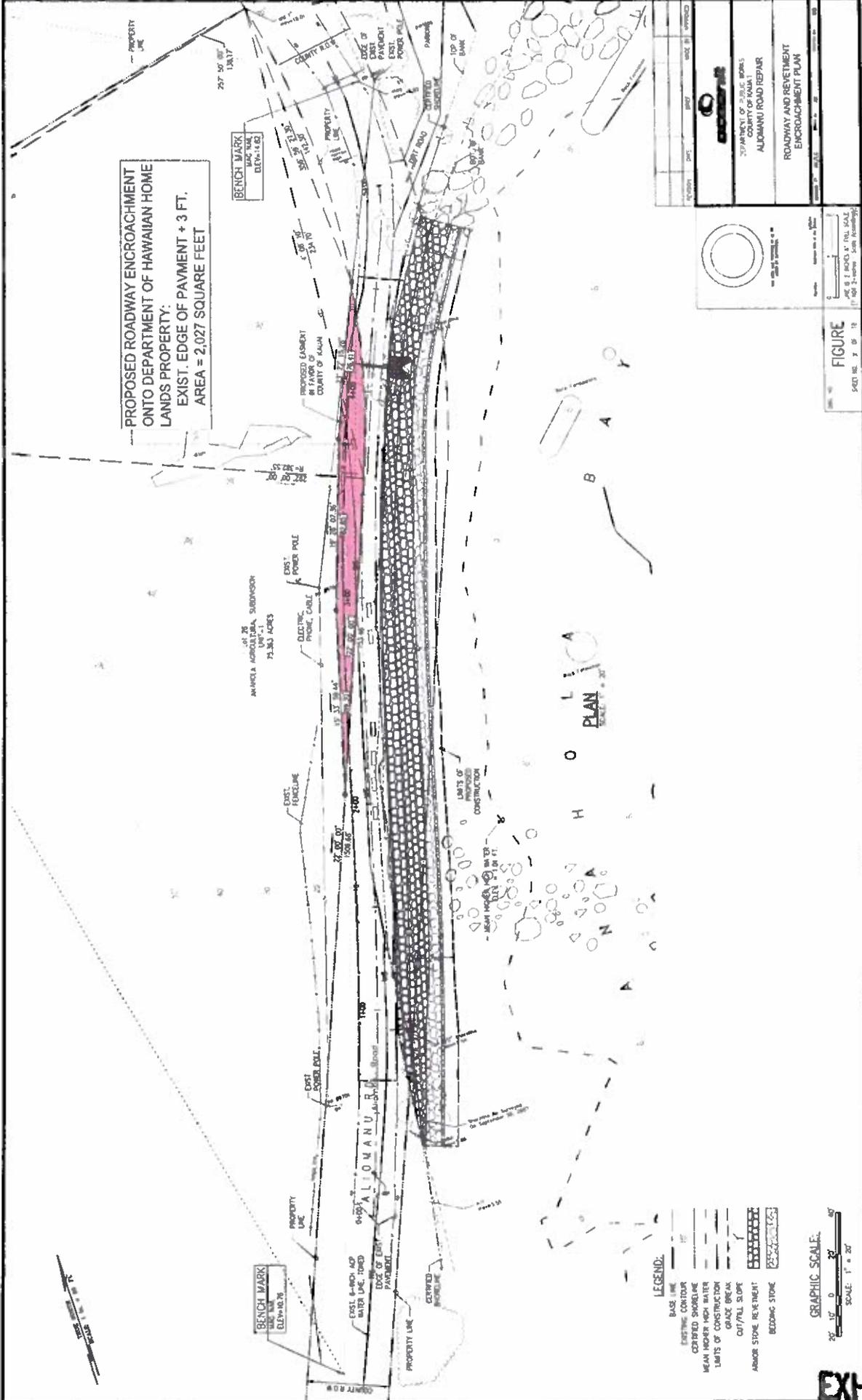


EXHIBIT "A"  
ITEM NO. F-5



PROPOSED ROADWAY ENCROACHMENT  
 ONTO DEPARTMENT OF HAWAIIAN HOME  
 LANDS PROPERTY:  
 EXIST. EDGE OF PAVEMENT + 3 FT.  
 AREA = 2,027 SQUARE FEET

BENCH MARK  
 MARK NO. 1  
 ELEV. = 14.60

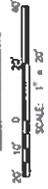
1/4 AC. BE  
 MARICIA AGRI-CULTURE, SUBDIVISION  
 LOTS 1-1  
 71.363 ACRES

BENCH MARK  
 MARK NO. 2  
 ELEV. = 10.76

LEGEND:

- BASE LINE
- EXISTING CONTOUR
- CONTRIBUTED SOURCELINE
- MEAN HIGH WATER
- LIMITS OF CONSTRUCTION
- GRADE BREAK
- CUT/FILL SLOPE
- ARMOR STONE RETEMENT
- BEDDING STONE

GRAPHIC SCALE:



FIGURE

SHEET NO. 3 OF 12  
 PROJECT NO. 15-001-001-001

REVISION	DATE	BY	DATE BY APPROVED
STEPHEN J. O'CONNELL COUNTY OF HAWAII ALLOMANU ROAD REPAIR ROADWAY AND RETEMENT ENCROACHMENT PLAN			

EXHIBIT 'A'



## Meeting Notes

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Date: April 25, 2017

Time: 6:00 p.m.

Location: Anahola Clubhouse, Kauai

Project: 'Aliomanu Road Repair

Subject: Public information meeting for the Anahola Community on the alternatives for repairing the Aliomanu Road

**Attendees:**

**Kauai County:**

Michael Moule (Kauai County, MM), Don Fujimoto (Kauai County, DF),

**Oceanit:**

Mike Foley (Oceanit, MF)

**DHHL:**

Robert Freitas (RF), Nancy McPherson (NM), Erna Kamibayashi (EK)

**Community members (Sign In Sheet Attached):**

Lily Yamamoto, Armin Rapaport, Tilly Kanekolani, Kim Kain, Mark Pomstouh, Terilynn Makanani, Chad Rapozo, Sal Marti V, Leiola Kamalani Oliver, Wehi Nakano, Nick Wilke, Lindyl Laniham, Nalani Kaneakua, Jeff Fremine, Candace Kleven, Kimo Aluli, Jim Liesse, Sat Rattan Khalsa, Maybelle K Kaia'a, Franth Coatrude, Yvonne Stoner, Steve Stoner, Clyde & Oma, Aggie Marti-Kimi, Lahaina Grance, Joseph H Kaaukiai, Cindy Griffin, Gary Dueret, Luella Lemn, Colleen Kohlsaot, Hari Khaisa, Robin Young, Rich Young, Vaclav Burger, Iris Caycayon, Mahealani Hookane, Larry Arruoa, Donna Bodine, Joel Madrazo, Wini Smith, Jesse Reiff, Dan Kallai, Kuulei W, Sue Strickland, Greg Strickland, Malia Locey, Bonnie Morris, D Manaka, Kae Ahloo

---

**Discussion Items:**

1. Introduction by MM and DF to state that the reason for this public information meeting is to discuss the alternatives that the County has considered during the design phase of this road repair project and to review the proposed repair plan including a rock revetment along the shoreline.
2. MF presents about the history of the project, existing site conditions and issues, and alternatives evaluated (presentation slides attached).
3. Comments and questions from the community members present at the meeting are received by MM, DF and MF.

**EXHIBIT "B"**

ITEM NO. F-5

4. Consensus reached among the community members in attendance that the proposed road repair is their preferred alternative. A brief discussion of the associated design parameters ensued, mainly focusing on whether the County should repair the road to have one or two lanes.

**Comments/Questions:**

1. A community member commented that he does not believe the County should use public funds to fix the road when the homeowners in the area do not allow him access the lands at the end of the road and the river. He believes the landowners should be responsible for the road repairs. He then left the meeting without awaiting a response.
2. Q: How wide does a road need to be?  
A: Minimum ~10 feet for safe access, however, the County intends to replace the roadway to its original width. With the width that remains now, access for emergency vehicles and garbage trucks still exists, however, if we do nothing and let it continue to erode then the passage of larger trucks becomes dangerous.
3. Q: Has the County done archaeological surveys?  
A: The proposed construction will include an archaeological monitoring plan. The soils immediately beneath the existing road are fill material are unlikely to contain items of archaeological significance. If the County pursues another option such as rerouting the road mauka, additional archaeological studies will be required.
4. Q: The County published the original EA in 2009, what has happened since then?  
A: The County has worked to secure funds for the repair project and has conducted additional studies as part of the environmental permit requirements. Temporary sandbag will be installed as necessary until the repairs are complete.
5. A community member suggested that the County use sand from the north side of the Anahola river mouth for the beach nourishment plan associated with this project because flooding is a concern. She stated that the roadway adjacent to the stream flooded after the County used sand from the south portion of the stream mouth for the last emergency erosion response project (sand bags).
6. A community member asserted that the alternative to relocate the road mauka is on Hawaiian Homelands property. The County acknowledged that an agreement would need to be in place for any alternatives that include the use of Hawaiian Homelands.
7. A discussion ensued on the alternative to replace the bridge. Reconstructing the bridge would be a lengthy process that would likely involve land acquisition and studies on the previous bridge failure, environmental setting, and the hydrology and

**EXHIBIT "B"**

ITEM NO. F-5

hydraulics of the stream. The County would likely abandon the eroding portion of the road. The bridge alternative would likely be more costly and the timeline would be much longer than the repair project. An initial assessment for the bridge replacement alternative was included in the 2009 Environmental Assessment. A community member questioned the figures given in this study because he stated that another recent bridge replacement project at the Arboretum in Kauai only took 1.5 years and \$2 million and, thus, the figures for this alternative may be an overestimate.

A: The estimated time to completion includes obtaining funds, environmental study, land accusation, engineering, flood studies, and construction. The estimated cost was based on a recent bridge replacement project. MF said he would look back at the mentioned Arboretum bridge project.

*Note: Oceanit has since reviewed the Keahua Bridge project in the Keahua Arboretum. The State of Hawaii Department of Land and Natural Resources website (<http://dlnr.hawaii.gov/blog/2016/11/23/nr16-224/>) says the bridge is will be constructed in 2017 for an expected construction cost of \$2.5 million. The design has capacity of 20-tons. This information will be included in the draft SEA.*

8. The community was not in favor of the changing the character of the area by extending the Hokulele Rd through DHHL property. Cutting a road through the steep hillside would be expensive and involve major grading and retaining walls.
9. Q: Can we make this road repair a single lane because there are only 28 homes past this point in the road?  
A: Yes, the County is considering that option.
10. The County took a survey of the public support for each alternative by a show of hands. Results:  
Alternative 1, Repairing the road: majority in support (see photo in Figure 1);  
Alternative 2, Realignment of the road mauka: No support;  
Alternative 3, Bridge: A few were in support;  
Alternatives 4 & 5, Roads inland through DHHL/private property: No support
11. There was discussion on repairing the road to have one-lane vs two-lanes. Another suggestion was to use one-lane for traffic and a second lane as a pedestrian walkway/bike path. The County responded that the cost for a one-lane vs two-lane road repair is similar. While a one-lane road may deter speeding, two-lanes are preferable for emergencies.  
Q: Is installing speed bumps an option?  
A: The County stated that there is a separate process for a community to request speed bumps for County roads.

**EXHIBIT "B"**



Figure 1: Show of hands vote in support of the proposed option of repairing the Aliomanu road, which includes coastal armoring.

EXHIBIT "B"

ITEM NO. F-5

**Action Items:**

- *Oceanit will summarize the community feedback from this meeting in the Supplementary Environmental Assessment (SEA). The SEA will be completed and published with the State Office of Environmental Quality Control (OEQC).*
- *The County will take into account all comments and will decide on a one-lane vs two-lane final repair design.*

EXHIBIT "B"

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI  
LT. GOVERNOR  
STATE OF HAWAII

WILLIAM J. AHA, JR.  
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879  
HONOLULU, HAWAII 96805

REQUEST FORM FOR NON-HOMESTEADING LAND USE PURPOSES

**PART I: APPLICANT INFORMATION**

Name: County of Kauai c/o Donald Fujimoto, Project Manager

Address: 4444 Rice Street, Suite 175, Lihue, HI 96766

Phone No.: 808) 241-4882 Cell: (808) 652-6538 email: dfujimoto@kauai.gov

If Corporation/Organization/Company/LLC/Non-Profit:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Cell: \_\_\_\_\_ email: \_\_\_\_\_

Requesting Organization is a Non-Profit

Type of Non-Profit:

- Private Nonprofit – governed by self appointed board
- Member Nonprofit – governed by voting members
- Homestead Organization – governed by HHCA beneficiary members

Requesting Organization is For Profit - Individual or Business

- Individual       Sole Proprietorship       Partnership
- Corporation       Limited Liability Corporation       Other

Is an Individual HHCA Beneficiary or is Owned by an HHCA Beneficiary  Yes  No

Requesting Organization is a Government Agency

- Federal       State       County

Officers and/or Principal Representatives: Lyle Tabata, Acting County Engineer;  
Michael Moule, Chief Engineering Division; Donald Fujimoto, Project Manager

Mission of Organization: Maintain vehicular access to residents on Aliomanu Road  
to ensure that essential services are available. Vehicular access is  
essential for public safety, health, welfare of the community.

Date Incorporated: \_\_\_\_ State of Incorporation: \_\_\_\_\_

Federal Tax ID#: \_\_\_\_\_ State Tax ID#: \_\_\_\_\_

**PART 2: NON-HOMESTEADING LAND USE REQUEST**

Describe proposed non-homesteading land use envisioned under this request as submitted \_\_\_\_\_  
Designation of proposed Easement AU-1 as described in the attached documents and maps.

*\*Please attach additional information if necessary*

Land Request Form No. \_\_\_\_\_ **EXHIBIT "C"**

Land Area requested: Acreage/Sq.Ft. 2028 sq.ft. Term: Perpetual Easement  
Island: Kauai Tax Map Key No.: 4-8-018:032

Indicate Character of Use:

- Agricultural       Commercial       Church       Other  
 Pastoral       Industrial       Community Facility

Does applicant have any existing land disposition issued by Hawaiian home lands for non-homesteading use purposes?  Yes  No

If yes, under what type of use and disposition: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe how proposed land use request will have direct or significant indirect benefit to the Trust and/or its Beneficiaries (Applicants & Lessees): The County of Kauai is willing to negotiate terms for the continued use of this land that provide direct or significant indirect benefit to the Trust and/or its Beneficiaries.  
\_\_\_\_\_  
\_\_\_\_\_

-----  
The following authorized representative submits this request for use of Hawaiian home lands under non-homesteading purposes and acknowledges that:

1. This is an application process that will be subject to further review, evaluation and consideration by DHHL and may require additional information to be submitted;
2. This request does not constitute any form of DHHL approval to this non-homesteading land use request as submitted;
3. In the best interest of the trust, DHHL reserves the right to exercise its prudent authority pursuant to and in accordance with the Hawaiian Homes Commission Act (Section III, Section 204(a)(2), Section 220.5, Section 207(c), Hawaii Revised Statutes, Chapter 171, as amended and the Hawaii Administrative Rules, Title 10;
4. Once the application is deemed complete, the non-homesteading land use request will be posted for a 30 day review period on the DHHL website for beneficiary and public comment;
5. Additional Island or Regional Specific Beneficiary Consultation will be required per the DHHL Beneficiary Consultation Policy;
6. All input/comments received will be provided to the Hawaiian Homes Commission if/when approval for disposition is considered by the HHC;
7. Associated non-refundable processing and documentation fees shall be assessed for each respective disposition request as follows:

Revocable Permit - \$100.00    License - \$200.00    General Lease - Cost    Documentation (all)...\$75.00

County of Kauai, Department of Public Works

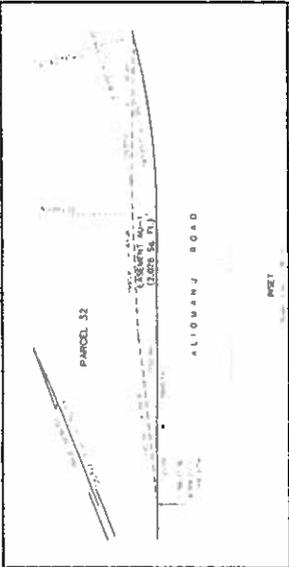
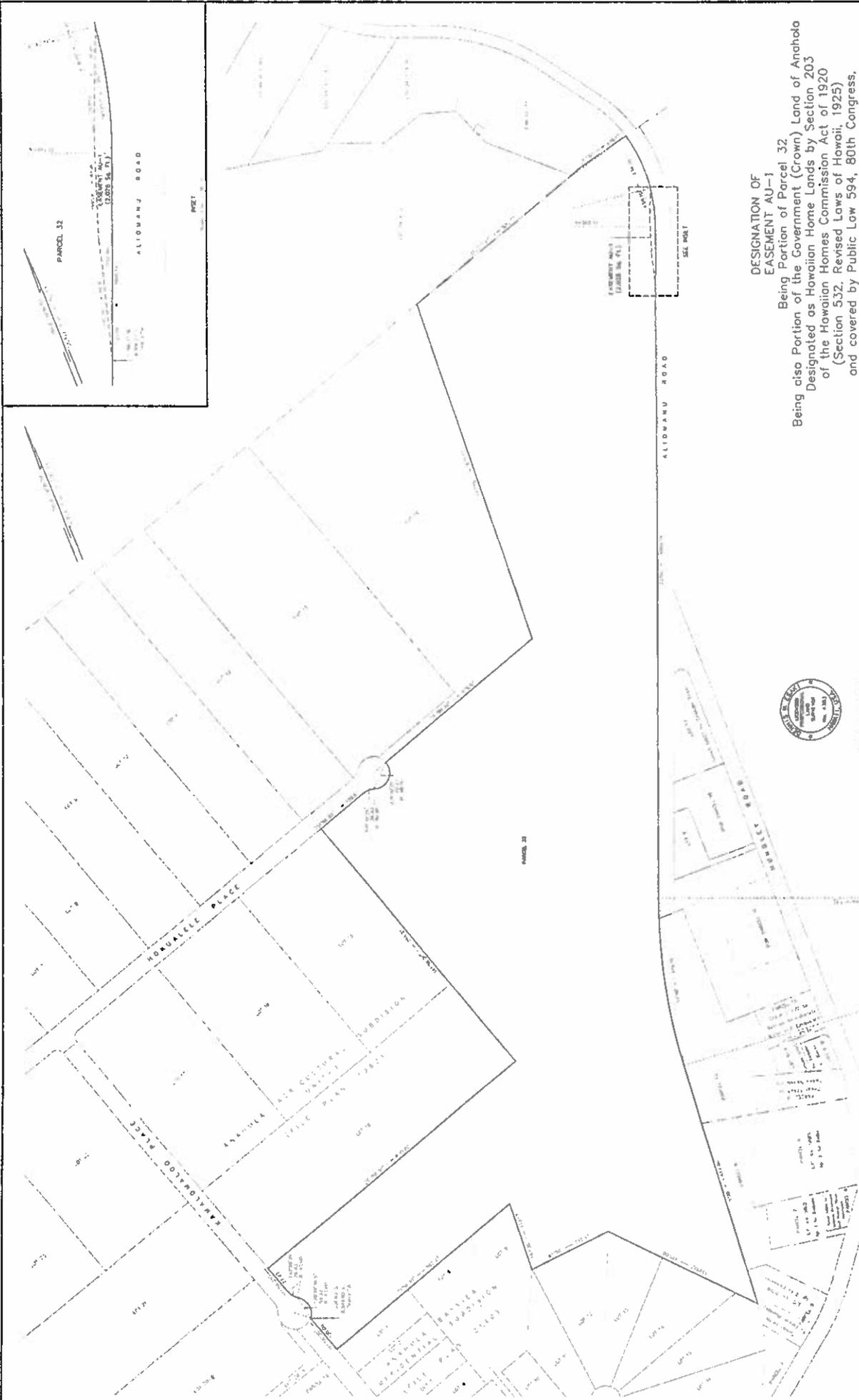
\_\_\_\_\_  
Print Individual or Organization Name

Lyle Tabata, Acting County Engineer

\_\_\_\_\_  
Authorized Representative Name & Title

6/14/17  
Date

[Signature]  
Signature

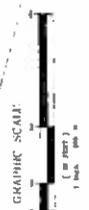


**DESIGNATION OF  
EASEMENT AU-1**

Being Portion of Parcel 32  
Being also Portion of the Government (Crown) Land of Anahola  
Designated as Hawaiian Home Lands by Section 203  
of the Hawaiian Homes Commission Act of 1920  
(Section 532, Revised Laws of Hawaii, 1925)  
and covered by Public Law 594, 80th Congress,  
2nd Session, Chapter 397, dated June 3, 1948  
ANAHOLA, KAUAI, HAWAII  
For Map Key (4) 4-8-18: 32  
Prepared for: Ocean Laboratories, Inc.  
Date: June 9, 2017



*[Signature]*  
DATE: 6/9/17



**EXHIBIT "C"**

**EASEMENT AU-1**

**LAND SITUATED AT ANAHOLA, KAWAIHAU, KAUAI, HAWAII**

Being Portion of Parcel 32  
Being also Portion of the Government (Crown) Land of Anahola  
Designated as Hawaiian Home Lands by Section 203  
of the Hawaiian Homes Commission Act of 1920  
(Section 532, Revised Laws of Hawaii, 1925)  
and covered by Public Law 594, 80th Congress,  
2nd Session, Chapter 397, dated June 3, 1948

Beginning at the south corner of this parcel of land, on the west side of Aliomanu Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKOO" being 1,786.72 feet North and 8,306.27 feet East, thence running by azimuths measured clockwise from true South:

- |    |          |       |  |
|----|----------|-------|--|
| 1. | 195° 34' | 89.30 | feet along the remainder of Parcel 32; |
| 2. | 199° 28' | 83.06 | feet along the remainder of Parcel 32; |
| 3. | 203° 23' | 76.20 | feet along the remainder of Parcel 32; |

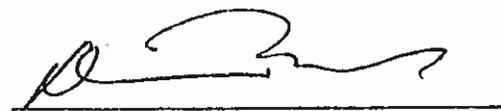
thence along the west side of Aliomanu Road, on a curve to the right with a radius 382.55 feet, the chord azimuth and distance being:

- |    |             |        |   |
|----|-------------|--------|---|
| 4. | 14° 51' 17" | 95.17  | feet;   |
| 5. | 22° 00'     | 153.46 | feet along the west side of Aliomanu Road to the point of beginning and containing an area of 2,028 Sq. Ft. |



Lihue, Hawaii  
June 2017

DESCRIPTION PREPARED BY:  
ESAKI SURVEYING & MAPPING, INC.

  
Dennis M. Esaki  
Licensed Professional Land Surveyor  
Certificate Number 4383

**EXHIBIT "D"**

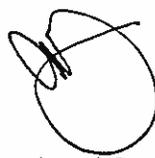
**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: William J. Aila, Jr., Deputy Chairman  
Office of the Chairman

Peter "Kahana" Albinio, Jr., Acting Administrator  
Land Management Division 

From: Allen G. Yanos, Property Development Agent  
Land Management Division 

Subject: Request for Approval to Issue Right-of-Entry Permit and Conditional Approval of General Lease to Kaua'i Island Utility Cooperative, Subject to Compliance with, and Completion of, the Environmental Disclosure Requirements Under HRS Chapter 343, and Provided that Such Environmental Review Does Not Reveal Significant Adverse Impacts that Cannot Be Reasonably Mitigated. Delegate to the HHC Chairman the Authority to Negotiate the Final Terms and Conditions of the Right-of-Entry and General Lease, Waimea, Island of Kaua'i, Tax Map Key No. (4) 1-2-002:023 (por).

APPLICANT:

Kaua'i Island Utility Cooperative, a cooperative association formed pursuant to the provisions of Chapter 421C of the Hawai'i Revised Statutes ("KIUC" or "LESSEE")

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission ("HHC") authorizes the following:

1. The issuance of a Right-of-Entry ("ROE") permit to KIUC within the Project Location Area as shown in Exhibit "A". The ROE shall be for due diligence activities for the purpose of developing a hydroelectric project on Hawaiian home lands in the Waimea District, Island of Kaua'i;
2. A General Lease to KIUC for the development, construction, operations, management, and maintenance of a hydroelectric project on land within the Project Location Area, to be more fully described in a future metes and bounds survey, and necessary non-exclusive licenses for access, maintenance and other project purposes;
3. Issuance of the ROE and General Lease shall be upon the terms and conditions as reflected in the draft ROE and General Lease attached hereto in Exhibit "B-1" and "B-2" which contain terms and conditions already mutually agreed upon by KIUC and the Department of Hawaiian Home Lands ("DHHL");

4. Delegation of authority to the HHC Chairman to negotiate the final terms and conditions of the ROE and General Lease; and
5. Other terms and conditions deemed prudent and necessary by the HHC.

LOCATION:

Hawaiian home lands in the Waimea District, Island of Kaua'i, being a portion of Tax Map Key No. (4) 1-2-002:023, shown on Exhibit "A" attached hereto ("the Project Location Area")

DISCUSSION:

Approval to issue an ROE and General Lease to KIUC is being made pursuant to the following:

- DHHL is authorized by Section 204 (a) (2) of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), to grant leases for the use of Hawaiian home lands that are not required for leasing under HHCA Section 207, subject to the requirements of Chapter 171 of the Hawai'i Revised Statutes
- DHHL is authorized by Sections 171-95 and 171-95.3, Hawai'i Revised Statutes, to dispose of its lands to renewable energy producers and public utilities without public auction through direct negotiation
- The Premises is a portion of unencumbered parcel in the Waimea District, Island of Kaua'i, State of Hawai'i
- In 2004, the HHC approved the Kaua'i Island Plan ("KIP") that provides recommendations for future uses of DHHL's land holdings on Kaua'i to meet the needs of DHHL and its beneficiaries, with particular focus on the next twenty years
- Based on land analysis and intensive community engagement by beneficiaries, the HHC assigned its Waimea lands the following land use designations in the KIP:

<b>Land Use Designation</b>	<b>Acreage</b>
<b>Residential Homestead</b>	202
<b>Subsistence Agriculture</b>	214
<b>General Agriculture</b>	12,527
<b>Pastoral Homestead</b>	475
<b>Special District</b>	1,258
<b>Community Use</b>	42
<b>Conservation</b>	343
<b>TOTAL</b>	<b>15,061</b>

- The KIP designated the Pu'u 'Ōpae reservoir as “special district,” which indicates the presence of different resources that require more detailed planning
- On January 27, 2009, the HHC approved DHHL’s Energy Policy entitled *Ho`omaluō* to enable native Hawaiians and the broader community to work together to lead Hawai`i’s effort to achieve energy self-sufficiency and sustainability
- Objective 2 of the *Ho`omaluō* Energy Policy is “Ko`o: Facilitate the use of diverse renewable energy resources” and the second listed activity for that objective is to:

Pursue the leasing of those lands that are identified as suitable for renewable energy projects. (First priority should be given to entities that would provide “firm” renewable energy power such as garbage-to-energy (mass-burn), geothermal, pump-storage hydropower, solar-thermal and second priority to “as-available” renewable energy power such as wind, solar-photovoltaic, and wave.
- In November 2011, the HHC approved DHHL’s West Kaua`i Regional Plan following an extensive regional planning process with its Waimea, Kekaha, and Hanapēpē beneficiaries
- As a result of the regional plan process, DHHL identified several priority projects for the West Kaua`i region, including the development of renewable energy projects compatible with agriculture and the beneficiaries’ desire that the Pu'u 'Ōpae reservoir be maintained and the irrigation system be rehabilitated
- On January 15, 2013, the HHC authorized the Chairman to “[f]ormally request a Water Reservation from the Commission on Water Resource Management to adequately reserve water for current and foreseeable development and use of Hawaiian home lands in Waimea, Kaua`i (State Water Code §174C-101(a)).”
- On July 22, 2014, the HHC adopted a Water Policy Plan (“WPP”) to provide strategic, proactive, comprehensive and consistent guidance and direction to the Commission, DHHL’s staff, and its beneficiaries on water-related issues, actions, and decisions
- One of the four primary goals in the WPP is to “[a]ggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities”
- Another goal of the WPP policy to “[d]evelop, manage, and steward water in a manner that balances cost, efficiency measures, and Public Trust uses in the short and long term”
- DHHL filed, on November 17, 2015, with the State of Hawai`i Commission on Water Resources Management, a Petition for Reservation of surface water of 33.145 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke`e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke`e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua`i Hawaiian Home Lands
- On April 17, 2017, the HHC issued a license to the Kekaha Hawaiian Homestead Association for 231 acres at Pu'u 'Ōpae for the purpose of management and maintenance of the Pu'u 'Ōpae Farm and Irrigation Project

- On April 18, 2017, the State of Hawai'i Commission on Water Resources Management approved a Mediation Agreement for the Waimea Watershed Area between DHHL, KIUC, the Pō'ai Wai Ola/West Kaua'i Watershed Alliance, the State of Hawai'i Agribusiness Development Corporation, and the Kekaha Agriculture Association ("Mediation Agreement"), which is attached hereto as Exhibit "C", the terms of which are incorporated herein by reference
- On April 25, 2017, DHHL filed, with the State of Hawai'i, a Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke'e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke'e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua'i Hawaiian Home Lands
- The Mediation Agreement discusses DHHL's interest in developing a hydroelectric project at Pu'u 'Ōpae Reservoir and in doing so, providing a reliable means to transmit water to DHHL's lands and shifting to KIUC the costs of rehabilitating, maintaining and improving key infrastructure on the parcel
- On May 12, 2017, DHHL issued a public notice of its intent to dispose of land under a general lease for a hydroelectric project by way of direct negotiations pursuant to Section 171-95.3, Hawai'i Revised Statutes, and invited interested individuals, companies, and/or corporations to submit information by May 19, 2017 for DHHL's consideration to be qualified for participation in the selection process
- DHHL received two proposals on May 19, 2017 and thereafter selected KIUC as the potential hydroelectric project developer/lessee
- On June 13 and June 14, 2017, DHHL held two public beneficiary consultation meetings on the proposed land disposition to KIUC for a hydroelectric project
- On June 20, 2017, the State of Hawai'i Commission on Water Resources Management granted DHHL's Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke'e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke'e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua'i Hawaiian Home Lands.
- On July 12, 2017, DHHL held two public hearings on the proposed land disposition to KIUC for a hydroelectric project
- DHHL has foreseeable water needs on its lands in Waimea, Kaua'i
- The issuance of an ROE and General Lease to KIUC is essential for the development, operation, management and maintenance of hydroelectric production facilities on the Premises

The Beneficiary Consultation Report which contains the official public record of beneficiary issues, questions, concerns, and comments made at the beneficiary consultation meetings on June 13 and 14, 2017 and the public hearings on the Island of Kaua'i, on July 12, 2017, will be issued separately by DHHL's Planning Office for acceptance by the HHC.

The hydroelectric project will be an integrated project that can generate power for the Island of Kaua'i that may include the following components:

- Kōke'e ditch system repairs and upgrade
- Rehabilitation of the Pu'u Lua, Pu'u 'Ōpae, and Mānā reservoirs
- New sections of buried pipeline to transmit water from the Pu'u Moe Divide to the Pu'u 'Ōpae and Mānā reservoirs
- Two new powerhouses (pump houses)

Specifically, DHHL will also benefit from the hydroelectric project from:

- New infrastructure to deliver water that will support agriculture and food sustainability in Waimea
- Rehabilitation and maintenance of its Pu'u 'Ōpae reservoir
- Repairs, upgrades, and the maintenance and operation of the Kōke'e ditch system to efficiently transmit water for the hydroelectric project and for the surrounding lands
- Road improvements and maintenance
- Generation of electrical power at Pu'u 'Ōpae reservoir for use by DHHL and to also help stabilize the island's electrical grid system stability and reliability, especially during evening peak hours
- Jobs through construction of the hydroelectric project
- Fire suppression support
- Rent and other payments

The ROE and General Lease terms and conditions negotiated up to this point for the HHC's evaluation and determination to award or not award a 65-year lease to KIUC are reflected in the draft documents attached hereto as Exhibits "B-1" and "B-2". Some of the other terms and conditions for the ROE and General Lease may need to change as circumstances in the future also change, including finalization of the legal description of the land under the lease. For that reason, Land Management Division respectfully requests that the HHC Chairman be delegated the authority to negotiate the final terms and conditions of the ROE and General Lease.

#### PLANNING AREA:

Waimea, West Kaua'i

#### LAND USE DESIGNATION:

General Agriculture, Special District, and Pastoral

#### CURRENT STATUS:

Overgrown vacant land area with plantation-era dirt/rocky, unimproved roads; ditches/waterways; and the State-regulated Pu'u 'Ōpae reservoir. Two thirds of the area can be described as steep, mountainous terrain and isolated valleys. There are no building improvements on the land.

CHARACTER OF USE:

Due diligence studies to assess the potential for a hydroelectric project and for the eventual development, construction, operations, management, and maintenance of a hydroelectric production facility.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT/ENVIRONMENTAL IMPACT STATEMENT REQUIREMENTS

Issuance of the ROE:

The issuance of the ROE is exempt from the preparation of an Environmental Assessment. In accordance with the Exemption List for the State of Hawai'i, Department of Hawaiian Home Lands, as reviewed and concurred upon by the Environmental Council on June 30, 2015, the subject request should be exempt from the preparation of an environmental assessment.

The direct, cumulative, and potential impacts of the ROE have been considered pursuant to Chapter 343, Hawai'i Revised Statutes and Chapter 11-200, Hawai'i Administrative Rules. Since the ROE as proposed is determined to have minimal or no significant impact on the environment, it would therefore be exempt from the preparation of an environmental assessment. The Planning Office has documented the ROE as being eligible for exemption from the preparation of an Environmental Assessment.

Issuance of the General Lease:

The issuance of the General Lease is subject to compliance with Chapter 343, HRS and Chapter 11-200, HRS and is not exemptible under DHHL's list. The ROE will require KIUC to meet certain conditions before obtaining the General Lease, including the preparation and acceptance of an Environmental Impact Statement ("EIS"). The General Lease will also require KIUC to implement all environmental mitigation requirements identified through the EIS process.

CONSISTENCY WITH DHHL PLANS, POLICIES, AND PROGRAMS

**General Plan (2002)**

The recommended action is consistent with the following goals and objectives of the General Plan:

***Land Use Planning***

Goals:

- Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.

Objectives:

- Provide space for and designate a mixture of appropriate land uses, economic opportunities and community services in a native Hawaiian-friendly environment.
- Direct urban growth to priority development areas based on infrastructure availability, feasible site conditions, beneficiary preferences and job opportunities.
- Identify and establish a clear understanding of existing water resources available to the Hawaiian Home Trust

### ***Land and Resource Management***

#### Goals:

- Be responsible, long-term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

#### Objectives:

- Manage interim land dispositions in a manner that is environmentally sound and does not jeopardize their future uses.
- Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disaster on Hawaiian home lands.

### ***Economic Development***

#### Goals:

- Generate significant revenue to provide greater financial support towards fulfilling the Trust's mission.

#### Objectives:

- Create a professionally managed investment portfolio with a well-balanced mix of assets.

#### **Kaua'i Island Plan (2004)**

The recommended action is consistent with the Kaua'i Land Use Designations of General Agriculture, Pastoral, and Special District. Per the Kaua'i Island Plan, pastoral and agricultural homesteading are not priorities in the 20-year timeframe for homesteading but this project may facilitate future opportunities.

#### **Beneficiary Consultation Policy (2009)**

This project is compliant and consistent with the Beneficiary Consultation Policy.

#### **West Kaua'i Regional Plan (2011)**

In the 2011 West Kaua'i Regional Plan, DHHL's beneficiaries identified five priority projects for the region. The hydroelectric project will help implement two of those priorities which are: 1) to develop an agricultural and water plan; and 2) to develop renewable energy projects that are compatible with agriculture.

#### **Program Plans**

##### ***Ho'omalū Energy Policy (2009)***

Objective 2 of the *Ho'omalū Energy Policy* is "Ko'ō: Facilitate the use of diverse renewable energy resources" and the second listed activity for that objective is to:

Pursue the leasing of those lands that are identified as suitable for renewable energy projects. (First priority should be given to entities that would provide "firm" renewable energy power such as garbage-to-energy (mass-burn), geothermal, pump-storage hydropower, solar-thermal and second priority to "as-available" renewable energy power such as wind, solar-photovoltaic, and wave.

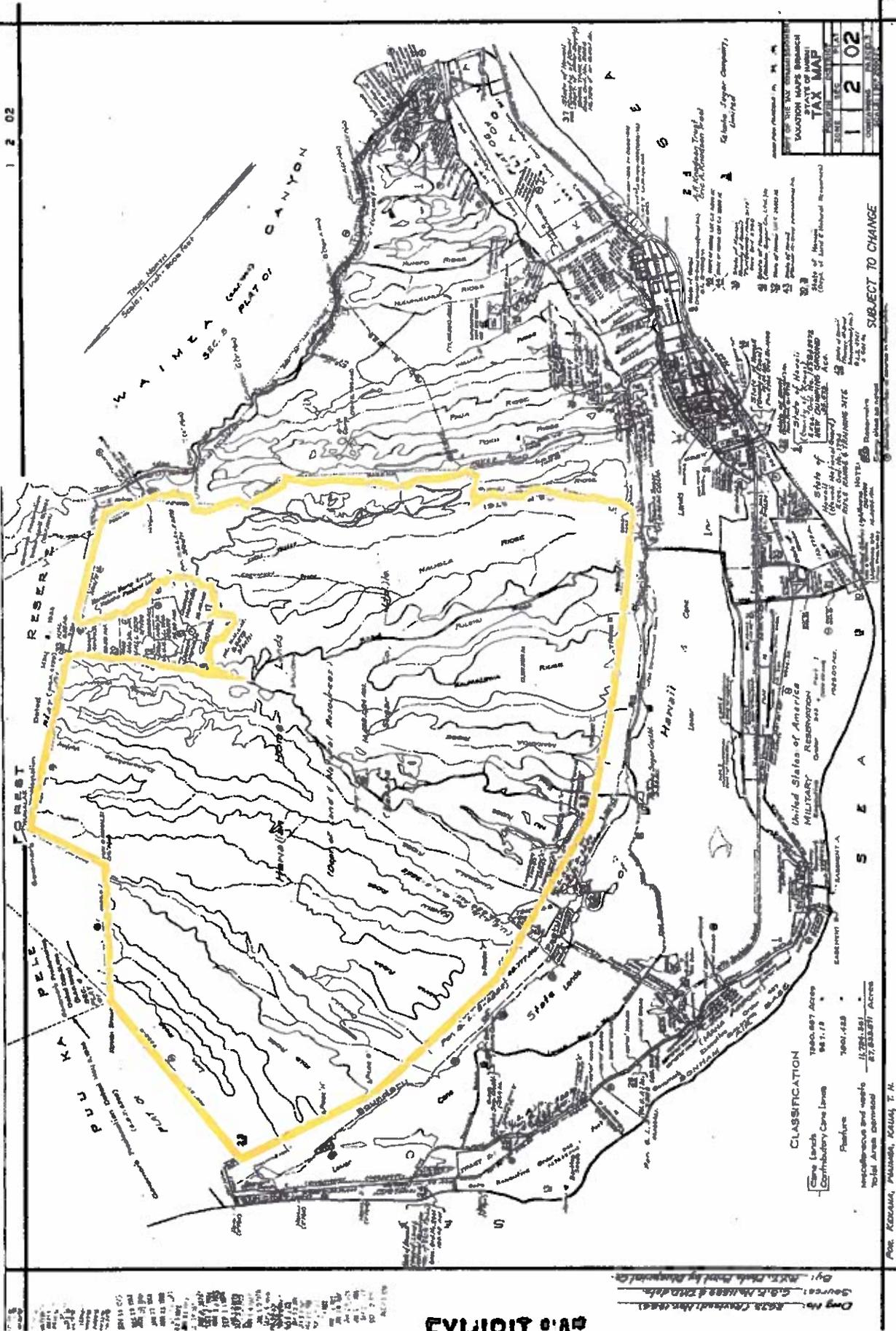
##### ***Water Policy Plan (2014)***

August 2017

Issuance of the ROE and General Lease will be consistent with two of the four primary goals of the Water Policy Plan: 1) to “[a]ggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities”; and 2) to “[d]evelop, manage, and steward water in a manner that balances cost, efficiency measures, and Public Trust uses in the short and long term”.

#### RECOMMENDATION

Land Management Division recommends approval of the requested motion/action as stated.



1	2	02
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SUBJECT TO CHANGE

# EXHIBIT "A"

## PROJECT LOCATION AREA

[FINAL DRAFT OF RIGHT-OF-ENTRY TO BE ATTACHED]

EXHIBIT "B"-1

Item No. F-6

[FINAL DRAFT OF GENERAL LEASE TO BE ATTACHED]

EXHIBIT "B"-2

Item No. F-6

MEDIATION AGREEMENT  
FOR THE WAIMEA WATERSHED AREA

This Mediation Agreement is entered into this 18<sup>th</sup> day of April, 2017, by and between the parties hereto to present reasonable interim instream flow standards to the Commission on Water Resource Management ("Commission") for its consideration in an effort to resolve disputes arising out of the diversion of water from the Waimea River and its tributaries, and to avoid protracted and time and resource consuming litigation.

WITNESSETH:

WHEREAS, on July 24, 2013, Pō'ai Wai Ola/West Kaua'i Watershed Alliance filed a Combined Petition to Amend the Interim Instream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste, which concerns the Waimea Watershed in Waimea, Island of Kaua'i, Hawai'i;

WHEREAS, on May 27, 2014, the Commission engaged Element Environmental, LLC to develop an inventory of the stream system, water uses, and water users of the Waimea River and its headwaters and tributaries, and to conduct an appropriate investigation of the water systems and the water resources in the area;

WHEREAS, during 2015, the Commission sought and received information on water uses from the agricultural interests and the Department of Hawaiian Home Lands ("DHHL");

WHEREAS, in October, 2015, the Commissioners, Commission staff, and interested parties familiarized themselves with the stream system and non-stream uses by visiting the area over two days;

WHEREAS, on November 17, 2015, DHHL filed with the Commission a Petition for Reservation of Surface Water of 33.145 MGD;

WHEREAS, also during 2015, in light of the fact that similar petitions have historically taken decades to resolve, the Commission staff approached various parties having an interest in this area and its waters to consider participating in a mediation of the issues involved;

WHEREAS, in December, 2015, the Commission approved engaging a mediator to assist in reaching an agreement between the parties that would be acceptable to the Commission to resolve the issues in the Waimea watershed;

WHEREAS, at its February 16, 2016 duly-noticed meeting, the Commission approved the terms of reference for the mediation, and subsequently, the services of the Collaborative Leaders Network were engaged to conduct the mediation, led by its President, Robert Alm; and

WHEREAS, during November, 2016, a set of controlled releases of water was undertaken by the Commission staff and the parties to assist in the resolution of the issues in this matter.

EXHIBIT "C"

NOW, THEREFORE, the parties have reached the following points of agreement for consideration and approval by the Commission to guide the Commission staff and these parties in their respective and cooperative handling of the area's water resources in the coming years, and to amend the current interim instream flow standards of the Waimea River, its headwaters and its tributaries:

1. The Waimea Watershed Agreement which is attached hereto as Exhibit A.
2. In light of this agreement, it is also agreed that:
  - A. Pō'ai Wai Ola/West Kaua'i Watershed Alliance's Combined Petition to Amend the Interim Stream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste (filed July 24, 2013) will be considered to be resolved.
  - B. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed.

3. The terms of this Agreement are submitted to the Commission for consideration and approval. By executing this Agreement, each party represents to the Commission its acknowledgement that, based upon the information obtained to date on stream flows, ditch flows, beneficial in-stream uses and non-stream uses, each party has weighed the importance of the present and potential uses of water, including the economic impact of restricting such uses.

4. The parties recognize and respect the intent of the Water Code, Chapter 174C, H.R.S., and the Commission, including to obtain maximum beneficial use of the waters of the State for purposes such as domestic uses, aquaculture uses, irrigation and other agricultural uses, power development, and commercial and industrial uses, as long as there is adequate provision for the protection of traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and the preservation and enhancement of waters of the State for municipal uses, public recreation, public water supply, agriculture, and navigation.

5. Mediation communications and confidential information protected by the Commission's mediation rules, H.A.R. § 13-167-90, and the Uniform Mediation Act, H.R.S. ch. 658II, shall remain confidential regardless of the Commission's decision on this Agreement.

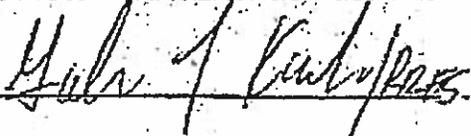
6. This Agreement shall be effective, and interim instream flows shall be established, if at all, upon approval of its terms by the Commission.

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgment, contribution, and agreement to each of the terms set forth above.

PŌ'AI WAI OLAI  
WEST KAUAI WATERSHED ALLIANCE

STATE OF HAWAII, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its



By: \_\_\_\_\_  
Its

STATE OF HAWAII, DEPT. OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE  
ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUAI ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

*Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.*

PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By:  \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

*Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.*

PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By:   
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PŌ'AI WAIOLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

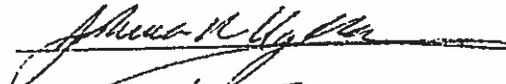
By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By:   
Its *President*

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: \_\_\_\_\_  
Its

*Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.*

PŌ'AI WAI OLA/WEST KAUA'I  
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

STATE OF HAWAI'I, DEPT OF  
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE ASSOCIATION

By: \_\_\_\_\_  
Its

By: \_\_\_\_\_  
Its

KAUA'I ISLAND UTILITY  
COOPERATIVE

By: David J. Biroll  
Its CEO

## WAIMEA WATERSHED AGREEMENT

- A. Statement of Guiding Principles
- B. Modification of Diversions
- C. Permits and Approval
- D. IIFS Numbers
- E. Monitoring Stations
- F. Operating Protocols
- G. Infrastructure Agreements

## A. STATEMENT OF GUIDING PRINCIPLES

The following guiding principles underlie this agreement and all phases of its execution:

1. All streams will be allowed to run from the mountain to the sea and no diversion will ever be a total diversion again.
2. Any diversion of water from a stream must be justified with no more water taken than is needed for other beneficial uses, and even then, the health of the stream must be preserved at all times. All waters not needed at any given time belong in the stream and the IIFS numbers are the minimum amounts to be provided.
3. Agriculture and renewable energy are beneficial uses of water diverted from these streams.
4. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed. The parties acknowledge DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code.
5. The ditch systems owned by the State of Hawaii's Agribusiness Development Corporation (ADC), and currently operated by the Kekaha Agriculture Association (KAA), will continue to be maintained to allow for both present and future uses.
6. Kaua'i Island Utility Cooperative (KIUC) will be allowed to complete due diligence on a set of energy projects supported by the Kokee Ditch System, and, if the energy projects are built, will receive from the Kokee ditch system a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, supra) that are to be served by the project infrastructure, with the understanding that the KIUC project is intended to serve both energy and agricultural uses which will enable the Commission to review the water needs of both systems with the goal of reducing the diversion of water into the Kekaha Ditch system. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. The term "rolling average" as used in this agreement means an average to account for intra and inter annual fluctuation.
7. If KIUC does build the energy projects, it will assume substantial responsibility for much of the Kokee ditch system and related facilities as specified in this agreement.

## B. MODIFICATIONS OF THE DIVERSIONS

Throughout this Agreement, all references to days are to calendar days.

All plans for the modification of any diversion shall be subject to review and approval by the Commission or its staff prior to any modification taking place. When plans are submitted to the Commission, a copy will be provided to each other party to this agreement.

KIUC will modify all diversions in the Kokee Ditch necessary to ensure the stream flow provided for in this agreement, as follows: KIUC will file with the Commission and any other pertinent regulatory agency its modification plans within one hundred thirty-five (135) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

If KIUC does not receive (1) the understandings from ADC set forth in Section C by April 30, 2017, and/or (2) the understandings from DHHL set forth in Section C within ninety (90) days of the Commission's approval of this agreement, KIUC shall have the option to withdraw from its responsibilities and obligations under this agreement. If KIUC opts to withdraw, it will notify the Commission and all the parties to this agreement. If KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, KIUC shall proceed with the modification plans in accordance with the paragraph immediately above.

ADC (either itself or through its licensee KAA) will modify all other diversions relating to the Kekaha Ditch system and specifically those associated with the Koaie and Waiahulu streams and the Waimea diversion necessary to ensure the stream flow provided for in this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans within forty-five (45) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

All modifications will be done in a manner that provides for water flowing over it, provides for a wetted path upstream and downstream such that adult forms can migrate upstream and larval forms can migrate downstream, and minimizes entrainment of native species to the maximum extent practicable.

If any modification requires an Environmental Assessment, an Environmental Impact Statement or other permitting or approvals, the filing of those must occur within ninety (90) days of notification by the Commission or other pertinent regulatory agency of the need for such actions.

If KIUC exercises its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, ADC (either itself or through its licensee KAA) will be responsible for the modifications to the Kokee Ditch diversions necessary to comply with this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans for the Kokee Ditch

diversions within forty-five (45) days of KIUC's notice of withdrawal. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

### C. PERMITS AND APPROVALS

In order to develop its renewable energy project(s), KIUC will need to obtain a number of permits and approvals from various governmental agencies, and compliance with the requirements of HRS Chapter 343 will be necessary prior to agency action on those permits and approvals. Nothing in this agreement obliges any government agency to grant any of those permits or approvals. Each permitting and approving agency needs to exercise its discretion without regard to this agreement. None of the signatory governmental agencies to this agreement issue the permits and approvals that KIUC will need for this project other than those provided for in this agreement.

In order to allow KIUC to move forward with its project(s), KIUC needs to know that it will have the ability to perform its due diligence (engineering, biological, and archaeological) on the project; that infrastructure for the project(s) will be available in the event that KIUC ultimately receives the permits and approvals necessary for its project(s); and the financial terms for access to and use of that infrastructure in the event that KIUC ultimately receives the permits and approvals necessary for its project(s).

If KIUC does not have in place (1) the understandings from ADC set forth below by April 30, 2017, and/or (2) the understandings from DHHL set forth below within ninety (90) days of the Commission's approval of this agreement, KIUC reserves the right to withdraw from its responsibilities and obligations under this agreement. If KIUC chooses to do so, it will notify the Commission, and all the parties to this agreement, that it is doing so and will then be relieved of all obligations under this agreement, subject to KIUC's duty to proceed with the diversion modification plans in accordance with Section B if KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission.

It is understood that, in order to facilitate this agreement, Pō'ai Wai Ola/West Kaua'i Watershed Alliance will forbear from contesting or challenging ADC's or DHHL's decisions with respect to the understandings described in this section.

#### THE UNDERSTANDINGS ARE AS FOLLOWS:

##### From ADC to KIUC:

1. A license, with an option for a lease, for the following infrastructure:
  - a. The diversions on the Kokee Ditch at Waiakoali, Kawaikoi, Kauaikinana and Kokee and all the ephemeral diversions on the Kokee ditch system.
  - b. The Kokee Ditch from the diversions to the Puu Moe Divide.

- c. The Mana Reservoir.
- d. The land needed for construction of the Mana powerhouse located adjacent to the Mana Reservoir.

The license or lease shall provide for the water for KIUC under this agreement and approved by the Commission subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58.

The financial terms of the license/leases shall be binding on KIUC and ADC if the required permits and approval are issued and the project is developed.

2. Easements as follows:

- a. The Kokee Ditch access roads for the purposes of ditch access and maintenance.
- b. The Mana Reservoir access road for the purpose of access to the Mana Reservoir, powerhouse and substation.
- c. A short-term easement for the construction of a pressurized pipeline segment on the Mana Plain with a long-term easement for maintenance of the pipeline.
- d. A short-term easement for the construction of the Puu Opae project powerhouse and substation adjacent to the Mana reservoir.
- e. A long-term easement for the Puu Opae project electrical transmission lines and pressurized pipeline.

From DHHL to KIUC:

1. A right of entry ("ROE") to be issued to conduct all engineering, biological and archaeological studies necessary to support regulatory requirements for the project.
2. Within ninety days (90) of the approval of this agreement by the Commission, the DHHL will notify KIUC as to whether it will issue a 65-year lease for the land and infrastructure (Puu Opae Reservoir) to KIUC subject to HRS § 171-95.3, the Hawaiian Homes Commission Act, as amended, and Hawaiian Homes Commission policies, if KIUC complies with HRS Chapter 343 and receives the necessary approvals and permits for the construction of the Puu Opae project. Once approved, and subject to the above, the financial terms and conditions will be binding on KIUC and DHHL.
3. If the lease to KIUC described above is issued by the DHHL, it will

- a. include the provision of a rolling average of 11 mgd of water subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58 and subject to meeting the water needs of DHHL as set forth in any water reservation the Commission may grant.
- b. grant a short-term easement for the pressurized pipeline and a buried transmission line construction and the rehabilitation of the Puu Opae Reservoir.
- c. grant a long-term easement for the maintenance of the pipeline, the buried transmission line and the access roads.
- d. will include the Puu Opae Reservoir and land adjacent to the reservoir (less than three acres) for the project powerhouse.

#### D. IIFS NUMBERS

Based on the submissions by the parties and the analysis by the Commission staff, the following IIFS numbers are agreed to in two phases.

Phase One will go into effect upon the approval of this agreement by the Commission. As part of Phase One, the parties agree to immediately take steps to restore flows to the maximum extent possible (e.g., by removing a board or lifting a gate) while working on the structural modifications pursuant to the deadlines set forth in Section B.

Phase Two goes into effect if and when the KIUC energy project goes into service.

#### PHASE ONE:

##### Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch.
2. For the Kauaikinana, Kawaikoi, and Waiakoali streams, the IIFS below each diversion is the following:

<u>Stream</u>	<u>IIFS</u>
Kokee	natural flow
Kauaikinana	0.7 mgd
Kawaikoi	4.9 mgd
Waiakoali	1.4 mgd

##### Kekaha Irrigation System

1. The IIFS for the Koaie Stream below the Koaie Diversion will be 2 mgd.

2. The IIFS for the Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume.

PHASE TWO:

Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch except for flows greater than 1.2 mgd, in which the IIFS is 1.2 mgd.
2. For the Kauaikinana, Kawaikoi, and Waiakoali streams, for flows less than or equal to the established values listed in the table below, the IIFS below each diversion is two-thirds (66.6%) of the flow in the stream; for flows greater than the established values listed below, the IIFS below each diversion is the value given.

Stream	Established value	IIFS	IIFS if stream flow is below or equal to established value	IIFS if streamflow is above the established value
Kokee	0.2	Natural flow up to 1.2	n/a	n/a
Kauaikinana	1.2		2/3 of stream flow	0.6
Kawaikoi	6.4		2/3 of stream flow	4.0
Waiakoali	1.3		2/3 of stream flow	0.8

All water flows above these numbers may be used by KIUC in support of its project.

Kekaha Irrigation System

1. The IIFS for Koaie Stream below the Koaie Diversion will be 2 mgd.
2. The IIFS for Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume subject to Commission review of its ongoing need based on the water coming to the plain through the KIUC project as provided in paragraph 10 of the Operating Protocols section, infra.

If Phase Two goes into operation, the Commission will examine the amounts being diverted at Koaie and at Waiahulu with goal of increasing the total IIFS numbers for these two streams.

## E. MONITORING STATIONS

Monitoring stations will be put in place to measure the amount of water coming into the ditches and the amount of water going into the streams below the diversions on a continuous real-time basis.

KIUC, assuming that it receives the understandings called for in the Permits and Approvals section of this agreement, will install and maintain monitoring equipment at the existing flow gauging location immediately above the Puu Lua Reservoir and for the following streams:

Waiakoali

Kawaikoi

Kauaikinana

Kokee

ADC (either itself or through its licensee KAA), if the Commission approves this agreement, will install and maintain monitoring equipment for the following streams:

Waiahulu

Koaie

Waimea at the Mauka hydroelectric plant

The information gathered by these stations shall be made available to all parties at the same time.

The Commission and the U.S. Geological Survey may install and maintain its own monitoring equipment along the streams and/or ditches in the watershed.

If the KIUC project does not receive the understandings called for in the Permits and Approvals section, the monitoring equipment will be installed and maintained by ADC (either itself or through its licensee KAA). If the KIUC project ultimately does not proceed, ADC (either itself or through its licensee KAA) will assume responsibility for the monitoring equipment.

## F. OPERATING PROTOCOLS

The goal of the Waimea water systems is to preserve the life of the streams and their aquatic resources while allowing for agricultural and renewable energy uses to co-exist with the streams.

In the operation of these systems the intent is to have instantaneous daily decisions made on where the water in any given stream would go between the streams and the ditches:

1. Flow in the stream has the highest priority and water should flow at the highest possible level with diversions only as needed for other uses with the IIFS numbers being the minimum amounts to be provided.
2. Stated otherwise, when water is not presently needed for other uses such as expanded agricultural uses or future energy projects, the water must remain in the streams.
3. Current agricultural uses by ADC (and its licensees) will continue to be provided with the water needed for their operations. Each month, ADC (either itself or through its licensee KAA) will report monthly water usage volumes for agricultural and non-agricultural uses, monthly total cultivated acres, and a list of crop types. Each year, ADC (by itself or through its licensee KAA) will report annual cultivated acres by crop type.
4. Water for the kalo farmers on the Menehune Ditch will continue to be provided by one or both ditch systems.
5. Water for agricultural uses by ADC (and its licensees) and water for uses by the DHHL (and its lessees and licensees) in accordance with DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code will be provided so long as the amounts involved are reasonable in their consumption levels and in relation to the water provided to the streams. In that regard, the need to plant less water intensive crops and the importance of using efficient water delivery methods will be taken into account as well as the availability of R-1 water and well water.
6. If one or more hydro projects are developed by KIUC on the Kokee Ditch System, KIUC will receive from the Kokee ditch a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, supra) that are to be served by the project infrastructure. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. In its project, KIUC will leave enough water in the ditch past the Puu Moe Divide to meet the needs of users of ditch water below that point.

7. Controlled releases and biological studies will be part of any protocol to help determine the best ongoing uses of water.
8. To the extent not otherwise provided by the above uses, the Commission may consider a request to allow a minimum flow of water to maintain the ditch systems to the extent necessary to ensure their ongoing structural integrity.
9. The Waiawa power plant will be allowed to operate in its current manner for no more than three years from the approval of this agreement after which it must be either decommissioned or repowered to operate using such waters as are reasonably related to agricultural (as opposed to energy) uses. Specifically, after three years, no more than 10 mgd can be diverted in the Kekaha Ditch at Hukipo Flume unless reasonable agricultural uses require more water and the Commission finds that such additional waters can be provided consistent with the IIFS numbers it has set.

If Phase Two goes into operation, the Commission will reexamine the amounts diverted to reduce them to take into account the energy and agricultural uses served by the KIUC project.

The execution of these protocols will be the responsibility of ADC (either itself or through its licensee KAA), and of KIUC. KIUC, if it receives the understandings provided for in the Permits and Approvals section above, may contract with other entities to carry out its responsibilities under this agreement.

If there is any dispute in the operation of the protocols, it shall be brought to the Commission for resolution.

## G. INFRASTRUCTURE AGREEMENTS

### PHASE ONE: CURRENT OPERATIONS

Unless and until the energy projects proposed by KIUC receive all required approvals and Phase Two is implemented, the current system will be maintained by the ADC, and its licensee KAA, and the State agencies involved in the case of the impacted dams and reservoirs, subject to the provisions of this agreement, including those pertaining to the modification of diversions and the installation of monitoring equipment.

### PHASE TWO: THE ENERGY PROJECTS

If KIUC receives the understandings required in the Permits and Approvals section; finds that the project is feasible to undertake and finance; and gets the approval of the Public Utilities Commission for the energy projects, KIUC may build and/or rehabilitate one or more energy projects in the Waimea Watershed area.

If KIUC proceeds, it will assume significant responsibility for the infrastructure on the systems involved. This section sets forth the infrastructure for which KIUC (and any firms it employs) will be responsible:

1. The Ditches

KIUC will operate, upgrade, alter or repair as appropriate, and maintain:

- a. The Kokee Ditch including the ditch, flumes and tunnels, beginning at the Waiakoali Intake to the Puu Moe Divide, including the Kauhao sluice gate and the weir gate at the Divide; and any pressurized piping KIUC installs involving the ditch and the reservoirs named below including between the Divide and the Puu Opae Reservoir. (KIUC will not be responsible for the ditch from the Divide to the Kitano Reservoir.)

2. Diversions

KIUC will operate, repair and maintain the following diversions:

- a. Waiakoali
- b. Kawaikoi
- c. Kauaikinana
- d. Kokee
- e. All active ephemeral stream diversions. Kumuela 1-5, Nawaiamaka and Halemanu on the Kokee Ditch.

ADC (either itself or through its licensee KAA) will operate, repair and maintain the following diversions:

- f. Waiahulu
- g. Koaie
- h. Waimea

3. Roadways

KIUC will repair and maintain the roadways which pertain to the operations of the Kokee Ditch.

- a. The jccp roadway extending from the Kokee Highway to the Puu Lua Reservoir;

- b. The jeep road extending from the Kokee Highway to the Puu Opae Reservoir;
- c. The jeep road extending from the DHHL/DLNR gate on the Mana Plain to the Puu Opae Reservoir;
- d. Ditch maintenance roads along the Kokee Ditch;
- e. All other jeep roads and ditch trails necessary to access, maintain and operate the ditch systems that are under KIUC's control.

The assumption of responsibility for the roadways by KIUC does not change existing access rights or in any way alter their status as public or private roads.

In carrying out the operation, upgrade, repair and maintenance to the ditches, diversions and roadways as described above in this section, KIUC and ADC (and any other firm employed by the same) shall not interfere with the quiet enjoyment of the DHHL lessees and licensees.

4. Control Equipment

KIUC will operate the Puu Opae Energy Project(s), the streamflow gauging equipment on the Kokee Ditch and pertinent streams, the Puu Lua Reservoir, the Puu Opae Reservoir and the Mana Reservoir.

5. Hydroelectric Plants

KIUC will operate, repair and maintain the hydro plants developed as part of the Puu Opae energy project:

6. Dams and Reservoirs

KIUC will rehabilitate the following reservoirs pursuant to the State of Hawaii dam safety standards and undertake the operation and maintenance of each through the life of the Puu Opae project.

- a. Puu Lua Reservoir
- b. Puu Opae Reservoir
- c. Mana Reservoir

7. Pressurized Piping

KIUC will construct and maintain the following segments of pressurized pipeline:

- a. Between the Puu Moe Divide and the Puu Opae Reservoir;
- b. Between the Puu Opae and Mana Reservoirs.

8. Pumping Stations

ADC will continue to operate and maintain the Kawaiele and Nohili Pumping Stations.

9. Monitoring Stations

KIUC will operate and maintain the equipment discussed in the Monitoring Stations section above.

10. Agreements to Operate

The cost of all of KIUC's undertakings pursuant to this agreement will be negotiated directly between KIUC and the agencies involved.

11. Infrastructure Covered

Any infrastructure not covered by this agreement will be presumed to be handled by whoever is handling it today. This agreement covers only the specific infrastructure discussed in it.

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E, KAUA'I

G-ITEMS  
**PLANNING DIVISION**

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission  
Thru: M. Kaleo Manuel, Acting Planning Program Manager  
From: Bob Freitas, Program Planner  
Julie-Ann Cathola, Planner  
Subject: Accept Beneficiary Consultation Report for the Kaua'i  
Island Utility Cooperative's (KIUC) proposed Waimea  
Hydroelectric project, Waimea, Kaua'i, TMK (4) 1-2-  
002:023

RECOMMENDED ACTION

That the Hawaiian Homes Commission (HHC) accept this Beneficiary Consultation Report as the official record of beneficiary issues, questions, concerns and comments raised at Beneficiary Consultation meetings and Public Hearings conducted by DHHL regarding KIUC's land disposition request to develop components of the proposed Waimea Hydroelectric Project on DHHL lands in the Waimea District on the island of Kaua'i.

DISCUSSION

PROJECT DESCRIPTION

The Kaua'i Island Utility Cooperative (KIUC) proposes to construct, own, operate and maintain the Waimea Hydroelectric Project which proposes to develop certain components of the project on DHHL Lands located in Waimea, Kaua'i. The proposed project will use a small fraction of DHHL's Waimea lands, as depicted on the attached map (Exhibit A) to produce up to 25MW of renewable energy.

The project would collect and store water from tributaries that flow from the Alaka'i Swamp through the Koke'e Ditch into the Pu'u Lua Reservoir which are all located on State public lands managed by the Department of Land and Natural Resources (CLNR) and the Agribusiness Development Corporation (ADC). KIUC would control the flow of water through open ditches from Pu'u Lua to the Pu'u Moe Divide. At the Pu'u Moe Divide, open ditches would be replaced with pressurized underground pipelines for more efficient transmission of water. Hydroelectric power would be generated as

the water flows from the Pu'u Moe Divide down to the Pu'u 'Ōpae reservoir on DHHL land. Energy would also be generated as water flows through the pressurized pipelines from Pu'u 'Ōpae reservoir to the Mānā reservoir located on State lands Executive Ordered to ADC.

The unique feature of this project is the pumped storage hydro component which utilizes the abundance of solar energy available on the west side, in order to pump water from the Mānā reservoir up to the Pu'u 'Ōpae reservoir where the water would be stored and released at night to generate electricity during evening peak hours when it is most needed. In this way, the project meets Kaua'i's challenge of using cheap daytime solar energy to meet the demand for energy during peak evening hours.

The project requires a number of project components to be connected and managed as one system, even though they cross agency lines and landowner boundaries. To make the project work, KIUC must negotiate lease agreements with several landowners to secure the required components of the project, which include:

- Koke'e ditch repairs and upgrades;
- Rehabilitation of Pu'u Lua, Pu'u 'Ōpae, and Mānā reservoirs;
- Upper and lower access road improvements and maintenance;
- Conversion of the open ditches to underground pressurized pipelines from the Pu'u Moe Divide to Pu'u 'Ōpae and from Pu'u 'Ōpae to the Mānā reservoir;
- Two powerhouses, located at Pu'u 'Ōpae and the Mānā reservoir; and
- A solar photovoltaic system adjacent to the Mānā reservoir that provides power to pump water from the Mānā reservoir up to Pu'u 'Ōpae reservoir.

Unlike the renewable energy projects that DHHL has considered in the past that required large areas of trust land for a solar 'farm' or for the cultivation of biomass crops, the development footprint for this project is very small. The specific elements that would be located on DHHL lands include:

- Rehabilitation and operation of Pu'u 'Ōpae Reservoir, including the construction of a powerhouse in the lands surrounding the reservoir (approximately 5-acres); and
- Underground utility lines and pressurized pipelines coming from the Pu'u Moe Divide as it enters our property down to Pu'u 'Ōpae and an underground pressurized pipeline that starts at Pu'u 'Ōpae and exits DHHL lands just before it reaches the Mānā Reservoir.

The components that would be developed on DHHL lands are critical elements of the hydroelectric project. In order to secure these critical elements, KIUC is requesting a long-term, non-exclusive easement for the underground pipelines and a long-term General Lease for the Pu'u 'Ōpae reservoir, including approximately 5-acres of land surrounding the reservoir. In the initial phase, when KIUC is conducting due diligence studies, KIUC is requesting a Right-of-Entry permit for the term of approximately 3 years.

## BENEFICIARY CONSULTATION

### Notification

On May 31, 2017 DHHL mailed notification letters (Exhibit B) to all Kaua'i Lessees and all Applicants on the Kaua'i Area and Islandwide Waitlists. After controlling for duplicates and combining records addressed to the same address, a total of 2,886 letters were mailed. The mail out notified beneficiaries that DHHL would conduct two (2) Beneficiary Consultation meetings and two (2) Public Hearings to present information and hear comments and concerns on KIUC's proposed Waimea Hydroelectric Project. Meeting dates, times and locations were identified, as well as a map of the project area and responses to the following "Frequently Asked Questions:"

- How much land is contemplated for this hydroelectric project?
- Why would the department use a portion of its Waimea lands for a hydroelectric project instead of awarding homesteads to people on the waiting list?
- How will a hydroelectric project benefit DHHL and its beneficiaries?
- Is this project consistent with DHHL Plans for the region?

### Presentation

DHHL scheduled two (2) Beneficiary Consultation meetings on Kaua'i in order to present information about the proposed project to Kaua'i beneficiaries, to establish a written record of beneficiary comments and concerns about the project, and to respond to questions about the proposed project.

The first Beneficiary Consultation meeting was held on Tuesday, June 13, 2017 at the Kekaha Elementary School Cafeteria from 6:00 p.m. to 8:00 p.m. Twenty-five (25) people signed in at the registration table; 20 indicated that they were DHHL Beneficiaries and 5 indicated that they were not DHHL Beneficiaries. The second Beneficiary Consultation meeting was held on Wednesday, June 14, 2017 at the Kapa'a Elementary School

Cafeteria from 6:00 to 8:00 p.m., however, no one attended the second consultation meeting.

Beneficiaries who attended the meeting received a print out of the powerpoint presentation (Exhibit C). A summary of the presentation is presented below:

- William Aila, Jr., Deputy Director of DHHL opened the meeting by explaining the purpose of the meeting and the different ways that beneficiaries could submit comments on the proposal.
- Julie-Ann Cachola, Planner in DHHL's Planning Office explained how the project was consistent with DHHL Plans, including the Kaua'i Island Plan Land Use Designations and the West Kaua'i Regional Plan priority projects.
- Jonathan Scheuer, PhD, DHHL's Water Consultant, presented background information on DHHL's Water Policy Plan, the importance of Interim Instream Flow Standards, DHHL water reservations and how they are determined, the landmark mediation agreement regarding the use of surface water in West Kaua'i and how it relates to the proposed project.
- Brad Rockwell, Power Supply Manager for KIUC and KIUC's Consultants, Jason Hines and Dawn Hines of the Joule Group, LLC explained the changes in the energy industry that have made it very challenging for KIUC to keep the cost of energy production low, while managing a mix of energy sources while also having to invest in the development of new renewable energy projects. The KIUC team presented a detailed description of the proposed project, including the timeline for implementation and an explanations of how the project will benefit DHHL, DHHL beneficiaries, the larger community, the agriculture industry, and KIUC.
- William Aila, Jr., DHHL's Deputy Director, explained the next steps involved with the project, including two public hearings scheduled for July 12, 2017, the preparation of this Beneficiary Consultation report for the August Hawaiian Homes Commission meeting. He reminded people that DHHL will continue to accept comments up until the comment deadline of July 14, 2017. He noted that details of the long-term land disposition were not available because negotiations were still in progress; the details would be submitted to the HHC.
- Upon the conclusion of the presentation, the Deputy opened the floor for questions and comments. Beneficiaries were also given the option to submit their questions and comments in writing on the comment forms provided at the registration table.

### Beneficiary Consultation Findings

Exhibit D presents a compilation of all oral and written comments received, sign-in sheets, and written comments submitted on the forms provided. To summarize, fourteen (14) people provided oral testimonies. In addition, DHHL received thirteen (13) completed comment forms. Of the twenty-seven (27) comments submitted, 20 (74%) expressed support for the project. The remaining seven (7) comments raised questions about the project without expressing whether or not they supported the project. No one expressed any opposition to the project.

### REQUIRED PUBLIC HEARINGS

Chapter 171-95.3, HRS allows the Hawaiian Homes Commission to lease DHHL lands to renewable energy producers without public auction, provided that DHHL inform the public prior to the lease of Hawaiian Home Lands for a proposed renewable energy project by conducting at least two (2) public hearings on the island where the land will be leased. The notice for the public hearing must be published in separate daily or weekly publications whose combined circulation is at the level of statewide circulation. During the meeting, the Hawaiian Homes Commission is required to distribute an outline of the proposed renewable energy project and must receive testimony from interested parties and the general public at each public hearing.

### Public Hearing Notice (Exhibit E)

On June 28, 2017 pursuant to HRS Chapter 171-95.3, DHHL published a legal notice titled "Proposed Land Disposition of Hawaiian Home Lands for a Hydroelectric Project in the Waimea District, on the island of Kaua'i" in the Honolulu Star-Advertiser, The Garden Island, West Hawai'i Today, the Hawai'i Tribune-Herald, and The Maui News newspapers. The notice stated that on Wednesday, July 12, 2017 from 9:00 a.m. to 12:00 noon at the Kaua'i State Office Building and from 6:00 p.m. to 8:00 p.m. at the King Kaumuali'i Elementary School, the Hawaiian Homes Commission would provide information on KIUC's proposed hydroelectric project and would receive testimony and comments on the proposed project.

### Public Hearings Held on Kaua'i

Jobie Masagatani, Chairman of the Hawaiian Homes Commission presided over the Public Hearings held on Wednesday, July 12, 2017 at the State Office Building from 9:00 a.m. to 12:00 noon and at King Kaumuali'i Elementary School from 6:00 p.m. to 8:00 p.m. William Aila, Jr., Deputy Director of DHHL gave the presentation, which was available as a handout for all attendees (Exhibit F).

Eleven (11) people attended the Public Hearing held in the morning at the Kaua'i State Office Building and twelve (12) people attended the Public Hearing held in the evening at the King Kaumuali'i Elementary School. Exhibit G provides a compilation of oral and written testimonies received, sign-in sheets and the written comments that were submitted.

A total of twenty-three (23) people attended the Public Hearings; two (2) people identified themselves as beneficiaries. Eight (8) people provided oral and/or written testimonies. Seven (7) were in favor of the project. One person did not indicate support or opposition to the project, however she stated that she was an heir to the property located at Pu'u 'Ōpae and that DHHL does not have clear title to the Project lands. She asked, "What action is DHHL engaging in to insure that the KIUC contract is enforceable for a 65-year lease?"

In light of the low attendance at the Beneficiary Consultation meetings and the Public Hearings, staff would like Commissioners to note that KIUC conducted many community meetings in the past 7 years to discuss the hydroelectric project. More recently, in May 2017, KIUC held an informational meeting for homestead beneficiaries in Kekaha and in June 2017, KIUC met with homestead leaders in order to present an update on the project and to hear and respond to any questions or concerns they might have had. DHHL staff attended both meetings as non-participant observers. Staff noted that questions and concerns raised by the homesteaders were adequately addressed during the meetings and that beneficiaries were clearly in support of the project.

SUMMARY FINDINGS

This section combines the comments made during the Beneficiary Consultation meeting and the two (2) Public Hearings.

Attendees who expressed support for the project often identified the reasons for their support, which were tallied and summarized below:

<b>BC Comments</b>	<b>PH Comments</b>	<b>Reasons for Support</b>
9	3	<u>Water:</u> Repair, restoration and maintenance of Pu'u 'Ōpae, which provides water to DHHL lands; it provides access to water and protects beneficiary/DHHL water rights.
8	6	<u>Infrastructure:</u> The project provides for the development and maintenance of infrastructure on DHHL lands, which helps because DHHL does not have the funds to make these lands available to address Kaua'i's Waitlist
6	4	<u>Renewable Energy:</u> The project moves the community closer to sustainability, meeting renewable energy goals and ensuring that water resources are not wasted.
4	1	<u>Stewardship:</u> The project provides opportunities for beneficiaries to use the area and to take care of lands in the area

\*The number of comments exceed the 20 beneficiaries who supported the project because beneficiaries often cited more than one reason for their support.

Recommended Action

DHHL staff respectfully requests approval as recommended.

# Exhibit A: Project Area Map and DHHL Lands



## Proposed KIUC Hydro-Electric Project on DHHL Land

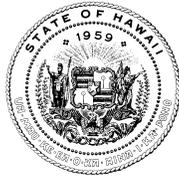
### Legend

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

0 1.25 2.5 Miles

# EXHIBIT B: Beneficiary Notification Letter

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:

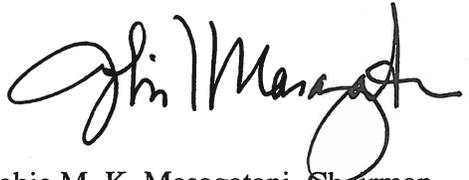
BENEFICIARY CONSULTATION MEETINGS	LOCATION AND TIME
1. <b>June 13, 2017 (Tuesday)</b>	Kekaha Elementary School Cafeteria 8140 Kekaha Road, Kekaha 6:00 p.m. to 8:00 p.m.
2. <b>June 14, 2017 (Wednesday)</b>	Kapa'a Elementary School Cafeteria 4886 Kawaihau Road, Kapa'a 6:00 p.m. to 8:00 p.m.

PUBLIC HEARINGS (open to the public)	LOCATION AND TIME
1. <b>July 12, 2017 (Wednesday)</b>	Kaua'i State Office Building Conference Rooms A and B 3060 'Eiwa Street, 2 <sup>nd</sup> Floor, Līhu'e 9:00 a.m. to Noon
2. <b>July 12, 2017 (Wednesday)</b>	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.

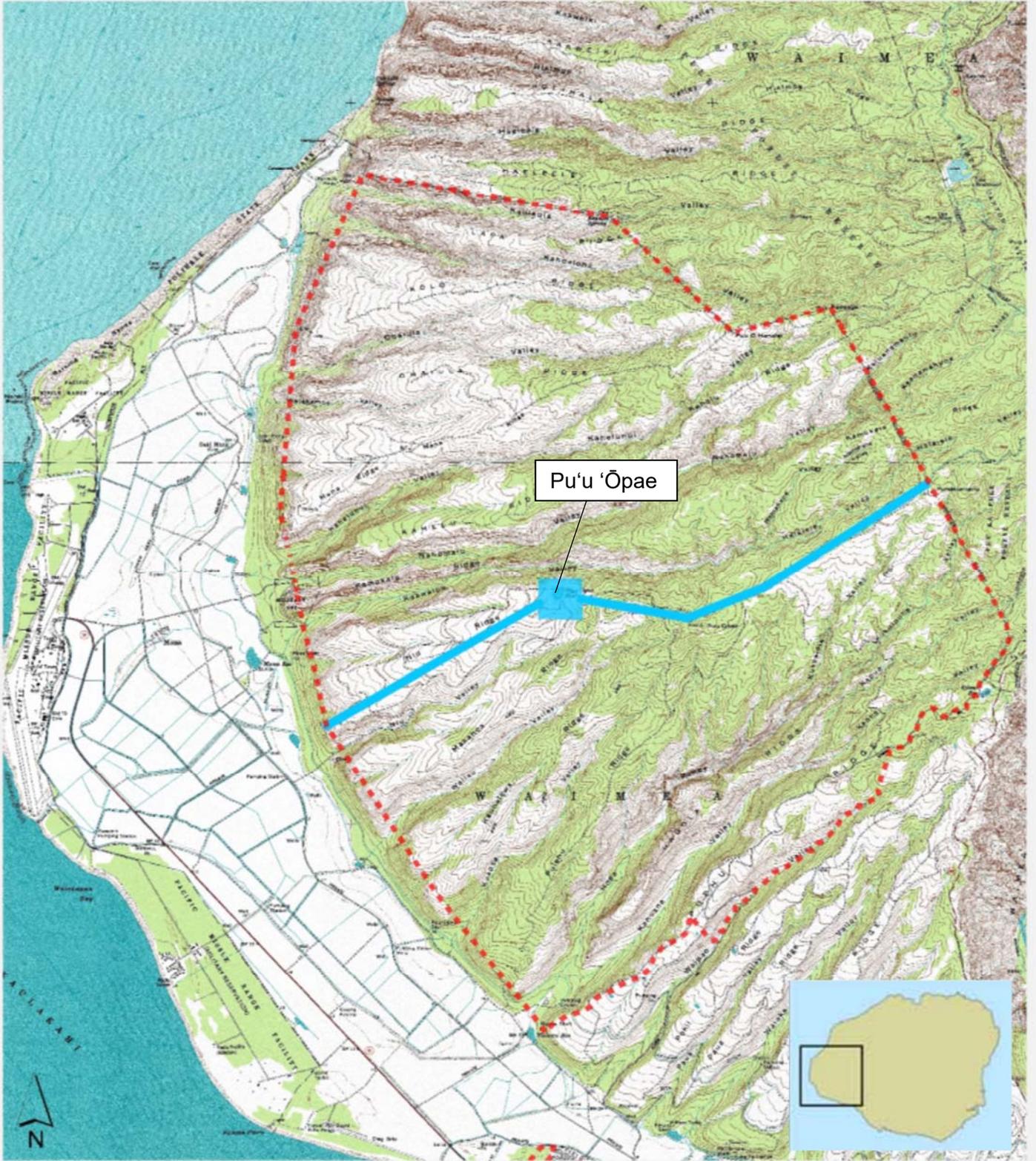
If you have any questions, please contact Bob Freitas in our Planning Office at (808) 620-9484 or via email at [Robert.C.FreitasJr@hawaii.gov](mailto:Robert.C.FreitasJr@hawaii.gov).

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

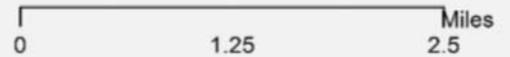
Attachment



### 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 Kauaʻi. 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 Kauaʻi 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 Kauaʻi 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 Kauaʻi Regional Plan can be accessed online at:

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



## Beneficiary Consultation Meeting

# KIUC's Proposal to Develop a Pumped-Storage Hydroelectric Project at Waimea, Kaua'i

Kekaha Elementary School  
Tuesday, June 13, 2017  
6:00 to 8:00 p.m.

Kapa'a Elementary School  
Wednesday, June 14, 2017  
6:00 to 8:00 p.m.

## Agenda

### I. PURPOSE OF BENEFICIARY CONSULTATION

- Present Background Information
- KIUC will Present their Proposed Project
- Answer Questions
- Beneficiary Comments

### II. DHHL INTRODUCTION AND BACKGROUND INFORMATION

- How to Submit Comments
- DHHL Lands and Plans
- Mediation Agreement for the Waimea Watershed Area

### III. KIUC PRESENTATION

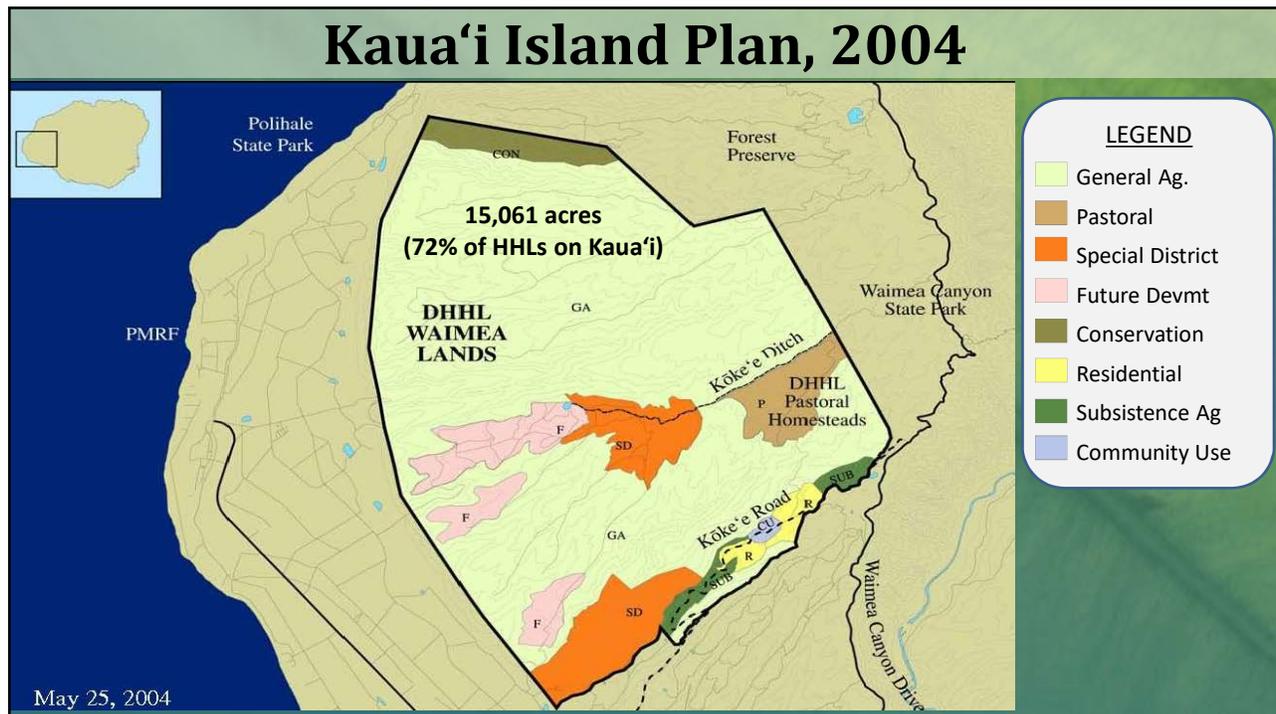
### IV. NEXT STEPS

### V. CLARIFYING QUESTIONS/ANSWERS

### V. BENEFICIARY COMMENTS

## How to Submit Comments

1. You can present your comments tonight:
  - Sign-in at the registration table, listen for your name and be ready to speak.
  - Each speaker has 3 minutes to share their mana'ō
  - State your name and let us know if you are a lessee, applicant or if you are not a DHHL Beneficiary.
  - Please indicate whether you support the project, support the project with reservations, or don't support the project
2. You can write your concerns down on the half-sheet blank and turn it into the staff at the registration table.
3. You can think about it and submit written comments later— deadline for comments is July 14, 2017. Written comments can be:
  - Emailed to the Planning Office at: [DHHL.Planning@hawaii.gov](mailto:DHHL.Planning@hawaii.gov)
  - Mailed to: DHHL Planning Office, P.O. Box 1879, Honolulu, HI 96805



## Pu'u 'Ōpae

The Kaua'i Island Plan designates the Pu'u 'Ōpae area as "Special District" which indicates the presence of a number of unusual opportunities and/or constraints that require more detailed planning.



Management of water resources and roads to access these remote lands are vital to utilizing the lands for homesteading purposes.

## West Kaua'i Regional Plan 2011

Beneficiaries identified 5 Priority Projects in West Kaua'i.

The Proposed Hydro Project helps to implement 2 of the 5 Priority Projects:

1. Develop an Agricultural and Water Plan

- Pu'u 'Ōpae reservoir should be maintained and the irrigation system rehabilitated.
- An agricultural master plan should be developed.

2. Develop Renewable Energy Projects Compatible with Agriculture

The community agreed on development guidelines for the Waimea parcel:

- Renewable energy is generally a good idea.
- Large amounts of homestead land should not be given exclusively to any one entity.
- Any license or general lease agreement for renewable energy development should be structured to preserve or support agricultural and cultural activities along with the development of renewable energy systems.
- Land Use Designations in the Kaua'i Island Plan should be maintained
- Any agreement for the use of lands should negotiate direct benefits, beyond simple rent income, to DHHL and the beneficiary community.

The community indicated a willingness to support projects that meet these goals.

## Documents & Event Chronology

Year	Event
2004	DHHL Kaua'i Island Plan Adopted
2011	DHHL West Kaua'i Regional Plan Adopted
2013	HHC Authorizes seeking Waimea River Water Reservation
2014	HHC Water Policy Plan Approved
2015	Reservation Petition for Waimea River Submitted
2017	Mediation Agreement Passed Modified Reservation Submitted

## Origins of Mediated Settlement

- Po'ai Wai Ola and West Kaua'i Watershed Alliance IIFS Petition & Waste Complaint
- DHHL Water Reservation Petition for 33 mgd
- Both filed to Water Commission
- CWRM asked parties to mediate
  - Po'ai Wai Ola
  - ADC
  - KAA
  - DHHL
  - KIUC

## What are Interim Instream Flow Standards?

- The minimum a stream needs to protect Public Trust Uses
- Most streams in the state: IIFS is 1987 Status Quo (DRY)
- Only new IIFS have been set through litigation
  - Waiāhole
  - Nā Wai 'Ehā
  - East Maui
- Most took decades to settle

## DHHL Water Policy Plan

- HHC & DHHL guide for managing water kuleana
- Developed after two years of consultation
- Four priority goals
  1. Communication
  2. Advocacy
  3. Water Assets Inventory
  4. Watershed protection
- Specific goal to seek reservations of water

## What are Water Reservations?

- Waters set aside by CWRM and/or BLNR for future use by DHHL
- Done so far for groundwater on
  - O'ahu
  - Moloka'i
  - Keauhou (Kona, Hawai'i Island)
- Designated vs. non-Designated areas

## Granting of Water Reservations

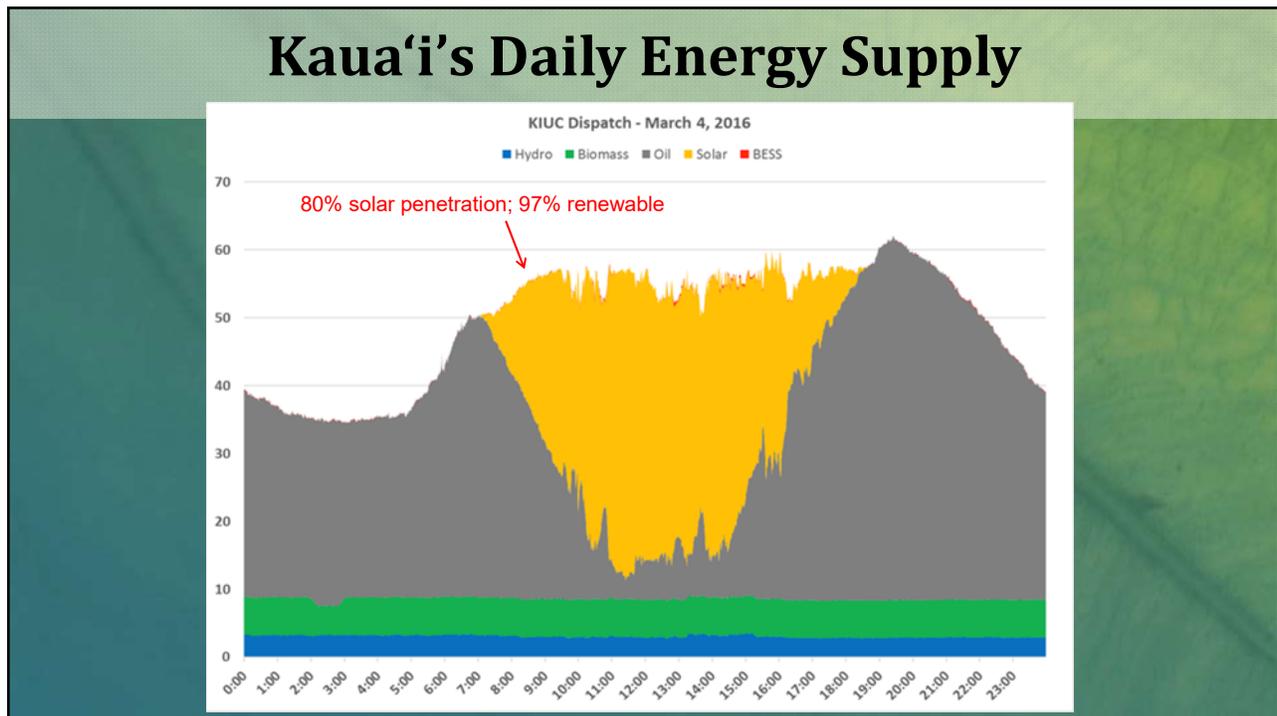
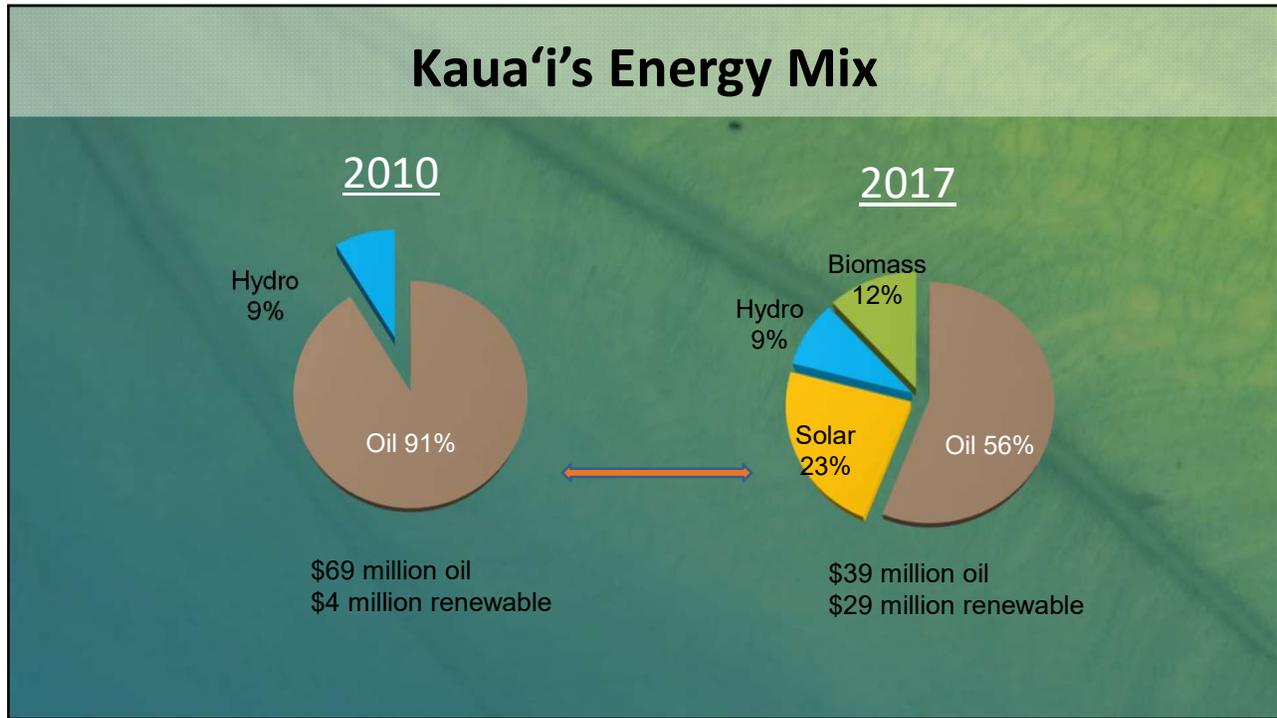
- DHHL bases reservation petitions on:
  - Island Plans
  - Regional Plans
  - Short and long term needs
  - Established water duties where available
  - Best research where no approved duties available
  - Knowledge of the area
- CWRM can accept, reject, or modify
- CWRM to consider June 20, 2017

## **Mediation Agreement for the Waimea Watershed Area**

- Approved April 18, 2017
- Set fundamental principles
- Set a non-litigated IIFS / modified diversions
- Monitoring
- Water for actual ADC / KAA uses
- Consideration of a modified DHHL reservation petition
- Possible renewable energy on DHHL lands
- Timeframe for KIUC to secure all land commitments
  - Beneficiary consultation needs explicitly considered
- Retirement or rebuild Waiawa hydro

## **Mediation Agreement**

- Unprecedented settlement of complicated issues
- Immediate water in streams
- Two years (not ten or twenty)
- DHHL reserved its rights to petition for full long term water needs
- If granted, first surface water reservation for DHHL
- CWRM sees it as a possible model for other disputes
- Not yet fully implemented!

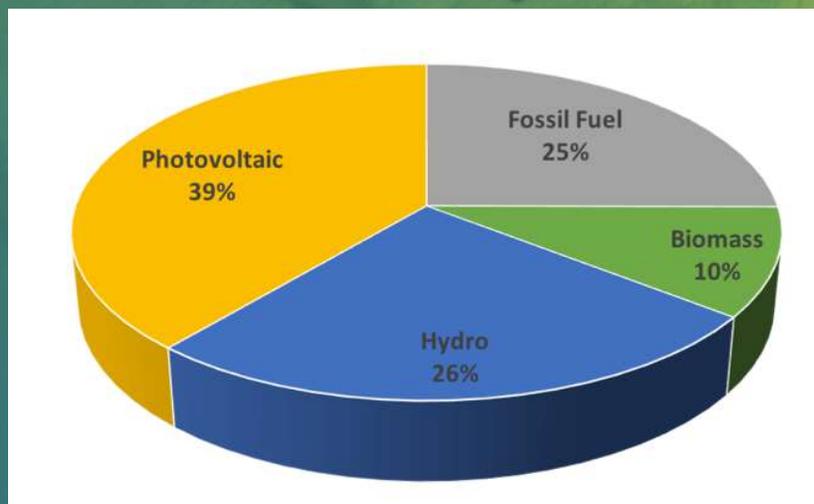


## Kaua'i's Solar Challenge

- Most of Kaua'i's daytime demand for electricity will soon be met with solar
- The challenge is moving cheap solar power to evening peak hours
- Pumped storage provides a way to store solar energy and release energy when it's most needed



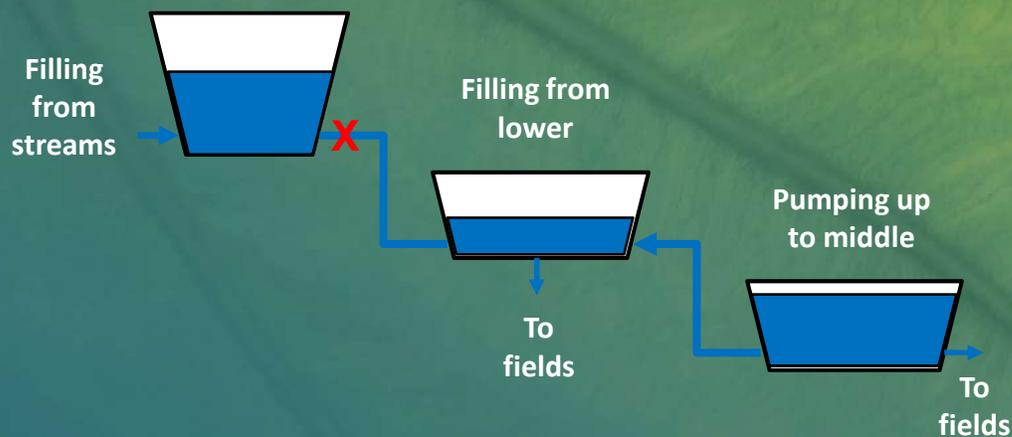
## Renewable Energy Outlook for 2023



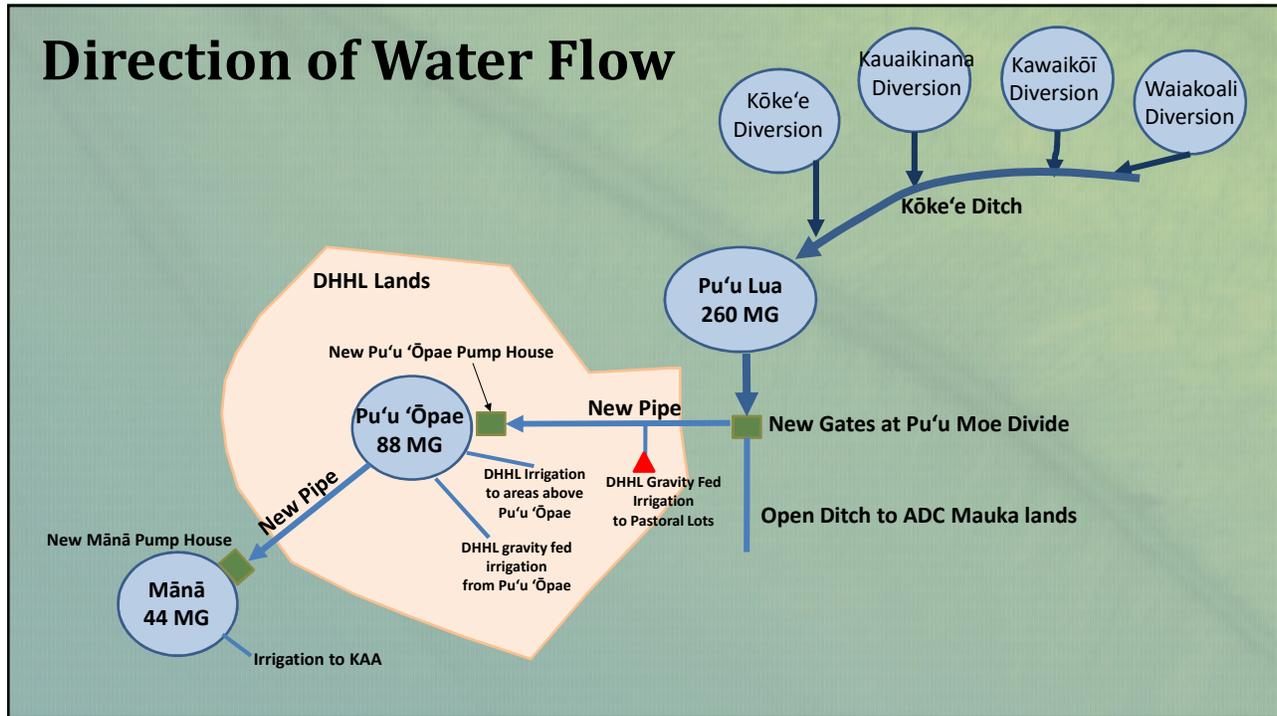
## Integrated Energy Project Proposal

- **Renewable energy resource for island of Kaua'i**
  - Up to 25 MW of pumped storage hydro
  - Store and release hydro
  - New PV capacity
- **Irrigation water delivered through ditch and project pipeline to DHHL lands and ADC/KAA**
- **Primary project components**
  - Koke'e ditch repairs and upgrades
  - Rehabilitation of Pu'u Lua, Pu'u 'Ōpae, and Mānā reservoirs
  - Two new sections of buried pipeline
  - Two new powerhouses
- **KIUC operates and maintains the Koke'e Ditch system and Pu'u Lua, Pu'u 'Ōpae, and Mānā Reservoirs**

## How Does the Project Work?







## Pu'u 'Ōpae Reservoir - Current



## Pu'u 'Ōpae Reservoir – During Sugar Operations



## Mānā Reservoir – During Sugar Operations



## Pictures of Waimea Resources



Pu'u Lua source of water



Pu'u 'Ōpae Reservoir water storage site



Drop from Pu'u 'Ōpae to Mānā plain.



Ditch repair and monitoring



Pu'u 'Ōpae Reservoir repair



Improved road access & waterline repairs

## DHHL Benefits

- Delivery of water to DHHL mauka lands
- Rehabilitation and maintenance of Pu'u 'Ōpae Reservoir
- Road improvements and maintenance
- Electrical power at Pu'u 'Ōpae
- Rehabilitation and maintenance of Pu'u Lua Reservoir
- Repairs/upgrades and maintenance and operation of Kōke'e ditch
- Enabling DHHL and beneficiaries to utilize lands around Pu'u 'Ōpae
- In-kind value of approximately \$10 million capital investment and \$135,000 annually

## DHHL Benefits Not Related to Energy Project

- Added benefits based on an understanding of DHHL needs
- Upper road improvements and maintenance
- Water delivery and storage for pastoral lots
- In kind value of approximately \$875,000 capital investment and \$15,000 annually

## How This Project Has Changed

- Differences from the 2012 Hydro Project Proposal
  - Added pumped storage and store and release components
  - Reduction water
  - Increase in infrastructure costs/benefits
- Market Changes
  - Reduction in solar and storage pricing
  - Rapid changes in battery technology and pricing
- What Role Does the New Project Proposal Play in KIUC Generation Portfolio?
  - Solar generation component for pumping
  - Ancillary services not base load power
  - Dispatchable energy vs. intermittent energy
  - Grid stability and reliability

## Community & Agricultural Benefits

- Water is returned to streams
- Rehabilitation and long term maintenance of reservoirs and Kōke'e ditch system
- Support for agriculture and food sustainability on west side
- Jobs through construction of Project
- Enables DHHL to utilize Pu'u 'Ōpae mauka lands - water, roads and power
- Improvement and maintenance of access roads – including to Pu'u Lua Reservoir
- Fire suppression support

## KIUC Benefits

- Member-owned legacy project that will store and generate power cost effectively and reliably
- Makes a significant contribution towards 100% renewable energy goal
- Supports more solar generation
- Provides diversity in portfolio
- Increased electrical grid system stability and reliability

## Waimea River Mediation Agreement

- **Petition filed by Earth Justice on behalf of Po'ai Wai Ola and West Kaua'i Watershed Alliance**
  - Amend interim instream flows
  - Complaint filed against ADC and KAA for alleged waste of water on ditch systems
- **Parties –Po'ai Wai Ola and West Kaua'i Watershed Alliance/Earth Justice, ADC, KAA, DHHL, and KIUC**
- **Mediation Settlement approved by Water Commission on April 18, 2017**
- **Unprecedented resolution of a water dispute in Hawai'i**

## Mediation Agreement Points

- **More water for streams and Waimea River**
  - Required instream flow releases
  - Modifications to diversions
- **Installation of monitoring equipment and stream flow data collection**
- **Water for DHHL lands**
- **Water for KIUC project**
- **Reduced water for Waimea Mauka hydro**
- **Waiawa hydro will either be retired or rebuilt with reduced capacity (less water)**
- **Timeline with required action items**

## Project Timeline

	2 <sup>nd</sup> Half 2017	2018	2019	2020	2021	2022	2023
Land Agreements							
Engineering & Studies							
Studies & Permitting							
Construction & Commissioning							

## Next Steps

1. The 30-day comment period is now open; comments are due by July 14, 2017
2. DHHL is still in negotiations with KIUC on the specific terms of the agreement.
3. As required by law, DHHL has scheduled 2 public hearings on this project. Both Public Hearings have been scheduled for Wednesday, July 12, 2017:
 

9:00 a.m. to Noon	6:00 p.m. to 8:00 p.m.
Kaua'i State Office Building	King Kaumuali'i Elementary School, Cafe
Conference Rooms A and B	4380 Hanamā'ulu Rd., Līhu'e
3060 'Eiwa Street, 2nd Floor, Līhu'e	
4. Staff will prepare the Beneficiary Consultation report and will present it to the HHC at its Kaua'i meeting (August 21-22, 2017)
5. At this time, a specific date for the Hawaiian Homes Commission to make a decision on KIUC's request is not yet determined.

**EXHIBIT D**  
**COMMENTS RECEIVED DURING THE BENEFICIARY CONSULTATION MEETING**

**ORAL TESTIMONIES**

1. What gurantee does KIUC need from all parties to ensure that it moves forward?  
Response: KIUC needs site control. We need a lease. DHHL deserves revenue. We're serving the same people.
2. I strongly support the project because it provides much needed infrastructure development.
3. Will the revenue generated through the General Lease be used for development at Puu Opae or will it go into a general fund for other DHHL developments?
4. Will KIUC land improvements result in the opening of pastoral lands at Puu Opae?  
Response: A plan is being developed for the Puu Opae area, so it is possible.
5. If KIUC gets approval for this project, do we assume that the farmers in Waimea will also benefit from the project?  
Response: Yes, farmers in Waimea would benefit from the project.
6. Can the Kekaha Homestead Association do a homestead benefits agreement?  
Response: It is possible, but given the significant changes in the industry which have decreased the cost of energy to an all-time low, it is difficult to say. We can say that the Departmrnent will receive benefits in terms of infrastructure development. If this project does not get approved, DHHL will look at breaching the dam because DHHL cannot maintain the reservoir. Although the improvements at Puu Lua benefit DLNR, as the landowner, DHHL also benefits because more water will be avaiable to flow to Puu Opae. It's hard to isolate each part of the system.
7. I heard that this kind of hydroelectric project can last for 100 years. What would be the term of the General Lease?  
Response: The term of the General Lease cannot exceed 65 years.
8. Will this project ruin the public hunting area?  
Response: Right now, Puu Opae is within a safety zone where hunting is prohibited.
9. What is the current zoning of the land? What would it take for DHHL to zone some of the land for residential development?  
Response: The land use designation for lands around puu opae is Special District. We would need a lot more infrastructure to do residential development.

10. Another Regional Plan Priority Project that we are concerned about and would like to see implemented is the multi-purpose evacuation shelter.
11. I support the project for the following reasons:
  - One of the reasons the HHCA was created was that they took all the water from our kupuna. Our kupuna centered around water. This project involves two water sources—it's the beginning of life.
  - With this project, we can work together to do something; without this project, we have nothing.
  - A lot of our children have come from an agriculture background.
  - Water is wealth (wai=waiwai)
  - Even if Eben Manini and other pastoral lessees had the water rights, it wasn't acknowledged.
  - They were talking about connecting a water line from Kaua'i to Oahu. We are able to manage our resources and take care of our island. Puu Opae is a start for us to take care of these lands that we love.
  - ADC and KAA have taken care of this water for the past 20 years. They were taking 20 MGD of water, but they were using only 6 MGD and throwing the rest of the water away. This project allows us to take what we need. Now we have no oopu. KIUC is saying it's because there is over fishing, but it's because there's no water. I think it's the best way to take care of our lands and I ask you for your support.
12. I support this project. I am on the wait list. I support it because water is coming to our lands. DHHL doesn't have the funds to do this. There's a lot of us waiting to get on the land. I hope KIUC gets a longer lease than 65 years.
13. I am a lessee and member of Kekaha Hawaiian Homestead Association. I support this project because it will provide water--and this is over the long-term. We've been fighting for years to get water. Plus they will be maintaining the infrastructure, which is a big help for the Department so I strongly support the project.
14. I am a lessee who has lived through the struggles. I even won on paper, but I never got the water. What you are hearing is a lot of our concerns. For example, how are we going to share water with everyone when there's no tank? There's no water. It needs to be piped in, as they are proposing. The question is how much do we share? In the upper area, a lot of the water flows through tunnels that can collapse at any time. They're putting up a lot to fix the entire system.

WRITTEN COMMENTS:

The following written comments were submitted on the input forms which were provided at the meeting:

1. Strongly Support the project. The purpose of this project is to help our community and families and land grow and become stronger as one. It's a kakou thing and always with

Ke Akua's guidance. We all are working to set up this project for our future generations. Mahalo Ke Akua all the time!!!

2. I strongly support this project because it will provide much needed infrastructure for future development and getting beneficiaries their leases.
3. Will any revenue generated from this project be set aside for development of the leased property at Puu Opae or will those monies be placed into general funds?
4. Strongly support the project.
5. I Strongly support the project as water will benefit everyone and much needed infrastructure will be completed.
6. I strongly support the project due to the improvement and maintenance of the reservoirs. Road and land improvements for the long-term. Water management.
7. Does the land improvement by KIUC provide the means to open pastoral lands to be issued to Wait listers?
8. Do farmers in Waimea also benefit?
9. I strongly support the project because water is being used for power and not being wasted!!! Great to have ADC and KAA out.
10. Strongly support the betterment for the community/island towards renewable energy.
11. I strongly support this project because of all the positive benefits DHHL would be afforded. I also like the idea/fact that it would greatly assist KFD in fighting brush fires.



25

DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT Proposed KIUC Hydro-Electric Project

June 13, 2017

DATE 6:00 pm - 8:00 pm

Kekaha Elementary Cafeteria, Kekaha Kauai

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
Yes or <input checked="" type="radio"/> No	Larry Okamoto	P.O. Box 1109 Kekaha	larry-okamoto@yahoo.com	635-9294
<input checked="" type="radio"/> Yes or No	Kalani Kapuniai Jr	PO Box 1015 Kekaha	lawrenceKapuniai@gmail.com	632-0268
<input checked="" type="radio"/> Yes or No	Shawn Hosaka	P.O. Box 321 Kekaha	mosijah@hotmail.com	645-1423
<input checked="" type="radio"/> Yes or No	Eben Manini	P.O. Box 1112 Waimea	akepa808@hotmail.com	639-1003
<input checked="" type="radio"/> Yes or No	Dwyle Lee	P.O. Box 1191 Waimea	dwylelee@gmail.com	651-7109
<input checked="" type="radio"/> Yes or No	Romyne Matsuyoshi	PO Box 23 Ekele	rmatsuyoshihawaii.rr.com	651-9382
<input checked="" type="radio"/> Yes or No	Harold VIDINHA	P.O. Box 1121 Kekaha	haroldvidinha@yahoo.com	638-1218
Yes or No				
Yes or No				
Yes or No				

Dann, Linda, Wilson,



DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

DEPARTMENT OF HAWAIIAN HOME LANDS

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Gilroy Yorkman	PO Box 642 Lewai	g.roytho@hotmail.com	651-5332
<input type="radio"/> Yes or <input checked="" type="radio"/> No	Sean Andrade	POB 246 LANAI	SEANANDRADE.APLUS@GMAIL	635-3558
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Conrad Murayama	PO 623 Koloa	Cmurayama@hawaii.gov	482-1750
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Adelaide Emura	PO Box 843, Waihee	turboboyandygirl@gmail.com	652-8311
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Van Kawai Warren	PO Box 291, Kekaha	KawaiWarren@hawaii.gov	639-2731
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Dee Hookens			820-8428
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Taro Castaneda	PO Bx 1306	<del>Kekaha</del>	294-2212
<input checked="" type="radio"/> Yes or <input checked="" type="radio"/> No	Pauline Kupo	PO Box 301	PaulineKupo@yahoo.com Waihee	482-0720
<input type="radio"/> Yes or <input type="radio"/> No				
<input type="radio"/> Yes or <input type="radio"/> No				



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT Proposed KIUC Hydro-Electric Project

June 13, 2017

DATE 6:00 pm - 8:00 pm

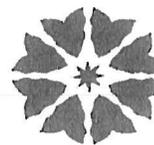
Kekaha Elementary Cafeteria, Kekaha Kauai

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Richard Kanapele	P.O. Box 682 Waiimea HI 96796		808-337-1856
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Yenawira Delanoza	P.O. Box 194 Waiimea 96796		808-639-5262
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Josh Manini	9156 Rice St. Apt. 406		808-651-6539
Yes or <input checked="" type="radio"/> No	Linda Roschell	1088 Bishop #1010 Hon HI 96813		808 536 2411
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Erine Momi Gemping	7960 Iwipakena Rd Kekaha	yzkekeha@hotmail.com	808 337-9231
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Adetta Borja	P.O. Box 942 Kekaha		
Yes or <input checked="" type="radio"/> No	Brad Rockwell	KIUC		
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Nurmadean Huopi	P.O. Box 1136 Waiimea 96796		346-1083
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Hyle BARGUMENTO	P.O. Box 357 Kekaha		639-0752
<input checked="" type="radio"/> Yes or <input type="radio"/> No	Myrna Bucasa	P.O. Box 441 Waiimea	myrna.bucasa@gmail.com	651-6498

#1

## Questions and Comments



Name: Kalani Kapunia'i Jr  
Phone: 808-639-0269  
Email: lawrence.kapunia'i@gmail.com

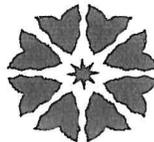
Department of Hawaiian Home Lands  
Beneficiary Consultation

On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

5 The Purpose of this project is to help ~~the~~  
our community and families and land grow and become  
stronger as one. Its a Kakou thing and always with KeAkua's  
guideness. Do you have any questions or comments regarding the project?  
We all are working to set up this project for our  
future generations Mahalo KeAkua all the time !!!

*LESSIE*

## Questions and Comments



#2

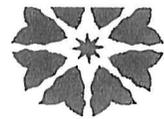
Name: Lyle BAIZGAMENTO  
Phone: 808 639 0752  
Email: lyle@kaunirrigation.com

Department of Hawaiian Home Lands  
Beneficiary Consultation

On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

I strongly support this project because it will  
provide much needed infrastructure for future  
development and getting beneficiaries their lease  
Do you have any questions or comments regarding the project?  
will any revenue generated from this project  
be set aside for developing leasehold property  
at Puniopua or will those monies be  
placed into general funds?

# Questions and Comments



# 3

Name: Van Warner

Phone: 639-2731

Email: \_\_\_\_\_

Department of Hawaiian Home Lands  
Beneficiary Consultation

On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

5 strong support

Do you have any questions or comments regarding the project?

\_\_\_\_\_  
\_\_\_\_\_

# Questions and Comments



# 4

Name: GILROY M YORKMAN

Phone: 1 (808) 332-7653 (C) 651-5332

Email: GILROYKHAM@HOTMAIL.COM

Department of Hawaiian Home Lands  
Beneficiary Consultation

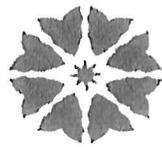
On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

5 - Support project as water will benefit everyone & much needed infrastructure will

Do you have any questions or comments regarding the project? be completed

\_\_\_\_\_  
\_\_\_\_\_

#15



# Questions and Comments

Name: Connie Tano Castaneda

Department of Hawaiian Home Lands  
Beneficiary Consultation

Phone: 808-294-2212

Email: Castanedaohana@gmail.com

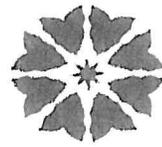
On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

5 - Improvement + maintenance of reservoirs. Road + land improvements for long term. Water mgmt.

Do you have any questions or comments regarding the project?

- 1- Does the land improvement by KUC open means for pastoral lands to be issued to wait listers.
- 2- Do farmers in Waimea also benefit.
- 3- Do our Associations get to receive a home-land benefits agreement westside

#6



# Questions and Comments

Name: Adelaide Emura

Department of Hawaiian Home Lands  
Beneficiary Consultation

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

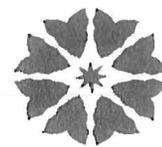
On a Scale of 1 to 5, how strongly do you support the Proposed project and why?

5 - Water being used <sup>for</sup> power and not being wasted!!! Great to have ADC & KAA out.

Do you have any questions or comments regarding the project?

\_\_\_\_\_  
\_\_\_\_\_

# 7



# Questions and Comments

Name: Ronayne Matsumoto  
Phone: 651-9382  
Email: \_\_\_\_\_

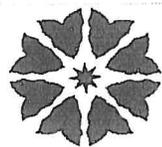
Department of Hawaiian Home Lands  
Beneficiary Consultation

On a Scale of 1 to 5, how strongly do you support the Proposed project and why?  
Strongly Support w/  
Scale of 5 Improvement for the community/ island towards  
renewable energy.

Do you have any questions or comments regarding the project?

\_\_\_\_\_  
\_\_\_\_\_

# 8



# Questions and Comments

Name: Shawn Hosaka  
Phone: 645-1423  
Email: \_\_\_\_\_

Department of Hawaiian Home Lands  
Beneficiary Consultation

On a Scale of 1 to 5, how strongly do you support the Proposed project and why?  
5 I strongly support this project because of all the positive  
benefits ~~that~~ DHHL would be afforded. I also like the  
idea/fact that it would greatly assist KFD in fighting brush fires.  
Do you have any questions or comments regarding the project?

\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT E: PUBLIC HEARING NOTICE

**PUBLIC HEARING NOTICE**

**PROPOSED LAND DISPOSITION OF  
HAWAIIAN HOME LANDS FOR A HYDROELECTRIC PROJECT  
IN THE WAIMEA DISTRICT, ON THE ISLAND OF KAUAI**

Public Notice is hereby given that the Hawaiian Homes Commission will conduct two (2) public hearings, pursuant to Chapter 171-95.3, Hawaii Revised Statutes, in Lihue, on the Island of Kauai in order to provide information on a proposed hydroelectric project and to hear comments on the proposed project. The public hearings have been scheduled as follows:

**Wednesday, July 12, 2017**  
**9:00 a.m. to 12:00 noon**  
**Kauai State Office Building**  
Conference Rooms A & B  
3060 Eiwa Street, Lihue, HI 96766

and

**Wednesday, July 12, 2017**  
**6:00 p.m. to 8:00 p.m.**  
**King Kaumualii Elementary School Cafeteria**  
4380 Hanamaulu Road, Lihue, HI 96766

The Kauai Island Utility Cooperative (KIUC) is requesting a General Lease of 65 years that will involve the Puu Opaе Reservoir and other Hawaiian Home Lands in the Waimea District of Kauai. The KIUC proposes to repair, restore and maintain Puu Opaе Reservoir and related water transmission lines in order to facilitate the provision of water for agricultural, pastoral and future homesteading needs and to develop a renewable energy project that integrates pumped storage and the storage and release of water to generate hydroelectric power. Information on the proposed land disposition and the hydroelectric project will be presented at the beginning of each hearing.

Native Hawaiian beneficiaries and members of the public are invited to attend one of the public hearings and to submit oral and/or written comments on the proposed leasing of Hawaiian Home Lands for the hydroelectric project.

Dated: Honolulu, Hawaii, June 28, 2017

By JOBIE M. K. MASAGATANI, Chairman  
Hawaiian Homes Commission  
Department of Hawaiian Home Lands  
State of Hawaii

Honolulu Star-Advertiser  
The Garden Island  
West Hawaii Today  
Hawaii Tribune-Herald  
The Maui News

ITEM G-1  
Exhibit E

EXHIBIT F: PUBLIC HEARING PRESENTATION HANDOUT



**Hawaiian Homes Commission**  
**PUBLIC HEARINGS**  
on the  
**Proposed Land Disposition of Hawaiian Home  
Lands for a Hydroelectric Project in the  
Waimea District, on the Island of Kaua'i**

Kaua'i State Office Building  
Conference Rooms A and B  
Wednesday, July 12, 2017  
9:00 a.m. to Noon

King Kaumuali'i Elementary School  
4380 Hanamā'ulu Rd., Līhu'e  
Wednesday, July 12, 2017  
6:00 to 8:00 p.m.

**PUBLIC HEARING AGENDA**

**I. PULE**

**II. WELCOME**– Deputy Director William Aila

**III. INFORMAL PRESENTATION**

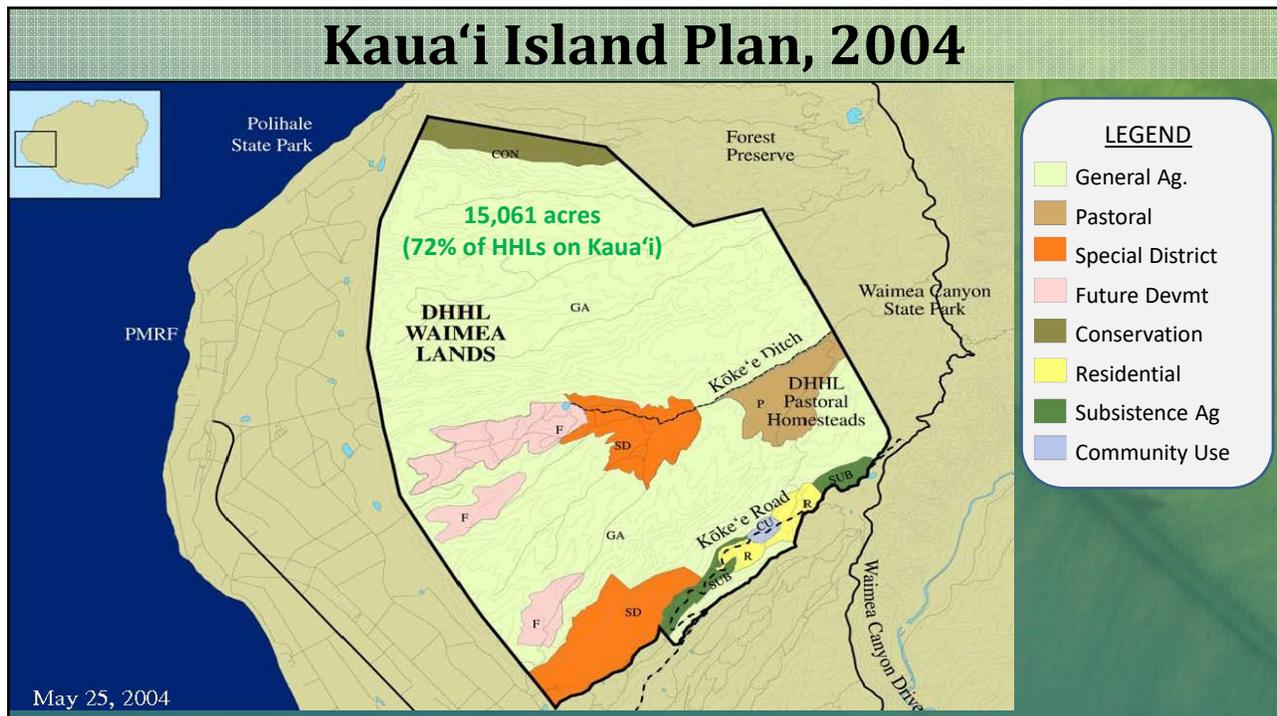
- Purpose of the Public Hearing
- Background Information
- Proposed Hydroelectric Project
- How to Submit Public Testimony

**IV. FORMAL PUBLIC HEARING**

- Receive Public Testimony
  - ✓ Sign-up to Testify (up to half-hour before close of Hearing)
  - ✓ Please limit your testimony to 3 minutes

## PURPOSE OF THE PUBLIC HEARING

- To meet the requirements of Chapter 171-95.3, HRS which allows DHHL to General Lease lands for renewable energy development without public auction:
  - The law requires the HHC to inform the public, prior to the leasing of DHHL lands for a proposed renewable energy project, by conducting 2 Public Hearings on the island where the project would be located.
  - The law requires the HHC to distribute an outline of the proposed renewable energy project and to receive testimonies.
- In May 2017, DHHL published a Public Notice stating our intention to General Lease a portion of our 15,000 acres of land in Waimea for a hydroelectric project through direct negotiation.
- On June 28, 2017, DHHL published a Public Hearing Notice in local newspapers throughout the State.



## Planning Context

The Kaua'i Island Plan (2004) designates the Pu'u 'Ōpae area as "Special District" which indicates the presence of different resources that require more detailed planning.

- Water resource management and access roads are needed to utilize the lands for homesteading purposes.



### West Kaua'i Regional Plan (2011)

Priority Projects identified by Lessees:

- Develop Renewable Energy Projects Compatible with Agriculture
- Develop an Agricultural and Water Plan
  - Pu'u 'Ōpae reservoir should be maintained and the irrigation system rehabilitated.

## DHHL Water Policy Plan 2014

- Guide for managing DHHL's water kuleana
- Specific goal to seek reservations of water
  - Waters set aside by CWRM and/or BLNR for future use by DHHL
  - DHHL bases reservation petitions on: Island Plans, Regional Plans, short and long term needs, knowledge of the area
  - 2017 DHHL submitted a water reservation petition for 6.9 mgd to CWRM which was approved on June 20, 2017.

## Summary of KIUC's Hydroelectric Proposal

- **The Need**

- Most of Kaua'i's daytime demand for electricity will soon be met with solar
- The challenge is moving cheap solar power to evening peak hours
- Pumped storage hydro stores solar energy and releases it when it's most needed

- **Pumped Storage Hydro**

- Irrigation water is delivered through the ditch and project pipeline to DHHL lands
- The water is stored at Pu'u Lua (a higher elevation) and released into Pu'u 'Ōpae (lower elevation)
- The force of the falling water creates energy
- The water is stored at Pu'u Ōpae (a higher elevation) and released into a reservoir on Mānā Plain (lower elevation)
- The force of the falling water creates energy again
- During the day, solar power is used to pump the water from the Mānā Plain up to Pu'u Ōpae where it is stored and released when it's most needed

## Summary of KIUC's Hydroelectric Proposal

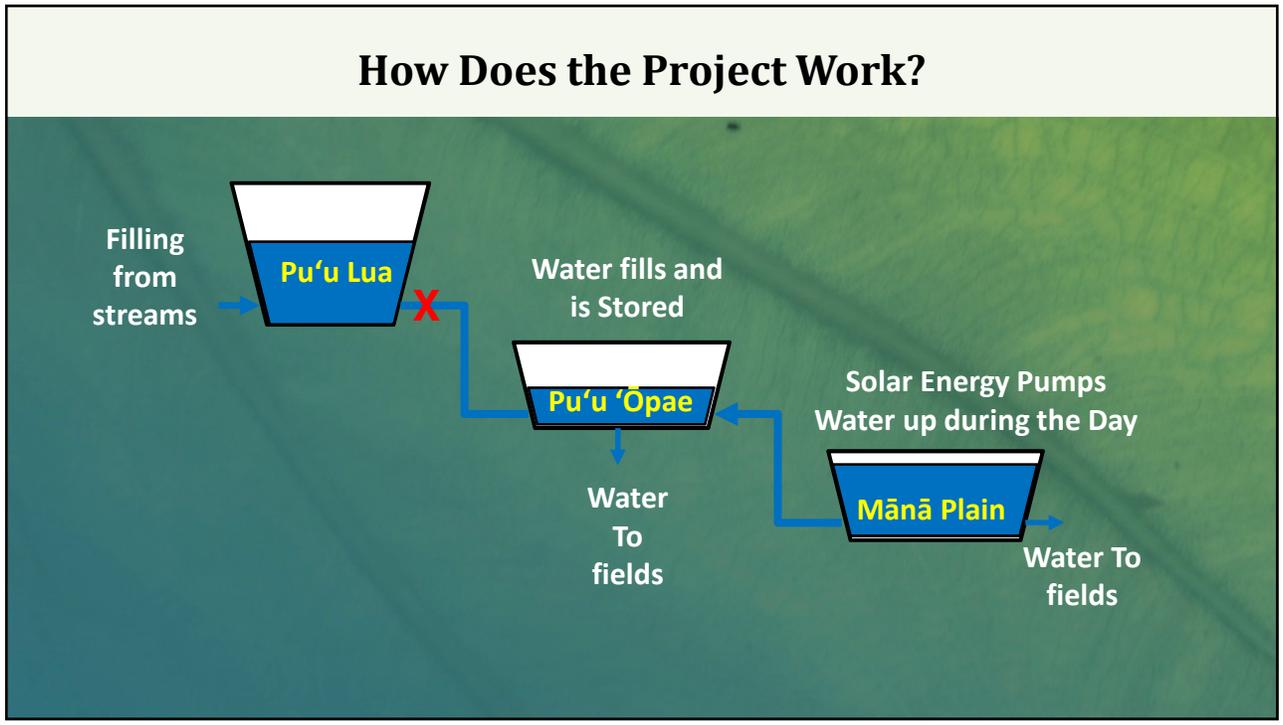
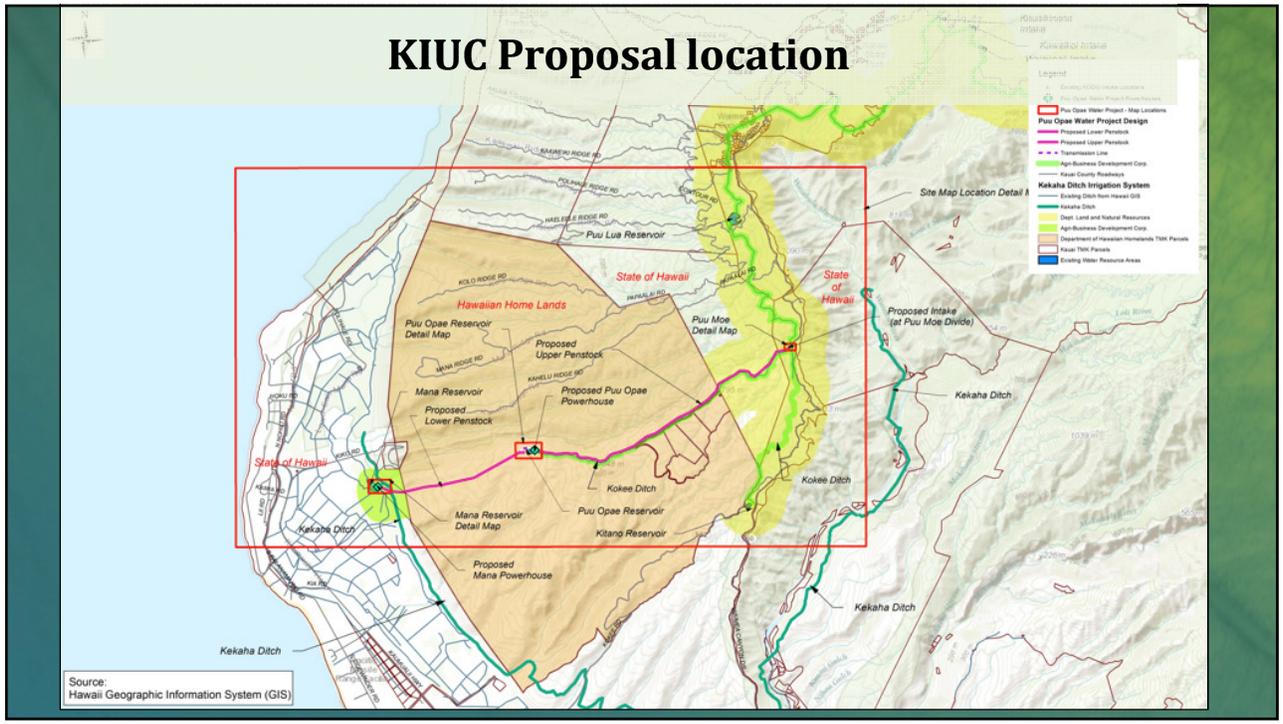
- **The project can generate up to 25 MW of pumped storage hydro**

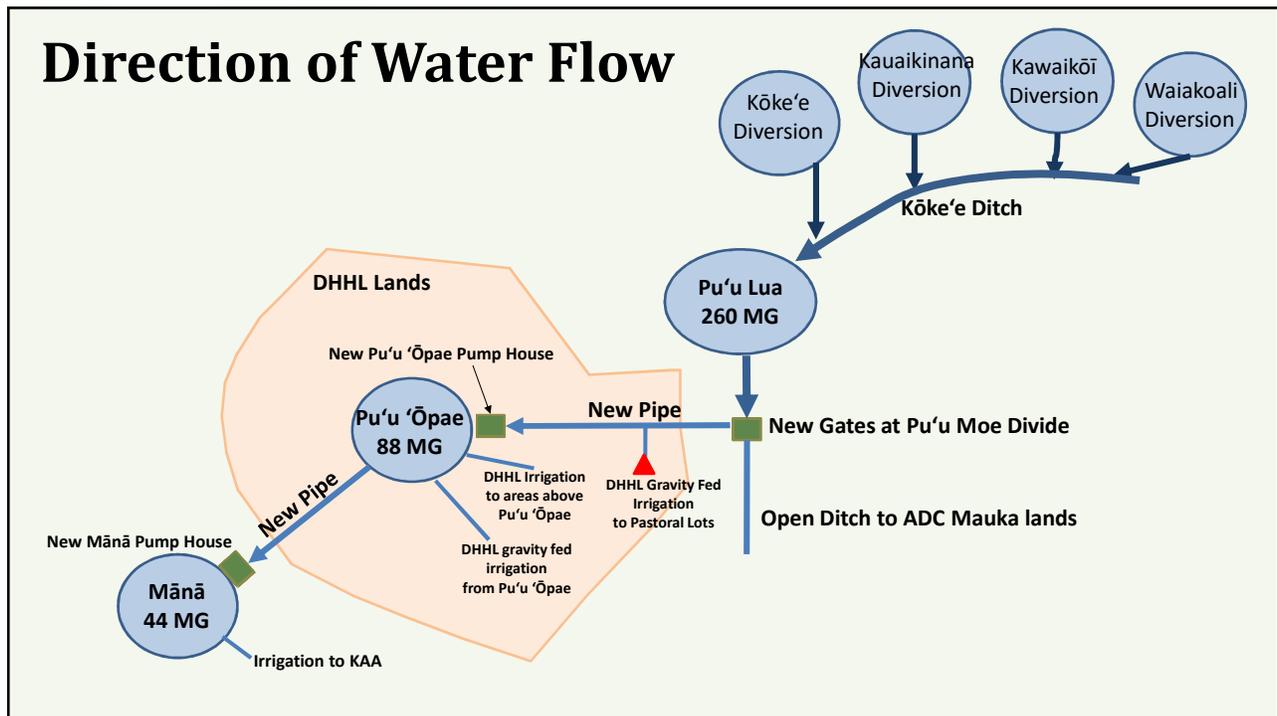
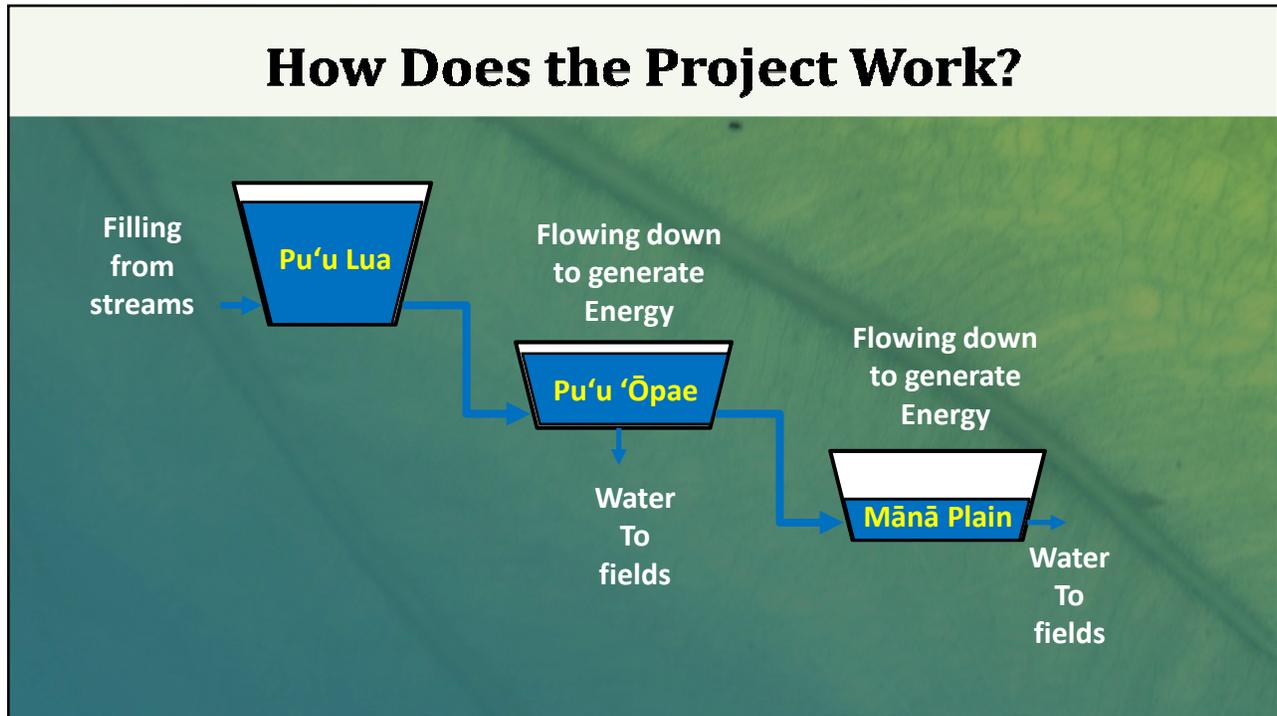
- This will allow more solar PV capacity

- **Primary project components**

- Koke'e ditch repairs, upgrades, and flow monitors
- Rehabilitation of Pu'u Lua, Pu'u 'Ōpae, and Mānā reservoirs
- Two new sections of buried pipeline
- Two new powerhouses

- **KIUC operates and maintains the Koke'e Ditch system and Pu'u Lua, Pu'u 'Ōpae, and Mānā Reservoirs**





## KIUC Project Timeline

	2 <sup>nd</sup> Half 2017	2018	2019	2020	2021	2022	2023
Land Agreements							
Engineering & Studies							
Studies & Permitting							
Construction & Commissioning							

## DHHL Benefits

- Delivery of water to DHHL mauka lands
- Rehabilitation and maintenance of Pu'u 'Ōpae Reservoir
- Road improvements and maintenance
- Electrical power at Pu'u 'Ōpae
- Enabling DHHL and beneficiaries to utilize lands around Pu'u 'Ōpae

Additional Benefits:

- Rehabilitation and maintenance of Pu'u Lua Reservoir
- Repairs/upgrades and maintenance and operation of Kāhala ditch

## **Mediation Agreement for the Waimea Watershed Area**

- **Approved April 18, 2017—Unprecedented settlement**
- **Provides immediate water in streams**
- **Set fundamental principles**
- **Established Instream Flow Standards and Monitoring devices**
- **DHHL reserved its rights to petition for full long term water needs**
- **The first surface water reservation for DHHL**
- **Possible renewable energy on DHHL lands**
- **Water for actual ADC / KAA uses**
- **Timeframe for KIUC to secure all land commitments**
  - **Beneficiary consultation needs explicitly considered**

## **NEXT STEPS**

- **DHHL is in negotiations with KIUC on the terms of the agreement.**
- **The Beneficiary Consultation report will be presented to the HHC on the 1<sup>st</sup> day of its Kaua'i meeting (August 21, 2017)**
- **The goal is for the HHC to consider a decision on the 65-year General Lease to KIUC by August 22, 2017.**

## How to Submit Testimony

- **Oral** testimony at this public hearing
- **Written** testimony:
  - Handed in at this public hearing (yellow half-sheets)
  - Mailed to the DHHL Planning Office, P.O. Box 1879, Honolulu, HI 96805
  - Emailed to [dhhl.planning@Hawaii.gov](mailto:dhhl.planning@Hawaii.gov)

COMMENTS ARE DUE IN A WEEK

DEADLINE FOR COMMENTS IS **WEDNESDAY, JULY 19, 2017**

## Formal Public Hearing to Receive Individual Testimonies

- **Sign-up to Testify**
- **As a courtesy to others, please limit oral comments to 3 minutes-there is no limit on written testimonies**
- **Commissioners are here to listen; they will not be responding to your comments**

**EXHIBIT G:**  
**TESTIMONIES RECEIVED DURING THE PUBLIC HEARINGS ON**  
**KIUC'S PROPOSED HYDROELECTRIC PROJECT, WAIMEA, KAUA'I**

1. STATE REPRESENTATIVE DEE MORIKAWA (District 16, South West Kauai and Niihau) stated that:
  - I am here to ask for your support on this project.
  - KIUC is owned by members; it is owned by all of us Kauai rate payers. This proposed project benefits all of us, not just Hawaiian Home Land beneficiaries.
  - This project has been talked about for a long time. When I first ran for office 7 years ago, I met with a group of Kekaha homesteaders who wanted support for a sustainable and educational farming concept for our future generations. That plan was to utilize the Pu'u 'Ōpae Reservoir to provide the water needed to accomplish that proposal. Today, that "dream" can become reality with approval of the 65-year lease to KIUC.
  - KIUC's proposal to repair, restore and maintain Pu'u 'Ōpae Reservoir and related water transmission lines is a long-term commitment to assure that Hawaiian Home Lands, that have been unproductive, can finally afford beneficiaries the opportunity to farm and preserve our Hawaiian culture.
  - Any delay will jeopardize KIUC's plans and we cannot allow that to happen.
  - If there is any concern or desire to pursue royalties, let me remind you that we, members of KIUC, should not be bound to pay DHHL any more than what is being committed to in the maintenance of the reservoir and in the assurance that water will be available.
  - This project leads us into a more sustainable Kauai that benefits everyone. So, I beg you to expedite this lease agreement, so this project can move forward.
  
2. WILMA HOLI (see attached written comments) testified that:
  - She is the heir to the Title Deed for the Pu'u 'Ōpae Property, based on her genealogy and lineage (see written comments).
  - Only one (1) applicant asked for her permission to use the land for the hydroelectric project, but they were not selected.
  - DHHL does not have clear title to the land, therefore, what action is DHHL engaging in to ensure that the lease would be enforceable for 65-years?
  - Maybe this is another Wailua Coco Palms situation.
  
3. JAMES NAKA'AHIKI is a beneficiary on the west side. He testified that:
  - He is very much in favor of the project
  - The project will give unlimited benefits to beneficiaries in the future—for future generations

**EXHIBIT G:**  
**TESTIMONIES RECEIVED DURING THE PUBLIC HEARINGS ON**  
**KIUC'S PROPOSED HYDROELECTRIC PROJECT, WAIMEA, KAUA'I**

4. DAVID BISSEL, PRESIDENT AND CEO OF KIUC (see attached written comments) testified that:

- KIUC was one of the 5 participants in the historic settlement agreement and he hopes that all parties hold up their part of the agreement so there can be benefits to the native Hawaiian community.
- Since 2009 KIUC and DHHL have been partners in developing renewable energy as evidenced by the achievement of the Anahola Solar Energy Project.
- DHHL's West Kaua'i Regional Plan places emphasis on utilizing public-private partnership to mitigate costs on high priority projects such developing more housing, creating farming opportunities, spurring renewable energy production on Waimea Lands. KIUC assigns significant value on this opportunity to assist DHHL in putting several priority projects into motion.
- The Project will provide significant benefits; KIUC would pay for the following infrastructure improvements on DHHL lands (including engineering, design and applicable regulatory approvals):
  - 12.5 KV power line from existing KIUC lines to Pu'u 'Ōpae
  - The upper and lower roads will be improved, maintained, and opened
  - Pu'u 'Ōpae will be rehabilitated—a restored asset
  - Open ditch replaced with pressurized pipeline
  - Intake and storage tank constructed at mauka boundary for pastoral lots for beneficiary use
- KIUC would shoulder the following ongoing costs for 65 years:
  - Operation and maintenance of Pu'u 'Ōpae reservoir
  - Pu'u 'Ōpae road maintenance
  - Interest on the construction loan.
- Improvements and ongoing maintenance/operation is an investment worth \$50M over the term of the lease
  - Win-win situation.
  - Allow 150 homesteaders on land
  - 15,000 acres of land usable
  - All at no cost to DHHL
- We are a utility—cost is a concern
- But we think it can work.

5. KAWAI WARREN (see attached written comments), DHHL BENEFICIARY RESIDING IN KEKAHA. I am in support of the KIUC pump storage project.

- KIUC pump storage project will help Kaua'i reduce its dependency on fossil fuel
- It will minimize water draw from our river
- It will provide irrigation water for agriculture to DHHL lands and the Mānā plains.

**EXHIBIT G:**  
**TESTIMONIES RECEIVED DURING THE PUBLIC HEARINGS ON**  
**KIUC'S PROPOSED HYDROELECTRIC PROJECT, WAIMEA, KAUA'I**

- The pump storage project revitalizes three reservoirs: Pu'u Lua, Pu'u 'Ōpae and Mānā. These reservoirs can provide a critical water storage supply for west side farming during the drier seasons.
  - This project would also support the State Constitutional obligation to the Hawaiian Homes Act of 1920.
  - This new irrigation route could also reduce 10 miles of antiquated irrigation ditches, and the Waiawa hydro which has been taking an unjustified 15-20 million gallons of water per day out of Waimea River for the past 20 years.
  - The combination of utilizing the excess west side solar energy to move the water back up the Mānā slopes to the Pu'u 'Ōpae reservoir is an environmentally friendly energy storage system compared to batteries.
  - This will allow the expansion of residential solar systems on the westside.
  - The project supports the needs of Waimea River first, reduces our dependency on fossil fuel, provides irrigation water for Hawaiian Home Lands, and provides a better delivery irrigation system to the Mānā plains.
6. CLYDE FUJIKAWA: I was raised on the west side of Kaua'i. I am a full-time taro farmer and I support this project.
7. LAUREL LOO: I was born and raised on the west side of Kaua'i—and graduated from Waimea High School. I plan to retire on the west side. As a life long resident of Hawai'i and a Kaua'i native, I support this project.
8. ALLAN AMBROSE SMITH, CHAIRMAN OF THE BOARD OF DIRECTORS FOR KAUAI ISLAND UTILITY COOPERATIVE
- There are many benefits to the project:
    - Additional renewable energy for Kauai—20% of island's power
    - Infrastructure improvements KIUC provides would open up more land for DHHL to develop homesteads or ag activities
    - The mediated agreement created interim instream flow standards for Waimea River which returns a significant portion of the flow back to the River.
  - We are ready and able to provide more than \$50 million in infrastructure improvements and ongoing maintenance to the reservoirs, roads and irrigation infrastructure, in addition to drawing a power supply to the area and building an intake and storage tank for the pastoral lots
  - As a native Hawaiian born and raised in Kekaha on the west side, I could not be happier than to play a role in bringing this project to fruition.
  - As KIUC Board member I must be mindful of the economics of the project and insure that the cost does not unduly burden our coop members. I am confident that if we put our heads together, we can achieve both goals.



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT Proposed KIUC Hydro-Electric Project

Kauai State Office Building  
Conference Rooms A and B  
DATE Wednesday, July 12, 2017  
9:00 a.m. to Noon

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
Yes or <input checked="" type="radio"/> No	Rick Eckert	Kiuc, 4463 PATER ST., LIHUE	HECKERT@KIUC.COOP	808-212-7562
Yes or <input checked="" type="radio"/> No	Dee Morikawa	PO Box 92, Lihue, HI		651-8855
Yes or No	Wilma Holi	PO. Box 368, <sup>96710</sup> Hanalei	hacked	651-3325
Yes or <input checked="" type="radio"/> No	Jason Hines	NORTH STATE ST. Bellingham WA 98225	jhines@jodergroup.com	360 510 1763
<input checked="" type="radio"/> Yes or No	James Nakaahiki	PO. Box 944 Kekaha area	jiminakaahiki@hawaii.rr.com	652-7531
Yes or <input checked="" type="radio"/> No	Linda Roschill	1088 Bishop #1010 <sup>Hon</sup> 96813	lroschill@hawaii.rr.com	5342411
Yes or <input checked="" type="radio"/> No	Beth Tokioka	4463 Pater St., Lihue 96766	btokioka@kiuc.coop	246-4348
Yes or <input checked="" type="radio"/> No	David Bissell	" " "	DBISSELL@KIUC.COOP	635 4667
Yes or <input checked="" type="radio"/> No	Carmie Gardner		carmie.gardner@hawaii.gov	
Yes or No	Belle Kaiwi	P.O. Box 13 Anahulu, HI		



DEPARTMENT OF HAWAIIAN HOME LANDS

(Please print)

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

PAGE \_\_\_\_

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
Yes or No	Gwendolyn Holi	4541-H UAHU RD., LIHUE		212-5984
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				

**WILMA H. Holi**  
PO Box 368  
Hanapepe, HI 96716  
Ph: (808)651-3325

Department of Hawaiian Homelands ("DHHL") Commission  
Wednesday, July 12, 2017  
9:00 a.m. to 12:00 noon  
Kauai State Office Building  
Conference Rooms A & B  
3060 Eiwa Street, Lihue, HI 96766

Re: PU'U OPAE HYDROELECTRIC PROJECT  
Disposition of Waimea, Kona, Mana on the island of Kauai (Tax Map Key No. 4th  
1-2-002:023)

Good Morning,

I am Wilma Healani Holi. I reside in Hanapepe on the island of Kauai. I am here as an heir (title deed) to the property located at Pu'u Opaе, Waimea, Kona, Mana on the island of Kauai (Tax Map Key No. 4th 1-2-002:023) as set forth in the Indices of Awards Exhibit no. Z-1-B, the lands where the proposed Pu'u Opaе Hydroelectric Project ("Project") is to take place. Only one applicant for the Project asked for my permission to use the aforementioned property for the proposed Pu'u Opaе Hydroelectric Project.

Awarding of DHHL is based on genealogy<sup>1</sup>, so therefore, title to the disposition of lands becomes a critical factor in any decision making. DHHL does not have clear title to the Project lands, and warranty deeds does not cure the disposition of lands. Therefore, what action is DHHL engaging in to insure that the KIUC contract is enforceable for a 65 year lease.

Sincerely,



At.

---

<sup>1</sup> <http://dhhl.hawaii.gov/applications/applying-for-hawaiian-home-lands/>

## Genealogy of Wilma Healani Holi

Kane	Wahine	Issue
Mataio Kekuanaoa	Kinau	Lot Kapuaiwa (Kamehameha V)
Lot Kapuaiwa (Kamehameha V)	Abigail Maheha	Keanolani
Olopuia Kamali	Keanolani	Keopuolani
John Kali	Keopuolani	Albert Kali
Albert Kali	Christina Vasconcellos	Olga Kali
Solomon Holi	Olga Kali	Wilma Holi



July 12, 2017

Ms. Jobie M. K. Masagatani, Chairman  
Hawaiian Homes Commission  
Department of Hawaiian Homelands  
State of Hawai'i  
Hale Kalaniana'ole  
91-5420 Kapolei Parkway  
Kapolei, Hawai'i 96707

Re: Proposed hydroelectric project in the Waimea District, on the island of Kaua'i

Dear Ms. Masagatani and Commission Members:

Aloha and mahalo for this opportunity to provide testimony regarding the Pu'u 'Ōpae pumped storage hydro project.

As you know, KIUC is one of the five parties to the mediated settlement that was negotiated on behalf of the Commission on Water Resources Management by its consultant, Robbie Alm. KIUC remains committed to the mediated settlement and the Pu'u 'Ōpae pumped storage hydro project. Since the settlement agreement was signed in April, KIUC has been working to fulfill its obligation to obtain land lease agreements with both the Agribusiness Development Corporation and the Department of Hawaiian Homelands. We have been in discussions with DHHL staff and consultants, and are hopeful that an agreement can be reached in the very near future.

While the settlement agreement is fairly recent, discussions on this project have spanned years, and have involved numerous stakeholders within and outside the mediated settlement. As early as 2009, DHHL and KIUC entered into an "Energy Partnership" which, among other things, acknowledged that the utilization of surface water and dam capacity to generate electricity was of interest to the West Kaua'i community.

Following the 2009 agreement, DHHL's developed its "Regional Plan for West Kaua'i," which was released in 2011. This plan places emphasis on utilizing public-private partnership to mitigate costs on high priority projects such developing more housing, creating farming opportunities and spurring renewable energy production on the Waimea lands. KIUC is equally committed to seeking partnerships, and assigns significant value on this opportunity to assist DHHL in putting several priority pieces of the West Kaua'i Regional Plan into motion.

It has been widely recognized that the Pu'u 'Ōpae project as envisioned will provide significant benefits to the community beyond the production of renewable energy. However, we must remember that, while the community benefits are of great interest to KIUC, the cooperative also has an inherent fiduciary responsibility to insure that the project makes economic sense for the cooperative and our member-owners.

DHHL staff has been apprised of the significant contribution KIUC will be making to the department, and ultimately its beneficiaries, per the terms of the mediated settlement. For the edification of others who may not be familiar with the terms, allow me to recap them here:

KIUC would pay for the following infrastructure improvements (including engineering, design and applicable regulatory approvals) on DHHL lands:

- A 12.5 kV power line will be brought from existing KIUC lines to Pu'u 'Ōpae
- The upper and lower access roads will be improved
- The Pu'u 'Ōpae reservoir will be rehabilitated
- The open ditch from Pu'u Moe to Pu'u 'Ōpae will be replaced by a pressurized pipeline
- Intake and a storage tank will be constructed at the mauka boundary for pastoral lots

KIUC would shoulder the following ongoing costs for 65 years:

- Operation and maintenance of Pu'u 'Ōpae reservoir
- Pu'u 'Ōpae road maintenance
- Interest on the construction loan

These improvements and ongoing operating and maintenance costs total more than \$50 million, which would be borne by KIUC to the benefit of DHHL. In return, KIUC would maintain a minimal footprint on the land: less than five acres is being sought for the construction of necessary power facilities adjacent to the reservoir.

We consider this project, in concept, a classic win-win situation, and one that comports substantially with DHHL's own vision for renewable energy projects compatible with agriculture, as memorialized in the 2011 Regional Plan. KIUC's members and the environment benefit from adding significantly to Kaua'i's renewable portfolio, while DHHL benefits from the opening of an additional 15,000 acres of land with little to no cost to the agency. With infrastructure, the lands could be developed for priority uses outlined in the Regional Plan, such as agriculture and housing.

I must caution, however, that the realization of the pumped storage hydro project would be subject to securing ongoing support from the KIUC Board of Directors, along with regulatory approvals from the Hawai'i Public Utilities Commission and other agencies. This will be achieved only if the economics of the project can be seen as beneficial to KIUC and its member-owners.

Waimea hydroelectric project

July 12, 2017

Page 3

We look forward to continued dialogue with DHHL and the other mediation stakeholders, as well as the community at large, on the Pu'u 'Ōpae pumped storage hydro project.

Sincerely,



David Bissell

President and CEO

Van Kawai Warren

July 12, 2017

Re: Support DHHL and KIUC hydroelectric project.

Aloha,

My name is Kawai Warren, I am a DHHL beneficiary residing in Kekaha Hawaiian Homes. I am in support of the KIUC pump storage project.

KIUC pump storage project will help Kauai reduce its dependency on fossil fuel, minimize water draw from our river, and provide irrigation water for agriculture to DHHL lands and the Mana plains. The pump storage project revitalizes three reservoirs Pu'u lua, Pu'u Opae, and Mana. These reservoirs can provide a critical water storage supply for the west side farming during the dryer seasons. This project would also support the state constitutional obligation to the Hawaiian Homes act of 1920. This new irrigation route could also reduce 10 miles of antiquated irrigation ditches, and Waiawa hydro which has been taking an unjustified 15-20 million gallons of water per day out of Waimea river for the past 20 years.

The combination of utilizing the excess west side solar energy to move the water backup the mana slopes to the Pu'u Opae reservoir provides an environmental friendly energy storage systems as compared to batteries. This will also allow the expansion of residential solar system on the Westside.

This project will support the needs of Waimea river first, reduce our dependency on fossil fuel, provide irrigation water for Hawaiian Homelands, and provide a better delivery irrigation system to the Mana plains.

Mahalo Kawai Warren



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT Proposed KIUC Hydro-Electric Project

DATE

King Kaumuali'i Elementary School  
4380 Hanamaulu Rd. Lihue  
Wednesday, July 12, 2017  
6:00 to 8:00 p.m.

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
Yes or <input checked="" type="radio"/> No	Geofilo Phil Tachian	5673 Ohelo Rd Kapaa	ttachian@gmail.com	651-3683
Yes or <input checked="" type="radio"/> No	Laurel Lou	4357 Rice St. 102 Lihue	laurellou@yahoo	632-2267
Yes or <input checked="" type="radio"/> No	David Iha	2715 Apapane St Lihue	dauidiha58@gmail	245-380
Yes or <input checked="" type="radio"/> No	CLYDE FUJIKAWA	P.O. BOX 1044 Hanalei	clydefujikawa@yahoo	639-963
Yes or <input checked="" type="radio"/> No	Allan A. Smith	2344 Kaula St	amby@hawaii.net	639-0808
Yes or <input checked="" type="radio"/> No	CAVIN MURASHIGE	4125 Hili St, Lihue	hamcol67@gmail.com	245-2844
Yes or <input checked="" type="radio"/> No	PAT GEGEN	4015 WATA Rd. Kahala	psgegen@hotmail.com	635-2081
Yes or <input checked="" type="radio"/> No	Beth Tokioka	4463 Pahae St. Lihue	btkioka@kuc.wa	246-4378
Yes or <input checked="" type="radio"/> No	RICK ECKERT	4463 PAHAE ST., LIHUE	heckert@kiuc.coop	212-7562
Yes or <input checked="" type="radio"/> No	Jim Mayfield	4473 Pahae	Jim@islandbusinessbrokers.co	240 3 20



DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

DEPARTMENT OF HAWAIIAN HOME LANDS

(Please print)

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
Yes or <input checked="" type="radio"/> No	JASON HINES	N. State St. B'ham WA 98025	jhines@jolegroup.com	360 510 1763
Yes or <input checked="" type="radio"/> No	Jan Ten Bruggencate	2878 Pua Nani St. Lilwe	Jan@islandstrategy.com	635-9900
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				
Yes or No				

## WAIMEA PU'U 'ŌPAE PUMPED STORAGE HYDRO PROJECT

---

My name is Allan <sup>Ambrose</sup> Smith, and I am the Chairman of the Board of Directors for Kauai Island Utility Cooperative.

KIUC is a party to the mediated agreement, and would very much like to see this project move forward.

There are many benefits to the project:

- Additional renewable energy for Kauai – possibly 20% of our islands power would be supplied by this project
- The infrastructure improvements that KIUC would provide would open up more land for DHHL to develop for either homesteads or agricultural activities
- The mediated agreement created an interim inflow stream standard for the Waimea River, which returns a significant portion of the flow back to the river

KIUC staff is working diligently with DHHL to effectuate agreements so that the project can move forward. Our President and CEO, David Bissell, provided detailed testimony to you earlier today, which I would be happy to make available to anyone who is interested.

In short, we are ready and able to provide more than \$50 million in infrastructure improvements and ongoing maintenance to the reservoirs, roads and irrigation infrastructure; in addition to drawing a power supply to the area, and building an intake and storage tank for the pastoral lots.

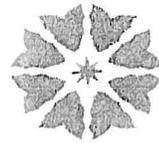
As a Native Hawaiian born and raised <sup>in Kekaha</sup> on the West Side, I could not be happier than to play a role in bringing this project to fruition.

As a KIUC Board Member, I must also be mindful of the economics of the project, and insure that the cost does not unduly burden our coop members – the ratepayers of Kauai.

I am confident that if we put our heads together...we can achieve both goals.

Mahalo nui loa.

## Comments



Name: Clyde Fujikawa

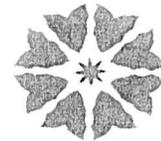
Phone: (808) 639-9601

Email: clyde.fujikawa@yahoo.com

Department of Hawaiian Home Lands  
Beneficiary Consultation

I was raised on the west side of Kauai. I am  
a full-time taro farmer and support this  
project.

## Comments



Name: Laurel Loo

Phone: (808) 632-2267

Email: laurelloo@yahoo.com

Department of Hawaiian Home Lands  
Beneficiary Consultation

I was born and raised on the west side  
of Kauai - and graduated from Waimea  
High School. I plan to retire on the west  
side. As a lifelong resident of Hawaii and a  
Kauai native, I support this project.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission  
Thru: M. Kaleo Manuel, Acting Planning Program Manager  
From: E. Halealoha Ayau, Water Resource Management  
Specialist  
Subject: DHHL Kaua`i Water Projects and Issues

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

Several water issues and efforts of significance to beneficiaries and the Department of Hawaiian Home Lands (DHHL) have been ongoing on Kaua`i. This submittal updates the 2016 submittal to the Hawaiian Homes Commission (HHC) and provides current information on the:

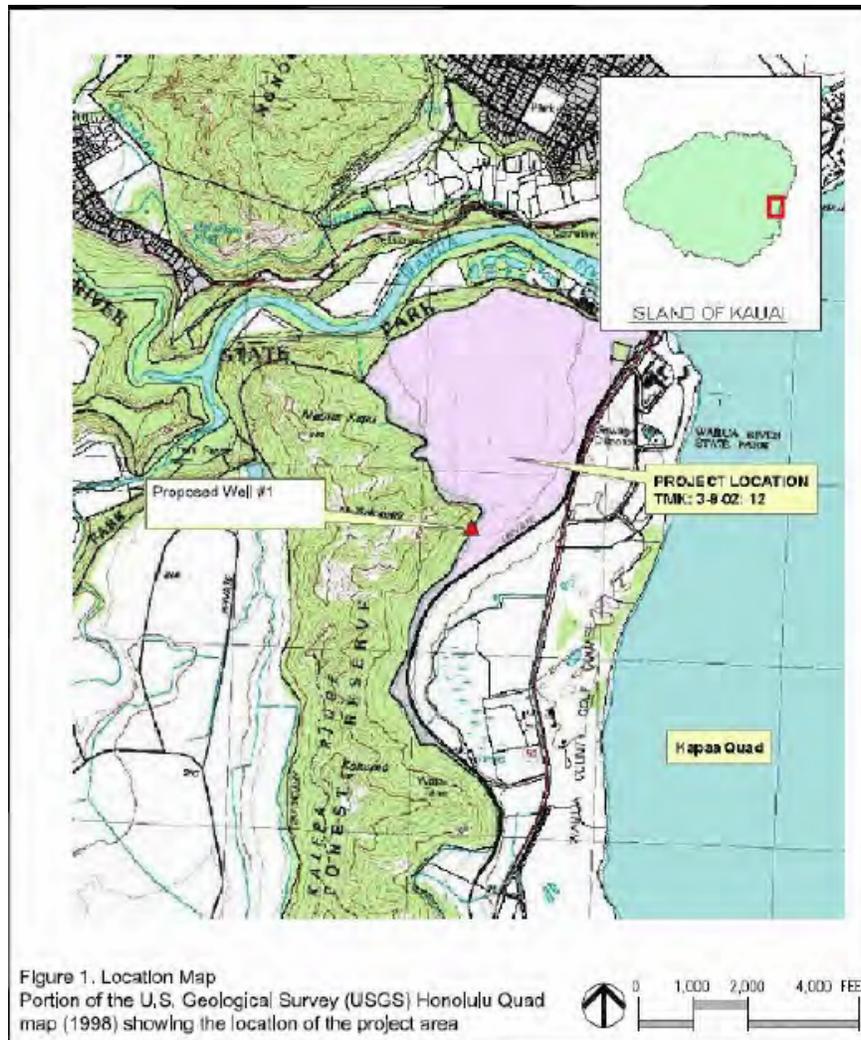
- (1) Wailua Well No. 1
- (2) Anahola Dams
- (3) Anahola Water System Improvements
- (4) Draft Water Credit and Management Procedures
- (5) Moloa`a Opportunities
- (6) Waimea Surface Water Reservation request and Other Actions Authorized by the HHC

(1) Wailua Well No.1

DHHL owns 526 acres in the Wailua area and has no existing water commitments from the Kaua`i Department of Water (KDOW). Full build out of the Wailua lands would include a minimum of 200 single-family residences, resort / timeshare, and commercial development. KDOW indicated it would be unable to provide water for DHHL's future Wailua development. A January 2009 Water Master Plan, prepared by Akinaka & Associates for DHHL, estimated 141,000 gallons

per day (gpd) would be required for the 188 single family residential units planned for Phase I of DHHL's Wailua Development. This development would be supplied by new potable well sources with a minimum capacity of 150 gallons per minute (gpm). DHHL's proposed water supply and well improvements will include three wells in the Kapa'a homesteads and a new well and chlorination facility within Wailua homesteads. These water system assets would potentially be located along the mauka border of the Wailua development parcel. The estimated cost for the first two new water sources for Phase 1 of the Wailua residential development is \$6 million. See Figure 1.

Figure 1. DHHL Wailua Well No. 1



*Figure 1. Location Map from Final Environmental Assessment DHHL Wailua Well No. 1 Project, August 2017*

To implement these plans, DHHL drilled Wailua Well #1 in 2009. The test pumping showed the well had a capacity to be pumped at a maximum rate of 200 gallons per minute (gpm), sufficient for the planned development in an area. In order to establish a future potable well, additional drilling, casing and testing is required. While exploratory well drilling is an exempt activity under DHHL's list of exemptions from HRS Chapter 343 compliance, drilling, casing and testing a water source indeed requires compliance with Chapter 343.

In FY 2014 the HHC appropriated funds to case the well, and a contract was awarded for work including:

- Clearing and grubbing access to and within the site around the existing pilot hole;
- Re-drilling and reaming a 16-inch minimum diameter hole approximately 145 feet deep and installing a 10-inch steel casing;
- Installation of a pump to test the yield and drawdown.
- Conducting biological and chemical testing of the groundwater source for compliance with Safe Drinking Water standards;
- Capping and securing the well for future development;
- Submitting well data to Commission on Water Resources Management.

Before work could commence, an Environmental Assessment was needed to comply with Chapter 343. In a separate submittal this month, DHHL staff requests the HHC to declare a Finding of No Significant Impact based on the information provided in the Final Environmental Assessment (FEA) for the Wailua Well #1 Project. The total cost for these improvements is estimated at \$350,000 (including design, construction, environmental protection, and construction management). Construction is anticipated to take approximately three (3) weeks to complete.

## (2) Anahola Dams

An agricultural water-distribution system, previously used by the Lihu'e Plantation until 1988, could be repurposed to provide water to DHHL's Anahola agricultural lands. However surface-water intakes, ditches, and tunnels have not been

regularly maintained since the decline of sugarcane cultivation. Thus, much of the surface water system is no longer in usable condition. In addition, DHHL must work with the DLNR-administered Hawai'i Dam Safety Program (HAR Chapter 13-190.1), which was created pursuant to the Hawai'i Dam and Reservoir Safety Act of 2007 (HRS Chapter 179D). This law, passed after the Kaloko Dam failure, sought to reduce the risk of dam or reservoir failure. These dam and reservoir safety laws govern the design, construction, operation, maintenance, alteration, and removal of dams, reservoirs, and appurtenant works. Dams less than six feet in height (regardless of capacity) or that have a storage capacity of less than 5 million gallons are not subject to State regulation; hence dams and reservoirs can be reduced in size to become "deregulated".

As a result of a lack of maintenance of this system and the new regulations described above, the potential adaptation and reuse of reservoirs, dams, and ditches is complex. Five reservoirs exist on DHHL land at Anahola and a sixth reservoir lies adjacent to these lands. See Figure 2. DHHL has been reviewing options related to the reservoirs and related infrastructure.

DHHL engaged a Dam Feasibility Study that recommended the removal of two dams, and the reducing of the dam height and size of two reservoirs to remove them from the scope of State dam regulations. The proposed cost of these actions is \$3,000,000, which was appropriated by the 2014 Legislature. Currently the project is in its design phase and will later be sent out to bid.

In October 2015, DHHL identified potential Capital Improvement Projects (CIPs) for this system that it is advocating be incorporated in the update to the State's Agricultural Water Use and Development Plan:

- i. Reopening intake and tunnel repairs. The intake requires renovation and portions of the tunnel are reportedly collapsing. Forecasted development will take five years and cost \$500,000.
- ii. New transmission line. The Anahola ditch system is split between DHHL and a private land owner, who closed the transmission ditch at the property boundary. DHHL could construct a new transmission line from the tunnel near Kaneha Reservoir to the

Anahola Reservoirs (approximately 7,700 feet away). Forecasted development would take five years at a cost of \$7,500,000.

- iii. Upgrade Upper and Lower Anahola Reservoir. Upgrades to the spillway, inlet, outlet structures, embankment, and maintenance road, amongst other areas, are needed. Forecasted development would take five years at a cost of \$3,000,000.
- iv. Additional storage. The main water storage for the system was purchased by a private owner, making it unavailable to the Anahola farming community. Long-term and larger storage facilities may be needed to supplement existing storage. Forecasted development and cost are to be determined.
- v. Lower Anahola ditch intake study. Repairing the lower Anahola ditch may provide water for planned agricultural needs and DHHL developments, but the ditch requires repairs and possibly a new distribution system. Forecasted development of the study would be in the next five to ten years and cost \$200,000.
- vi. Lower Anahola Ditch System. Pending study findings, reopening of lower Anahola ditch system could be pursued.

Figure 2. Existing Anahola surface water system.

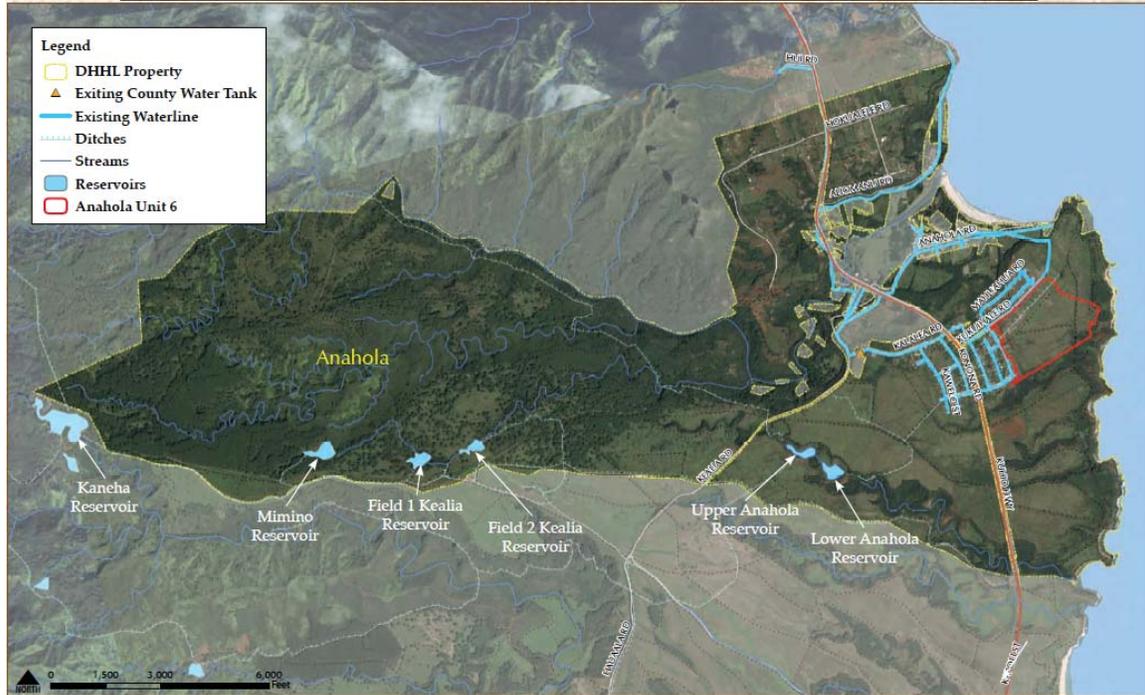


Figure 2. DHHL's Anahola lands include reservoirs created during previous plantation uses of the area. From DHHL, Anahola Regional Plan, at 16 (Jun. 2010).

(3) Anahola Farm Lots Water System (PWS #432) Improvements Project

In August 2016, the Department of Hawaiian Home Lands (DHHL) received notice of a funding award of \$3 million in federal grant funds from the US Department of Agriculture (USDA) Rural Development. With DHHL's contribution of \$3.8 million, the total project cost is \$6.8 million. These funds are to be used for major capital improvements to the DHHL Anahola Farm Lots Public (drinking) Water System (PWS #432), as defined by the State Department of Health. The system serves the Anahola Farm Lots and Bayview residents on Kauai. The system has a total of 77 connections: 45 agriculture lessees; 30 Bayview residential lessees; 1 non-homestead lot under a DHHL Revocable Permit; and an inter-connection to the County of Kauai water system for emergency purposes.

Improvements are needed to address the following:

- Many components of the system have reached their useful life span and need to be replaced, such as the storage tank and distribution lines.
- Improve water system pressure issues.
- Address safety and security measures at the DHHL Water Storage Tank Site and at the Inter-connect site with the KDOW system.
- Increase operational efficiencies of the well pumps, control valves, and fire protection facilities.

The project is currently in the Engineering Design phase that is expected to be completed by September 2018. Project construction is expected to be completed by August 2021. The project includes:

- Replacement of the current 0.5MG steel storage water tank with a new 0.5MG concrete tank.
- Construction of a new distribution system with a High Pressure Zone and a Low Pressure Zone.
- Increasing security at the tank site and at the County inter-connect site.
- Install new SCADA control facilities, smart meters, new chlorination system, and new emergency generator.

#### (4) Draft Water Credit and Management Procedures

This item arose from an Anahola homesteader's request for a water meter for a new parcel created through subdivision of an existing residential lot. DHHL holds water credits, which the homesteader requested be allocated in order to receive the water meter. The DHHL Land Management Division has previously issued water meter credits for non-homesteading uses at a cost of \$4,600.

Part IV (13) of the HHC's Water Policy Plan (WPP), approved July 22, 2014 (WPP), provides as a goal:

Water credits held by the Department are a valuable trust asset. They should be methodically and consistently managed and allocated in accordance with the Constitutional and statutory authorities and Plans and Policies of the Department.

Water credits are obtained by DHHL from the various County Departments / Boards of Water Supply through agreements.

Those credits are issued under the various state and county authorities that govern those bodies.

DHHL follows a three-tiered planning system to guide development and management of its land holdings for the benefit of current and future beneficiaries. The planning system includes its over-arching General Plan, followed by its second tier of Strategic Program Plans and Island Plans followed again by Regional and Development Plans in its third tier. Water credits are to be used to achieve the prioritized purposes in those plans.

In accord with the Part IV(13) of the WPP and beneficiary requests, DHHL staff and consultants have drafted an "Internal Process for Management of Water Credits" that is pending further internal review. Water credit management procedures will clarify the manner in which the DHHL may allocate excess credits, to whom, and under which conditions. Following internal review by staff and the Chairman, it will be presented to the HHC for approval.

(5) Moloka`a Opportunities

The Moloka`a agricultural community is located north of Anahola. DHHL holds 316 acres of undeveloped land in Moloka`a. There are no homesteads on the property and the land is currently used for grazing. The Kaua`i Island Plan land use designations and proposed development for Moloka`a consist of the following:

Subsistence Agriculture	47 three-acre lots on 200 acres
General Agriculture	86 acres on steep topography
Special District	30 acres along the stream

Wet conditions, intermittent stream flow and the steep topography make portions of these areas unsuitable for buildings. Rainfall averages 80 inches per year on the makai lands and 120 inches per year on the mauka lands. Rainfall catchment systems could provide sufficient potable water for uses in Moloka`a.

While there is no DWS system in the area, the Moloka`a Irrigation Cooperative (MIC) owns and operates an agricultural water system adjacent to DHHL's property. MIC has been utilizing water on a month to month revocable

permit from Moloa`a Well No. 1 (USGS no. 1020-02) located on State lands at Kawaihau, mauka of Moloa`a, but is now looking into their own source development because of access and easement issues. There is still an opportunity for DHHL to partner with MIC on source and system improvements that could provide water to DHHL's Moloa`a lands.

The Commission on Water Resource Management and Department of Land and Natural Resources (DLNR) are looking at leasing water from Moloa`a Well No. 1 (USGS no. 1020-02) per HRS 171-58. As part of that process, DHHL will need to work with DLNR and determine a water reservation for DHHL's current and foreseeable needs. In addition, DHHL is entitled to 30% of all revenues from the water lease that will be issued via auction to qualified bidders.

(6) Waimea Surface Water Reservation request and Other Actions Authorized by the HHC

DHHL owns 15,061 acres of land at Waimea, Kaua`i. The Waimea lands, which are part of the original lands set aside by Congress in 1921 for this trust in the HHCA, comprise of 73 percent of the DHHL land holdings on Kaua`i. Two major irrigation systems withdraw water from the Waimea river and its tributaries: the Koke`e Ditch System and the Kekaha Ditch System.

On January 15, 2013, the HHC authorized the Chairman to take various possible actions to secure water for current and foreseeable development and use on its landholdings in the area.

On November 17, 2015, DHHL filed with the State of Hawaii Commission on Water Resources Management a Petition for Reservation of surface water of 33.145 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke`e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōi, Kauaikinana, and Kōke`e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua`i Hawaiian Home Lands.

Figure 3. Koke`e Ditch Irrigation System.

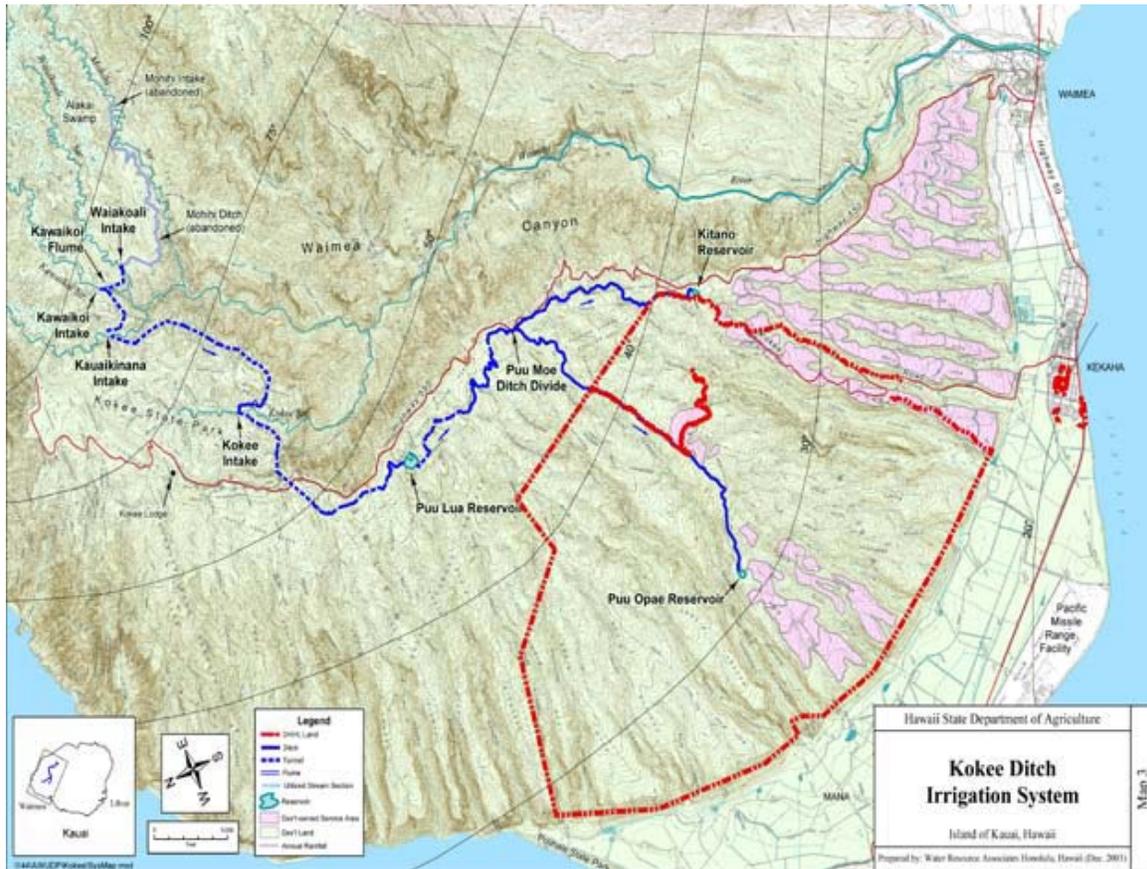


Figure 3. DHHL 's Waimea lands currently use some irrigation water from the Koke`e Ditch and could be further irrigated by that system. From DHHL, West Kaua`i Regional Plan, at 16 (Mar. 2011).

On April 17, 2017, the HHC approved entering into a mediation agreement concerning water allocation in the Waimea Watershed Area on Kaua`i.

On April 18, 2017, State of Hawaii Commission on Water Resources Management approved a Mediation Agreement for the Waimea Watershed Area between DHHL, KIUC, the Pō`ai Wai Ola/West Kaua`i Watershed Alliance, the State of Hawaii Agribusiness Development Corporation, and the Kekaha Agriculture Association ("Mediation Agreement") which instantly returned water back to Waimea River, provided water for a hydroelectric project, and ensured water for homesteading and agricultural needs.

On April 25, 2017, DHHL filed with the State of Hawaii a Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke`e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōī, Kauaikinana, and Kōke`e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua`i Hawaiian Home Lands

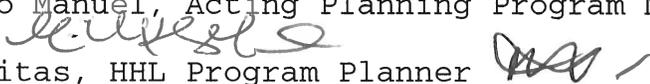
On June 20, 2017, the State of Hawaii Commission on Water Resources Management granted DHHL's Modified Petition for Reservation of surface water of 6.903 Million Gallons Per Day originating from the watershed of, and tributary to, the Waimea River and diverted by the Kōke`e and Kekaha Ditch Systems (including water originating in Waikoali, Kawaikōī, Kauaikinana, and Kōke`e Streams and other tributaries of the Waimea River) for use in the Waimea, Kaua`i Hawaiian Home Lands. This is the first surface water reservation ever issued to DHHL or any other entity.

RECOMMENDATION

None; for information only.

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission  
Thru: M. Kaleo Manuel, Acting Planning Program Manager  
From: Bob Freitas, HHL Program Planner   
Subject: Kaua'i Regional Update

RECOMMENDED ACTION

None; For information only.

BACKGROUND

Per the directive of the Chairman, Planning Office will be providing the Hawaiian Homes Commission (HHC) with updates of the respective DHHL geographic region in which the HHC conducts its monthly meeting. The purpose of the update is to provide the Commission with information related to prior policies and/or plans that were previously adopted by the HHC specific to the Island of Kauai.

DISCUSSION

Existing Plans & Implementation Status

*Kauai Island Plan (2004)*

The purpose of each DHHL Island Plan is to (1) assign land use designations for land holdings on each island, (2) establish land use goals and objectives of the General Plan specific to each island, and (3) identify island-wide needs, opportunities, and priorities. The Kaua'i Island Plan was adopted by the HHC in 2004. The 2004 Kaua'i Island Plan delineated seven planning areas - Waimea, Kekaha, Hanapēpē, Wailua, Kapa'a, Anahola/Kamalomalo'o, and Moloa'a.

Kaua'i Island Land use designations and acreage amounts

Land Use	Acres	Percent of total
Residential	1,190	5.79%
Subsistence Ag	1,204	5.85%
Supplemental Ag	0	0
Pastoral	623	3.03%
General Ag	13,684	66.54%
Special district	2,812	13.67%
Community Use	211	1.03%
Conservation	693	3.37%
Commercial	132	.64%
Industrial	16	.08%
Total	20,565	100%

*Kaua'i Island Plan (2004) - Residential Priorities*

1. Residential Lots in Wailua (231 lots)

- Off-site water wells and storage facilities and on-site roads and water and sewage transmission lines are required. Additionally, intersection improvements and fill is needed to level a topographic depression. *Status: Declaration of Finding of No Significant Impact (FONSI) and the Final Environmental Assessment to cap and case an existing exploratory well to be considered in separate submittal.*

2. Residential Lots in Hanapēpē (40 lots)

- Project can be completed without major off-site infrastructure costs. *Status: Legislature approved \$1 million in CIP funding for FY 18 for planning, design, and construction of Phase 2 of residential subdivision. Planning Office will be doing a Master Plan and Environmental Assessment for all 365 acres of its Hanapēpē lands.*

3. Residential Lots in Anahola/Kamalomalo`o (350 lots)

- This area is prioritized because there are larger tracts of undeveloped land that can be served by the existing wells, but a sewage treatment plant should be constructed. *Status: A total of 20 vacant lots were selected on January 21, 2017 by undivided interest beneficiaries in Phase 1 of Pi'ilani Mai Ke Kai homestead (2 vacant lots remain in Phase 1). There are 51 vacant lots that will be available in Phase 2 of Pi'ilani Mai Ke Kai.*

*Wailua Regional Plan (2009) Priority Projects*

1. Cultural Resources Inventory - Malae Heiau Restoration Project, Wailua River State Park

- Wailua presents an opportunity to promote the concept of the importance of cultural significance and archaeological sites. *Status: The Kaua'i Island Plan identifies a cultural buffer on DHHL lands along Wailua River by designating the lands as Special District. Future discussions on how to protect and manage these cultural sites will need to be discussed as Wailua is planned for development.*

2. Potable Water Sources

- A Water Master Plan for the proposed DHHL Wailua Subdivision was completed in January 2009. Source, Storage and Transmission of water continues to be needed to support development. *Status: Declaration of Finding of No Significant Impact (FONSI) and the Final Environmental Assessment to cap and case an existing exploratory well to be considered in separate submittal.*

3. Kālepa Ridge Surface Water System Maintenance

- DHHL is looking at opportunities to utilize this surface water resource for agricultural uses for the proposed Wailua development. The community has expressed interest in creating agricultural lots to feed their families. *Status: Staff is coordinating with Agribusiness Development Corporation (ADC) and the Commission on Water Resource Management (CWRM) on potential allocation and use of water in the region.*

4. Kapa`a Relief Route

- The Hawai'i Department of Transportation's (DOT) number one priority on Kaua'i was the Kapa`a Relief Route and considered four alternative alignments through, or alongside, DHHL's Wailua lands. *Status: Staff continues to coordinate with the County of Kaua'i and DOT on the road alignment.*

5. Wailua Wastewater Treatment Plant Facility

- The Wailua Wastewater Treatment Plant requires expansion and potential relocation due to recent growth in the area and as a function of the long-term wastewater treatment capacity needs for the Wailua-Kapa`a area. *Status: Staff continues to*

*coordinate with County of Kaua'i on the potential relocation and expansion of the treatment plant.*

*Anahola Regional Plan (2010) Priority Projects*

1. Ke Aloha O Kō Kākou `Āina, the Anahola Town Center Plan (ATCP) \*
  - Continue the support of the community created ATCP as a gathering place.
2. Anahola Clubhouse and Park Improvements
  - The Anahola Club House and Community Park is a valuable community resource. Improvements are underway by the County to ensure safety and continued use.
3. Secure & Manage Surface Water Resources (non-potable)
  - A USGS study was conducted on Anahola Stream to look at availability of water resources. Reservoirs were assessed, recommendations for remediation, removal, and de-regulating were developed, and construction work to be conducted soon. *Status: Dam construction pending design modifications per DLNR Dam Safety.*
4. Support Kanuikapono 21<sup>st</sup> Century Ahupua`a Place Based Labs
  - Kanuikapono is a charter school in Anahola which integrates resource management of natural and cultural resources within the ahupua`a.
5. Improve Road and Traffic Circulation to Kūhiō Highway
  - The proposed project seeks to improve road connectivity in Anahola by increasing direct access to Kūhiō Highway.

*Other Anahola Updates*

- The Anahola Farmers Market was re-opened and the Kalalea Anehola Farmers Hui made up of the 47 Anahola homestead farmers is managing the market and working towards a long term disposition.
- The Anahola Hawaiian Homes Association and the Homestead Community Development Corporation are working towards a land disposition for the Kumu Youth Camp facility located at Anahola Bay. They are resolving a waste water treatment violation from the Department of Health.

- The Anahola Hawaiian Homes Association and the Homestead Community Development Corporation as part of the Town Center plan are exploring economic development opportunities which includes tiny homes and by working with the Small Business Association to develop micro businesses and other community based initiatives. The Association understands that there is a need to modify their license agreement to include the new uses and comply with various regulations.
- DHHL with USDA funding is in the process of improving the Anahola Farm lots and Bay View water system.
- DHHL is expanding Pi'ilani Mai Ke Kai with new awards and there are discussions with the Association to use portions of the buffer area surrounding the homesteads to manage the homeless camps and also manage fires in the area.
- DHHL is working with the County to address the coastal erosion of Aliomanu Road which could affect homesteaders in the area.

*West Kua`i Regional Plan (2010)*

1. Develop an Agricultural & Water plan
  - Three-part project that calls for the restoration and use of Pu`u `Ōpae. *Status: The HHC issued the Kekaha Hawaiian Homestead Associations a license to 231 acres of lands at Pu'u 'Ōpae to implement the first phase of their master plan. DHHL has contracted G70 to assist DHHL in developing a Special Area Plan for its Waimea lands that coordinates planning, design, and implementation of land uses and homestead development around and adjacent to Pu'u 'Ōpae.*
2. Develop a Multi-purpose, Evacuation & Education Center/Shelter
  - This multi-purpose facility would serve as a culture and education center when not used as a disaster shelter. *Status: Implementation pending.*
3. Support the Development of the Kekaha Enterprise Center
  - The Kauai Community College and the Council for Native Hawaiian Advancement developed the 2,000

square foot single story facility on 2.629 acres which is used to provide social and community services to the Beneficiaries living in Kekaha. *Status: Project completed and in operation.*

4. Develop Renewable Energy Projects Compatible with Agriculture

- The community indicated a willingness to support projects that meet the goals of compatibility with agriculture. *Status: DHHL will consider issuing a General Lease to KIUC for a hydroelectric project on its Waimea, Kaua'i lands via separate submittal.*

5. Develop Agricultural Uses for Hanapēpē Farm Lots/Lease Areas

- The existing lots in Hanapēpē are too narrow and feel crowded. Residents have expressed a desire to use the area behind their lots for agricultural uses, recreational uses or simply as open space. *Status: Implementation pending.*

Other West Kaua'i Updates

- DHHL is working with the Kekaha Hawaiian Homestead Association to finalize their license document for the Pu'u 'Ōpae Farm and Irrigation project.
- DHHL Awarded a Peer to Peer and Capacity Building Grant to the Kekaha Hawaiian Homestead Association which will be integrated into the Pu'u 'Ōpae Farm and Irrigation project to help farmers in the Waimea area.

RECOMMENDED ACTION/MOTION:

None; For information only.

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission  
Through: Kaleo Manuel, Acting Planning Program Manager   
From: Lehua Kinilau-Cano, HHL Legislative Analyst   
Subject: For Information Only - Summary of Response to Proposed  
Legislative Action Request for 2018 & Draft Legislative  
Proposal

RECOMMENDED ACTION/MOTION:

None; For information only.

DISCUSSION

Immediately following last month's Hawaiian Homes Commission meeting, outreach commenced requesting input on DHHL's Legislative Package for the 2018 legislative session. An email was sent to the 9 Commissioners, 133 staff, 122 testifiers on DHHL related measures from the 2016 & 2017 legislative sessions, 41 legislative talk story attendees, and 84 homestead associations and other stakeholders. The outreach list is attached as Exhibit 'A'. ICRO assisted by posting the information on DHHL's website on July 18, 2017.

As of the deadline date of August 10, 2017, 20 proposals were received. Beneficiaries submitted 14 proposals, DHHL staff submitted 3 proposals, and community supporters submitted 3 proposals. The 12 written proposals from beneficiaries are attached as Exhibit 'B'. Here is a summary of the proposals:

<b>Issue</b>	<b>Ben</b>	<b>Staff</b>	<b>Supporter</b>	<b>Result</b>
Staff hiring or training	4	1		Legislation not required
Interim Administrative Rules		1		Include
Reduce blood quantum			3	More review
HHC Accept EIS	1			Legislation not required
HHC Exempt from EIS	1			Not recommended
Funding to Address Waitlist	1			Budget
Access to DOH records		1		Legislation not required

<b>Issue</b>	<b>Ben</b>	<b>Staff</b>	<b>Supporter</b>	<b>Result</b>
Confer lessee status on applicants	1			Kuhio Lease option
Construct perimeter safety wall for community park	1			Budget
Inventory of DHHL lands	1			Legislation not required
Community Pasture & Community Farming	1			Legislation not required
Enterprise Zones	1			Legislation not required
Administrative Rule Changes	2			Legislation not required

Most of the proposals received do not require legislative action. As a result, only one draft legislative proposal is presented below and the actual draft of the bill and justification sheet is enclosed in Exhibit 'C'.

PROPOSAL SUMMARY

*Proposal HHL-01(18)  
RELATING TO INTERIM RULES.*

This proposal creates a new section of the HRS that allows DHHL after consultation with beneficiaries and organizations representing beneficiaries to issue interim rules which shall be exempt from the public notice, public hearing, and gubernatorial approval requirements of Chapter 91 as long as the interim rules shall be effective for not more than eighteen months.

The department is currently authorized to adopt rules in accordance with Chapter 91, HRS, which can be a lengthy and time consuming process when you factor in that the Department conducts consultation with beneficiaries and organizations representing beneficiaries prior to initiating the rule making process. This amendment will enable the Department to move quickly in issuing interim rules after consultation with beneficiaries and organizations representing beneficiaries on important programs and services, while preserving public access by ensuring that the interim rules will be made available on the website of the Office of Lieutenant Governor. The eighteen-month limitation on the life of the interim rules will further ensure that the Department has adequate time to adopt permanent rules through formal rulemaking procedures.

CONCLUSION

This draft legislative proposal will be finalized and submitted for approval by the Commission next month and also submitted for review by the Governor, Department of the Attorney General, and the Department of Budget & Finance. The proposal is pending final approval and no proposal is considered part of the package until final approval is granted by the Governor. In this phase of the review process, the department may amend or withdraw any measure.

RECOMMENDED ACTION/MOTION:

None; For information only.

**TESTIFIERS ON DHHL RELATED MEASURES FROM 2016**

<b>Name</b>	<b>Organization</b>
Kihei Ahuna	Keaukaha Panaewa Farms Association
Paula Aila	
Kainea Aiwohi	
Micah Alameda	
Aldene Albinio	
Kahana Albinio	
Annelle Amaral	Association of Hawaiian Civic Clubs
Amber	
Kamakana Aquino	Waimanalo Hawaiian Homes Association
Dylan Armstrong	
Don Aweau	
Natasha Boteilho	
Quenton Browm	
Michelle Brown	
Bill Brown	Pana'ewa Hawaiian Home Lands Community Association
Doreen N. Canto	
S Carreira	
Kathleen Pua Chin	
Demont Conner	Ho`omana Pono, LLC
Stacy Helm Crivello	Councilmember
Leimana DaMate	Aha Moku Advisory Council
Robin Danner	Sovereign Councils of the Hawaiian Homelands Assembly
Rosie F Davis	
Vince Kanai Dodge	
Jeffrey Fujimoto	
Doreen Gaspar	Kapaakea Hawaiian Homestead Assn
Makanalani Gomes	
Kama Hopkins	
Wallace A. Ishibashi Jr.	
Sharronlee Joseph	
Wilma Noelani Joy	
Elmer Ka`ai	
Kaala	
Patrick Kahawaiolaa	Keaukaha Community Association
Kate Kahoano	
Craig "Bo" Kahui	Villages of Laiopua Association
Rachel L. Kailianu	Ho`omana Pono, LLC
Carol Lee Kamekona	
Diane Kanealii	Kailapa Community Association
Roger Kanealii	
Lilia Kapuniai	
Marion Kapuniai	
Michelle Kauhane	Council for Native Hawaiian Advancement
Puni Kekauoha	
Kapua Keliikoa-Kamai	



**TESTIFIERS ON DHHL RELATED MEASURES FROM 2017**

Name	Organization
Lawrence Lasua	Kalamaula Homesteaders Association
Alexander Akana	
Melody Alcon	
Carl M Jellings Sr	
Jim Cisler	
Asti Merino	
Teri Heede	
Robert K. Lindsey, Jr.	
Lorry A Merino	
Stephen Park	
Piilani Akana	
Melissa Rietfors	
Suzanne Marciel	
Kalola Kaulili	
Javier Mendez-Alvarez	
Faataatia Lauifi Jr	
Shaye K Lauifi	
Tanya Lauifi	
Shane Nelsen	
Puanani Etcheverry	
Mapu Kekahuna	
Dawn Tanimoto	
Noelani	
Reis Haituka	
Kalani Johnston	
Robert Kaaihue	
Faataatia Lauifi Sr	
Jerry Wayne Flowers Jr	
Solomon P Kahooalahala	
Crystal Kia Paul	
Jimmy Gomes	
Tyson Kubo	
Verna Uyetake	
Kealakai Knoche	
Sherry Sasada	
Frances Dinnan	
Ronald Lee	
Kahili Norman	
Debbie Kini	
Kimberlee Woodward	
Maxine Anderson	
Shon Bowden III	

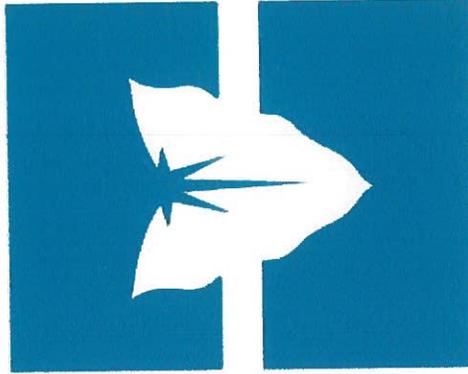
<b>HOMESTEAD ASSOCIATIONS</b>	
<b>Name</b>	<b>Organization</b>
Jeffrey Kekoa	Ka'u Hawaiian Home Lands Association
Charlie Keene	Kaumana Hawaiian Homes Community Association
Maydean Bowman	Kawaihae Puaka'ilima Community Association
Nalani Reich	Lalamilo Residence Lots Association
Paula Kekahuna	Maku`u Farmers Association
Ronald Kodani	Piihonua Hawaiian Homestead Community Association
Dora Aio	Villages of Laiopua Association
Mike Hodson	Waimea Hawaiian Homesteaders Association, Inc.
Kawai Warren	Kekaha Hawaiian Homestead Association
Karen Kahanu Keawe	Piilani Mai Ke Kai Community Association
Harry Rodrigues	Waiohuli Undivided Interest
Harry Newman	Ka Ohana O Kahikinui
Kaulana Mossman	Keokea Homestead Farm Lots Association
Rod Paahana	Villages of Leialii Phase 1A Association
Alapaki Heanu	Waiehu Kou Community Homestead Association
Mark Adams	Waiehu Kou Residence Lots Phase II Association
Roy Oliveira	Waiehu Kou Phase 3 Association
Daniel Ornellas	Waiehu Kou Phase 3 Association
Perry Artates	Waiohuli Hawaiian Homesteaders Association
Winifred Basques	Hau`ouiwi Homestead Association on Lana`i
Kammy Purdy	Ahupua`a o Moloka`i
Ochie Bush	Hoolehua Homestead Association
Gayla Haliniak-Lloyd	Kalamaula Homesteaders Association
Vivian Ainoa	Kamiloloa One Alii Homestead Association
Faith Tuipulotu	MHFA, Inc.
Ronald Davis	Molokai Homestead Livestock Association
Black Ho'ohuli	Ahupua`a o Nanakuli
Tamar DeFries	Hui Makaainana a Kalawahine
Randy Akau	Kanehili Community Association
Uilani Keliikoa	Kaupuni Village Community Association
Nathan Kaipo Punahele	Kumuhau and Kakaina
Kamaki Kanahele	Nanakuli Hawaiian Homestead Community Association
Lionel Wright	Papakolea Community Association
Avery Choy	Princess Kahanu Estates Association
Herbert Hewlen	Waianae Kai Hawaiian Homestead Association
Lokana Keliikoa-Pua	Waianae Valley Homestead Community Association
Blossom Feiteira	Association of Hawaiians for Homestead Lands

**LEGISLATIVE TALK STORY SESSIONS**

<b>Name</b>	<b>Organization</b>
Dee-Ann Elea Kahokuloa	
April Kealoha	
Lori Buchanan	
Garnet Clark	
Jewellyn Kirkland	
Germaine Toguchi	
Senator Maile Shimabukuro	
Helen N. Wai	
Germaine Meyers	
Sanoe Marfil	
Noe Lopes	
Diane Marshall	
David Keola	
Cheryl Moore	
Nani Kaina	
Kekoa Enomoto	
Kai Pelayo	
Kawehilani Enriques	
Kehau Filimoeatu	
Kuulei Nishiyama	
Kaiulani Lambert	
Joanna Howard	
Chanell Omerod	
Carol Catian	
Donna Pomaikai	
Arthur M. Naeole Jr.	
Ron Wise	
Mansha Catian	
Lono Koholua	
Kanani Sang	
Leo Bright	
Kahaunani Mahoe Thoene	
Robert Akau	
Keaka Kealoha	
Cora Schnackenberg	
Zhan Lindo	
Juanita Reyher-Colon	
Leilani Wallace	
Keani Rawlins	
Ardis Farris	
Hala Pakala	

<b>OTHER STAKEHOLDERS</b>	
<b>Name</b>	<b>Organization</b>
Keeaumoku Kapu	Aha Moku o Maui Inc.
Namaka Rawlins	Aha Punana Leo
Mervina Cash-Kaeo	Alu Like
Dre Kalili	Association of Hawaiian Civic Clubs
Jalna Keala	Association of Hawaiian Civic Clubs
Samson Brown	Au Puni O Hawaii
Jeff Gilbreath	Hawaiian Community Assets, Inc.
Kealii Lopez	Imua Hawaii
Piilani Hanohano	Kamehameha Schools
Melissa Pavlicek	Kamehameha Schools
Angela Correa-Pei	Kamehameha Schools
Sommerset Wong	Kamehameha Schools
Ka'ano'i Walk	Kamehameha Schools
Kau'i Burgess	Kamehameha Schools
Melissa Umemori Hampe	Kamehameha Schools
Roth Puahala	Ke One O Kakuhihewa
Uilani Kapu	Na Aikane O Maui
Mililani Trask	Na Koa Ikaika Ka Lahui Hawaii
Roxanne Hanawahine	Na Ohana o Puaoi a me Hanawahine
Paige Kapiolani Barber	Nanakuli Housing Corporation
Sylvia Hussey	Native Hawaiian Education Council
Pohai Ryan	Native Hawaiian Hospitality Association
Camille Kalama	Native Hawaiian Legal Corporation
Alan Murakami	Native Hawaiian Legal Corporation
Kaliko Chun	Nelson case
Monica Morris	Office of Hawaiian Affairs
Deja Ostrowski	Office of Hawaiian Affairs
Sterling Wong	Office of Hawaiian Affairs
Kawika Riley	Office of Hawaiian Affairs
Coti-Lynne Haia	Office of Hawaiian Affairs
Joceyn Doane	Office of Hawaiian Affairs
Sharlene Chun-Lum	Papa Ola Lokahi
Tercia Ku	Papa Ola Lokahi
Apela Peahi	Peahi Ohana
Diane Paloma	Queens
Patti Barbee	
Cynthia Rezendes	
Keoni Agard	
Keoni Bunag	
Sharlette Poe	
Randy Akee	
Carrie Ann Shirota	
Pauahi Hookano	
Nina Fisher	
RaeDeen Karasuda	

July 18<sup>th</sup>, 2017



# HAWAIIAN HOME LANDS TRUST

Department of Hawaiian Home Lands

Proposed Legislative Action Request for 2018

Name: Princess Lehmann KUMAĒWAĀINA KALEO MOMONA

Organization: Nahaŋas Workshop

Address: 70 BOX 75401, Kapolei, HI, 96707

Email: nahaŋas@yahoo.com

Lessee: Y /  N

Applicant:  Y / N

Beneficiary:  Y / N

Issue: DISCRIMINATION - Waitlist 25yrs.

Bill:  Y / N

Resolution:  Y / N

Other:  Y / N

Statement explaining why you need the legislative action and what problem the legislative action is designed to correct?

- Getting Qualified Beneficiaries on our Hawaiian Soil
- Fund/Assist - Kanaka Moali - Disabled/Elderly on Fixed Income
- Public DHHL meetings for those on the Waiting List

Does your proposal require an amendment to the HHCA?  Y / N

to assist 50% Kanaka Moali already on the list

Does your proposal require funding?  Y / N

If yes, how much funding? Home on my Land

\$ 250,000,000

- Habitat Program
- Self - Built

EXHIBIT B

**HAWAIIAN HOME LANDS TRUST**

**PROPOSED LEGISLATIVE ACTION REQUEST FOR 2018**

**July 25, 2017**

Darrell Yagodich  
1031 Kuou Street D-105  
Kapolei, Hawaii 96707  
E-mail: [darrell.yagodich@gmail.com](mailto:darrell.yagodich@gmail.com)

**Lessee: YES**

**Applicant: NO**

**Beneficiary: YES**

**Issue:** Aging applicant native Hawaiians passing without eligible direct native Hawaiian descendants. Only lessees can transfer lease to one-quarter (one-thirty-second) Hawaiian spouse, child, or grandchild.

**Bill: YES**

**Resolution: YES**

**Other: NO**

**Statement explaining why you need the legislative action and what problem the legislative action is designed to correct?**

Per the SMS Survey in 2014, the median age for homestead applicants was 57 years old and more than one-third were over 65 years old. In order for your direct descendant(s) to inherit your entitlement, you must first be a lessee. Applicant rights are not transferable and, more and more, entire families are left out when their homestead applicant kupuna passes on.

The legislative proposal seeks to immediately confer lessee status on those applicants who, according to the department, meet the application requirements.

**Does your proposal require an amendment to the HHCA? YES**

**Does your proposal require funding? NO, DHHL's Homestead Services Division is organized to make this change.**

**EXHIBIT B**

**Recommended legislative language:**

**Section 207. Leases to Hawaiians, licenses.**

(a) . . . (b) The title to lands so leased shall remain in the State. Applications for ~~tracts~~ a preferred island shall be made to the department and, upon approval, island leases shall be granted by the department, under such regulations, not in conflict with any provisions of this title, as the department may prescribe. The department shall, whenever tracts are available, enter into such a lease amendment with any ~~applicant~~ lessee who, in the opinion of the department, is qualified to perform the conditions of such amended lease.

**Kinilau-Cano, Nicole L**

---

**From:** Randy Akau <kanehilidir1@gmail.com>  
**Sent:** Tuesday, August 01, 2017 2:32 PM  
**To:** Kinilau-Cano, Nicole L  
**Subject:** 2017 DHHL Legislative Package Proposal:

To:  
Webmaster

Name:  
Randy Akau

Email:  
kanehilidir1@gmail.com

Organization:  
Kanehili Community Association

Address:  
c/o Hawaiiana Management, 711 Kapiolani Blvd. #700 Hon., HI. 96813

Are you a Hawaiian Home Lands beneficiary?  
No

Are you an applicant?  
No

Are you a lessee?  
Yes

What issue does your proposal aim to address?  
construct perimeter safety wall for our communiy park

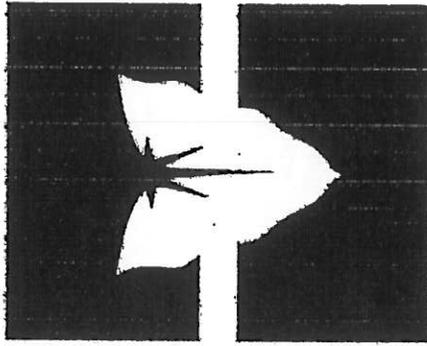
Are you proposing a bill, a resolution, or other?  
Other

Please explain why you need the proposed legislative action, and what problem it is designed to correct.  
This legislative action will address the need to have a protective barrier and create a safe environment for our residents and park users.

Does your proposal require an amendment to the Hawaiian Homes Commission Act?  
No

Does your proposal require funding?  
Yes

If it does require funding, how much funding?  
500,000.00



# HAWAIIAN HOME LANDS TRUST

Department of Hawaiian Home Lands

Proposed Legislative Action Request for 2018

Name: Doreen K. Kodani & Ronald T. Kodani

Organization: Pihonua Hawaiian Homestead Community Assn.

Address: 37 Waia Place Hilo, Hawaii 96720

Email: phhcahilo@gmail.com

Lessee:  Y /  N

Applicant: Y /  N

Beneficiary: Y /  N

Issue: \_\_\_\_\_

Bill: Y /  N

Resolution:  Y /  N

Other: Y /  N

Statement explaining why you need the legislative action and what problem the legislative action is designed to correct?

To get the state of Hawaii and DHHL to fulfill the purpose of the HHCA of 1920. Article 101 Purpose.  
(2) Placing native Hawaiians on the lands set aside under this act in a prompt and efficient manner and assuring long-term tenancy to beneficiaries of this Act and their successors.

Does your proposal require an amendment to the HHCA? Y /  N

Does your proposal require funding?  Y /  N

If yes, how much funding? Not experienced enough or knowledgeable to decide the amount required for each of the 7 proposals that are attached.

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

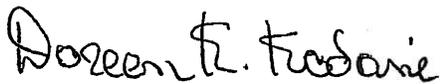
**Proposal #1**

Background:

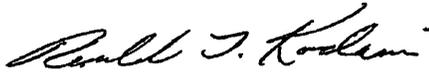
Under **Article 203** of the Hawaiian Homes Commission Act of 1920 designated "Certain public lands designated "available lands". Under **Article 1A: Purpose, Article 101**, item (3) "Preventing alienation of the fee title to the lands set aside under this Act so that these lands will always be held in trust for continued use by native Hawaiians in perpetuity".

**Proposal:** Since this is trust lands, has there been any inventory of lands which was designated in the act and what have become of the lands since then. We are proposing to set asides funds to do a complete survey of ALL lands that have been designated in the HHCA of 1920. This audit should start from when the act gave the meets and bounds of the land, any transfers, and any changes in title or ownership to present. After all, today real estate is measured in per square feet but back then, the act always seem to say; "more or less". Since land is the designated asset of the trust, it is imperative that the DHHL knows their true asset base.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice-President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

**Proposal #2**

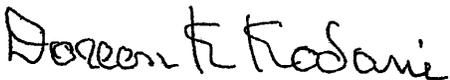
Background:

The Hawaiian Homes Commission Act is significant because it was the first piece of federal legislation this trust responsibility to Native Hawaiians, "In recognition of the solemn trust created by this act, and the historical government to government relationship between the United States and the Kingdom of Hawaii, the United States and the State of Hawaii hereby **acknowledge the trust establishment under this Act and affirm their fiduciary duty to faithfully administer the provisions of this Act on behalf of the native Hawaiian beneficiaries of the Act.**" (HHCA of 1920, title 1A, section 101.c)

**Proposal:** Since this Act is recognized as a **trust for Native Hawaiian beneficiaries**, we propose that, like many departments in the Education, Health, Judiciary and others, all employees of the Department of Hawaiian Homes **must undertake an annual training and review process as to their duties and responsibilities to the beneficiaries of the HHCA of 1920.** Their mission and focus should always be "to fully support self-sufficiency for native Hawaiians and the self-determination of native Hawaiians in the administration of the Act, and the preservation of the values, traditions, and culture of native Hawaiians."

In addition, all new employees, staff, and consultants must be reviewed and tested as to their understanding of the DHHA of 1920, and how they can build on it to further the mission of the Act.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice-President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

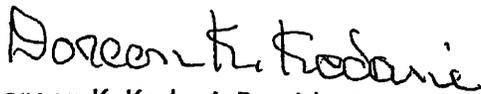
**Proposal #3**

Background:

Reviewing past Hawaiian Home Lands Annual Report, many Leases are soon to be coming to an end. Before a lessee of these various forms of leasing and right of entry expires, the terms of the agreement between DHHL and the lessee must be reviewed by both parties and signed and approved as to the exit condition of that said property. Fines and penalties should have already been negotiated in the original execution of the original agreement or any extensions. Unless the separation and surrender of the said property is not fully approved by DHHL, the penalties and fines should continue until conditions are met to the satisfaction of DHHL and the signed agreements.

**Proposal:** Under **Article 224 of the HHCA, a Sanitation and reclamation expert** should be engaged by DHHL. As stated in the Act, "The Secretary of the Interior shall designate from his Department, someone experienced in sanitation, rehabilitation, and reclamation work to reside in the State and cooperate with the department in carrying out its duties. The salary of such individual so designated by the Secretary of the Interior shall be paid by the department while he is carrying on his duties in the State. We also feel that even on lands that were leased in "gratis" should be reviewed and reclaimed if the use has not been used for the intended purpose. The request by DHHL should be included in the proposed budget for 2018.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice-President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

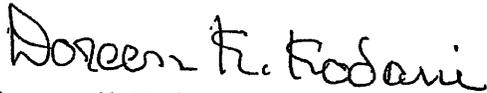
**Proposal #4**

Background:

On many of the Agricultural and Pastoral Lots on the Island of Hawaii, many of these awarded lands are not been put into use as to farming, aquaponics, ranching, or combinations thereof. This has caused a lot of anguish and hopelessness among people on the wait list for agricultural and Pastoral awards. They feel that the DHHL is not actively pursuing the purpose of the DHHA of 1920, mainly "to return to their lands to fully support self-sufficiency for native Hawaiians." Upon receiving their award, the lessees all had to submit an agricultural or pastoral plan as to how they will utilize their award for the betterment of themselves, their family, their community. This has been a failure that we see on the Big Island. In fact, it is known that many of the awardees do not even live in this state.

**Proposal:** Under **Article 219 of the HHCA, Agricultural and aquacultural experts** can be contracted to serve this population of the Hawaiian beneficiaries. The department is authorized to employ agricultural and aquacultural experts at such compensation and in such number as it deems necessary. It shall be the duty of such agricultural and aquacultural experts to instruct and advice the lessee on any tract or the successor to the lessee's interest therein as to the best methods of diversified farming and stock raising and aquaculture operations and such other matters as will tend successfully to accomplish the purposes of this title. We feel that DHHL failed in helping these lessees received the advice and encouragement needed once they signed the lease. Rather, it was left to their own devices to make a successful farming program or raising livestock on these awards. This Article 219 asks for DHHL to provide the mentorship for these Hawaiian Beneficiaries. They did not.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

## Proposal #5

### Background:

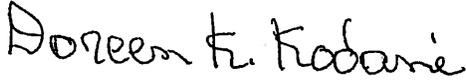
On many of the Agricultural and Pastoral Lots on the Island of Hawaii, many of these awarded lands are not been put into use as to farming, aquaponics, ranching, or combinations thereof. This has caused a lot of anguish and hopelessness among people on the wait list for agricultural and Pastoral awards. They feel that the DHHL is not actively pursuing the purpose of the DHHA of 1920, mainly "to return to their lands to fully support self-sufficiency for native Hawaiians." Upon receiving their award, the lessees all had to submit an agricultural or pastoral plan as to how they will utilize their award for the betterment of themselves, their family, and their community. This has been a failure that we see on the Big Island. In fact, it is known that many of the awardees do not even live in this state.

**Proposal:** Under **Article 219 of the HHCA, Agricultural and aquacultural experts** can be contracted to serve this population of the Hawaiian beneficiaries. The department is authorized to employ agricultural and aquacultural experts at such compensation and in such number as it deems necessary. It shall be the duty of such agricultural and aquacultural experts to instruct and advise the lessee on any tract or the successor to the lessee's interest therein as to the best methods of diversified farming and stock raising and aquaculture operations and such other matters as will tend successfully to accomplish the purposes of this title. We feel that DHHL failed in helping these lessees received the advice and proper encouragement needed for them once they signed the lease. Rather, it was left to their own devices to make a successful farming program or raising livestock on these awards. This Article 219 specifically left it up to DHHL to provide the mentorship for these Hawaiian Beneficiaries. They did not.

As a side note, I feel that a **Community Pasture Program** under Article 211 should be developed in rural areas to allow future pastoral lessees to learn the process along with other Hawaiian Beneficiaries to gain experience raising cattle, sheep, goat, ostrich, bison, or other hoofed animals and fowl where they can carve out a niche with products that may appeal to the community at large.

At the same time, what about a **Community Farming Program** where future farmers can practice their craft raising products alongside other like-minded Native Hawaiians? A co-operative of some kind may be set up contributing to a Farmers Market of some kind. One or two acre plots with larger awards as successful farmers need to grow their crops.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

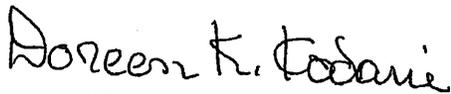
**Proposal #6**

Background:

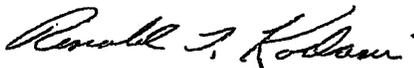
In almost any measurement of Native Hawaiians participating in the economic benefits under the United States have been a failure. A vehicle must be developed to harness the energy and spirit of Hawaiians born with or developed and entrepreneurial spirit to become an employer rather than an employee. Many Native Hawaiian Beneficiaries have the talent, the knowhow, and the drive to start their own enterprise but lack only in capital, experience, and aid in finances, marketing, and help.

**Proposal:** Under **Article 227 Enterprise Zones of the HHCA**, "the DDHL can participate in any federal or state program that permits the establishments of **Enterprise Zones** on available lands, provided that participation in the program results in economic benefits to native Hawaiians." There are many intelligent and aggressive Hawaiians that can prosper and thrive in the State of Hawaii if they have a program to help them succeed in their entrepreneurial skills. They just need to have access to capital, some guidance, some marketing knowhow, manufacturing ability, and building strong partnerships in Hawaii, the mainland, and the world. These individuals will succeed and prosper utilizing Hawaiian Enterprise Zones and partnering with outside groups. However, this project must come under the direction of **article 207, leases to Hawaiians, licenses.** (B) Theaters, garages, service stations, markets, stores, and other mercantile establishments (*all of which shall be owned by native Hawaiians or by organizations formed and controlled by Native Hawaiians*) A task group can be developed to do a feasibility study on the merits of this proposal.

A hui hou,



Doreen K. Kodani, President



Ronald T. Kodani, Vice President

Piihonua Hawaiian Homestead Community Association

To:

Lehua Kinilau-Cano  
Department of Hawaiian Home Lands  
91-5420 Kapolei Parkway  
Kapolei, HI 96707

**Proposal #7**

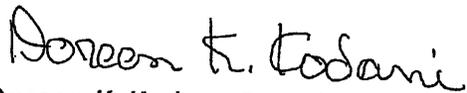
Background:

The island of Hawaii has approximately 64% of the land inventory of the Department of Hawaiian Home Lands. Yet, despite complaints and requests to hire enforcement officers for the Big Island is not in the future People have been injured on DHHL lands, have been desecrating Wahi Pana's, poaching livestock, damaging infrastructure, and many anti-social behavior which impacts the Hawaiian beneficiaries. It seems that the General Public do not regard DHHL as sacred or Private Property. Why does this happens only on DHHL lands and not on other private and government lands? Because we do not have enforcement officers residing here on the Island of Hawaii.

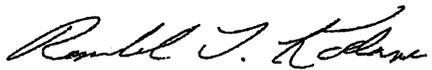
**Proposal:**

In the 2018 legislation session, Ms. Jobie Masagatani must introduce a funding proposal to hire two, if not three DHHL Enforcement Officers to control the destruction of the trust assets. This is the number one responsibility of the Department of Hawaiian Home Lands to protect and maintain the integrity of the land they have sworn an oath to preserve. Under **article 101**, it states that one of the main purpose of the trust lands was for the "preservation of the values, the traditions and the culture of native Hawaiians." How is that possible if the sacred lands and places are systematically destroyed by un-informed and careless individuals who do not respect the land or sacred sites of ancient Native Hawaiians?

A hui hou,

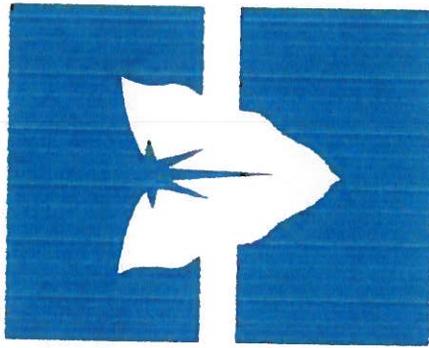


Doreen K. Kodani, President



Ronald F. Kodani, Vice President

Piihonua Hawaiian Homestead Community Association



# HAWAIIAN HOME LANDS TRUST

Department of Hawaiian Home Lands

## Proposed Legislative Action Request for 2018

Name: Maile Lu'uwai

Organization: Keaukaha Pana'ewa Farmers Association

Address: P.O. Box 6844, Hilo HI 96720

Email: mluuwai@hawaii.rr.com

Lessee:  Y / N      Applicant: Y / N      Beneficiary: Y / N

Issue: Application of DHHL Subsistence Agriculture Rules to Lots of 10 acres or less

Bill:  Y / N      Resolution: Y / N      Other: Y / N

Statement explaining why you need the legislative action and what problem the legislative action is designed to correct?

It is inconsistent and unfair that DHHL applied a different and more flexible set of administrative rules to their own subsistence agricultural lot initiatives. We are requesting that the subsistence rule amendments to Title 10 that were approved by State Legislature and signed into law by the Governor this year, be amended again to apply to agricultural lots of 10 acres or less. The only additional amendment that must be added is that the lessee must be required to have their primary residence on the agricultural lot in order for the amended rules to apply. This would prevent lessees who do not live on their ag lots from building two structures on their agricultural lots for non-lessees. This would also prevent lessees who already live on their residential lots from adding homes to their agricultural lots. If DHHL's goal is for more qualified Hawaiians to utilize DHHL agricultural lots, the requested amendments herein would significantly support that goal.

Does your proposal require an amendment to the HHCA? Y /  N

Does your proposal require funding? Y /  N

If yes, how much funding? \_\_\_\_\_

## Kinilau-Cano, Nicole L

---

**From:** Malina Koani <malina.koani@gmail.com>  
**Sent:** Thursday, August 10, 2017 4:30 PM  
**To:** Kinilau-Cano, Nicole L  
**Subject:** 2017 DHHL Legislative Package Proposal:

To:  
Webmaster

Name:  
Malina Koani

Email:  
malina.koani@gmail.com

Organization:  
n/a

Address:  
8143 Lesner Avenue

Are you a Hawaiian Home Lands beneficiary?  
Yes

Are you an applicant?  
Yes

Are you a lessee?  
No

What issue does your proposal aim to address?  
Allowing minor successors to succeed to deceased applicant's application rights.

Are you proposing a bill, a resolution, or other?  
Other

Please explain why you need the proposed legislative action, and what problem it is designed to correct.  
Aloha,

Section 10-3-8 of Hawaii Administrative Rules requires that successors to application rights of a deceased applicant be:

1. At least 18 years old;
2. A native Hawaiian, (50% Hawaiian) and 3. Be related to the applicant as one of the following: spouse, child, grandchild, parent, widow/widower of a child, sibling, widow/widower of a sibling, a niece or a nephew.

I propose to eliminate the first requirement because sometimes the only individuals who would satisfy the second and third requirements are minors at the time of the applicant's death. Chances are, the minor would not reach the top of the list until after (s)he turned 18, and even if s(he) did, his or her place in line could be held until they did so.

Here is my personal story:

My father died in 1984 at the age of 49. At the time of his passing, I was 12-years-old. Unfortunately, due to his premature death and my adolescence, I do not believe he had yet designated a successor to his application. If he did, it would have been me. Either way, I was never personally notified by DHHL of the option to request to succeed to his application.

Assuming public notices were published in Hawai'i newspapers in the years immediately following his death, I would not have seen them anyway because I lived in Los Angeles with my mother.

Under Section 10-3-8(b), the applicant's spouse has the primary claim to the application rights. My parents were divorced, my father never remarried, and mother is not of Hawaiian ancestry. Subsequently, according to the rules, "If no husband or wife requests, then a child" is next in line. I am my father's only child.

Finally, I have two young daughters who are 1/4 Hawaiian. Accordingly, they will not be able to succeed to my application rights, but they will be able to inherit if I become a lessee.

You have the opportunity to make a pono decision that would change my 'ohana's future. You can, and you should, reinstate my father's application, and I should inherit his number(s) on the list(s).

I am sure I am not the only beneficiary in this situation, and I implore you to please allow my young, Hawaiian family a better chance to move back home.

Mahalo nui for your consideration.

Aloha,

Malina K. Koani, JD

Does your proposal require an amendment to the Hawaiian Homes Commission Act?  
No

Does your proposal require funding?  
No

If it does require funding, how much funding?  
None

Please attach any supplemental documents for your proposal here.  
No file attached

Akismet Spam Check: passed  
Sent from (ip address): 76.91.223.151  
(cpe-76-91-223-151.socal.res.rr.com)  
Date/Time: August 10, 2017 4:29 pm  
Coming from (referer):  
<http://dhh1.hawaii.gov/2017/07/18/2018-dhhl-legislative-package-proposed-legislative-action-request/>  
Using (user agent): Mozilla/5.0 (Windows NT 10.0; Win64; x64)  
AppleWebKit/537.36 (KHTML, like Gecko) Chrome/60.0.3112.90  
Safari/537.36

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# A BILL FOR AN ACT

RELATING TO INTERIM RULES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 91, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4           §91- Interim rules; department of Hawaiian home lands.

5 Notwithstanding any other law to the contrary, the department of  
6 hawaiian home lands shall have the authority to issue interim  
7 rules after consultation with beneficiaries and organizations  
8 representing beneficiaries as provided for in section 203(d)(1)  
9 of the Hawaiian Home Lands Recovery Act of 1995. The interim  
10 rules shall be effective for not more than eighteen months and  
11 shall be exempt from the public notice, public hearing, and  
12 gubernatorial approval requirements of chapter 91.

13           SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15           SECTION 4. This Act shall take effect upon its approval.

16

17

INTRODUCED BY: \_\_\_\_\_

18

BY REQUEST

\_\_\_\_.B. NO.\_\_\_\_

**Report Title:**

Interim rules; Department of Hawaiian Home Lands

**Description:**

Allows the Department of Hawaiian Home Lands after consultation with beneficiaries and organizations representing beneficiaries to issue interim rules which shall be exempt from the public notice, public hearing, and gubernatorial approval requirements of chapter 91 as long as the interim rules shall be effective for not more than eighteen months.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO INTERIM RULES.

PURPOSE: Allows the Department of Hawaiian Home Lands after consultation with beneficiaries and organizations representing beneficiaries to issue interim rules which shall be exempt from the public notice, public hearing, and gubernatorial approval requirements of chapter 91 as long as the interim rules shall be effective for not more than eighteen months.

MEANS: Adds a new section to Chapter 91, Hawaii Revised Statutes.

JUSTIFICATION: The Department of Hawaiian Home Lands is currently authorized to adopt rules in accordance with chapter 91, HRS, which can be a lengthy and time consuming process when you factor in that the Department conducts consultation with beneficiaries and organizations representing beneficiaries prior to initiating the rule making process. This amendment will enable the Department to move quickly in issuing interim rules after consultation with beneficiaries and organizations representing beneficiaries on important programs and services, while preserving public access by ensuring that the interim rules will be made available on the website of the Office of Lieutenant Governor. The eighteen-month limitation on the life of the interim rules will further ensure that the Department has adequate time to adopt permanent rules through formal rulemaking procedures.

Impact on the public: This proposal advances the interest of beneficiaries of the Hawaiian Homes Commission Act by allowing the Department to issue interim rules on important programs and services

that can be implemented soon after consultation with beneficiaries and organizations representing beneficiaries while still preserving public access and eventually public notice, public hearing, and gubernatorial approval with the adoption of permanent rules through formal rulemaking procedures.

Impact on the department and other agencies:  
Interim rules will allow the Department to better serve its beneficiaries.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: HHL 625.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

August 21-22, 2017

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager  
Norman Sakamoto, Acting Land Development Division  
Administrator

Subject: Declare a Finding of No Significant Impact (FONSI)  
for a Final Environmental Assessment (FEA),  
Proposed DHHL Wailua Well Project, Wailua, Kaua'i,  
TMK: (4)3-9-002:12 Portion

Recommended Motion/Action

That the Hawaiian Homes Commission (HHC) declares a Finding of No Significant Impact (FONSI) based on the information provided in the Final Environmental Assessment (FEA) for the Wailua Well No. 1 Project.

Discussion

BACKGROUND

DHHL proposes to drill, case and test Wailua Well No.1 as a potable water source for future homestead development in Wailua, Kaua'i. See Exhibit 'A', "Final Environmental Assessment for HHC Review": Figure 1, "Project Location Map" on page 4.

The proposed project involves the drilling, casing and testing of Wailua Well No.1 to provide a potable water source for the future development of Wailua Homesteads.

Specific improvements include, but are not limited to, the following:

- Clearing and grubbing access to and within the site around the existing pilot hole:
- Re-drilling and reaming a 16-inch minimum diameter hole approximately 145 feet deep and installing a 10-inch steel casing;
- Installation of a pump to test the yield and drawdown.

attractive communities for future generations" and the Land and Natural Resource objective "Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disaster on Hawaiian home lands."

The DHHL Kaua'i Island Plan was accepted by the HHC in 2004. In that plan, the land use designation assigned to the subject parcels is Residential (Homestead) (See Exhibit B, Land Use Designations map).

Based upon the facts presented and analysis completed in the DEA, Planning Office staff anticipated a finding of no significant impact (AFONSI) for the Wailua Well No.1 project. Per Hawaii Administrative Rules (HAR) 11-200-11, the DEA and AFONSI were required to be published in the State Office of Environmental Quality Control (OEQC) "Environmental Notice" for a 30-day public review and comment period, which was from June 8, 2017 to July 10, 2017. DHHL also accepted comments ("no objections") from one agency, County of Kaua'i Department of Water (DOW) after the close of the comment period.

*Final Environmental Assessment (Summary)*

Various government agencies at the federal, state, and county levels were asked to comment on the DEA (See Exhibit 'A', pages 46-47). Revisions to the DEA were made based on the comments received during the 30-day public comment period, but also included one comment letter from County of Kaua'i Department of Water, which was dated July 19, 2017. Changes based on responses to substantive comments received are reflected in the FEA.

A summary of substantive comments received from agencies consulted during the public comment period and how those comments were addressed in the FEA are shown in the following table. A complete record of comments received and responses to those comments are included in Appendix A of the FEA document.

Agency	Comment/Summary	Response to Comment
EPO	Suggest review of requirements of the CWB, and previous HRS, Chapter 343 documents prepared in the geographic area.	Review of CWB requirements were considered in the EA, and will be revisited in future project planning and design phases of Wailua Well no. 1. Any applicable public HRS Chapter 343 studies will be reviewed for future phases of the Wailua project.
EPO	Phase 1 ESA should be conducted for future development.	A Phase 1 ESA, when required for future phases of development at Wailua, will be conducted.
Dept. of Health, Safe Drinking Water Branch (SDWB)	It is not clear if the proposed Well No. 1 is planned to be part of a proposed public water system or will dedicate the facility to the County of Kaua'i, Department of Water.	DHHL plans to dedicate this system to the County and the EA has been revised to clarify this intent.
SDWB	All federal and state regulations defining the proposed well development for DHHL's Wailua development should be adhered to.	All federal, State and County regulations defining the proposed well design and development for DHHL's future Wailua development will be complied with.
DLNR, Engineering Division	Flood Hazard Zone designations can be found using the Flood Insurance Rate Map which can be accessed through the Flood Hazard Assessment Tool ( <a href="http://gis.hawaiiinfp.org/FHAT">http://gis.hawaiiinfp.org/FHAT</a> )	FEMA, FIRM designation and mapping information are included in the EA, in section 3.1.3 Flood and Water Quality.

Agency	Comment/Summary	Response to Comment
CWRM	Project site is located in the Hanamaulu Aquifer System Area (ASYA), and the sustainable yield of the Hanamaulu ASYA is 36 mgd. Reported water use is about 2 mgd, though it is likely that not all pumping wells are reporting their water use.	The EA has been revised to state the project site overlies the Hanamaulu Aquifer System Area, and updated to reflect the Hanamaulu ASYA, and reported usage level. It will also state, "...though it is likely that not all pumping wells are reporting their water use."
CWRM	Regarding DHHL water needs and proposed development strategies, the 2017 SWPP shows that there will be a need for 0.596 mgd of potable water in 2031 to support DHHL homestead lands in the Hanamaulu Aquifer System Area. However, the SWPP indicates that the water will be developed outside of the Hanamaulu ASYA	EA has been updated to state that, "...the 2017 SWPP shows that there will be a need for 0.596 mgd of potable water in 2031 to support DHHL homestead lands in the Hanamaulu Aquifer System Area. However, the SWPP indicates that the water will be developed outside of the Hanamaulu ASYA

As stated previously, staff anticipated a Finding of No Significant Impact (AFNSI) based on the information presented in the DEA. The comments in the table above were received during the public comment period or shortly thereafter. Appropriate mitigation measures and solutions were identified to address these comments. The mitigation measures and solutions were incorporated into the FEA.

Comments from other agencies either concurred with the findings of the DEA or offered standard comments that the project should consider during construction. As a result, the comments received during the public comment period and the incorporation of mitigation measures in response to those

- 4) *Substantially affects the economic or social welfare of the community or State;*

The project will not have any substantial negative effect on the economic or social welfare of the community or State. The improvements will benefit the social and economic welfare of Hawai'i by improving the potable water supply system in DHHL's Wailua property.

- 5) *Substantially affects public health;*

The project does not substantially affect public health in any detrimental way. No adverse effects to public health are anticipated. Public health will be benefited by improving the potable water supply system for DHHL's Wailua property.

- 6) *Involves substantial secondary impacts, such as population changes or effects on public facilities;*

No adverse secondary effects are expected. The project will not involve substantial secondary impacts, such as population changes or effects on public facilities. The project will not enable development in itself, but will instead assure adequate supply of an improved source of water to DHHL and serve growth that has explicitly been specified in the Kaua'i County General Plan and Wailua Regional Plan.

- 7) *Involves a substantial degradation of environmental quality;*

The project will not involve a substantial degradation of environmental quality. The implementation of best management practices for limited disturbance at the project site will ensure that the project will not degrade environmental quality in any substantial way.

- 8) *Is individually limited but cumulatively has considerable effect on the environment or involves a commitment for larger actions;*

Cumulative impacts result when implementation of several projects that individually, have minor impacts, but combined can produce more severe impacts or conflicts among mitigation measures. No cumulative impacts as a result of the proposed project are anticipated.

- 11) *Affects or is likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters;*

The project is not anticipated to affect environmentally sensitive area such as flood plains, tsunami zones, erosion-prone areas, geologically hazardous lands, estuaries, fresh waters or coastal waters because these features do not occur in the area planned for development. A discussion of these issues can be found section 3.1 of Exhibit A.

- 12) *Substantially affects scenic vistas and view planes identified in county or state plans or studies;*

The proposed exploratory well construction and testing will not affect the scenic view of the coast from Kūhiō Highway nor the Malae Heiau and its line of sight with other heiau, especially Poli'ahu, discussed in section 3.2.3 of Exhibit A.

- 13) *Requires substantial energy consumption;*

The proposed project will not require substantial energy consumption. Portable generators will provide energy for drilling the exploratory well and operating the test pump.

Based on the FEA analysis, agency and public comments, and mitigation measures in response to comments which have been incorporated into the FEA, DHHL staff concludes that construction of the Wailua Well No.1 project does not satisfy any of the thirteen significance criteria listed above, therefore will not have a significant impact on the project area or surrounding vicinity.

Should the HHC make a different finding that one or more significance criteria have been met and that the proposed action may have a significant effect, an Environmental Impact Statement Preparation Notice (EISPN) may be issued instead of a FONSI, per HAR §11-200-11.2.

#### RECOMMENDED MOTION/ACTION

DHHL staff respectfully requests approval as recommended.

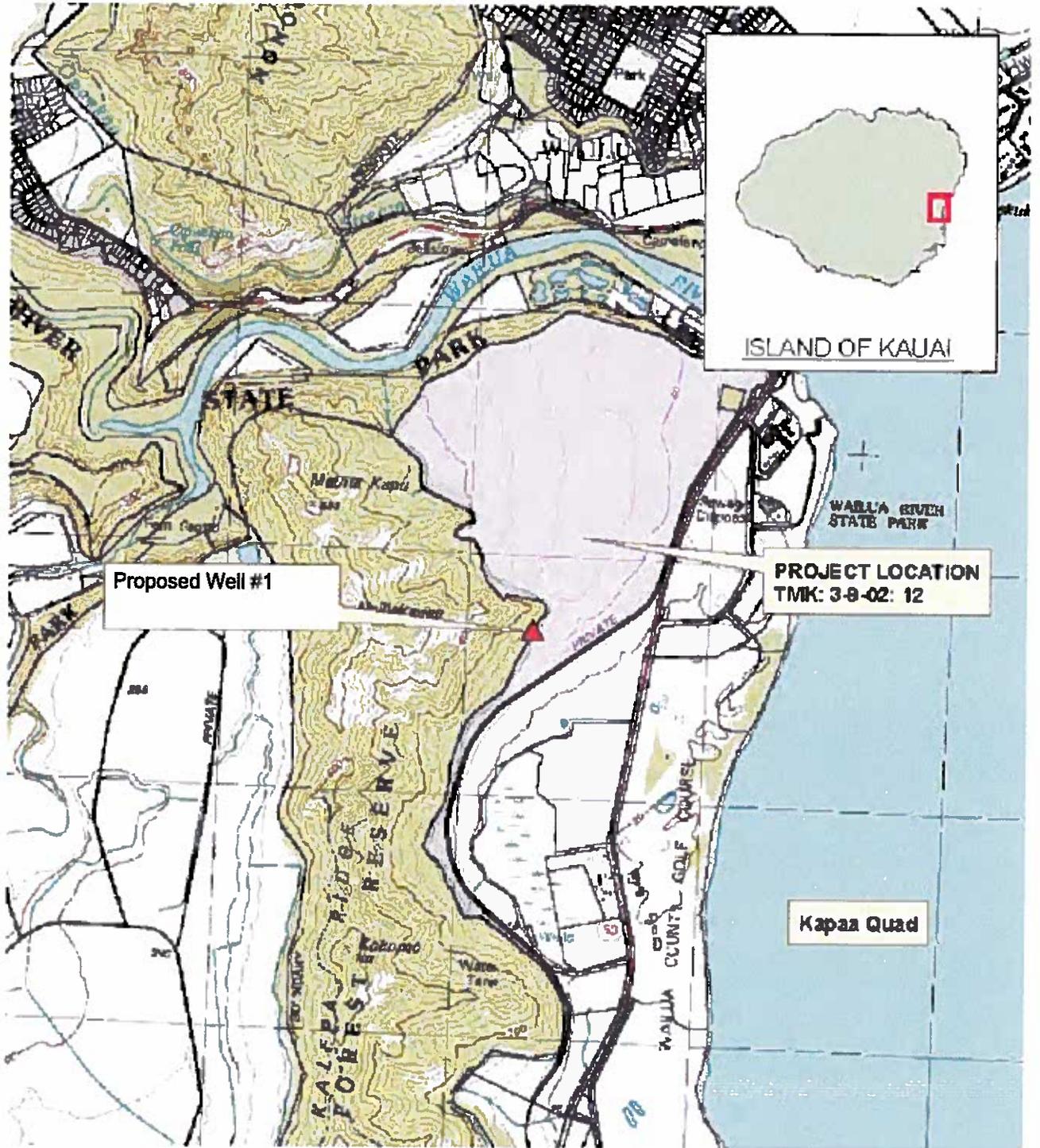
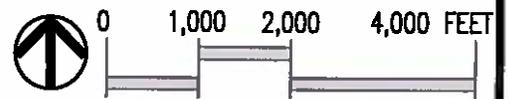


Figure 1. Location Map  
 Portion of the U.S. Geological Survey (USGS) Honolulu Quad  
 map (1998) showing the location of the project area



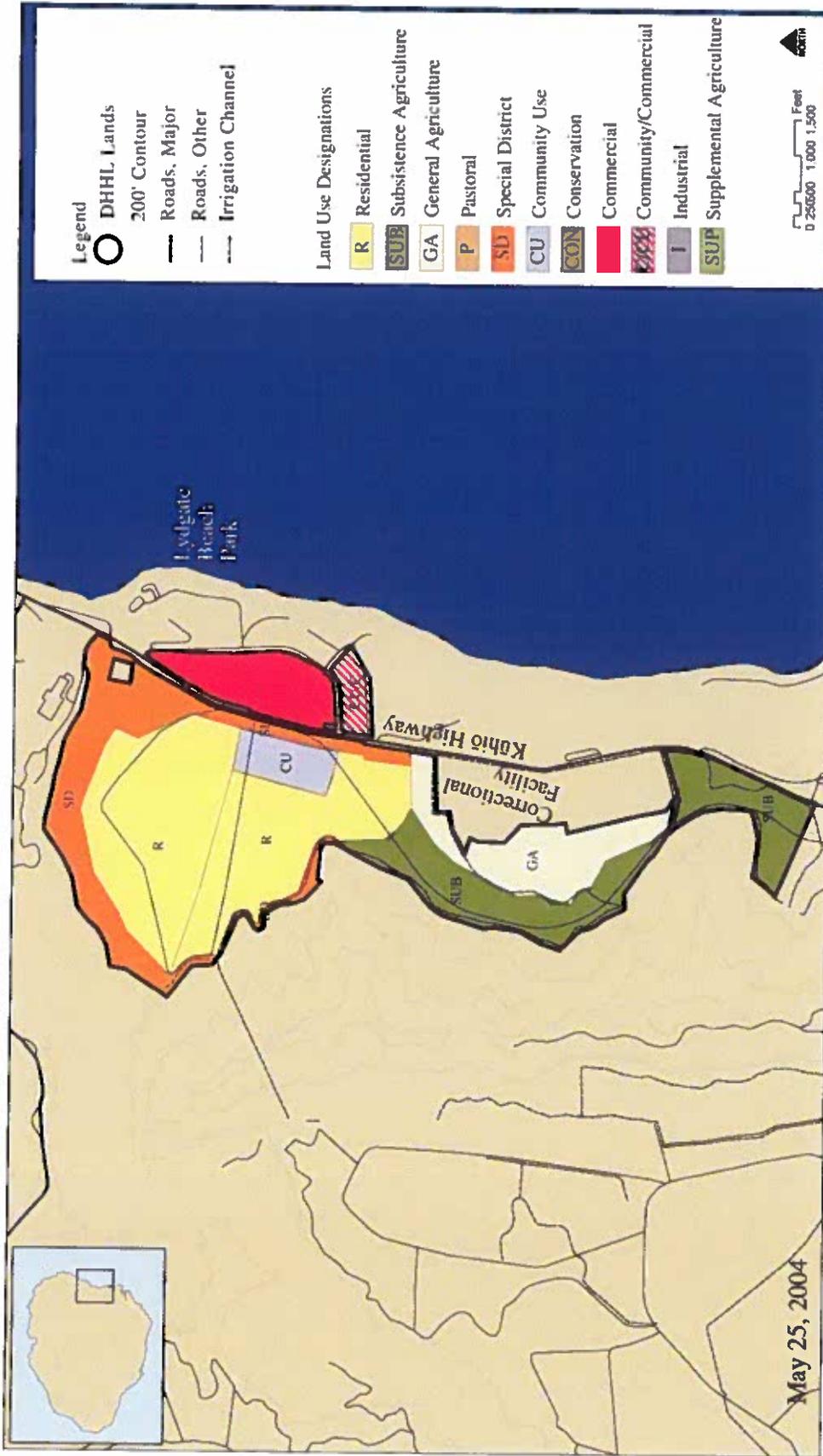
**DHHL WAILUA WELL DEVELOPMENT**

Owner: Department of Hawaiian Home Lands

Prepared by: Environmental Planning Solutions, LLC

Date: May 2017

**Kaua'i Island Plan**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
 • Wailua •



R = 216 acres; 651 lots @ 10,000 sf  
 SUB = 99 acres; 35 lots @ 2 acres  
 GA = 52 acres

SD = 92 acres  
 CU = 20 acres; 5 acres makai & 15 acres mauka  
 C = 47 acres

**Figure 6.2**  
**Wailua Land Use Plan**

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E, KAUA'I

H-ITEMS  
**ADMINISTRATIVE SERVICES  
OFFICE**

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

August 21, 2017

TO: Chairman and Members, Hawaiian Homes Commission  
FROM: Rodney K. M. Lau, Administrative Services Officer  
SUBJECT: Approval of Amendment no. 1 to Fiscal Year 2018  
Department of Hawaiian Home Lands Budget

*Rodney K. M. Lau*

RECOMMENDED MOTION/ACTION

That the Commission approve Amendment no. 1 to Fiscal Year 2018 Department of Hawaiian Home Lands Budget.

DISCUSSION

On May 22, 2017, Item no. H-1, the Hawaiian Homes Commission (HHC) approved a motion increasing the fiscal year 2017 Loan Budget financed by the Hawaiian Home General Loan Fund in the amount of \$6,090,000. DHHL was unable to charge the costs related to the loans to the Hawaiian Home General Loan Fund in fiscal year 2017.

DHHL request that the approved motion be reauthorized in fiscal year 2018 to appropriately record the loan costs to the Hawaiian Home General Loan Fund in fiscal year 2018 to address this timing difference.

Our cash flow projections indicate sufficient funds are available to finance this loan budget request. This request will amend the Hawaiian Home General Loan budget to \$11,190,000 for fiscal year 2018.

The loan budget by cost elements are shown in Attachment A. The Commission's approval of the above recommended motion is respectfully requested.

Fiscal Year 2018	Total	Hawaiian Home Loan Fund	Hawaiian Home General Loan Fund	Hawaiian Home Trust Fund	Hawaiian Home Trust Lands Trust Fund	NAHASDA
Section 209 HHC Transactions	\$3,000,000	\$2,000,000	\$1,000,000	\$0	\$0	\$0
Direct Loan Financing	\$11,000,000	\$0	\$3,000,000	\$0	\$0	\$8,000,000
Real Property Taxes	\$100,000	\$0	\$100,000	\$0	\$0	\$0
Contingency-Guaranteed/Insured Loan Portfolio	\$1,300,000		\$1,000,000	\$300,000		
Improvements Purchased – Write-downs	\$300,000	\$0			\$300,000	
<b>Subtotal</b>	<b>\$15,700,000</b>	<b>\$2,000,000</b>	<b>\$5,100,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$8,000,000</b>
<i>Budget Amendment:</i>						
<i>Direct Loan Financing Amendment</i>	<i>\$6,090,000</i>		<i>\$6,090,000</i>			
<b>Grand Total - Fiscal Year 2018</b>	<b>\$21,790,000</b>	<b>\$2,000,000</b>	<b>\$11,190,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$8,000,000</b>

ITEM NO. H-1

Attachment A

DEPARTMENT OF HAWAIIAN HOME LANDS  
HAWAIIAN HOMES COMMISSION  
August 21 & 22, 2017  
LIHU'E , KAUA'I

J-ITEMS  
**GENERAL AGENDA**

**Burrows-Nuuanu, Leatrice W**

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**Subject:** FW: Kauai Fire Department Request for Placement on HHC J Agenda 8/21/17

**Importance:** High

**From:** Kilipaki Vaughan [mailto:kvaughan@kauai.gov]

**Sent:** Wednesday, August 02, 2017 3:54 PM

**To:** Richey, Susan N <susan.n.richey@hawaii.gov>

**Cc:** Kilipaki Vaughan <kvaughan@kauai.gov>; Robert Westerman <rwesterman@kauai.gov>; Kamibayashi, Erna A <erna.a.kamibayashi@hawaii.gov>

**Subject:** Kauai Fire Department Request for Placement on HHC J Agenda 8/21/17

**Importance:** High

Aloha Susan,

Mahalo nui to the Department of Hawaiian Home Lands and Deputy Director William Aila, along with Kauai Homestead District Supervisor Erna Kamibayashi for facilitating a discussion by way of teleconference yesterday 8/1/17 1100hrs. I very much appreciate the time granted to express our concerns in regards to the multitude of emergency-related incidents occurring in and around the Pili Poli Road Area of Anahola Hawaiian Homestead. This was a positive step forward in progressing towards a collaborative solution(s) of preventing fires on the Anahola Property, whether it be by dedicated-personnel, additional resources, and/or a long-term public safety presence of a new Anahola Fire Station.

Please find this email as a humble request by the Kauai Fire Department to Chair Jobie Masagatani and the Hawaiian Homes Commission to have Item "Anahola Fire Incidents & Solution" placed on the Hawaiian Homes Commission "J Agenda" for Monday 8/21/17, which will be held here on Kauai. As encouraged, I would like to share our Kauai Fire Department interests in addressing the above-mentioned emergency-related incidents in Anahola through a potential land disposition of 2 to 3 Acres for a New Anahola Fire Station to the benefit of this community. Please also note that I am requesting flexibility to a pre-determined scheduled time on 8/21/17 due to my absence from Kauai on 8/22/17.

Mahalo nui for your humble consideration.

**Ke Aloha Nui,**

Kilipaki Vaughan

Deputy Fire Chief

Kauai Fire Department

4444 Rice Street Suite 315

Lihue, Hawaii 96766

808-241-4980 Work

808-645-6351 Cell

**Burrows-Nuuanu, Leatrice W**

---

**From:** Kawai Warren <Kawaiwarrenkhha@gmail.com>  
**Sent:** Friday, August 04, 2017 8:34 AM  
**To:** Burrows-Nuuanu, Leatrice W  
**Subject:** HHC Contact: To Commission Secretary

To:  
HHC Secretary

First Name: Kawai  
Last Name: Warren

Phone:  
808 639-2731

Email:  
Kawaiwarrenkhha@gmail.com

Subject:  
To Commission Secretary

Message:

Good Morning Leah

I would like to request to be placed on the Hawaiian Homes Commission Agenda for August 2017 Kekaha Hawaiian Homestead association Pu'u Opae License.

I would like to get a copy of the April 2017 Hawaiian homes commission meeting minutes. Section pertaining to KHHA Pu'u Opae license.

Can you send an email confirming my request

Akismet Spam Check: passed

Sent from (ip address): 50.113.49.67  
(cpe-50-113-49-67.hawaii.res.rr.com)

Date/Time: August 4, 2017 8:33 am

Coming from (referrer): <http://dhhhl.hawaii.gov/hhc/> Using (user agent): Mozilla/5.0 (Windows NT 6.3; ARM; Trident/7.0; Touch; rv:11.0) like Gecko

**Burrows-Nuuanu, Leatrice W**

---

**From:** Kanuikapono PCS <kanuikaponocharterschool@gmail.com>  
**Sent:** Wednesday, August 02, 2017 12:19 PM  
**To:** Burrows-Nuuanu, Leatrice W  
**Subject:** Requesting to be on J-Agenda

Aloha Leatrice,

I am writing on behalf of Ipo Torio, Executive Director of Kanuikapono Public Charter School. We are requesting to be on the J-Agenda for the upcoming Commission Meeting, August 21-22. We look forward to hosting you.

Mahalo Nui,  
Denby Dawson  
SASA

--  
Kanuikapono Public Charter School  
Mailing Address: P.O. Box 12  
4333 Kukuihale Road  
Anahola, HI 96703  
[kanuikaponocharterschool@gmail.com](mailto:kanuikaponocharterschool@gmail.com)  
(808) 823-9160  
Fax (808) 482-3055

**Burrows-Nuuanu, Leatrice W**

---

**From:** Bo Kahui <bokahui@laiopua.org>  
**Sent:** Friday, August 04, 2017 10:40 AM  
**To:** Burrows-Nuuanu, Leatrice W  
**Cc:** Bo Kahui; Dora Aio; Iwalani tsai; Kapua Baker; Karleen Cox; Leimamo Bean; Lovette Llantos; Maring Gacusana; Avery Kramer; Daisy Mitchell; diana. akao; Greg Ogin; Gregory Ogin; J Porter DeVries Esq.; Sam Walker Sr  
**Subject:** Request to be on J Agenda

Aloha Lea,  
On behalf of Villages of Laiopua and L2020, I would like to be place on the J agenda for the next Commission meeting on Kauai Aug 21 & 22nd.  
I'll be forwarding you specific concerns.  
Please advise.  
Mahalo Nui  
Craig "Bo" Kahui  
Executive Director  
Laiopua 2020  
808-327-1221

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