

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

September 24-25, 2018

To: Chairman and Members, Hawaiian Homes Commission  
Thru: M. Kaleo Manuel, Acting Planning Program Manager  
From: Bryan Esmeralda, AICP, Planner  
Subject: Acceptance of Beneficiary Consultation Report for  
Proposed DHHL Intergovernmental Agreement with the  
County of Maui, Department of Water Supply Related to  
the Mahinahina Treatment Plant; Honokōwai, Lahaina,  
Maui; TMK (2) 4-4-002:018 (por.)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) accept this Beneficiary Consultation report as the official record of beneficiary issues, questions, concerns, and comments regarding a proposed intergovernmental agreement with the County of Maui, Department of Water Supply (DWS) for the continued operation of the existing Mahinahina Surface Water Treatment Plant (SWTP), designation of access, utility, and grading easements, and other planned water system improvements on the subject parcel at Honokōwai, Lahaina, Maui.

Acceptance of this report does not indicate concurrence or approval of any staff recommendations that may appear herein.

DISCUSSION

Background

The Department of Hawaiian Home Lands (DHHL) acquired the subject parcel, which is part of the DHHL's Honokōwai tract (also comprised of TMKs (2) 4-4-002:003 and 008), from the Department of Land and Natural Resources (DLNR) in 1995. The Mahinahina SWTP was constructed via Right of Entry granted by the DLNR and put into service in 1995, and has been in operation since this time. When DHHL acquired the subject properties, no

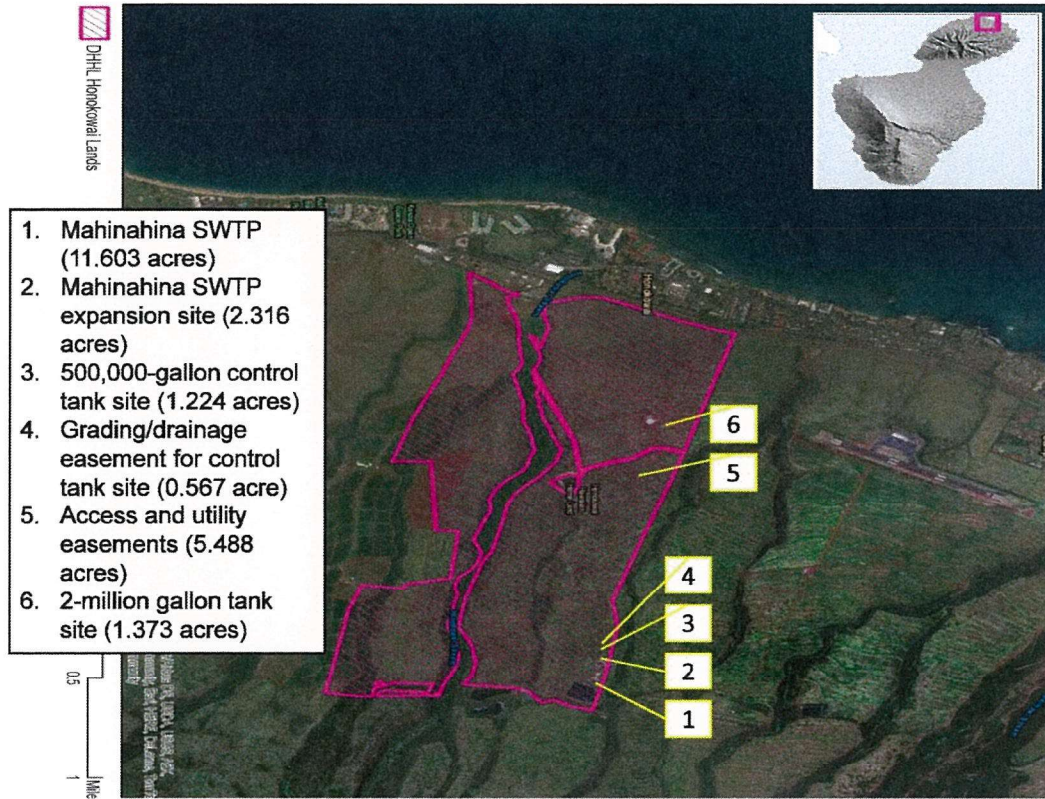
disposition was granted to the DWS for the operation of the Mahinahina SWTP.

In 2017, the DWS approached the HHC and requested a land use license for the Mahinahina SWTP in exchange for a cash payment equivalent to the appraised value of the requested lands. The HHC, recognizing the need for water to support planned development on DHHL lands at Honokōwai and Leiali'i Phase I-B, requested that the DHHL and DWS work towards an agreement wherein the DWS would provide a water allocation to the DHHL from the Mahinahina SWTP in exchange for the license. Through negotiations, the DWS determined that an allocation of 200,000 Gallons Per Day (GPD) was within the existing capacity of the Mahinahina SWTP and could be provided to the DHHL as part a the proposed intergovernmental agreement. In exchange for the 200,000 GPD allocation, the DWS would receive a license for the uses described in **Table 1** and **Figure 1** below.

**Table 1.** Requested Licenses Uses and Acreages

<b>USE</b>	<b>ACREAGE</b>
Existing Mahinahina SWTP	11.603
Future Mahinahina SWTP Expansion Area	2.316
500,000-gallon Control Tank Site for DWS and DHHL Wells	1.224
Grading and Drainage Easement for 500,000-gallon Control Tank Site	0.567
Access and Utility Easement	5.488
Future 2 Million-gallon Tank Site	1.373
<b>TOTAL ACREAGE</b>	<b>22.571</b>

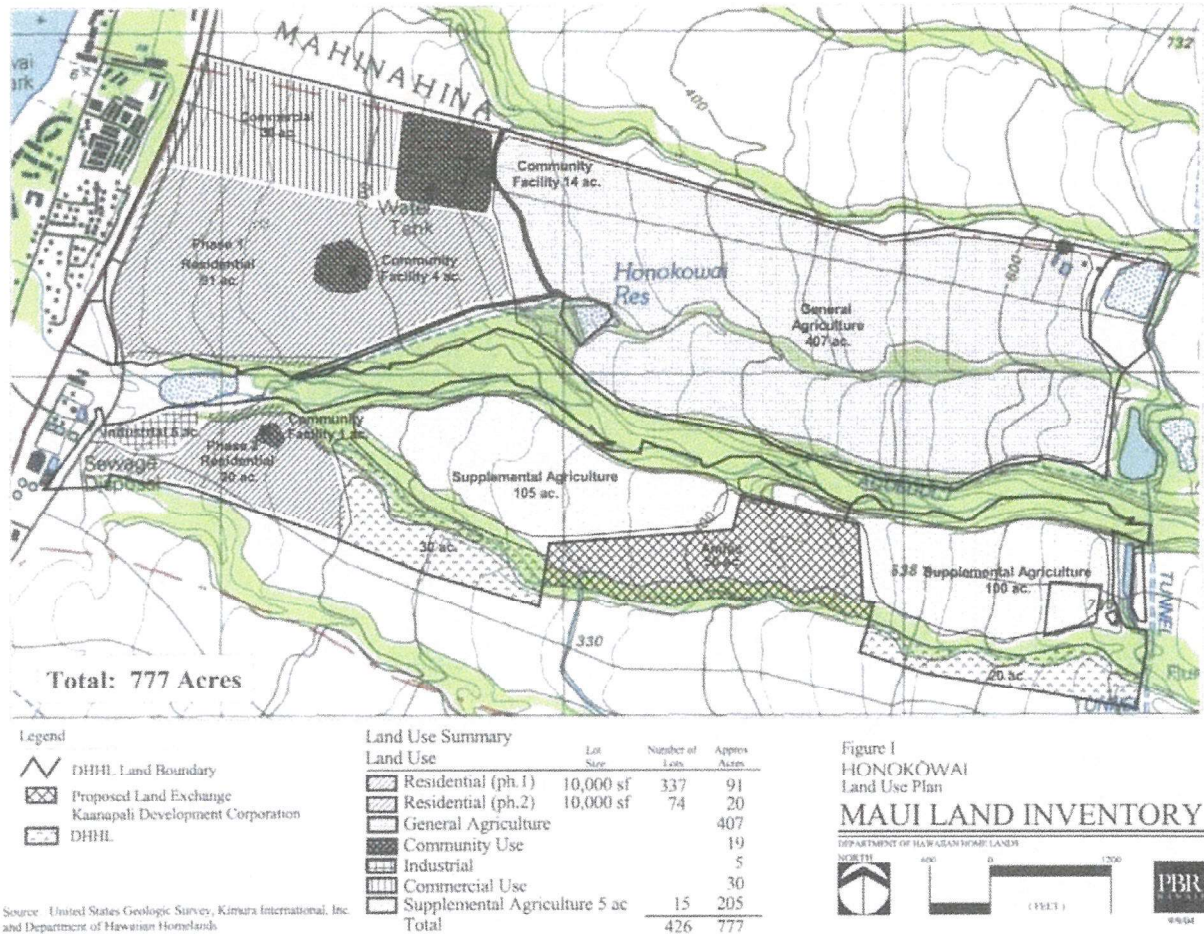
**Figure 1.** Map of Proposed License Uses





The DHHL Maui Island Plan (2004) designates the Honokōwai tract for Residential, General Agriculture, Community, Industrial, commercial, and Supplemental Agriculture uses. See **Figure 2**.

**Figure 2.** Honokōwai Tract



Source: Maui Island Plan

## BENEFICIARY CONSULTATION ON THE INTERGOVERNMENTAL AGREEMENT AND PROPOSED LICENSE

Pursuant to the DHHL's Beneficiary Consultation Policy, prior to any long-term land disposition, beneficiaries must be consulted with in order to submit a report of findings to the HHC to ensure that beneficiary concerns are properly documented, compiled, and reported. Beneficiary Consultation Reports are transmitted to the HHC in advance of decision-making on proposed land dispositions.



### Consultation Topic

The DWS is requesting a perpetual license as part of the proposed intergovernmental agreement for the uses as listed in **Table 1** above including the continued operation of the existing Mahinahina SWTP, designation of access, utility, and grading easements, and other planned water system improvements on the subject parcel at Honokōwai, Lahaina, Maui in exchange for a 200,000 GPD water allocation to DHHL.

### Notification

On July 5, 2018 DHHL mailed an invitation letter (see **Exhibit A**) to existing Leialī'i residents (101 lessees) and applicants on the Maui Agriculture Waiting List who reside in Lahaina (196 applicants), for a total of 297 invitations. In addition, staff notified all Maui homestead association leaders via email about the meeting and opportunity to attend and provide comments.

Beneficiaries were invited to attend a consultation meeting to share their thoughts on the terms of the proposed intergovernmental agreement.

### Beneficiary Consultation Meeting

The Beneficiary Consultation meeting was held on July 23, 2018 at 6:00pm at the Lahaina Civic Center Social Hall in Lahaina, Maui. A total of 16 participants registered on the provided sign in sheets, including two (2) DHHL Maui District Office Staff Members and three (3) staff members from DWS. See **Exhibit B**. Of the 11 Beneficiaries, three (3) identified as applicants. A comment sheet was offered to all attendees so that they may provide written comments if desired. In addition, a copy of the PowerPoint presentation was also provided to the meeting attendees.

DHHL staff gave a short presentation (see **Exhibit C**) which covered the purpose of the meeting, an overview of the Beneficiary Consultation process, and an informational presentation regarding the subject parcel, terms of the proposed intergovernmental agreement, and its compliance with DHHL plans (Villages of Leialī'i and Honokōwai Regional Plan (2009), Water Policy Plan (2014), and State Water Projects Plan (2017)). DWS staff was available and answered questions related to the operation and maintenance of the Lahaina region's water systems.

As part of the presentation, staff also discussed the benefits of the proposed agreement, which include expedited water for DHHL lands in West Maui which would help meet some of the total demand for planned development at Leiali'i and Honokōwai, compensation to the Hawaiian Home Lands Trust, an opportunity to partner with the County of Maui, and system improvements which would also serve DHHL's Honokōwai well, once operational.

At the close of the presentation, the group was asked to provide input on three (3) discussion questions:

1. What are your thoughts on the DHHL's proposed intergovernmental agreement with the DWS for a water allocation in West Maui in exchange for a land license? Are there any alternatives that DHHL should consider?
2. What are your thoughts on the perpetual term of the license request?
3. What other partnership opportunities are there for the DHHL and beneficiaries in this region related to water?

#### Consultation Findings

This section summarizes information and feedback received from the meeting including oral comments and comment emails. No comment sheets were returned by meeting attendees.

The meeting yielded a mostly positive discussion. Overall, the consensus was that the group supported the proposed intergovernmental agreement. There were no comments or remarks in opposition of the proposed action. One phone call from a Beneficiary (Gilbert Paoa) was received on July 24, 2018 by staff.

Staff transcribed written notes taken on the testimony received at the meeting. The transcribed notes are provided as **Exhibit D**. Notes from the telephone conversation with Gilbert Paoa are also included. The discussion at the meeting centered around four (4) major themes: Benefits, DHHL Honokōwai Lands, Intergovernmental Agreement/Process, and DWS Water Systems. A summary of the comments within these themes is provided below.

#### Benefits

- The comments and questions related to Benefits included a request for clarification that the 200,000 GPD allocation would be strictly for Hawaiian Home

Lands, and whether this will allow Leiali'i I-B to be developed, to which staff explained that there are other issues to be resolved before Leiali'i I-B can be built, including needed wastewater and roadway infrastructure improvements.

- A question was also asked about whether DHHL would accept a monetary payment or infrastructure in lieu of water. Staff reiterated the HHC's position of obtaining water for planned development in the region instead of a monetary payment from the DWS. In addition, staff also explained that part of the proposed agreement includes lands on which the DWS plans to construct improvements and additional storage for the Mahinahina Water System. These improvements and the Mahinahina Water System will accept water from DHHL's Honokōwai Well and will serve planned development at Honokōwai and Leiali'i. In addition, because the system belongs to DWS, they will be responsible for maintenance of the system. In this regard, water is a much more valuable form of compensation.

#### Honokōwai

- The comments and questions related to Honokōwai included questions regarding the number of lots to be developed at Honokōwai, whether or not homes could be constructed on agricultural lots, and from whom DHHL acquired the Honokōwai lands in 1995.
- A question was also asked about whether staff takes into account the contours of the land when preparing development plans. Staff explained that DHHL's planning process involves a suitability analysis of the land wherein we look at existing conditions and identify development constraints so that we can ensure our developments are appropriate for the 'āina and surrounding community.
- A comment was made that DHHL should consider residential development at Honokōwai rather than agricultural homesteading as there is a dire need for housing. Staff explained that since the 1990's, the HHC's focus was on residential development. Currently, the HHC is focused on balancing development of both residential and agricultural communities. It was also explained during staff's presentation that Honokōwai was envisioned for residential development in the Maui Island Plan, however, after the adoption of the Maui



Island Plan, DHHL acquired Leialii, which became the focus of residential development in West Maui. As such, the vision for Honokōwai is being considered for agricultural uses.

#### Intergovernmental Agreement/Process

- The comments and questions related to the proposed intergovernmental agreement and the process currently underway between the DHHL and DWS included questions regarding the timing and next steps to get the agreement in place. Staff explained that the DHHL and DWS are still working out the terms of the agreement, however staff wanted to gain Beneficiary input on the proposed 200,000 GPD allocation in exchange for a perpetual land use license. Staff further explained that once the agreement is prepared, it will need to be reviewed and approved by both the HHC and the Maui County Council.
- A question was also asked to clarify the fact that the County is currently operating the Mahinahina SWTP without a disposition from the DHHL, and that the proposed agreement seeks to remedy this.
- Furthermore, a question was asked regarding DHHL's rights to water per the State Water Code and State of Hawai'i Constitution, and whether these inherent rights preclude having to enter into the proposed intergovernmental agreement. Staff explained that reservations of water for DHHL is one of four public trust purposes that the Commission on Water Resources Management (CWRM) must weigh equally. Staff explained further, that while we may have water reservations, the cost of the infrastructure required to convey the water to users is high, and since DWS has existing infrastructure in Honokōwai, there is an opportunity to partner with DWS.

#### DWS Water Systems

- The comments and questions related to the DWS' Mahinahina SWTP included questions about the type of system it is, capacity of the system and how the 200,000 GPD allocation for DHHL will affect overall system capacity, system source, maintenance responsibilities, and system distribution.
- One meeting attendant provided alternative waterline routes for consideration. DWS staff present at the meeting provided responses to these questions.

Other comments and questions offered by meeting attendees were related to:

- concern over use and development of wells in comparison with use of surface water
- decreased water flows in West Maui streams and the CWRM's process of setting Instream Flow Standards
- purchase of water meters and who bears this cost for Hawaiian Home Lands development
- suggestion for DHHL and DWS to look into the feasibility of utilizing solar power for the Mahinahina Water System
- increasing the list of regional stakeholders to include Hawaiian Airlines, who operates at the nearby Kapalua Airport, and landowner Bishop Estate

In general, as previously stated, the group in attendance was supportive of the proposed intergovernmental agreement in light of the benefits to the DHHL and Hawaiian Home Lands Trust.

#### RECOMMENDED ACTION

DHHL staff respectfully requests approval as recommended.

#### LIST OF EXHIBITS

Exhibit A:	Invitation Letter
Exhibit B:	Meeting Sign-In Sheets
Exhibit C:	Meeting Presentation
Exhibit D:	Transcribed Notes

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

DOUGLAS S. CHIN  
LT. GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.  
DEPUTY TO THE CHAIRMAN  
HAWAIIAN HOMES COMMISSION

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879  
HONOLULU, HAWAII 96805

July 2, 2018

Aloha Hawaiian Home Lands Beneficiaries,

The Department of Hawaiian Home Lands (DHHL) and the County of Maui, Department of Water Supply (DWS) have been in discussion regarding proposed licensing of land within the DHHL Honokōwai tract to the DWS for the continued operation of the existing Mahinahina Surface Water Treatment Plant and other planned improvements. In exchange for this license, the DHHL and DWS would enter into an intergovernmental agreement allocating water credits to DHHL. A map and list of the proposed license areas are attached for your information.

DHHL will be sharing information and accepting comments regarding the proposed license and intergovernmental water credit agreement at a Beneficiary Consultation Meeting on:

**Monday, July 23, 2018**  
**Lahaina Civic Center Social Hall**  
**1840 Honoapi'ilani Highway, Lahaina, Hawai'i, 96761**  
**6:00 p.m. to 8:00 p.m.**

The Beneficiary Consultation Meeting will provide you with an opportunity to share your mana'o regarding the proposed license and intergovernmental water credit agreement. Your comments will be presented to the Hawaiian Homes Commission to assist in their decision-making process. As a beneficiary on the island of Maui, your input is important and we encourage you to attend.

If you have any questions, please contact Kaleo Manuel, Acting Planning Program Manager, at (808) 620-9481 or via email at [dhhl.planning@hawaii.gov](mailto:dhhl.planning@hawaii.gov).

Mahalo,

Jobie M.K. Masagatani, Chairman  
Hawaiian Homes Commission

Attachment







DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT West Maui Water Agreement  
Beneficiary Consultation Meeting

DATE Monday, July 23, 2018

\*\* (A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other) \*\*

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
A L B O	Hans-Emerli Michel	1404 Olona Pl. Lahaina		667-7693
A B O	Sean J. Gordon	72 Aiea St.	Sgordon12@hotmail.com	276-3936
A B O	Michal Bumgard	1724 Holi St.		1041-0716
A B O	Kailani	Bx 10411 Lahaina	Kailani.Ross@gmail.com	298-8047
A L B O	Kanani Higbee	1037 Waine St Lahaina #D-17	Kanani.higbee1037@gmail.com	(808) 205-5028
A L B O	Leona Nahoaikaika	1014 Wai Lane #103 Loh		
A L B O	Mimi Kapaka	1014 Wai Lane		
A L B O	Jane Gordon	2414 Wai Lane		
A L B O	Jackie Hale	P.O. Box 12493 Loh		276-7712
A B O	Termy Kealoha	P.O. Box 10903	Kahuna1956@gmail.com	808-264-3102





DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS  
SIGN-IN SHEET

EVENT West Maui Water Agreement  
Beneficiary Consultation Meeting

DATE Monday, July 23, 2018

\*\* (A=Applicant, L=Lessee, Both=Applicant and Lessee, O=Other) \*\*

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
A L B <input checked="" type="radio"/>	Thomas Okuwat	200 S. HIGH ST WAILUKU	thomas.okuwat@co.mauai.hi.us	270-7835
A L B <input checked="" type="radio"/>	WENDY TAOMOTO	STAVE & ABIOE	wendy.taomoto@co.mauai.hi.us	270-7335
A L B <input checked="" type="radio"/>	Gladys Baisa	same as above	gladysbaisa@co.mauai.hi.us	270-7483
A L B <input checked="" type="radio"/>	Sherman Baisa	143 Kuali Dr. Makama 96768	baisag@hawaii.com	264-1184
A L B <input checked="" type="radio"/>	William K. Baisa	524 WAGGATE PL.	@276-8974	276-8974
A L B <input checked="" type="radio"/>	Paul J. Baisa	34 West Kapiwani Pl	laurita.baisa@hawaii.com	269-1608
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## HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION  
DEPARTMENT OF HAWAIIAN HOME LANDS

# **DHHL – County of Maui DWS West Maui Water Intergovernmental Agreement**

Beneficiary Consultation Meeting

July 23, 2018

6:00 p.m. – 8:00 p.m.

Lahaina, Maui

## **Presentation Outline**

- Pule & Introductions
- Purpose of Meeting
- Beneficiary Consultation Process Overview
- Presentation on Proposed Intergovernmental Agreement
- Discussion and Q&A
- Closing & Next Steps



# Purpose of Meeting

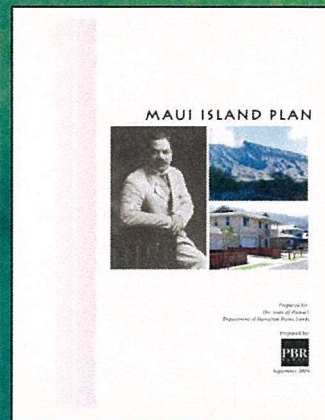
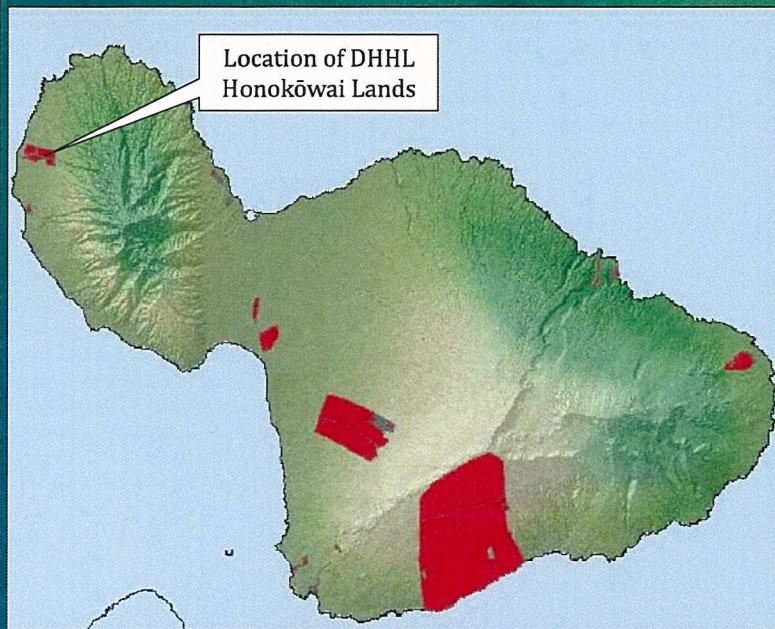
- Share information regarding the proposed intergovernmental agreement with the County of Maui, Department of Water Supply (DWS) as well as on DWS' proposed water system improvements in West Maui.
- Consult with DHHL Beneficiaries regarding proposed agreement for a license to DWS in exchange for a water allocation for the Department of Hawaiian Home Lands (DHHL).
- Obtain comments from Beneficiaries on proposed agreement.

# Beneficiary Consultation Process

- HHC Policy of Consulting with Beneficiaries for:
  - Land use projects, long term licenses/leases
- Consultation Meeting
  - What's being proposed?
  - Will the use provide benefits for Beneficiaries?
  - Record Beneficiary input
- One-Month Consultation Period
  - Beneficiaries provide written comments (via mail or email)
- Beneficiary Consultation Report to HHC
  - Summarize main points and provide full record of comments for use in decision making



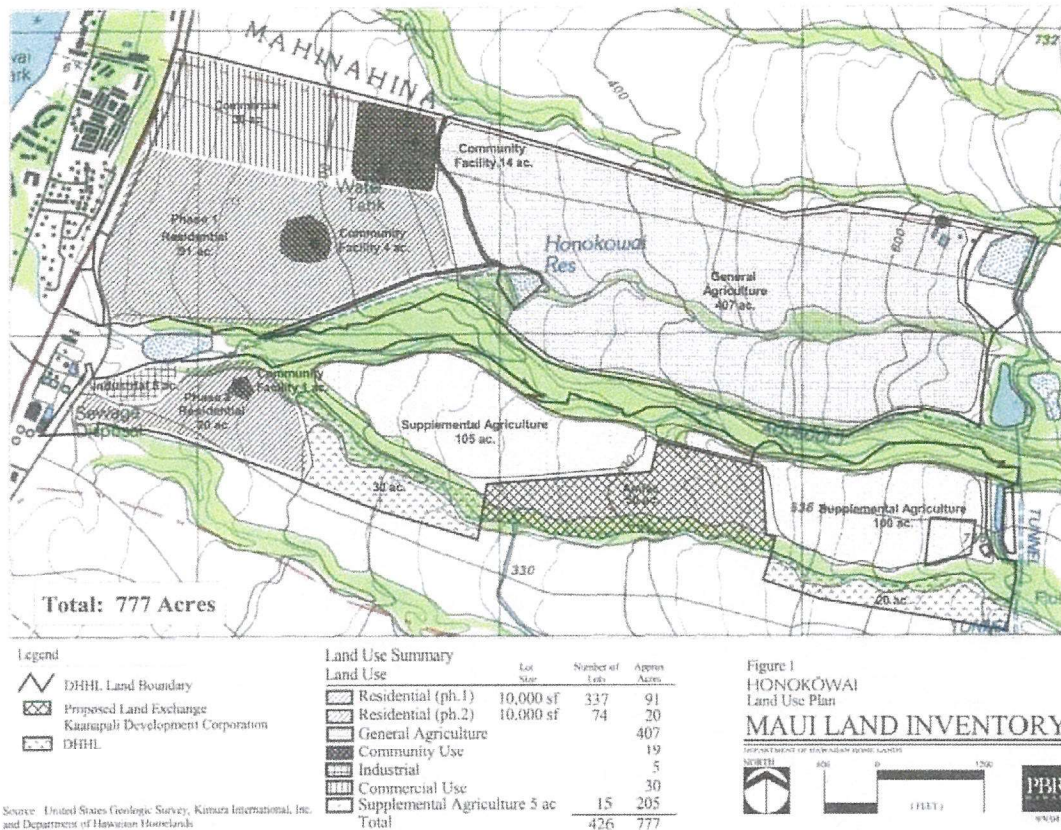
# Maui Island Lands



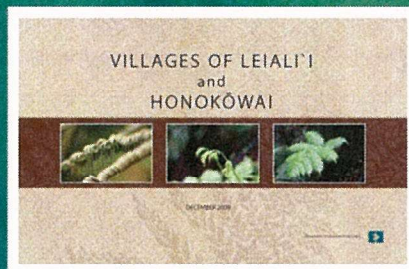
~31,904 acres  
(16% of Trust  
Land)







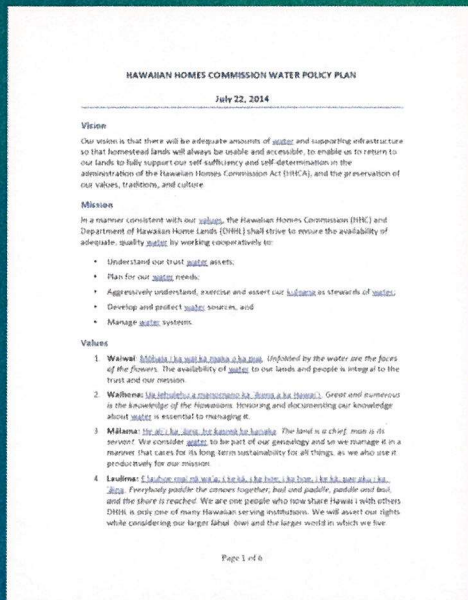
## Villages of Leiali'i and Honokōwai Regional Plan (2009)



- **Priority Project: Water Source Development**
  - DHHL is in the planning process for the development of a new Honokōwai well.
- **Priority Project: Preliminary Review of Honokōwai Lands**
  - DHHL will be starting the master planning process for the Honokōwai lands in 2018.



# Water Policy Plan (2014)



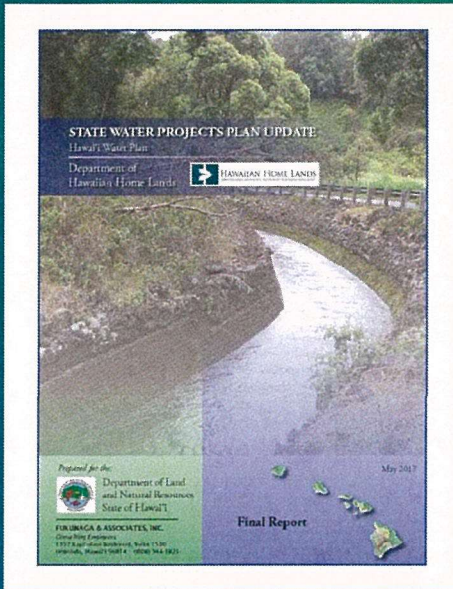
- Adopted by Hawaiian Homes Commission (HHC) on July 22, 2014
- Aimed at the pono use and management of water for the benefit of Beneficiaries
- Plan values include laulima, or cooperation amongst other institutions in asserting the rights of Beneficiaries.

# Water Policy Plan (2014)

- Relevant Policies:
  - Expressly determine and **plan for future** water needs and actively participate in broader water management, use and protection efforts in Hawai'i in order to secure water.
  - Aggressively exercise, reclaim, and protect Hawaiian home land water **kuleana**.
  - Affirmatively **communicate** our decisions, our reasoning, and our performance in managing, stewarding, and using water before and after making major water decisions.
  - **Educate** beneficiaries, the DHHL, HHC, and other stakeholders continually on our water kuleana.
  - Foster **self-sufficiency** of beneficiaries by promoting the adequate supply of water for homesteading when developing or managing water.
  - Explicitly consider **water availability and the costs** to provide adequate water when developing new homestead areas, designating land uses, issuing land dispositions, or exchanging properties.



# State Water Projects Plan



- Adopted by Commission on Water Resource Management in May 2017
- Identifies DHHL water needs over the next 20 years
- Calculates potable and non-potable water demands based on DHHL plans

# State Water Projects Plan

- Honokōwai and Leiali'i I-B potable water demands:

Area	Long-Term Demand
Honokōwai	617,900 GPD
Leiali 'i I-B	151,700 GPD
<b>TOTAL POTABLE:</b>	<b>769,600 GPD</b>
Non-Potable:	2,080,800 GPD

- Proposed to be provided by DWS system
- Projected in the long-term (2026 and beyond) based on available plans (e.g. 2004 Maui Island Plan)



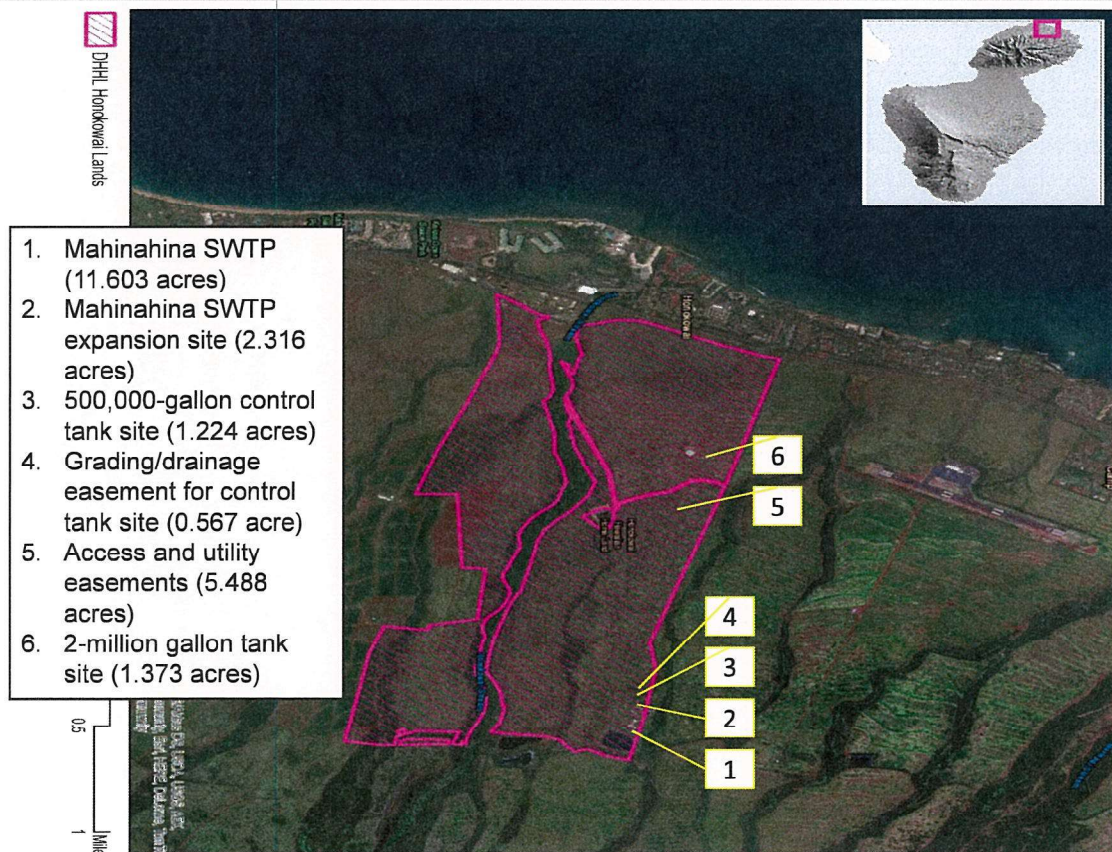
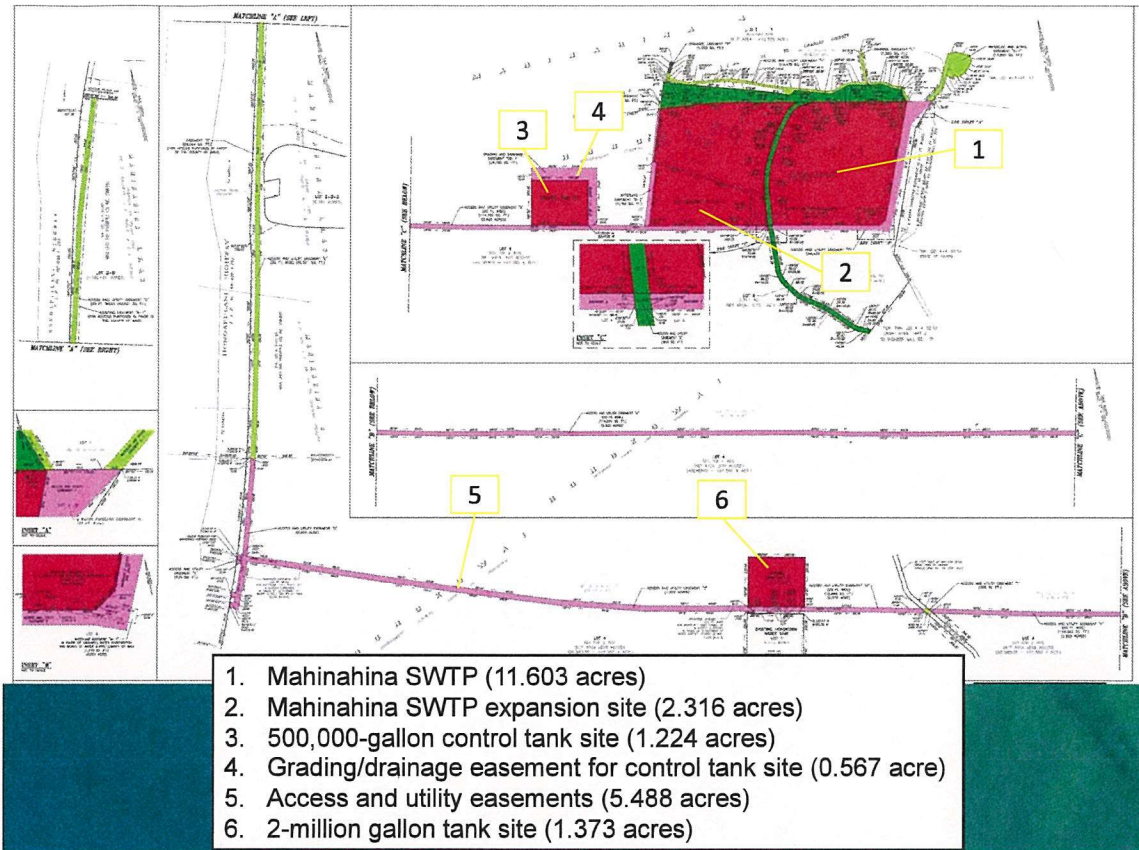
## Summary of Proposed Intergovernmental Agreement

- DWS requests from DHHL a **perpetual land use license** for the following:
  1. Continued operation of the existing Mahinahina Surface Water Treatment Plant (11.603 acres)
  2. Future expansion of Mahinahina Surface Water Treatment Plant (2.316 acres)
  3. Proposed 500,000-gallon control tank site to serve the proposed DWS wells and DHHL Honokōwai Well (1.224 acres)
  4. Proposed grading and drainage easement for proposed 500,000-gallon control tank (0.567 acre)
  5. Access and utility easement (5.488 acres)
  6. Future 2-million gallon Honokōwai tank (1.373 acres)
- Total acreage request: **22.571 acres**
- DHHL requests from DWS **200,000 gallons per day** water allocation

## Summary of Proposed Intergovernmental Agreement

- DWS previously offered DHHL payment for land license based on appraised land value
- HHC in September 2017 asked DWS to work with DHHL to see if water could be provided in exchange for a land license in lieu of monetary payment
- Through negotiations with DWS, a 200,000 GPD allocation is still within existing available capacity of the Mahinahina SWTP and would not create significant impacts
- Average SF water usage is 600 GPD per unit. 200,000 GPD could support approximately 330 units.







## Benefits

- Expedites getting water for Hawaiian home lands
- Provides water to Hawaiian home lands
  - 200,000 GPD will help meet some of the total West Maui water demands (769,600 GPD as specified in the SWPP); enough for build-out of Leiali'i I-B
  - Honokōwai Well will help meet remaining water demands
- Alternative compensation to the Trust
- Opportunity to partner with County of Maui
- System improvements will also serve DHHL's planned Honokōwai well

## Discussion Kuleana

- Maintain an open and positive attitude
- Cell phones off or on silent
- Everyone gets a turn to speak
- Listen to understand
- Disagreement is okay as long as we are respectful of each other



## Discussion and Q&A

1. What are your thoughts on the DHHL's proposed intergovernmental agreement with the DWS for a water allocation in West Maui in exchange for a land license? Are there any alternatives that DHHL should consider?
2. What are your thoughts on the perpetual term of the license request?
3. What other partnership opportunities are there for the DHHL and beneficiaries in this region related to water?

## Closing and Next Steps

- 30-day Comment Period Ends – August 22, 2018
- Beneficiary Consultation Report to HHC – September 17-18, 2018 (Hilo, Hawai'i)
- HHC Consideration of Proposed Agreement – October 15-16, 2018 (Paukūkalo, Hawai'i)



# DHHL Contact Information

**Send Written Comments to DHHL Planning Office:**

Department of Hawaiian Home Lands

Attention: Planning Office

P.O. Box 1879

Honolulu, HI 96805

[DHHL.Planning@Hawaii.gov](mailto:DHHL.Planning@Hawaii.gov)

**Questions? Please Contact:**

Bryan Esmeralda (DHHL Planning Office)

[Bryan.K.Esmeralda@Hawaii.gov](mailto:Bryan.K.Esmeralda@Hawaii.gov)

(808) 760-5125 / (808) 265-2382

**West Maui Water Intergovernmental Agreement**  
**July 28, 2018 Beneficiary Consultation Meeting Notes**

*Q = Question, A = Answer, C = Comment, DWS = Department of Water Supply*

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Q: Wells are limited. Why is Honokowai only having a well instead of surface water? Unknown. I don't like wells. Honokowai should have surface water as well.

A: Mahinahina TP (Treatment Plant) is surface water. 200,000 [GPD] (Gallons per Day) is treated surface water.

Q: Agreement is in process?

A: No decision has been made. Still working w/ DWS (Department of Water Supply). DWS made request in 2017. HHC (Hawaiian Homes Commission) said see if we can get water instead of \$.

Q: Expedites water for HHL (Hawaiian Home Lands)?

A: 200,000 GPD is for HHL

C: Don't want to end up like Launiupoko. No more water there. Built a well – homes taking water from other places.

Q: Mock build up for Leialii. Model home – who pays for the water meter?

A: DHHL (Department of Hawaiian Home Lands) doesn't build model homes. Developers have plans/models.

A: When DHHL purchased Leialii, infrastructure was already there. Improvements made to meet County code. Normally DHHL does overall system infrastructure. Lessee does water meter installation.

Q: How many ag. (agriculture) lots proposed in Honokowai?

A: 2004 MIP (Maui Island Plan) – 41 res. (residential) lots, 15 5-acre ag. lots. Leialii took up lots of res. demand. During reg. (regional) plan process, demand for ag. Dept. started looking at ag. Looking at replanning Honokowai for all ag. lots. Opportunities- R1/surface water use for ag.

Q: Dual water system?

A: Will need potable for domestic uses. Non-potable for ag.

DWS: Mixed system for Lahaina. Mahinahina is combo of SW (surface water)/wells. Lahaina system is wells.

C: Water in the streams – not abundant anymore.

A: CWRM (Commission on Water Resources Management) setting IIFS (Interim Instream Flow Standards) for W. Maui.

Q: What is left for DWS?

A: Working w/ agencies to determine water – DWS & CWRM.

DWS: 200,000 [GPD] does not affect IIFS, existing capacity w/ reliable well backup to surface water.

C: I was never asked if I wanted ag. over res. People wanting ag. probably have homes. Go down list of people who need homes.

A: Since 1990s, HHC focused on res., no ag. Push for refocus on ag. Balance. 5 year beneficiary surveys, HHC mtgs. – discussion on balance comes up. Need beneficiary mana'o and advocacy. Participate in planning process.

Q: Ag. lots can be occupied w/ homes?

A: Yes.

Q: Tanks are for potable water. Tanks better than reservoirs?

DWS: Reservoir is for untreated surface water before it goes into Mahinahina. Proposed tank is for potable water from DWS/DHHL tanks.

Q: Rainy season vs dry season

A: Wells are backup to surface water. DWS' job is to manage the utility.



C: Kihei built out w/out reliable water. Lots of runoff.

Q: Are you considering lay of the land (contours)?

A: Planning process involves suitability analysis of land. We do what makes sense for the 'āina & community. Eg. Honokowai. We will look at what we see and what we hear. HHC supports this project - \$.

Q: Preparation. You're giving us awareness. Re old wells – Honokowai is not a place for wells (eg. sewer) 5 live streams in Honokowai. Sugarcane/ranching created reservoirs. Need new technology these days. Honokowai wet – surface water/streams. Cultural Impact Assessment (Cultural Impact Assessment) done?

A: Agreement is for DWS system – mixed surface/ground water. DHHL well can provide 1.0 MGD (Million Gallons per Day) once it's in production. No proposals for new wells. Well was dug for Leialii. Honokowai – developed our own source w/ State funds. CIA will be done as part of EA (Environmental Assessment) process for well – including reaching out to kuleana land owners. Honokowai was acquired – we don't know what happened on land. CIA/AIS (Archaeological Inventory Survey) will be done for research.

Q: How will you connect your land – where will line go?

A: Looking at alternative alignments. Eg. Existing siphon. Going thru EA process looking at alignments.

A: EA process end of year – would be good to get comments. Looking at flora/fauna, archaeology. Need to go over valley – owned by KLMC (Kaanapali Land Management Corporation). Trying to stay on HHL as much as possible.

Q: DHHL has 1<sup>st</sup> rights to water per CWRM IIFS process/State constitution. Why do we need deal w/ DWS when it's part of constitution?

A: 4 public trust uses of water (inc. DHHL) – all equal. Also includes public domestic uses, natural state, TCR (traditional and customary rights) of NH (Native Hawaiians). CWRM obligation to balance uses before private uses.

A: DHHL has no money, DWS has resources and expertise. We work w/ the experts.

A: We have a right to water from source, but how we get it (trans. (transmission) system) costs money. DWS already has system on DHHL lands. They manage system, makes sense that we partner.

Q: Why not ask them [DWS] to pay in infrastructure rather than water since DHHL has rights to water?

A: We calculated water demands for Honokowai lands – but where does water come from. DWS wells/system is theirs. Cost to provide infrastructure. DWS improvements are infrastructure to benefit DHHL.

DWS: 200,000 GPD is readily available water. DHHL just needs to provide infrastructure to bring it to end users. DWS/DHHL wells cost money to develop.

Q: DHHL consider monetary payment instead?

A: DWS offered \$400,000 for license originally. DHHL/P.O. (Planning Office) recommended that that wasn't enough. Staff advocated to work w/ DWS to get water. Infrastructure benefits also included. [Hawaiian Homes] Commission/[Maui County] Council can still deny, this is staff recommendation.

Q: Is infrastructure costs included in deal?

A: Land for infrastructure in exchange for water. Infrastructure will allow development of DWS/DHHL wells.

A: This agreement is 1<sup>st</sup> of 3 steps. 200,000 GPD is enough to service Leialii and still allow DWS to serve public.

Q: Where does 200,000 GPD come from?

A: Mixed sources, 8 wells and surface water.

DWS: Opportunity to partner – allows reliability of water.

Q: What is wet water/what is conservation notice?

DWS: When wells need to be repaired, we ask public to conserve/be better stewards.

A: Wet water is readily available water rather than just an agreement.

C: Would like to not be limited – more water if needed.

C: DWS has license to sell water/DHHL no license. Come straight down from Puukolii w/ new bypass and put water in Wahikuli [reservoir].

A: DHHL can sell water per HHCA (Hawaiian Homes Commission Act). 4 systems – subsidized by DHHL.

A: Looking at Wahikuli as an option. Cost of transmission is extreme. Systems operations cost is extreme.

C: Honokowai → Napili line is in the middle of Honoapiilani Hwy. Old lines/lots of maintenance costs in future. Wahikuli filled via pump. Look at this as an option. Bypass.

DWS: We will maintain.

Q: Who are other institutions? Kuleana LCA (Land Commission Award) awardees?

A: Focus in on advocating for beneficiaries. Kuleana awardees in [Honokowai] valley. We are aware of exclusions/awardees. We honor awardees. Need to figure out how to contact.

DWS: Request is only for areas on HHL. No impact on known kuleana awards.

Q: Who are other stakeholders?

A: Beneficiaries first, then larger community. Other large landowners, State and County agencies, neighbors.

C: DWS will receive ~22.5 acres in exchange of 200,000 GPD to DHHL.

Q: County has been there, what do they pay now? In order to continue they need a license?

A: Correct. We are trying to finalize this agreement.

Q: DHHL didn't have Honokowai until 2004, who had it before?

A: DLNR, they gave ROE (Right of Entry) for plant. DHHL received lands, been working on agreement.

Q: 200,000 GPD only for HHL. What about other developments eg. Pulelehua?

A: Focused on DHHL. State agencies slower than private developers.

DWS: Pulelehua has source requirement. 200,000 GPD is guaranteed once agreement is approved.

Q: Where is Leialii Association? They should be here.

Q: DWS will maintain system?

A: Existing system will provide 200,000 GPD.

Q: Council needs to approve?

A: Yes, water agreements need to be approved by Council.

Q: [Leialii] 1B will come up once water is given?

A: Still need to work on sewer, road (Leialii Pkwy.). Kuleana is to develop pkwy. to service 1B.



#### **Comments from July 24, 2018 Telephone Conversation with Gilbert Paoa**

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- DHHL/DWS should be mindful about the power grid and look into solar panels, like the one above Lahainaluna [High School], to assist with the water system energy.
- Hawaiian Airlines has a license at Kapalua Airport and they lease from Bishop Estate and should be considered as a stakeholder in the region.
- Water being supplied by Pu'ukoli'i well, people don't understand how much it costs; on the ag side, like at Waikapu, the small village is set up for tourists; my sister lives by Wai'ehu Golf Course and she's still able to build a home near/on ag land.
- The State of Hawai'i and Unions should help with house construction.
- Everything near the coastline including Marriott and Hyatt have big lawyers that can set up contracts/licenses.
- In the November election there will be items that will affect DHHL.
- People don't know how precious water is; my main focus last night was on the was on water meters: who pays for purchasing them and who pays for installation.
- We live in Honokōwai.