G-2. Acceptance of Beneficiary Consultation Report and Authorization to Request a Reservation Regarding EMI’s Water Lease and DHHL’s Water Reservation

Andrew Choy, Acting Planning Program Manager
Halealoha Ayau, Water Resource Management Specialist
Jonathan Likeke Scheuer, Consultant

Thursday May 30, 2019, 10:00 am Paukūkalo Community Center
Proposed Actions

1. Accept the Beneficiary Consultation Report as the official record of beneficiary issues, questions, concerns, and comments regarding the East Maui Irrigation (EMI) Request for Water Lease from the Department of Land and Natural Resources (DLNR) and DHHL’s proposed water reservation relating to the same; and
2. Reauthorize the Chairman to formally request a water reservation from the Commission on Water Resource Management for Hawaiian Home Lands in Kēōkea, Waiohuli, and Pūlehunui, supplementing and clarifying the authorization given in Action 1 of item G-3 taken on August 10, 2015; and

3. Take other actions as necessary to effectuate these requests.
Overview

- Review information shared in Beneficiary Consultation (Jonathan)
  - DLNR Leasing Process
  - DHHL interests in water leases
  - How DHHL calculates water needs
- Proposed Request
  - Review BC findings (Halealoha)
- Action Requested (Andrew)
Information Shared in BC

- DLNR Leasing Process
- DHHL interests in water leases
- How DHHL calculates water needs
- Proposed Request
DLNR’s Water Leasing Process

Chapter 171-58, HRS

1. Request for water lease
2. DLNR Informs DHHL of request
3. DHHL Beneficiary Consultation
4. DHHL/DLNR develop water rights reservation
5. Notice of Public Auction
6. Approval by BLNR for auction of lease
7. Development of Watershed Management Plan or Lease Covenant
8. Environmental Review by applicant per Chapter 343, HRS
9. Qualification of Bidders
10. Public Auction
11. Execute Lease
DHHL’s Interests In EMI Water Lease

1. Secure Water for Affected Lands
   • Ke‘anæ fed by Pi‘ina‘au and Pālauhulu
   • Wailuanui fed by Wailuanui and Waiokamilo
   • Kēōkea and Waiohuli—EMI is key source
   • Pūlehunui—irrigated by EMI and brackish wells

2. Water License Revenue (30%)
   • State Constitution, Article XII, Section 1
   • 30% to the Native Hawaiian Rehabilitation Fund
How Does DHHL Identify Water Needs?

A. Guidance from DHHL’s Planning System
   • General Plan
   • Water Policy Plan
   • Maui Island Plan
   • Regional Plans
   • Development Plans

B. Guidance from DLNR/CWRM
   • State Water Projects Plan
   • CWRM Groundwater Reservations
DHHL Planning System

1st Tier
- General Plan
  - Statewide, 20 year timeframe

2nd Tier
- Water Policy Plan
- Island Plans
  - Regional, 20 year timeframe

3rd Tier
- Regional Plans
  - Developed Areas, 2-4 year timeframe
- Development Plans
  - Undeveloped Areas, 10-year timeframe

Implementation Tools
- Funding
  - CIP, Operating Budget
  - (2 & 5 years)
- Legislation
  - Administrative Rules
- Land Use
  - Designations, Amendment
  - Processes

Evaluation Program

*Hawai‘i Administrative Rules §10-4-51 to §10-4-60

Provides guidance to plans and actions related to water.
Maui Island Plan (2005)

- 20 year time frame
- Identifies Land Use Designations for 31,000 acres on Maui
- Different land uses (e.g. subsistence agriculture, residential) have different water demands
State Water Projects Plan (SWPP)

- Approved by Commission on Water Resource Management – May 2017
- Identifies DHHL Water Needs Over Next 20 Years
- Calculates Water Demand Based on DHHL Plans
- Notes Where Future Numbers Will be Refined
Existing CWRM Reservations

- In September 2018 – CWRM reserved potable groundwater for DHHL lands based on the State Water Projects Plan.

- Potable Water Reserved in Areas Related to EMI:
  - 1,734,000 gpd for Pūlehunui
  - 813,000 gpd for Kēōkea-Waiohuli
  - 3,000 gpd for Keʻanae-Wailuanui
Keʻanae-Wailuanui

- Keʻanae is fed by Piʻinaʻau and Pālauhulu Streams; Wailuanui is fed by Wailuanui and Waiokamilo Streams. These streams were fully restored so no need to reserve non-potable water.

- Add Wailuanui potable (11 lots @ 600 gpd=6,600 gpd)
- Potential Reservations: 6,875,000 gpd

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<th>Potable</th>
<th>Non-Potable</th>
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<td>Keʻanae</td>
<td>3,400</td>
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Kēōkea-Waiohuli

Priority Project - Develop Water Source and Related Infrastructure for Agricultural and Residential Lots

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### Kēōkea-Waiohuli

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<td>From SWPP</td>
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<tr>
<td>3,940 acs. Gen. Ag @2500</td>
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<td>Adjusted Totals</td>
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- No non-potable allocations for:
  - Existing Ag lots (425,000 gpd)
  - Gen. Ag of 3,940 acs. below homes (9,850,000 gpd)

- Potential Reservations: 10,275,000 gpd
Pūlehunui

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<td>Pūlehunui</td>
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<td>1,027,510</td>
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<tr>
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<tr>
<td>Adjusted Total</td>
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- Pūlehunui Regional Infrastructure Master Plan, Draft EIS submitted
- Includes Other Agencies
- New Community Visions
- Groundwater is brackish
- Potential Reservations: 1,027,510 gpd
Beneficiary Consultation Questions

• Should DHHL’s Reservation Request Include Only Non-Potable Uses?
• Where Should This Water Come From to Meet Those Water Needs?
• Are There Any Water Needs that DHHL Did Not Account For? What Are They?
Bene9iciary Consultation Process

• BC invitation letters
  – 487 Kēōkea and Waiohuli lessees
  – 2,180 Maui Agricultural Wait List applicants with Maui zip codes

• 23 signed in, approximately 35 in attendance
DHHL’s reservation request should

• Look at various and redundant water sources to meet water demands;

• Include a range of water demands based on increased land use or by meeting the needs of those on the waitlist;
Beneficiary Consultation Findings

DHHL Should Continue:

• Participating in Chapter 343 EA/EIS process to ensure water quality and
• Advocating for fair market water lease rent so 30% revenues can be provided DHHL (NHRF)
• Ensuring conditions regarding water quantity use and limits are incorporated into the lease
• Working with DLNR to improve the process and develop criteria that protects DHHL’s rights to water
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