

Wells eyed for DHHL project

By [JOHN BURNETT Hawaii Tribune-Herald](#) | Tuesday, January 28, 2025, 12:05 a.m.

The Department of Hawaiian Home Lands plans to drill two wells on a North Kona hillside with the intent of providing potable water to residents of the Villages of La'i Opuu, a DHHL master-planned community.

The project — according to a draft environmental assessment with an anticipated finding of no significant impact — would be accomplished in two phases.

Phase 1 would be the drilling of an exploratory well. If the quality of the water from that well is satisfactory, the project would proceed to Phase 2, converting the exploratory well to a production well plus the drilling of a second production well.

Phase 2 also includes the construction of a 2-million-gallon concrete storage tank, pump control building, electrical lines and lighting, access road improvements, chain-link fencing and water transmission lines.

Phase 1 would take about 18 months to complete, with an estimated cost of \$9 million, while Phase 2 would take about 30 months, with an estimated price tag of \$15 million.

The wells would be developed on a 3-acre portion of a 128-acre privately owned parcel known as the Gianulias property. The property owners are Cannery Commercial LLC of Lahaina, Maui, while AKT Kona Investors LLC has a Sacramento, Calif., address.

The land, which is zoned agricultural, is in an area with coffee farms and coffee retail shops, which will continue to operate during and after the project, according to the draft EA.

La'i 'Opuia, in Kealahou near Kailua-Kona, has been on the books for more than three decades, with plans calling for about 4,100 homes in 14 villages on 1,000 acres of state land. The master plan includes schools, parks, a golf course and other commercial projects.

DHHL's portion of the project, about seven villages, is planned for 572 acres the agency received in 1997. Since an initial 225-home Village 3 subdivision, Kaniohale, was completed in 1999, build out by DHHL has been slow. More recently, a 118-lot initial phase of Village 4 was developed for rent-to-own housing, along with a portion of Village 5.

"Water availability is an extremely significant constraint to providing housing for DHHL's beneficiaries, in North Kona and across Hawaii," said DHHL spokeswoman Diamond Badajos. "Securing water sources, including through well development, is essential for DHHL's future homesteading."

According to Badajos, the Department of Water Supply's North Kona Water Development is in the development agreement with Kalaniana'ole Development LLC, which was awarded the La'i 'Opuia project by DHHL.

Kalaniana'ole is led by Patti Tancayo, a DHHL beneficiary who spent more than two decades working with DHHL Director Kali Watson operating a nonprofit affordable-housing development company prior to Watson's appointment to head DHHL in early 2023.

Tancayo, who also is a former Office of Hawaiian Affairs housing and community development supervisor, founded Kalaniana'ole Development in December 2023 with Nan Chul Shin, who owns Nan Inc., the state's largest

locally owned construction firm.

"A final EA must be prepared and approved prior to DHHL finalizing the purchase and acquisition of the property from the current owner," said Badajos. "Acquisition of the property is anticipated to be completed by June 2025.

"DHHL intends to develop two groundwater wells on the site in an expeditious manner; the fastest possible time at which these wells would be producing wells as part of the county system would be three to six years."

According to Badajos, the water source DHHL plans to use won't encroach "upon freshwater groundwater flow to important natural (and) cultural resources" Native Hawaiian practitioners depend on.

"While water resource development in North Kona has struggled with these issues, DHHL believes it is possible to responsibly develop new water wells while addressing these obligations meaningfully," she said. "... DHHL's intention is to have an ongoing conversation with Native Hawaiian practitioners in the area.

"Rather than seeing this as a burden, we believe the knowledge and wisdom that can be shared by Native Hawaiian practitioners can help to ensure that water is available for future generations to come," she added. "Water development has in the past often been purely extractive, with no give back to the resource or to the community in which the resource exists. DHHL acknowledges the importance of not just 'taking' but making sure we do things that sustain the resource and the community into the future."

Public comments about the draft EA are due by Feb. 24 and can be submitted by email to mkrishok@bowersandkubota.com. The Feb. 23 edition of the Environmental Notice, which contains the draft EA, can be accessed

online at <https://planning.hawaii.gov/erp/>.

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