

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

Hapuna Beach Prince Hotel

62-100 Kauna'oa Drive, Puako, Hawai'i 96743

Monday, May 14, 2018 at 10:00 a.m. to be continued, if necessary, on

Tuesday, May 15, 2018, at 9:00 a.m.

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov, by Saturday, May 12, 2018.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Approval of Agenda
- C. Approval of Minutes for December 2017
- 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 Refinance of Loans (see exhibit)
- D-4 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
- D-5 Approval of Homestead Application / Cancellations (see exhibit)
- D-6 Approval of Designation of Successors to Leasehold Interest and Designation of Persons to Receive the Net Proceeds (see exhibit)
- D-7 Approval of Assignment to Leasehold Interest (see exhibit)
- D-8 Approval of Amendment of Leasehold Interest (see exhibit)
- D-9 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-10 Cancellation of Lease – **SOLOMON K. KAHALEWAI**, Residential Lease No. 11617, Lot No. 18664, Kanehili, Oahu
- D-11 Cancellation of Lease – **DANIEL N. PERREIRA**, Residential Lease No. 4637, Lot No. 68, Waianae, Oahu
- D-12 Commission Designation of Successor – **MELVIN N. POOUAHI**, Residential Lease No. 4126, Lot No. 23, Waimanalo, Oahu
- D-13 Cancellation of Tenant-In-Common Leasehold Interest – **HERMAN K. MOKE**, Residential Lease No. 1348, Lot No. 316, Keaukaha, Hawaii
- D-14 Commission Designation of Successor – **THOMAS K. KAILIAWA, III**, Residential Lease No. 6352, Lot No. 395, Keaukaha, Hawaii

B. REGULAR AGENDA

Office of the Chairman

- C-1 Amending the Home Assistance Program (HAP) Policies & Procedures to Include Temporary Relocation Assistance

Planning Office

- G-1 Declare a Finding of No Significant Impact (FONSI) for the DHHL South Point Resources Management Plan Final Environmental Assessment, TMK (3) -9-3-001:003, Kau, Hawaii Island
- G-2 Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Kawaihae Water System
- G-3 Acceptance of Beneficiary Consultation Report for Proposed Water Rate Increase for the DHHL Pu'ukapu Water System

Land Management Division

- F-1 Annual Renewal of Right of Entry Permit(s), North & West Hawai'i Island (see exhibit)

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. Update on issues related to Sandwich Isles Communications

IV. ITEMS FOR INFORMATION/DISCUSSION

A. WORKSHOPS

Land Management Division

- F-2 For Information Only - 'Āina Mauna Legacy Program Updates

B. GENERAL AGENDA

Requests to Address the Commission

- J-1 Maluhia O'Donnell - Punana Leo o Waimea
- J-2 Georgette Yaindl – Petition for reconsideration L. Avilla
- J-3 Bo Kahui – La'i'Opua 2020 – Villages of La'i'Opua
- J-4 Beneficiary Trust Council, Kalaniakea Wilson – Aina Mauna
- J-5 Hercules Freitas – Execution of Decision and Order

C. WORKSHOPS

Office of the Chairman

- C-2 Update on Storm Damage O'ahu, Kaua'i and status of impact to DHHL lands from volcanic activity on Hawai'i Island.

Planning Office

- G-4 Update on West Hawaii Regional Plans
- G-5 Update on West Hawai'i Water Projects and Issues
- G-6 Water Policy Plan Implementation Program Report FY 2018 and Draft Water Policy
Plan Implementation Program for FY2019
- G-9 Summary of Legislative Session 2018

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

II. ITEMS FOR INFORMATION/DISCUSSION

Planning Division

- G-7 Draft Environmental Assessment (DEA) and Anticipated Finding of No Significant Impact (AFONSI) for Project Kamoleao, Pana'ewa, Hilo, Hawai'i, (TMK 3-2-2-047:075)

III. ITEMS FOR DECISION MAKING

Planning Division

- G-10 Authorize Application for a Well Construction and Pump Installation Permit by Lessee Roger Kaneali'i, Jr., to the Commission on Water Resource Management, Kawaihae, Hawai'i, Lot 20, TMK (3) 6-1-007:020
- G-11 Approval of Water Rate Increase for the DHHL Kawaihae Water System
- G-12 Approval to Extend Current Water Rates and Fees for the DHHL Pu'ukapu Water System

IV. ITEMS FOR INFORMATION/DISCUSSION

A. REGULAR AGENDA

Office of the Chairman

- C-3 Sector 15, Former Waikoloa Maneuver Area (WMA) Formerly Used Defense Site (FUDS) Unexploded Ordinance Update

Homestead Services Division

- D-1 HSD Status Reports
 - A - Homestead Lease and Application Totals and Monthly Activity Reports
 - B - Delinquency Report

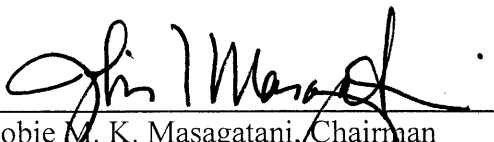
Planning Division

- G-8 Kailapa Community Association Resilient Hawaiian Communities Grant

IV. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Meeting – June 18 & 19, 2018, Kapolei, O'ahu , Hawai'i
- B. Adjournment

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


Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Randy K. Awo, Maui

Michael P. Kahikina, O'ahu

David B. Ka'apu, West Hawai'i

Vacant, Kaua'i

Zachary Helm, Moloka'i

Wallace A. Ishibashi, East Hawai'i

Wren Wescoatt, O'ahu

Vacant, O'ahu

Next community meeting is scheduled for Monday,
May 14, 2018 at Kailapa Community Center,
61-4016 Kai Opae Pl, Kamuela, HI 96743

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 Bryan Cheplic, at the **Information & Community Relations Office**, on Oahu, (808) 620-9590.

ITEM D-2 EXHIBIT
APPROVAL OF CONSENT TO MORTGAGE

LESSEE	LEASE NO.	AREA
AIWOHI, Colleen R.	12119	Kaupea, Oahu
CHONG-ECHIVERRI, Piilani K.	6767	Waianae, Oahu
CRABBE, Kamanaopono M.	8345	Princess Kahanu Estates, Oahu
DAMAS, Lorretta L.	8560	Princess Kahanu Estates, Oahu
DEGUAIR, Bernard C.	8028	Puukapu, Hawaii
FAUFATA, Melissa	12006	Kaupea, Oahu
FERNANDEZ, Rodney K.	11301	Kaumana, Hawaii
FULLER, William K.	8823	Waimanalo, Oahu
HANCHETT, Craig M.	9572	Kalawahine, Oahu
HANCHETT, Roslyn K.	9566	Kalawahine, Oahu
HOOHULI, Stanley K.	8541	Princess Kahanu Estates, Oahu
HOTTENDORF, Claude H., Jr.	9500	Waiehu 2, Maui
HOWARD, Timothy J.	9598	Kalawahine, Oahu
JURY, Richard K.	8559	Princess Kahanu Estates, Oahu
KAHUE, Heston	12104	Kaupea, Hawaii
KALAMA, Kapono T.	7703	Waiohuli, Maui
KALAMA, Zachary, Jr.	3664	Waimanalo, Oahu
KAMEALOHA, Meiling K.	9968	Waianae, Oahu
KAWAAUHAU, Alberta K.	2107	Keaukaha, Hawaii
KAWAHA, Michael A.	9119	Waiakea, Hawaii
KEALOHA, Charles L., Jr.	9419	Kaniohale, Hawaii
LOVELL, Alike L.	12133	Kaupea, Oahu
LOVELL, Justice H. A.	12142	Kaupea, Oahu
MANDAC, Adeline W. L.	11883	Kanehili, Oahu
MANUEL, Jordan K. H.	4463	Waianae, Oahu
MASAOKA, Sheldon R. H.	4221	Panaewa, Hawaii
MEYERS, George A. A.	5158	Nanakuli, Oahu
MEYERS, Tiffany K. A.	5158	Nanakuli, Oahu
NAGANUMA, Scott H.	11473	Leialii, Maui
NAIHE, Paul F. L. K.	8524	Princess Kahanu Estates, Oahu
NAIPO, Rodgers L. L., Sr.	3691	Waimanalo, Oahu
NAKI, Thomas I. K.	4581	Waianae, Oahu
PAAKAULA, Caleb K.	11682	Kanehili, Oahu
PAIKAI, Kawailehua K. H.	12566	Kanehili, Hawaii
REED, Abbie K.	12765	Hoolimalima, Oahu
REGAN, Sharron L.	12326	Kauluokahai, Oahu
SANG, Anthony H., Jr.	9777	Maluohai, Oahu
VIERNES, Stanley D., Jr.	4412	Nanakuli, Oahu
WAIPA, Tani U.	7118	Kawaihae, Hawaii
WILHELM, Keawe K.	11700	Kanehili, Oahu
YAMASHITA, Irmgard K.	8216	Paukukalo, Maui
YAMASHITA, Tiffany K.	3725	Anahola, Kauai

ITEM D-3 EXHIBIT
APPROVAL OF REFINANCE OF LOANS

LESSEE	LEASE NO.	AREA
KEALE-HO, Paradise K.	11157	Anahola, Kauai
NAMUO, Elizabeth K.	6601	Anahola, Kauai

ITEM D-4 EXHIBIT
APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARING

LESSEE	LEASE NO.	AREA
AKAKA, Mark	1362	Nanakuli, Oahu
AKAKA, Raymond	1362	Nanakuli, Oahu
AKAKA-ODOM, Kehaunani	1362	Nanakuli, Oahu
HULAMA, Raymond	4595	Waianae, Oahu
KAHA, Milton D.	3510	Paukukalo, Maui
SHINTANI, Christy U.	9246	Kaniohale, Hawaii

ITEM D-5 EXHIBIT
HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

APPLICANT	AREA
AKAKA, Jo-Dean K.M.	Molokai IW Res
AKINA, Steven, Jr.	Oahu IW Res
BURROWS, Debbie P.	Oahu IW Agr to Hawaii IW Agr
BURROWS, Debbie P.	Oahu IW Res to Hawaii IW Res
DACQUEL, Kamlin P.	Hawaii IW Pas
GRIFFIN, Yolanda C.I.	Maui IW Res
HAI, Richard K.	Maui IW Agr to Maui IW Pas
KAMOKU, Mary Jane L.N.	Hawaii IW Res
KEA, Samuel K.A., Jr.	Oahu IW Res
KELEKOLIO, Kuuleialoha A.K.	Oahu IW Res
KELIIOKA, Donovan	Oahu IW Agr
KELIIPULEOLE, Delphine L.	Kauai IW Res to Maui IW Res
KONG, Mark S.	Oahu IW Res
MEYERS, August L.	Oahu IW Res
MONIZ, Sharynn L.	Oahu IW Res
NERPIO, Sharon C.K.	Kauai IW Res
PALEKA, Walter K.	Molokai IW Res
TERUKINA, Kekoa M.	Oahu IW Res to Hawaii IW Res
TOKUOKA, Donna Lee M.	Kauai IW Res
VELASCO, Jamie K.	Oahu IW Res
WAIKIKI, Testa Ned N.	Oahu IW Res
YAMASHITA, Penny M.	Kauai IW Res

* IW = Islandwide

ITEM D-6 EXHIBIT**APPROVAL OF DESIGNATION OF SUCCESSORS TO LEASEHOLD INTEREST AND
DESIGNATION OF PERSONS TO RECEIVE THE NET PROCEEDS**

LESSEE	LEASE NO.	AREA
AKAU, Andrew A., Sr.	8051	Kewalo, Oahu
II, Audrey U.	6777	Waianae, Oahu
KAMAI, David K.K., Sr.	8264	Lualualei, Oahu
KANAHELE, Kahalaomapuana K.	8853	Hanapepe, Kauai
KAUPU, Bernice P.	1568	Keaukaha, Hawaii
KELSON, Zelda N.	1089	Keaukaha, Hawaii
NEW, Henrietta U.	11393	Kaupea, Oahu
OMPHROY, Ruth L.	9671	Keaukaha, Hawaii
PALIMOO, Raymond L., Sr.	9768	Maluohai, Oahu
RITTMEISTER, Luana H.	5569	Lualualei, Oahu
RITTMEISTER, William D.F.U.	7894	Anahola, Kauai

ITEM D-7 EXHIBIT**APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST**

LESSEE	LEASE NO.	AREA
ARMITAGE, Destiny M.	5158	Nanakuli, Oahu
MEYERS, Tiffany K.A.	5158	Nanakuli, Oahu
CARVALHO, Anna K.	3725	Anahola, Kauai
COCKETT, Tami N.	9491	Waiehu Kou II, Maui
DE FREITAS, Pamela K.	3158	Kewalo, Oahu
DOMOGSAC, Rudy-Lee Q.	12146	Kaupea, Oahu
FINDLAY, Donna M.K.	9840	Kawaihae, Hawaii
HUGO, Jina Lyn K.	11206	Kumuhau, Oahu
YEE HOY, Hastings J.	11206	Kumuhau, Oahu
MOOK, Germaine K.W.	3958	Waimanalo, Oahu
PALAMA, Yvonne N.	6767	Waianae, Oahu
POMAIKAI, Paul K.	12602	Kanehili, Oahu
BAUTISTA, Carlene L.K.	12602	Kanehili, Oahu
POOUAHI, Joseph H., III	4126	Waimanalo, Oahu
ROBINS-MAKAILA, Patricia M.	8721	Waianae, Oahu
WORDEN, Darlene N.	3892	Nanakuli, Oahu
MAHUKA, Faith A.M.	3892	Nanakuli, Oahu
KANIAUPIO-CRESPO, Wendy I.	11745	Kapolei, Oahu
PELFREY, Rebecca K.	10687	Laiopua, Hawaii
KAMALII, Harry K., Jr.	6296	Keaukaha, Hawaii
REYES, Phillip W.	6124	Kalamaula, Molokai
LOO, Ernest C.K.L.K.	6124	Kalamaula, Molokai

ITEM D-8 EXHIBIT**APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST**

LESSEE	LEASE NO.	AREA
AH LOY, Henrietta H.	3216	Hoolehua, Molokai

BONN, Lyan L.	12478	Kapolei, Oahu
BROWN-CLEMENTE, Marlana K.	12322	Kapolei, Oahu
CARVALHO, Anna K.	3725	Anahola, Kauai
EDWARDS, Donna Mae E.	12371	Kapolei, Oahu
GONSALVES, Alexandria K.K.	12386	Kapolei, Oahu
GRACE, Brandon K.	12493	Kapolei, Oahu
HALEMANO, Jensen C.	12492	Kapolei, Oahu
HAMAKUA, Joenetta M.	12369	Kapolei, Oahu
HAMPTON, Raelene K.	12381	Kapolei, Oahu
HIGA, Robert K.	12507	Kapolei, Oahu
KAAWALOA, Lindsey K.	12484	Kapolei, Oahu
KALILIMOKU, Frederick K.	12467	Kapolei, Oahu
KALILIMOKU, Oriana L.	12452	Kapolei, Oahu
KAMALII, Harry K., Jr.	6296	Keaukaha, Hawaii
KAMELAMELA, Ashlynn K.	12373	Kapolei, Oahu
KAPUAKELA, Danielle K.	12347	Kapolei, Oahu
KAUANOE, James C.B.	12432	Kapolei, Oahu
KAUHI, Rayne K.	12353	Kapolei, Oahu
KAUPU, Bernice P.	1568	Keaukaha, Hawaii
KELII, James W.	464-A	Nanakuli, Oahu
KELSON, Zelda N.	1089	Keaukaha, Hawaii
KEONE, Kamaehu B.	12466	Kapolei, Oahu
KILAULANI, Esmond P.	12518	Kapolei, Oahu
KISSEL, Stacie K.	12404	Kapolei, Oahu
KON, Valerie K.A.	12398	Kapolei, Oahu
LANI, Dinah M.	11524	Leialii, Maui
LANI, Robert W., Jr.	11524	Leialii, Maui
LAPILIO, Brandy K.	12438	Kapolei, Oahu
LOPES, Carolyn L.	12464	Kapolei, Oahu
LUCRISIA, Naleisha K.P.W.	12477	Kapolei, Oahu
LYMAN, Danna K.	12409	Kapolei, Oahu
MAIKOWSKI, Francis M.P.	12459	Kapolei, Oahu
MEDEIROS, Reid E.	12426	Kapolei, Oahu
MEDEIROS, Shawn H.	12410	Kapolei, Oahu
MOOK, Germaine K.W.	3958	Waimanalo, Oahu
NEVES, Sherene H.	12486	Kapolei, Oahu
NG, Devin D.H.	12359	Kapolei, Oahu
PATELESIO, Kaiiniokuupuwai E.	12387	Kapolei, Oahu
REGAN, Sharron L.	12340	Kapolei, Oahu
REINY, Vonnell L.D.	12337	Kapolei, Oahu
REYES, Phillip W.	6124	Kalamaula, Molokai
REYES, Sheldon M.	12428	Kapolei, Oahu
SOLATORIO, Cappy A.	5488	Kewalo, Oahu
SPENCER, Casey K.	12338	Kapolei, Oahu
SPILLNER, Wynnette A.B.	12430	Kapolei, Oahu
VILLARIN, Leatrice P.	3951	Waimanalo, Oahu
WAI, Helen N.K.	12326	Kapolei, Oahu

WINCHESTER, Eugene E.K.
WORDEN, Darlene N.

12495
3892

Kapolei, Oahu
Nanakuli, Oahu

ITEM D-9 EXHIBIT

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

LESSEE	LEASE	AREA
BENAVIDES, Kahoomikiiiaukahimekamauliola B.	10043	Waiehu Kou III, Maui
AKI, Kekoholaniokekupunakaneoakamu H.	10043	Waiehu Kou III, Maui
CHOY, Jarrett T.J.	8432	PKE, Oahu
DECOSTA, Henry, Jr.	12796	Hoolimalima, Oahu
FISCHER, Brenda	3979	Waimanalo, Oahu
KUPA, Marilyn L.	4457	Waianae, Oahu
LELEPALI, Lila Mae K.	7276	Nanakuli, Oahu
MORRISON, Maydeen P.	9508	Waiehu Kou II, Maui
REPERCIO, James C.T.	12808	Hoolimalima, Oahu
ROY, Sheila L.M.	4941	Kuhio Village, Hawaii
VERA CRUZ, Denise K.	11575	Kanehili, Oahu

ITEM D-10 EXHIBIT

CANCELLATION OF LEASE

LESSEE	LEASE NO.	AREA
KAHALEWAI, Solomon K.	11617	Kanehili, Oahu

ITEM D-11 EXHIBIT

CANCELLATION OF LEASE

LESSEE	LEASE NO.	AREA
PERREIRA, Daniel N.	4637	Waianae, Oahu

ITEM D-12 EXHIBIT

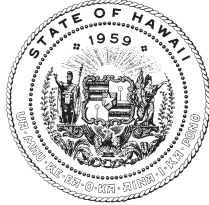
COMMISSION DESIGNATION OF SUCCESSOR

LESSEE	LEASE NO.	AREA
POOUAHI, Melvin N.	4126	Waimanalo, Oahu

ITEM F-1 EXHIBIT

RIGHT OF ENTRY PERMITS NORTH & WEST HAWAII ISLAND

Acre	No.	Use	Permittee	Location	Started
0.540	461	Commercial	Edward J. & Naomi Laau	Kawaihae	7/1/1989
0.670	462	Commercial	Kawaihe Spirits, Inc.	Kawaihae	2/20/1990
50.0	464	Pastoral	Marian Kapuniai	Puukapu	12/29/2012
105.78	466	Pastoral	Malama Solomon	Waimea	1/1/2000
0.560	483	Commercial	Guy Startzman	Kawaihae	2/14/2011
1,420	484	Pastoral	Kahua Ranch	Kawaihae	2/1/2011
7,600	485	Pastoral	Palekoki Ranch, Inc.	Kawaihae	6/1/2011
381.0	599	Pastoral	Parker Ranch, Inc.	Waimea	7/1/1977



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

Notice of Annual Hawaiian Homes Commission Regular Meeting on Hawai'i Island

on Monday, May 14, 2018 at 10:00 a.m.
and Tuesday, May 15, 2018 at 9:00 a.m.*

at the Hapuna Beach Prince Hotel
62-100 Kauna'oa Drive, Puako, Hawai'i 96743

Hawaiian Homes Commission Meeting agendas are available approximately one week
in advance on the HHC Meetings page of our website, dhhl.hawaii.gov

*Meeting times are subject to change. Please check the website for an updated schedule.

Hawaiian Home Lands Meeting with the Kawaihae Homestead Community

on Monday, May 14, 2018
from 6:30 p.m. – 8:30 p.m.
at the Kailapa Community Resource Center
61-4016 Kai Opae Place, Kamuela, Hawai'i 96743

AGENDA

6:30 - 7:00 p.m.	DHHL Update
7:00 - 7:30 p.m.	Homestead Community Update
7:30 - 8:30 p.m.	Open House**
8:30 p.m.	Adjournment

**During Open House, representatives from DHHL divisions will be available for one-on-one consultation with beneficiaries. Community organizations will also present informational booths.

To request accommodations for a sign language interpreter or accessible parking (must be requested five days prior to the meeting date), or for more information, please contact the DHHL Information and Community Relations Office on O'ahu at 808-620-9590.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION

May 14 & 15, 2018
Kamuela-Kawaihae, Hawaii

C-ITEMS
OFFICE OF THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and members, Hawaiian Homes Commission
FROM: Niniau K. Simmons, NAHASDA Manager
SUBJECT: Amending the Home Assistance Program (HAP) Policies &
Procedures to Include Temporary Relocation Assistance

RECOMMENDED MOTION/ACTION:

To amend the Home Assistance Program (HAP) policies and procedures to provide for temporary relocation assistance for those families whose homes are eligible for demolition/new build.

DISCUSSION:

The Hawaiian Homes Commission passed the Home Assistance Program (HAP) policies and procedures at its July 2013 meeting. This submittal seeks to amend the HAP to include temporary relocation assistance for families whose homes have been identified as unsafe/unfit for human habitation and who do not have other family or rental options. The department has several families in the demolition/new build pipeline at present who have been able to secure living arrangements with relatives; however, only one family currently is in the pilot project in Waimanalo. Rental assistance amounts and unit size will be determined by Housing Quality Standards guidelines in 24 CFR Part 982.401-402 and Title VIII of NAHASDA at 24 CFR Part 1008. The family will be responsible for locating a unit that meets Housing Quality Standards criteria, signing lease terms, and paying no more than 30% of their gross monthly income for rent directly to the landlord. The DHHL will pay the landlord directly the portion that remains, to include the first months total rent and deposit.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14 & 15, 2018

TO: Chairman and Members, Hawaiian Homes Commission
FROM: Willian Aila Jr., Deputy Director
SUBJECT: C-2 Update on Storm Damage O'ahu, Kaua'i and status of impact to DHHL lands
from volcanic activity on Hawai'i Island.

THIS WILL BE AN ORAL UPDATE PROVIDED AT THE TABLE.

ITEM NO. C-2,

Status of Trust Lands Affected by UXO Island of Hawaii

Hawaiian Homes Commission
May 15, 2018

May 2018



US Army Corps of Engineers
BUILDING STRONG®

Topics

- FUDS Program / CERCLA Process
- Former Waikoloa Maneuver Area
 - ▶ Kawaihae & Lalamilo Phase 1
 - ▶ Puu Kapu/Kuhio Village
 - ▶ Lalamilo Phase 2
- Former Popoki Target Area
 - ▶ Makuu
- Public Education: 3Rs of UXO Safety



BUILDING STRONG®

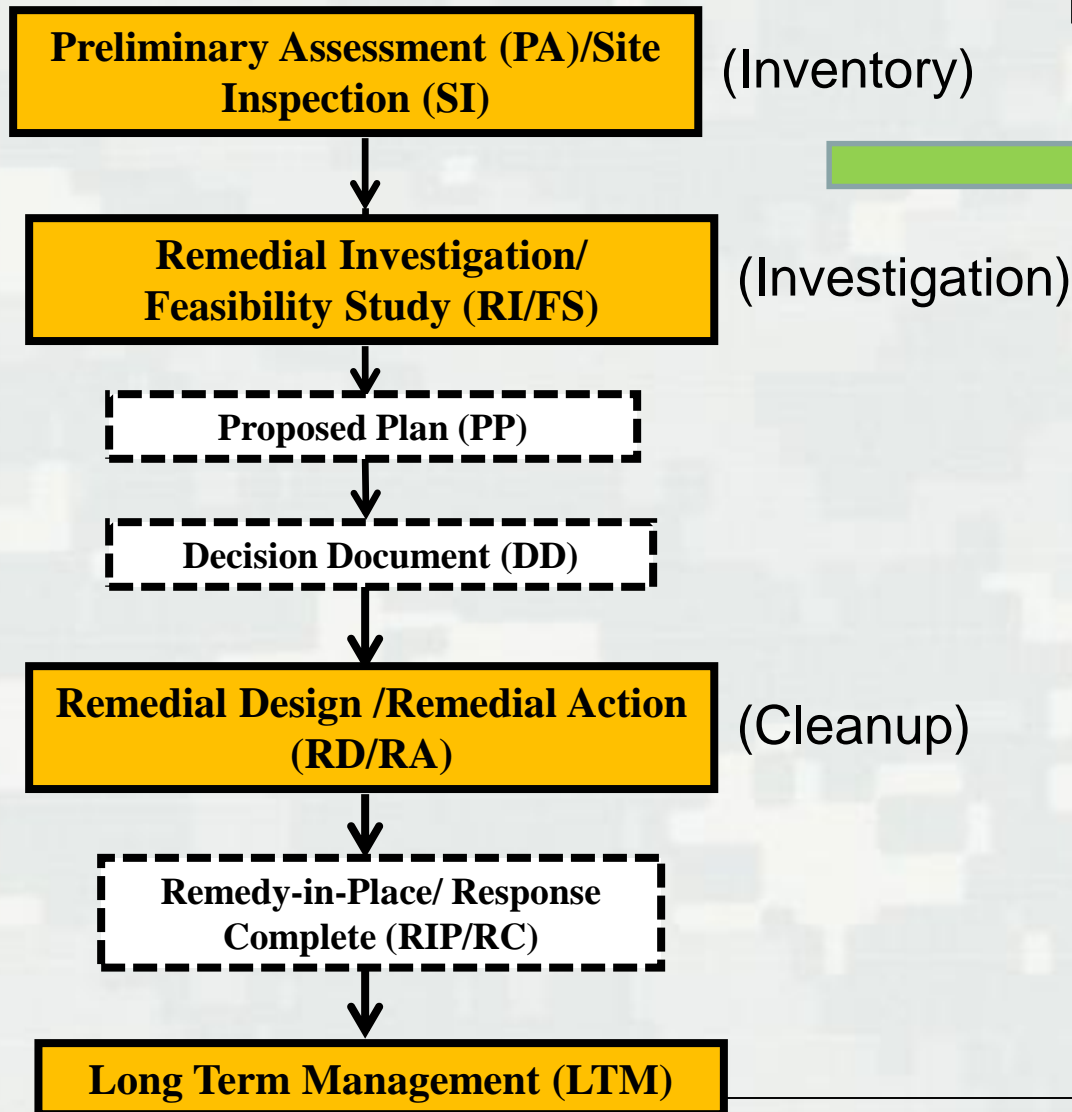
Formerly Used Defense Site

- The Department of Defense is committed to protecting human health and the environment and improving public safety by cleaning up environmental contamination at former military properties.
- Formerly Used Defense Sites (FUDS) Program
 - ▶ Established by Congress in the mid-1980s cleans up properties formerly used by the military services.
- The Army is the DoD Executive Agent for FUDS,
 - ▶ The U.S. Army Corps of Engineers is responsible for carrying out the program.

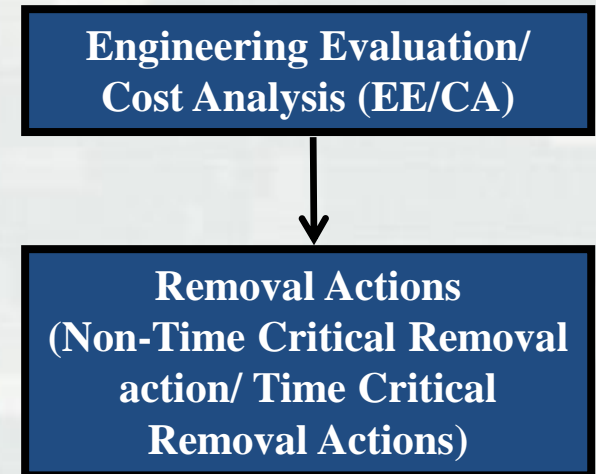


Comprehensive Environmental Response, Compensation & Liability Act

CERCLA Process



Removal Action Process



BUILDING STRONG®

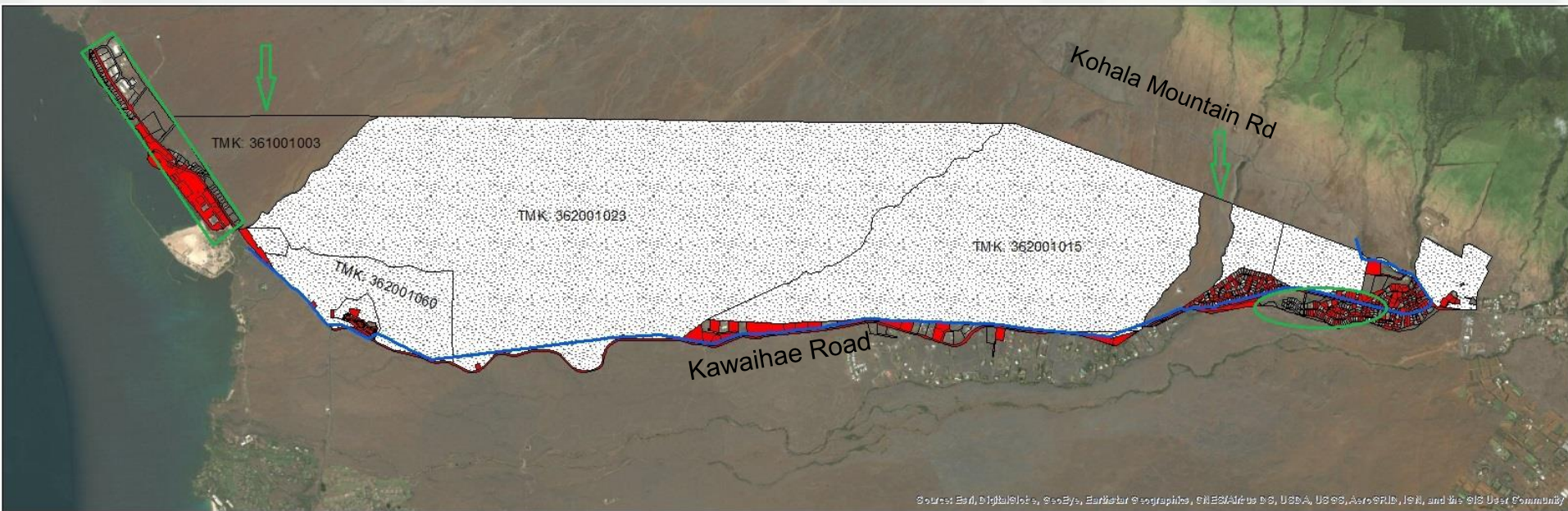


BUILDING STRONG®



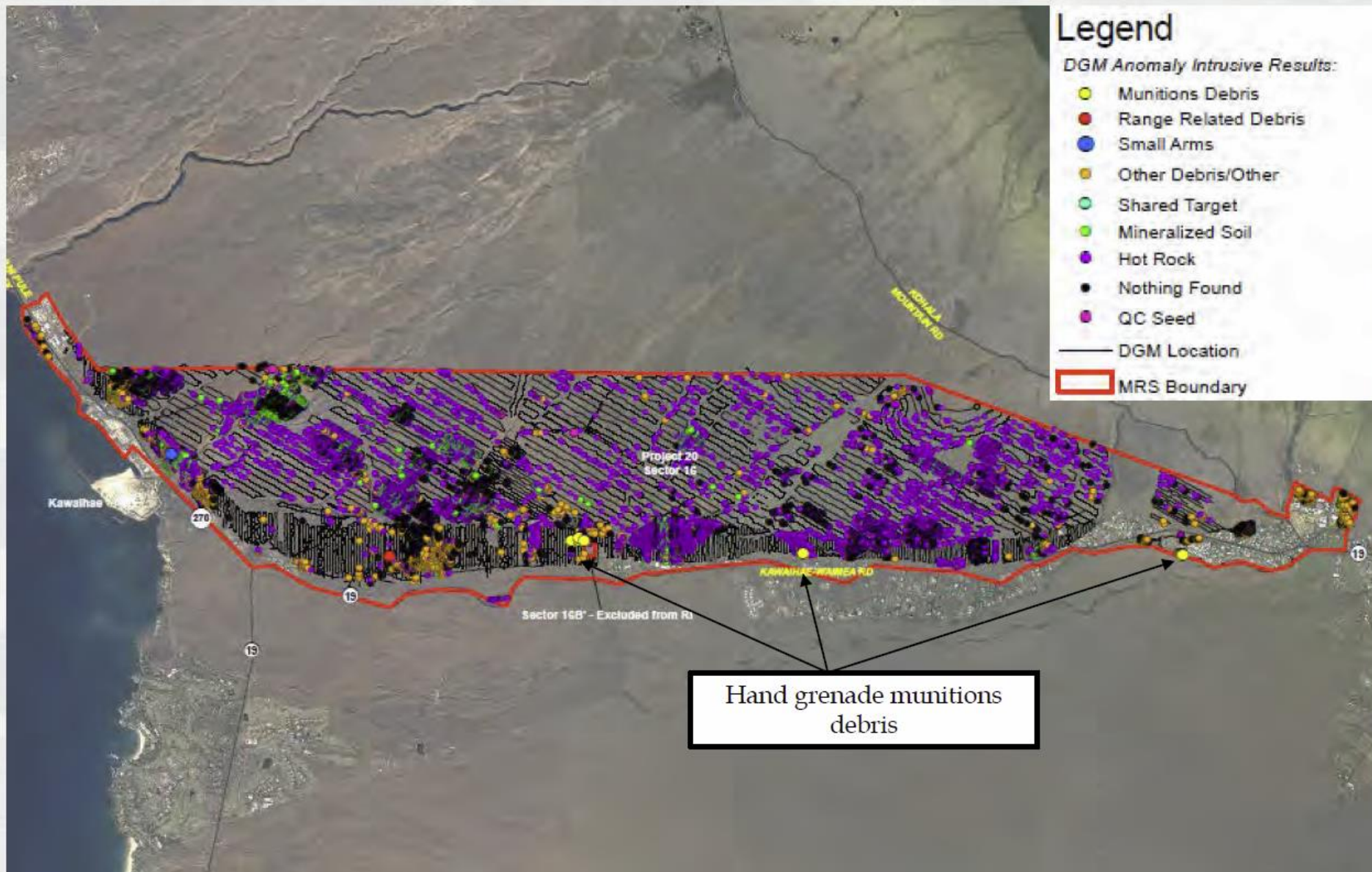
Kawaihae & Lalamilo Phase 1

DHHL Properties in Sector 16 With Active Remedial Investigations



BUILDING STRONG®

Kawaihae & Lalamilo Phase 1



Sector 16 RI Findings

- ▶ Remedial Investigation Acres: 6800
- ▶ Digital Mapping: 11/14/16 – 4/13/17
 - Northern portion - 184 miles of transects
 - Southern portion – 106 miles of transects
- ▶ Intrusive Phase Northern Portion:
 - High Density Anomalies – 6804 – Completed 4/17/17
 - Low Density Anomalies – Combined with 16S Low Density
- ▶ Intrusive Findings
 - No munitions-related findings



Sector 16 RI Findings

- ▶ Intrusive Phase Southern Portion: start April 2017
 - High Density Anomalies – 6457 – Completed 5/15/17
 - Low Density Anomalies – North and South combined - 4105 – Completed 6/9/17
- ▶ Intrusive Findings
 - Farm and industrial debris, hot rocks and other geological influence. Small amount of munitions debris

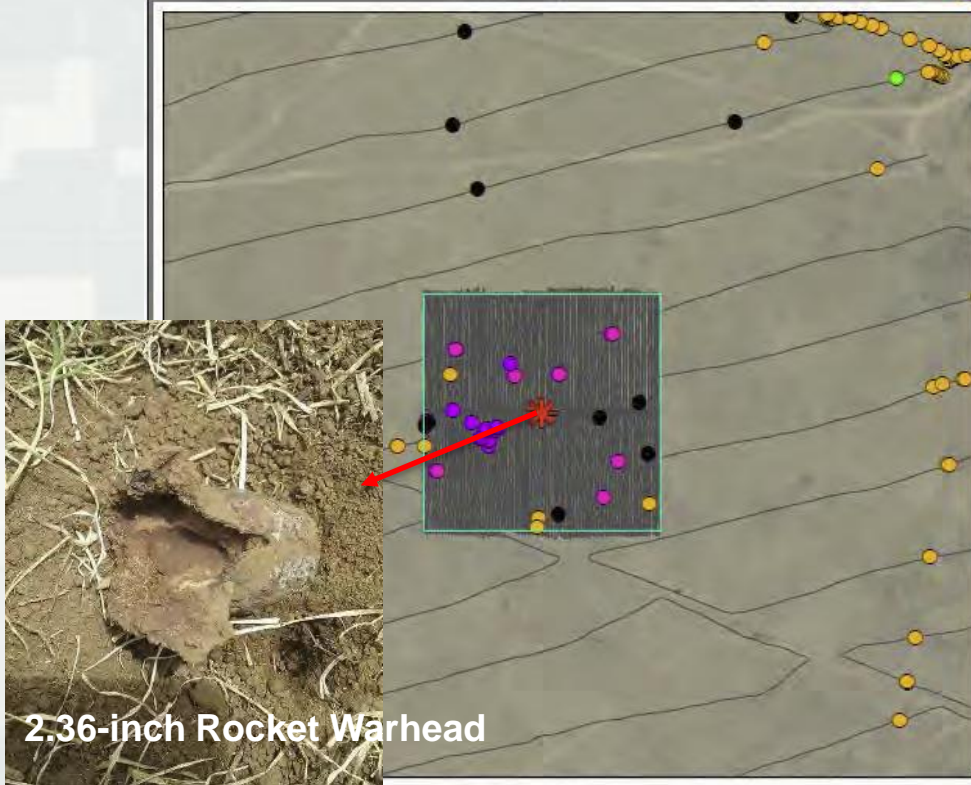


Puu Kapu / Kuhio Village

Legend

DGM Anomaly Intrusive Results:

-  MEC
-  Other Debris/Other
-  Mineralized Soil
-  Hot Rock
-  Nothing Found
-  QC Seed
-  DGM Location
-  MRS Boundary
-  Project 19 Sector 15 - Former Removal Action Area
-  DGM Grid 100%



2.36-inch Rocket Warhead

Puu Kapu / Kuhio Village

- ▶ Remedial Investigation Acres: 11,233
- ▶ Digital Mapping: 11/4/16 – 4/4/17
 - Northern portion - 277 miles of transects
 - Southern portion – 249 miles of transects
- ▶ Intrusive Phase: Completed June 16, 2017
 - High Density Anomalies –15N – 7327; 15S - 6457
 - Low Density Anomalies – 1549
 - Total anomalies investigated =15,333
- ▶ Intrusive Findings
 - Primarily farm debris/trash, hot rocks and other geological influences. 1 MEC item in 15 N. No other munitions debris related items.



Way Forward

Kawaihae & Lalamilo Phase 1 (Sector 16) Puu Kapu / Kuhio Village (Sector 15)

- ▶ Remedial Investigation fieldwork complete
- ▶ Data analysis complete
- ▶ Remedial Investigation report written - under Gov't review
summarize nature and extent of Munitions and Explosives of Concern
- ▶ Develop Feasibility Study (if necessary)
evaluate all remedial alternatives and identify a Preferred Remedy for each site
- ▶ Develop Proposed Plan for remediation
presents the Preferred Remedy for each site. This document will be released for a 30-day public review.
- ▶ Decision Document



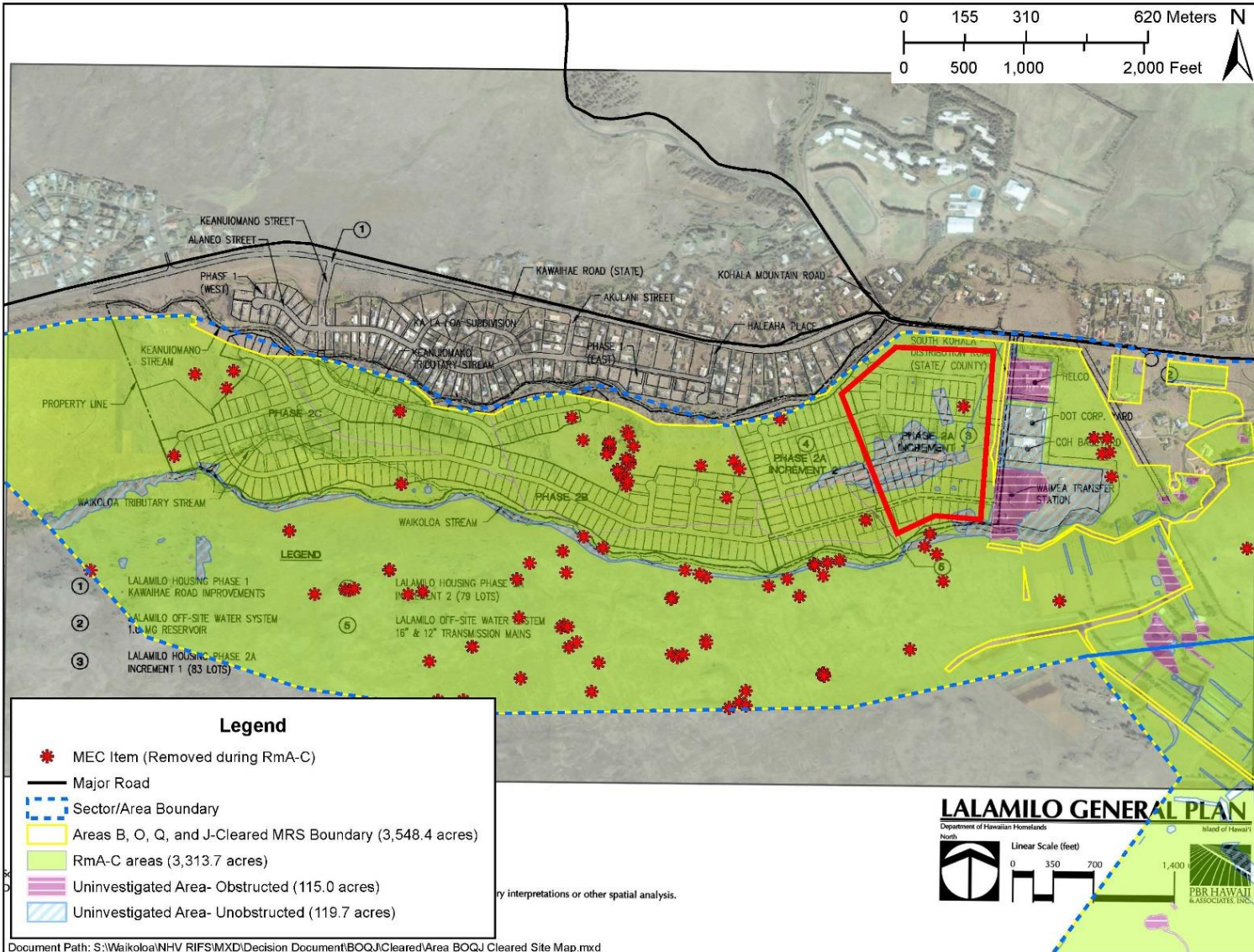
Way Forward Schedule

Kawaihae & Lalamilo Phase 1 (Sector 16) Puu Kapu / Kuhio Village (Sector 15)

- ▶ Technical Project Planning Meeting #1 – Sep 2015
- ▶ Work Plans – Final August 2016
- ▶ Technical Project Planning Meeting #2 – July 2016
- ▶ Field Activities –September 2016 – June 2017
- ▶ Final Remedial Investigation Report – June 2018
- ▶ Final Feasibility Study – September 2018
- ▶ Public Review of Proposed Plan – February 2019
- ▶ Final Proposed Plan – March 2019
- ▶ Final Decision Document – July 2019



Lalamilo Phase 2

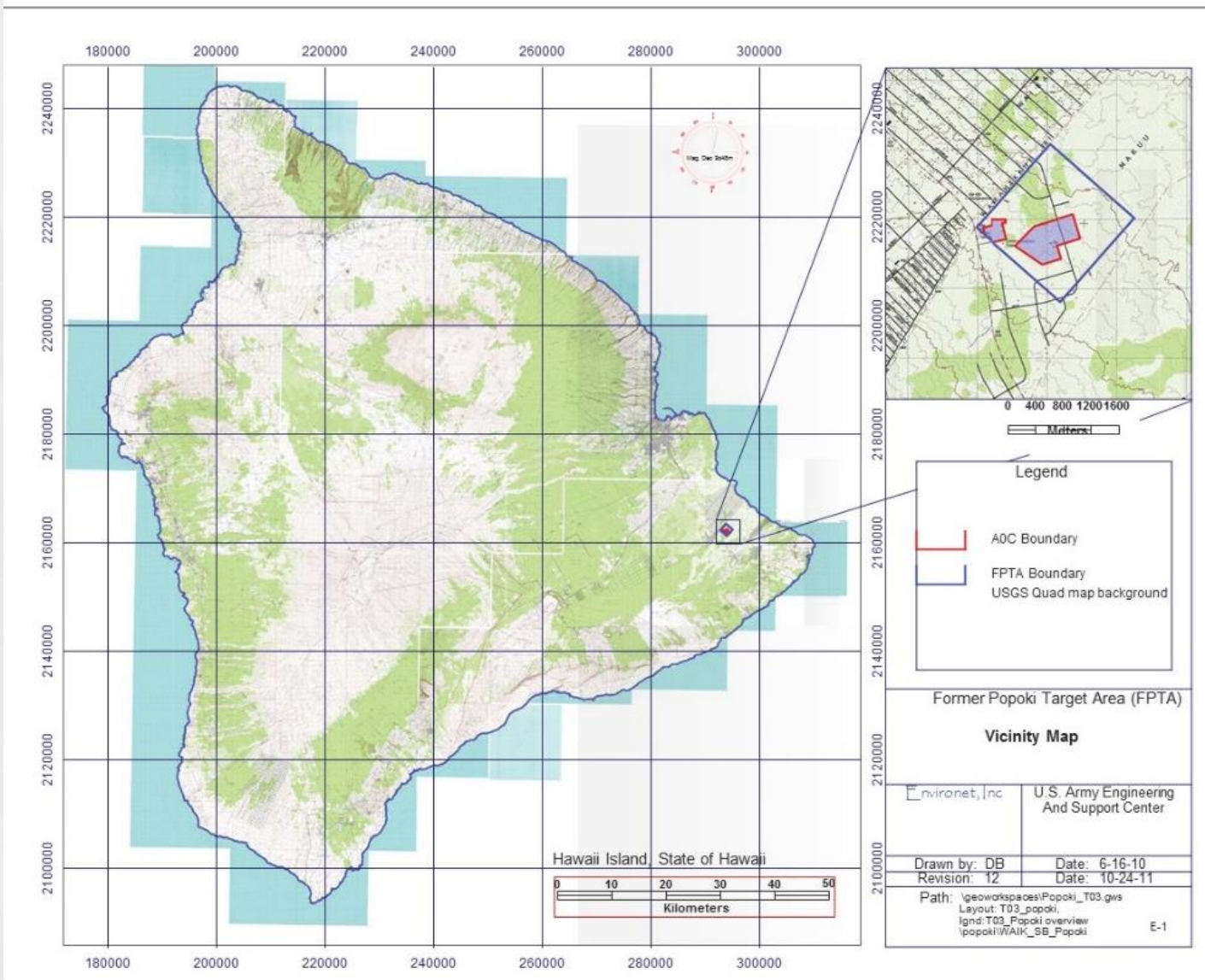


Lalamilo Phase 2

- Lalamilo Phase 2 (B,O,Q,J-Cleared)
 - ▶ Decision Document Signed Aug 2016
 - ▶ Selected remedy says conduct surface and subsurface removal on 119.7 acres of areas uninvestigated and potentially unobstructed.
 - ▶ Award contract to implement selected remedy in May 2018



Makuu



Makuu

- No Change in Status
- Addressed Highest Risk Areas First
- Cleaned 100 of 600 acres
- Long Term Monitoring
 - ▶ Community Outreach: Makuu Farmers Market
 - ▶ Public Education: Practice 3Rs of UXO Safety



3Rs of Unexploded Ordnance Safety



RECOGNIZE – These unexploded ordnances are over 70 years old. They may not look like ordnance.



RETREAT – Go back the way you came. Try to remember where you saw the item.



REPORT – Call 911. The Police Department will respond and determine if the military needs to take care of the item.



DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION

May 14 & 15, 2018
Kamuela-Kawaihae, Hawaii

D-ITEMS
HOMESTEAD SERVICES DIVISION

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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

May 14, 2018

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through April 30, 2018

	As of 3/31/18	Add	Cancel	As of 4/30/18
Residential	8,373	4	5	8,372
Agricultural	1,096	0	0	1,096
Pastoral	410	0	0	410
Total	9,879	4	5	9,878

The number of Converted Undivided Interest Lessees represents an increase of 420 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

	As of 3/31/18	Converted	Rescinded/ Surrendered/ Cancelled	As of 4/30/18
Undivided	906	3	0	903

Balance as of 4/30/2018

Awarded	1,434
Relocated to UNDV	7
Rescinded	110
Surrendered	5
Cancelled	3
Converted	420
Balance to Convert	903

Lease Report For the Month Ending April 30, 2018

	----- 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
OAHU																
Hoolimalina	70	0	0	70	0	0	0	0	0	0	0	0	70	0	0	70
Kakaina	7	3	0	10	0	0	0	0	0	0	0	0	7	3	0	10
Kalawahine	91	0	0	91	0	0	0	0	0	0	0	0	91	0	0	91
Kanehili	359	0	0	359	0	0	0	0	0	0	0	0	359	0	0	359
Kapolei	255	0	0	255	0	0	0	0	0	0	0	0	255	0	0	255
Kaupea	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	52	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	1,048	0	0	1,048	0	0	0	0	0	0	0	0	1,050	0	0	1,048
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	1	419	11	0	0	11	0	0	0	0	431	0	1	430
Waimanalo	738	0	3	735	2	0	0	2	0	0	0	0	740	0	3	737
TOTAL	4,273	3	4	4,272	60	0	0	60	0	0	0	0	4,335	3	4	4,332
MAUI																
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
Lea'ali	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	97	0	0	97	0	0	0	0	0	0	0	0	97	0	0	97
Waiohuli	593	0	0	593	0	0	0	0	0	0	0	0	593	0	0	593
TOTAL	1,266	0	0	1,266	65	0	0	65	75	0	0	75	1,406	0	0	1,406
EAST HAWAII																
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	2
Kamoa	0	0	0	0	0	0	0	0	25	0	0	25	25	0	0	25
Kaunana	43	0	0	43	0	0	0	0	0	0	0	0	43	0	0	43
Keaukaha	473	0	0	473	0	0	0	0	0	0	0	0	473	0	0	473
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	0	3	0	0	3
Makuu	0	0	0	0	121	0	0	121	0	0	0	0	121	0	0	121
Panaewa	0	0	0	0	262	0	0	262	0	0	0	0	262	0	0	262
Piihonua	17	0	0	17	0	0	0	0	0	0	0	0	17	0	0	17
Pueo	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
TOTAL	840	0	0	840	395	0	0	395	25	0	0	25	1,260	0	0	1,260
WEST HAWAII																
Honokaia	0	0	0	0	0	0	0	0	24	0	0	24	24	0	0	24
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
Kaniohale	224	0	0	224	0	0	0	0	0	0	0	0	224	0	0	224
Kawaihae	186	0	0	186	0	0	0	0	1	0	0	1	187	0	0	187
Laipua	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 Vil	115	1	1	115	110	0	0	110	215	0	0	215	440	1	1	440
Puupulehu	33	0	0	33	0	0	0	0	0	0	0	0	33	0	0	33
TOTAL	872	1	1	872	110	0	0	110	282	0	0	282	1,264	1	1	1,264
KAUAI																
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	117	0	0	117	0	0	0	0	0	0	0	0	117	0	0	117
Puu Opaee	0	0	0	0	0	0	0	0	1	0	0	1	1	0	0	1
TOTAL	698	0	0	698	46	0	0	46	1	0	0	1	745	0	0	745
MOLOKAI																
Hoolehua	157	0	0	157	346	0	0	346	21	0	0	21	523	0	0	523
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
TOTAL	395	0	0	395	420	0	0	420	27	0	0	27	841	0	0	841
LANAI																
Lanai	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0	29
TOTAL	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0	29
STATEWIDE TOTAL	8,373	4	5	8,372	1,096	0	0	1,096	410	0	0	410	9,879	4	5	9,878

**HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING
April 30, 2018**

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	134	0	0	134	15	0	0	15	59	0	0	59	208
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
TOTAL	1,298	0	0	1,298	44	0	0	44	94	0	0	94	1,436

ISLANDWIDE WAITING LIST

ISLAND	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
Oahu	9,669	11	5	9,675	3,687	1	1	3,687	0	0	0	0	13,362
Maui	3,784	8	2	3,790	4,648	7	1	4,654	602	2	0	604	9,048
Hawaii	5,713	10	6	5,717	7,139	9	2	7,146	1,872	0	2	1,870	14,733
Kauai	1,610	5	0	1,615	2,211	2	0	2,213	297	2	0	299	4,127
Molokai	790	2	0	792	1047	1	0	1048	198	0	0	198	2,038
Lanai	86	0	0	86	0	0	0	0	0	0	0	0	86
TOTAL	21,652	36	13	21,675	18,732	20	4	18,748	2,969	4	2	2,971	43,394

AREA AND ISLANDWIDE LISTS

	RES	AG	PAS	TOTAL	ADDITIONS		CANCELLATIONS	
OAHU	10,690	3,690	0	14,380	New Applications	51	New Lease Awards	10
MAUI	3,863	4,658	609	9,130	Application Transfers	9	Application Transfers	9
HAWAII	5,851	7,161	1,929	14,941	Lease Rescissions	0	Succ'd and Cancel Own	0
KAUAI	1,671	2,216	328	4,215	App Reinstatements	0	Public Notice Cancel	0
MOLOKAI	812	1,067	199	2,078	HHC Adjustments	0	Voluntary Cancellations	0
LANAI	86	0	0	86	TOTAL	60	Lease Successorships	0
TOTAL	22,973	18,792	3,065	44,830			HHC Adjustments	0
							Dec'd No Successor	0
							Additional Acreage	0
							NHQ Unqualified	0
							TOTAL	19

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

April 30, 2018

	RESIDENCE				AGRICULTURE				PASTURE				
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	TOTAL
OAHU DISTRICT													
Nanakuli	177	0	0	177	0	0	0	0	0	0	0	0	177
Waianae	159	0	0	159	0	0	0	0	0	0	0	0	159
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	600	0	0	600	0	0	0	0	0	0	0	0	600
Subtotal Area	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Islandwide	9,669	11	5	9,675	3,687	1	1	3,687	0	0	0	0	13,362
TOTAL OAHU APPS	10,684	11	5	10,690	3,690	1	1	3,690	0	0	0	0	14,380
MAUI DISTRICT													
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	3,784	8	2	3,790	4,648	7	1	4,654	602	2	0	604	9,048
TOTAL MAUI APPS	3,857	8	2	3,863	4,652	7	1	4,658	607	2	0	609	9,130
HAWAII DISTRICT													
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	43	0	0	43	0	0	0	0	58	0	0	58	101
Subtotal Area	134	0	0	134	15	0	0	15	59	0	0	59	208
Islandwide	5,713	10	6	5,717	7,139	9	2	7,146	1,872	0	2	1,870	14,733
TOTAL HAWAII APPS	5,847	10	6	5,851	7,154	9	2	7,161	1,931	0	2	1,929	14,941
KAUAI DISTRICT													
Anahola	48	0	0	48	3	0	0	3	21	0	0	21	72
Kekaha/Puu Opaie	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	1,610	5	0	1,615	2,211	2	0	2,213	297	2	0	299	4,127
TOTAL KAUAI APPS	1,666	5	0	1,671	2,214	2	0	2,216	326	2	0	328	4,215
MOLOKAI DISTRICT													
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 Alii	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	790	2	0	792	1,047	1	0	1,048	198	0	0	198	2,038
TOTAL MOLOKAI APPS	810	2	0	812	1,066	1	0	1,067	199	0	0	199	2,078
LANAI DISTRICT													
Islandwide	86	0	0	86	0	0	0	0	0	0	0	0	86
TOTAL LANAI APPS	86	0	0	86	0	0	0	0	0	0	0	0	86
TOTAL AREA ONLY	1,298	0	0	1,298	44	0	0	44	94	0	0	94	1,436
TOTAL ISLANDWIDE	21,652	36	13	21,675	18,732	20	4	18,748	2,969	4	2	2,971	43,394
TOTAL STATEWIDE	22,950	36	13	22,973	18,776	20	4	18,792	3,063	4	2	3,065	44,830

DELINQUENCY REPORT - STATEWIDE

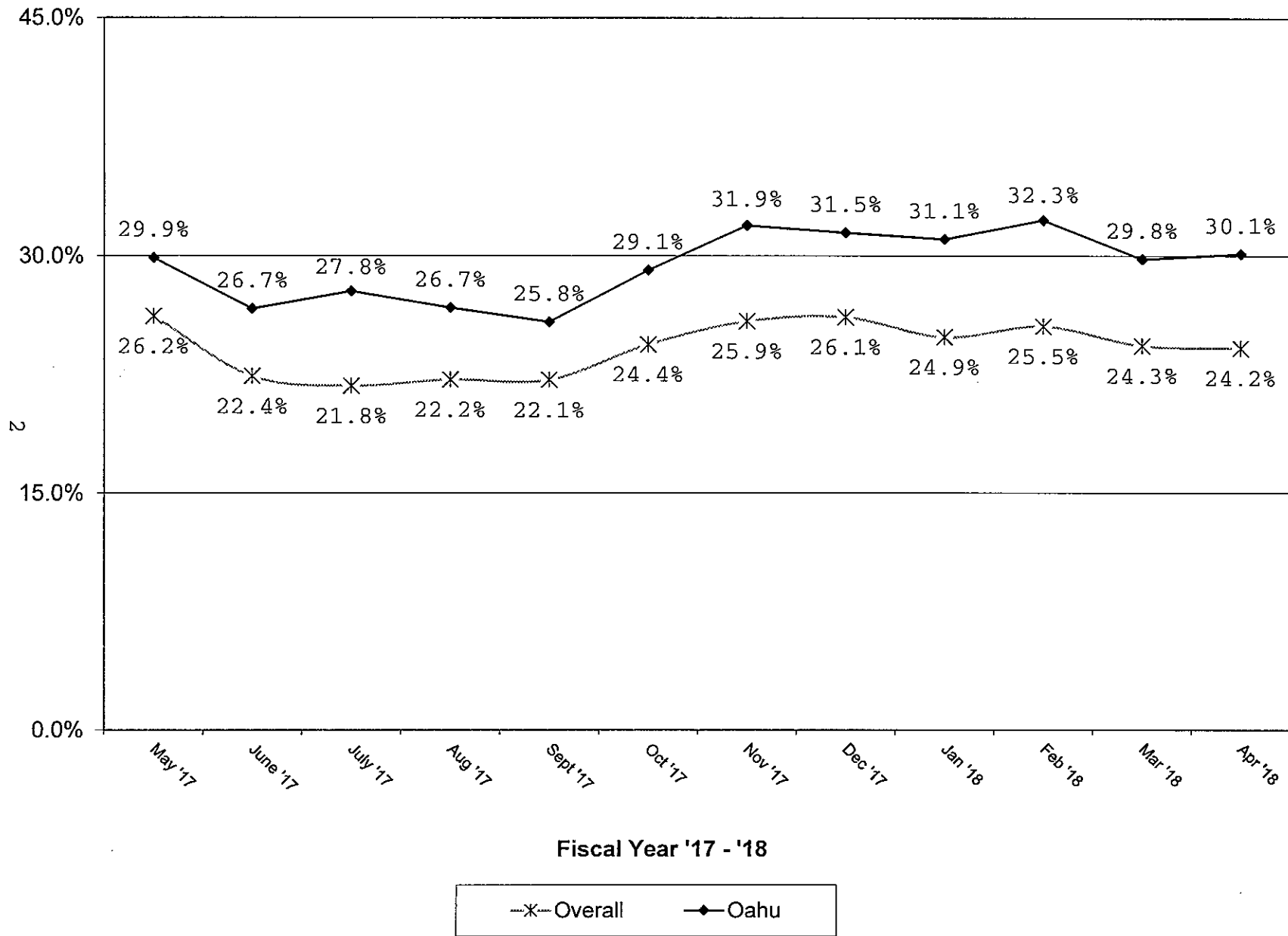
May 14, 2018

(\$Thousands)

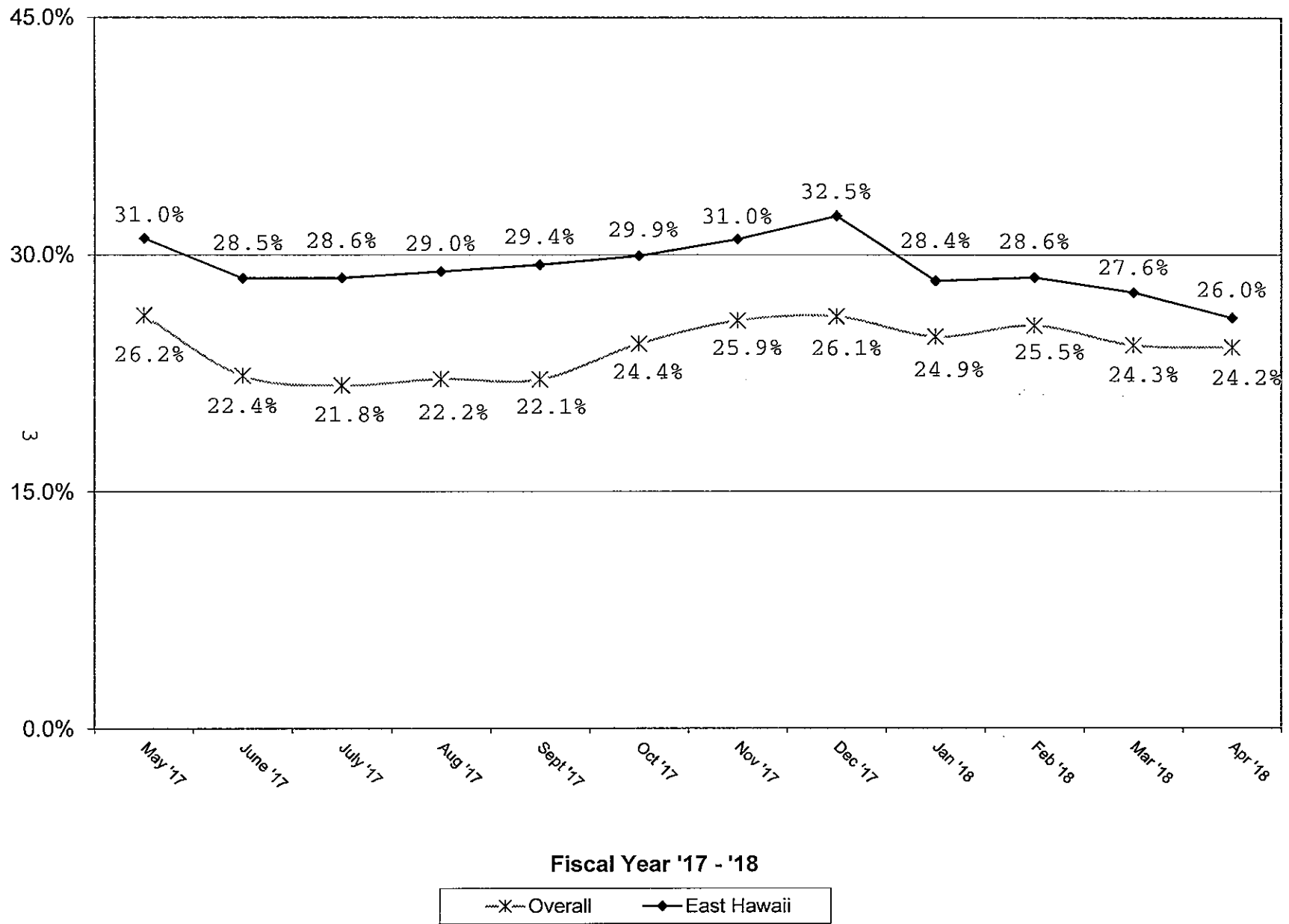
	Total Outstanding		Total Delinquency		30 Days (low)		60 Days (Medium)		90 Days (High)		180 Days (Severe)		R I S K		% of Totals 4/30/2018	
	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	\$
DIRECT LOANS																
OAHU	407	35,115	105	10,583	16	1,739	9	318	23	2,347	57	6,180	25.8%	30.1%		
EAST HAWAII	222	13,723	60	3,574	6	149	4	127	11	320	39	2,978	27.0%	26.0%		
WEST HAWAII	80	7,937	10	594	1	100	1	17	1	131	7	345	12.5%	7.5%		
MOLOKAI	85	6,072	23	738	5	171	3	48	2	52	13	467	27.1%	12.2%		
KAUAI	102	7,177	20	1,353	6	522	3	107	2	107	9	617	19.6%	18.9%		
MAUI	88	10,068	20	2,504	2	37	3	434	5	727	10	1,307	22.7%	24.9%		
TOTAL DIRECT	984	80,092	238	19,346	36	2,718	23	1,050	44	3,684	135	11,894	24.2%	24.2%		
	100.0%	100.0%	24.2%	24.2%	3.7%	3.4%	2.3%	1.3%	4.5%	4.6%	13.7%	14.9%				
Advances (including RPT)	242	7,897	242	7,897	0	0	0	0	242	7,897					100%	100%
DHHL LOANS & Advances	1,226	87,989	480	27,244	36	2,718	23	1,050	286	11,582	135	11,894	39.2%	31.0%		
LOAN GUARANTEES as of June 30, 2017																
SBA	1	101	0	0	0	0	0	0	0	0					0.0%	0.0%
USDA-RD	297	39,078	50	6,142	0	0	0	0	50	6,142					16.8%	15.7%
Habitat for Humanity	74	3,295	29	1,430	0	0	0	0	29	1,430					39.2%	43.4%
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	18	313	14	289	0	0	0	0	14	289					77.8%	92.3%
FHA Interim	7	1,334	0	0	0	0	0	0	0	0					0.0%	0.0%
OHA	48	481	1	6	0	0	0	0	1	6					2.1%	1.2%
TOTAL GUARANTEE	451	44,683	95	7,874	0	0	0	0	95	7,874					21.1%	17.6%
PMI Loans	204	33,824	15	2,994	7	1,524	3	582	5	888					7.4%	8.9%
HUD REASSIGNED for Recovery	144	18,223	122	17,045	0	0	1	72	2	143	119	16,830			84.7%	93.5%
FHA Insured Loans	2,794	427,372	186	21,785	0	0	0	0	186	21,785					6.7%	5.1%
TOTAL INS. LOANS	3,142	479,419	323	41,824	7	1,524	4	654	193	22,816	119	16,830			10.3%	8.7%
OVERALL TOTALS(EXC Adv/RP)	4,577	604,194	656	69,044	43	4,242	27	1,704	332	34,375	254	28,724	14.3%	11.4%		
ADJUSTED TOTALS	4,819	612,091	898	76,941	43	4,242	27	1,704	574	42,272	254	28,724				12.6%

Note: HUD 184A loan program has 441 loans, with a total outstanding principal balance of \$98,859,810.92 as of June 30, 2017. 18 loans, totalling \$4,145,021.64 are delinquent.

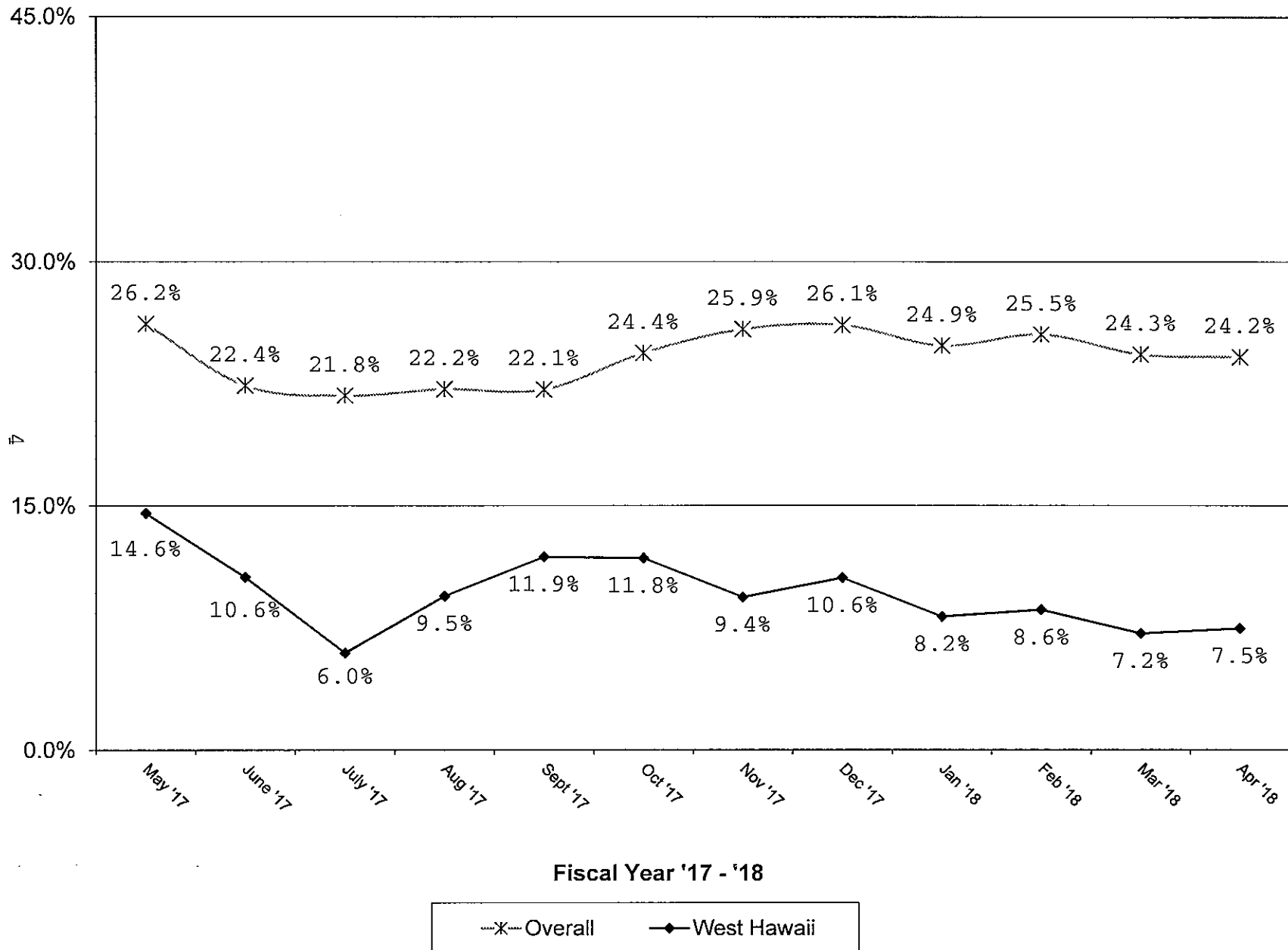
OAHU Direct Loans Delinquency Ratio Report



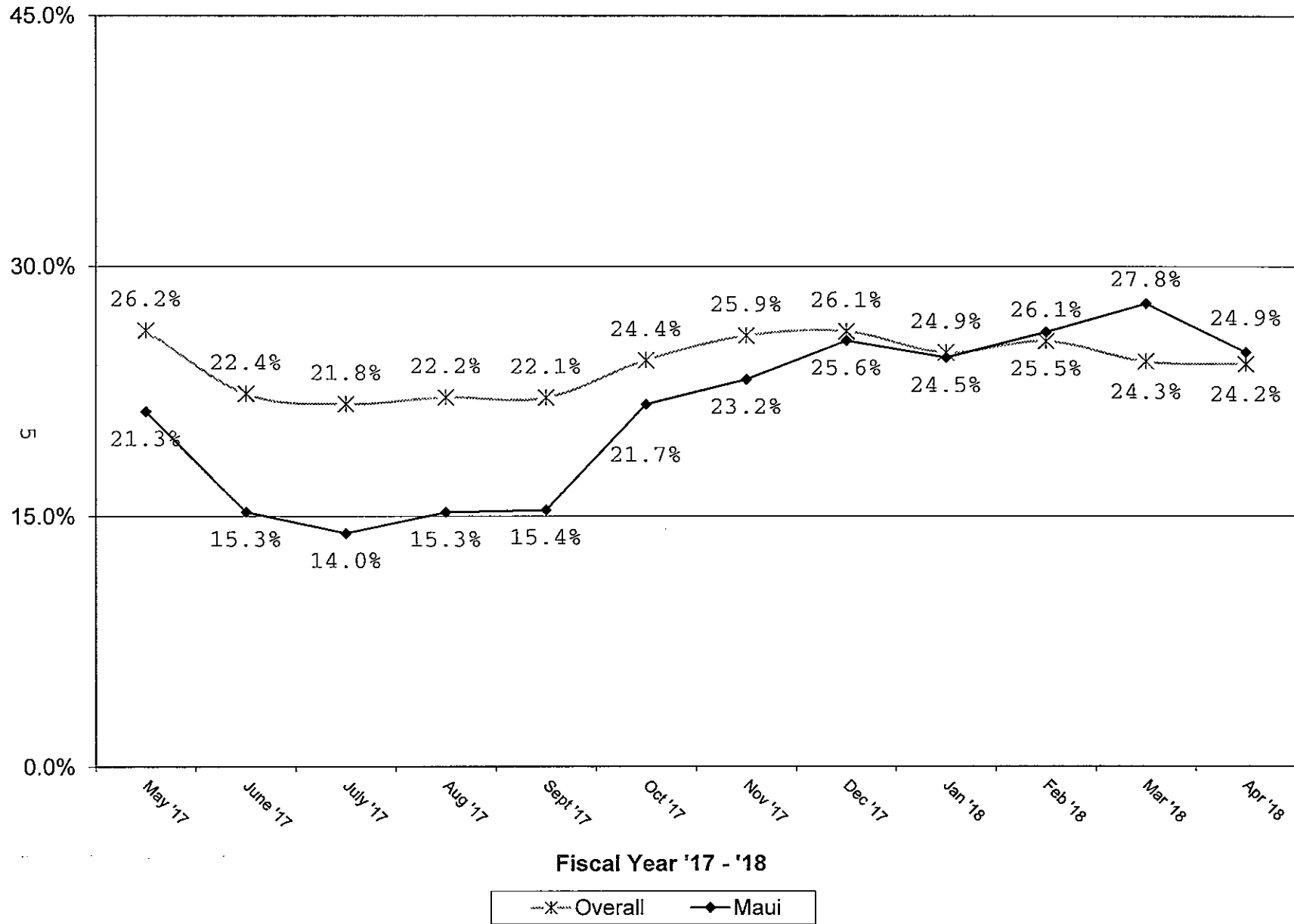
EAST HAWAII Direct Loans Delinquency Ratio Report



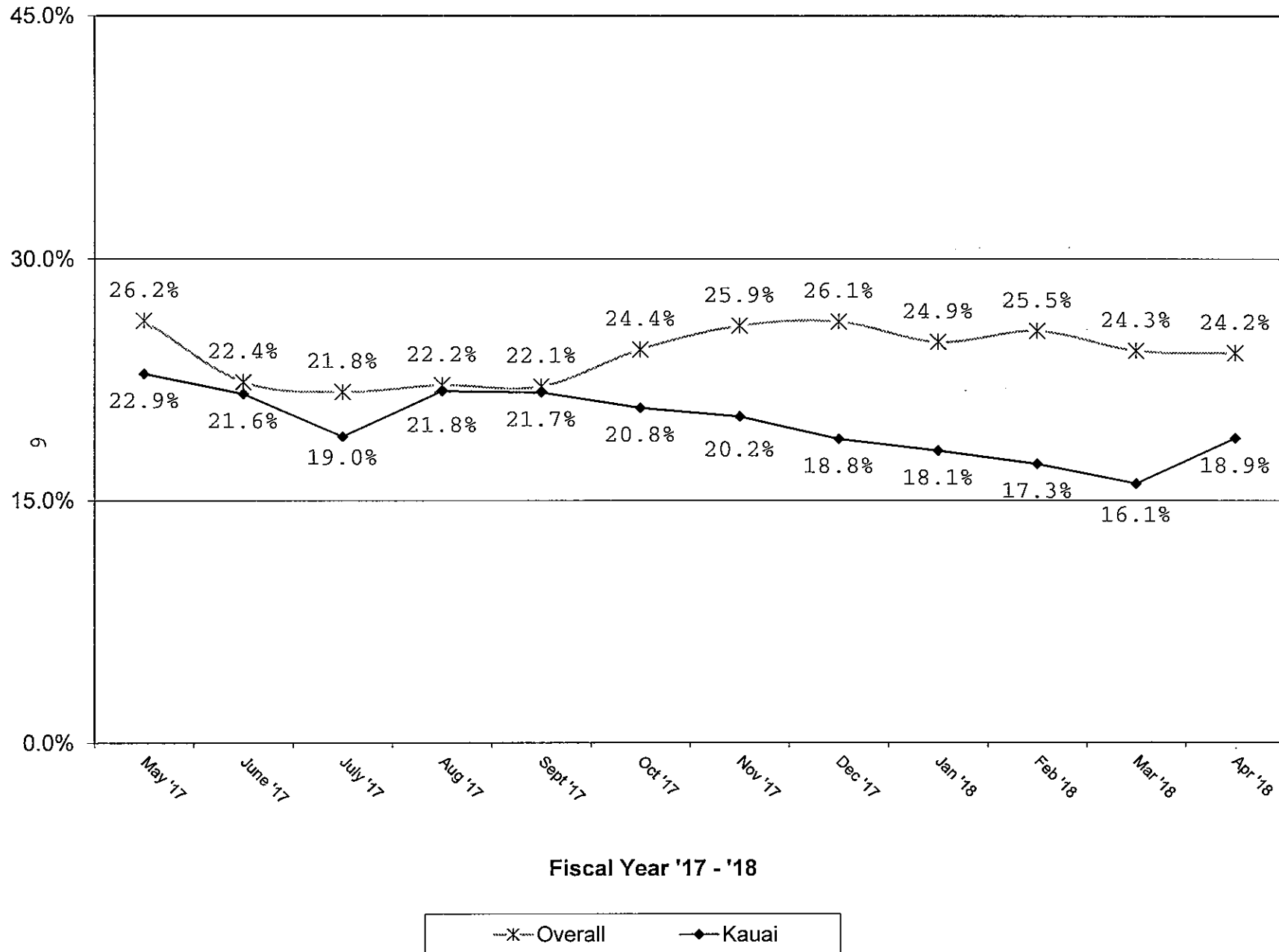
WEST HAWAII Direct Loans Delinquency Ratio Report



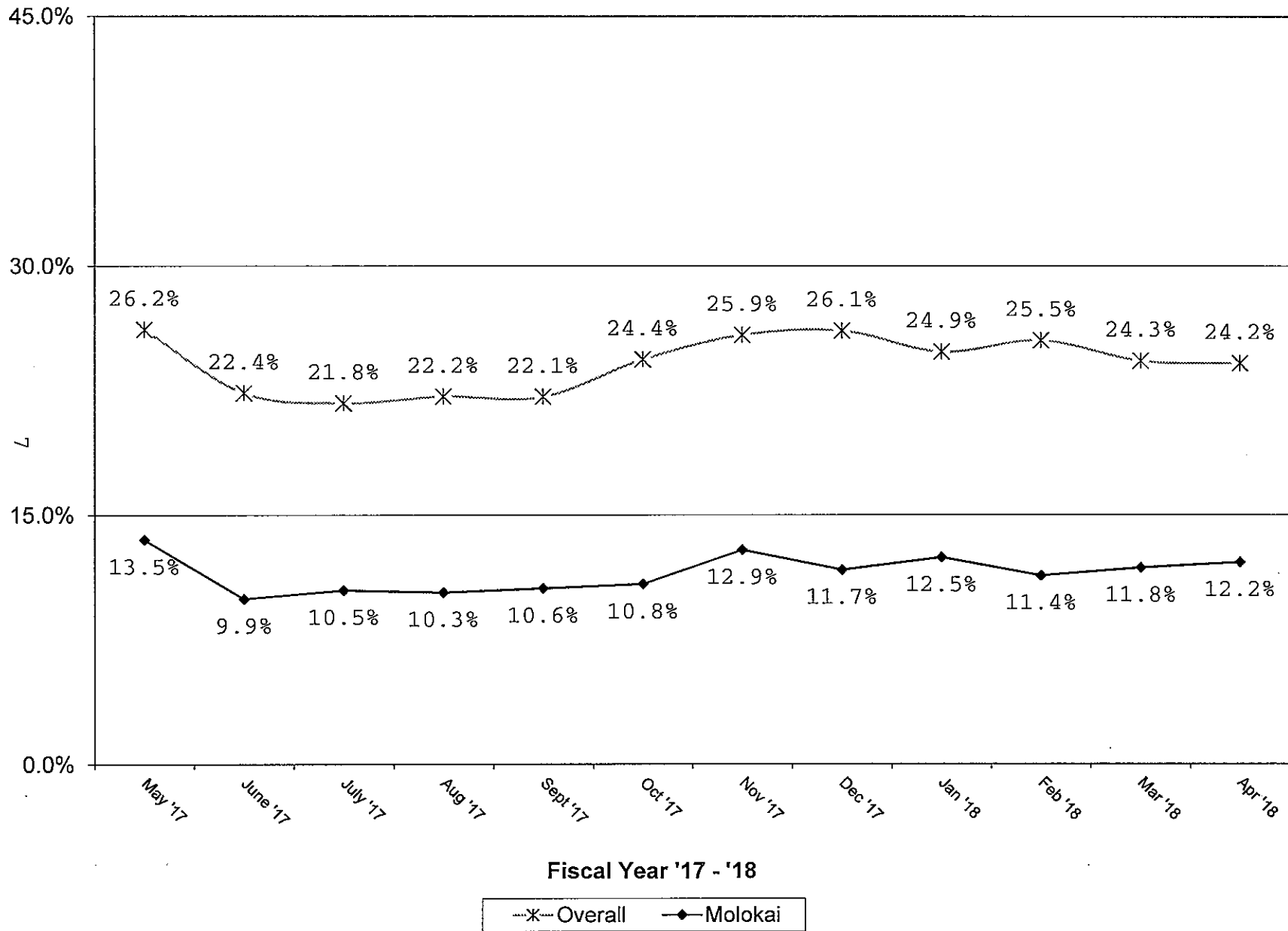
MAUI Direct Loans Delinquency Ratio Report



KAUAI
Direct Loans
Delinquency Ratio Report



**MOLOKAI
Direct Loans
Delinquency Ratio Report**



STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 19, 2018

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>			
Princess Kahanu Estates Lease No. 8524 TMK: 1-8-7-043:007	NAIHE, Paul F. L. K. (Cash Out Refi) HUD 184A	HomeStreet Bank	\$ 303,000
Kaupea Lease No. 12119 TMK: 1-9-1-140:024	AIWOHI, Colleen R. (Cash Out Refi) FHA	Bank of Hawaii	\$ 311,400
Kanehili Lease No. 11682 TMK: 1-9-1-152:036	PAKAULA, Caleb K. (Cash Out Refi) FHA	Hightechlend ing Inc.	\$ 449,000
Waimanalo Lease No. 8823 TMK: 1-4-1-036:020	FULLER, William K. (Cash Out Refi) FHA	Hightechlend ing Inc.	\$ 209,000

OAHU

Princess Kahanu Estates Lease No. 8345 TMK: 1-8-7-042:054	CRABBE, Kamanaopono M. (Purchase)FHA	Bank of Hawaii	\$ 415,692
Princess Kahanu Estates Lease No. 8541 TMK: 1-8-7-043:114	HOOHULI, Stanley K. (Cash Out Refi)FHA	Guild Mortgage Company	\$ 246,000
Kanehili Lease No. 11883 TMK: 1-1-1-153:084	MANDAC, Adeline W. L. (Cash Out Refi)FHA	HomeStreet Bank	\$ 253,377
Waianae Lease No. 6767 TMK: 1-8-5-031:074	CHONG-ECHIVERRI, Piilani K. (Purchase)FHA	Guild Mortgage Company	\$ 368,000
Princess Kahanu Estates Lease No. 8559 TMK: 1-8-7-033:029	JURY, Richard K. (Purchase)FHA	Mann Mortgage, LLC	\$ 248,000
Waianae Lease No. 4463 TMK: 1-8-5-030:051	MANUEL, Jordan K. H. (Cash Out Refi)FHA	Mann Mortgage, LLC	\$ 147,000
Kalawahine Lease No. 9598 TMK: 1-2-4-043:053	HOWARD, Timothy J. (Purchase)VA	Department of Veterans Affairs	\$ 263,068
Kalawahine Lease No. 9566 TMK: 1-2-4-043:063	HANCHETT, Roslyn K. (Cash Out Refi)FHA	Aries Loans Inc.	\$ 110,000
Kalawahine Lease No. 9572 TMK: 1-2-4-043:064	HANCHETT, Craig M. (Cash Out Refi)FHA	Aries Loans Inc.	\$ 354,000

ITEM NO. D-2

OAHU

Waimanalo Lease No. 3691 TMK: 1-4-1-029:068	NAIPO, Rodgers L. L., Sr. (Cash Out Refi)FHA	Mann Mortgage, LLC	\$ 307,000
Nanakuli Lease No. 5158 TMK: 1-8-9-013:007	MEYERS, Tiffany K. A. &, MEYERS, George A. A. (Purchase)FHA	Guild Mortgage Company	\$ 313,000
Kaupea Lease No. 12142 TMK: 1-9-1-139:002	LOVELL, Justice H. A. (Purchase)FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 215,000
Kaupea Lease No. 12133 TMK: 1-9-1-139:001	LOVELL, Alika L. (Purchase)FHA	Siwell Inc., dba Capital Mortgage Services of Texas	\$ 378,000
Kauluokahai Lease No. 12326 TMK: 1-9-1-017:088	REGAN, Sharron L. (Purchase)FHA	Guild Mortgage Company	\$ 371,000
Waianae Lease No. 4581 TMK: 1-8-5-031:012	NAKI, Thomas I. K. (Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 279,012
Nanakuli Lease No. 4412 TMK: 1-8-9-010:100	VIERNES, Stanley D., Jr. (Cash Out Refi)FHA	Aries Loans Inc.	\$ 248,000
Kaupea Lease No. 12006 TMK: 1-9-1-140:129	FAUFATA, Melissa (Purchase)FHA	HomeStreet Bank	\$ 350,548

ITEM NO. D-2

OAHU

Waianae Lease No. 9968 TMK: 1-8-5-036:002	KAMEALOHA, Meiling K. (Cash Out Refi)FHA	Guild Mortgage Company	\$ 275,000
Kanehili Lease No. 11700 TMK: 1-9-1-153:164	WILHELM, Keawe K. (Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 429,250
Maluohai Lease No. 9777 TMK: 1-9-1-119:038	SANG, Anthony H., Jr. (Cash Out Refi)FHA	Guild Mortgage Company	\$ 230,000
Hoolimalima Lease No. 12765 TMK: 1-9-1-119:123	REED, Abbie K. (Cash Out Refi)FHA	Mann Mortgage, LLC	\$ 266,000
Waimanalo Lease No. 3664 TMK: 1-4-1-029:046	KALAMA, Zachary, Jr. (Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 450,712
Princess Kahanu Estates Lease No. 8560 TMK: 1-8-7-033:030	DAMAS, Lorretta L. (Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 364,862

MAUI

Waiehu 2 Lease No. 9500 TMK: 2-3-2-023:006	HOTTENDORF, Claude H., Jr. (Assumption)FHA	HomeStreet Bank	\$ 175,875
Leialii Lease No. 11473 TMK: 2-4-5-036:052	NAGANUMA, Scott H. (Cash Out Refi)HUD 184A	Bank of Hawaii	\$ 296,940
Paukukalo Lease No. 8216 TMK: 2-3-3-006:096	YAMASHITA, Irmgard K. (Cash Out Refi)FHA	Aries Loans Inc.	\$ 204,000

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MAUI

Waiohuli
Lease No. 7703
TMK: 2-2-2-028:146

KALAMA,
Kapono T.
(Purchase)USDA, RD

Siwell Inc., \$ 324,000
dba Capital
Mortgage
Services of
Texas

KAUAI

Anahola
Lease No. 3725
TMK: 4-4-8-015:041

YAMASHITA,
Tiffany K.
(Purchase)HUD 184A

Bank of \$ 401,820
Hawaii

Hawaii

Waiakea
Lease No. 9119
TMK: 3-2-2-063:062

KAWAHA,
Michael A.
(Assumption)FHA

HomeStreet \$ 127,829
Bank

Keaukaha
Lease No. 2107
TMK: 3-2-1-023:143

KAWAAUHAU,
Alberta K. (Cash
Out Refi)FHA

Aries Loans \$ 146,000
Inc.

Kaumana
Lease No. 11301
TMK: 3-2-5-004:028

FERNANDEZ,
Rodney K. (Cash Out
Refi)HUD 184A

HomeStreet \$ 255,661
Bank

Kaniohale
Lease No. 9419
TMK: 3-7-4-023:106

KEALOHA,
Charles L., Jr.
(Cash Out Refi)FHA

Aries Loans \$ 130,000
Inc.

Puukapu
Lease No. 8028
TMK: 3-6-4-035:053

DEGUAIR,
Bernard C.
(Construction)VA

Department \$ 250,000
of Veterans
Affairs

Kanehili
Lease No. 12566
TMK: 1-9-1-153:128

PAIKAI,
Kawailehua K. H.
(Cash Out Refi)HUD
184A

HomeStreet \$ 358,545
Bank

ITEM NO. D-2

HAWAII

Kaupea
Lease No. 12104
TMK: 1-9-1-140:040

KAHUE,
Heston (Cash Out
Refi) HUD 184A

HomeStreet \$ 385,820
Bank

Kawaihae
Lease No. 7118
TMK: 3-6-1-008:022

WAIPA,
Tani U. (Permanent
take-out) FHA

Siwell Inc., \$ 200,000
dba Capital
Mortgage
Services of
Texas

Panaewa
Lease No. 4221
TMK: 3-2-2-061:048

MASAOKA,
Sheldon R. H.
(1 Step
Construction) FHA

HomeStreet \$ 184,000
Bank

<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	228	\$ 59,060,795	11	\$4,401,032	6	\$2,035,413
This Month	<u>28</u>	<u>7,232,721</u>	<u>2</u>	<u>513,068</u>	<u>1</u>	<u>324,000</u>
Total FY '17-'18	256	\$ 66,293,516	13	\$4,914,100	7	\$2,359,413
HUD 184A						
FY Ending 6/30/17	105	\$25,483,508				
Prior Months	60	\$16,556,688				
This Month	<u>10</u>	<u>3,525,622</u>				
Total FY '17-'18	70	\$20,082,310				

ITEM NO. D-2

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
Homestead Services Division

SUBJECT: **Approval of Refinance of Loans**

RECOMMENDED MOTION/ACTION

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

DISCUSSION

There are lessees who are seriously delinquent on their loans, but have been making consistent payments for twelve (12) months or more. These lessees have been trying to pay an additional amount above and beyond the required payment in an effort to reduce their delinquency amount. However, because the delinquency amount is large, it would take years for that amount to be paid in full.

HSD's recommendation for approval is based on actual payment history, at minimum, over the preceding twelve (12) months. If a lessee has demonstrated a conscientious effort to reduce the delinquency amount by making consistent monthly payments for twelve months, HSD will recommend that the lessee's loan balance be refinanced. Loan refinancing will provide a deserving lessee a new start in establishing a credit standing.

The following lessee(s) has met the aforementioned criteria and is recommended for loan refinancing:

<u>LESSEE</u>	<u>LEASE NO. & AREA</u>	<u>REFINANCING LOAN TERMS</u>
Keale-Ho, Paradise K.	11157, Anahola	NTE \$177,200, @4.25% interest per annum, payment NTE \$903 monthly, repayable over 28 years.

Loan Purpose: Refinance of USDA-RD buyback advance
no. 19118. Original loan amount of
\$159,300 at 4.25% per annum, \$797
monthly payable over 30 years. A
Contested Case Hearing was held for
this account on August 12, 2015.

Namuo, Elizabeth K.	6601, Anahola	NTE \$152,500, @4.5% interest per annum, payment NTE \$816 monthly, repayable over 27 years.
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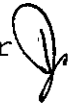
Loan Purpose: Refinance of contract of loan no.
19071. Original loan amount of
\$161,350 at 4.5% per annum, \$818
monthly payable over 30 years. A
Contested Case Hearing was not held
for this account.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator 
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</u> <u>No.</u>	<u>Area</u>	<u>Loan</u> <u>No.</u>	<u>Monthly</u> <u>Payment</u>	<u>Amount</u> <u>at 4/18</u>	<u>Balance</u> <u>At 4/18</u>
<u>Oahu</u>						
Akaka, Mark, Akaka, Raymond, & Akaka-Odom, Kehaunani	1632	Nanakuli	19512 (FHA Buyback)	TBD	TBD	TBD
Ching, Candace K.	4509	Nanakuli	19513 (FHA Buyback)	TBD	TBD	TBD
Palakiko, Clayton	0378	Nanakuli	19515 (FHA Buyback)	TBD	TBD	TBD
Hulama, Raymond L.	4595	Waianae	19517 (FHA Buyback)	TBD	TBD	TBD

<u>Lessee</u>	<u>Lease No.</u>	<u>Area</u>	<u>Loan No.</u>	<u>Monthly Payment</u>	<u>Amount at 4/18</u>	<u>Balance At 4/18</u>
<u>Maui</u>						
Kaha, Milton D.	3510	Paukukalo	19516 (FHA Buyback)	TBD	TBD	TBD
<u>Hawaii</u>						
Shintani, Christy U.	9246	Kaniohale	19514 (FHA Buyback)	TBD	TBD	TBD

ITEM NO. D-4

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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

BURROWS, Debbie P.	12/09/2011	HAWAII	AGR	01/08/2018
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OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

BURROWS, Debbie P.	12/09/2011	HAWAII	RES	01/08/2018
TERUKINA, Kekoa M.	10/02/1991	HAWAII	RES	01/05/2018

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

HAI, Richard K.	02/03/2005	MAUI	PAS	01/08/2018
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KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

KELIIPULEOLE, Delphine L.	12/14/2004	MAUI	RES	02/01/2018
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2. Deceased Applicants

NONE FOR SUBMITTAL

3. Awards of Leases

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

AKINA, Steven, Jr.	Assigned Residential Lease #4504, Lot 94 in Nanakuli, Oahu dated 02/06/2018. Remove application dated 09/20/2001.
KEA, Samuel K.A., Jr.	Assigned Residential Lease #4386, Lot 95 in Nanakuli, Oahu dated 04/19/2018. Remove application dated 04/09/1999.
KELEKOLIO, Kuuleialoha A.K.	Assigned Residential Lease #8346, Lot 55 in Princess Kahanu Estates, Oahu dated 03/28/2018. Remove application dated 05/09/2016.
KONG, Mark S.	Assigned Residential Lease #3038, Lot 195 in Nanakuli, Oahu dated 02/07/2018. Remove application dated 07/23/2002.
MEYERS, August L.	Assigned Residential Lease #9739, Lot 13724 in Maluohai, Oahu dated 06/30/2017. Remove application dated 10/20/2016.
MONIZ, Sharynn L.	Assigned Residential Lease #12657, Lot 18299 in Kanehili, Oahu dated 03/14/2018. Remove application dated 03/30/2017.
VELASCO, Jamie K.	Assigned Residential Lease #11733, Lot 18499 in Kanehili, Oahu dated 01/05/2016. Remove application dated 05/02/2011.

WAIKIKI, Testa Ned N.

Assigned Residential Lease
#12089, Lot 17005 in Kaupea,
Oahu dated 05/12/2016. Remove
application dated 05/13/2015.

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

GRIFFIN, Yolanda C.I.

Assigned Residential Lease #7465,
Lot 12 in Waiohuli, Maui dated
02/27/2018. Remove application
dated 08/31/2005.

HAWAII ISLANDWIDE PASTORAL LEASE LIST

DACQUEL, Kamlin P.

Assigned Pastoral Lease #7987, Lot
12 in Puukapu, Hawaii dated
04/10/2018. Remove application
dated 01/20/2005.

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

KAMOKU, Mary Jane L.N.

Assigned Residential Lease
#4800, Lot 39 in Waiakea,
Hawaii dated 03/14/2018. Remove
application dated 03/06/1989.

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

NERPIO, Sharon C.K.

Assigned Residential Lease
#6541, Lot 13 in Anahola, Kauai
dated 02/27/2018. Remove
application dated 12/21/2005.

TOKUOKA, Donna Lee M.

Assigned Residential Lease
#8860, Lot 19 in Hanapepe,
Kauai dated 06/08/2016. Remove
application dated 09/12/2006.

YAMASHITA, Penny M.

Assigned Residential Lease
#4925, Lot 59-A in Kuhio
Village, Hawaii dated
12/28/2015. Remove application
dated 08/01/2011.

MOLOKAI ISLANDWIDE RESIDENTIAL LEASE LIST

AKAKA, Jo-Dean K.M.	Assigned Residential Lease #3148, Lot 31A in Hoolehua, Molokai dated 12/01/2017. Remove application dated 11/21/1988.
PALEKA, Walter K.	Assigned Residential Lease #8307, Lot 16 in Princess Kahanu Estates, Oahu dated 12/18/2015. Remove application dated 06/17/2010.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

OAHU ISLAND AGRICULTURAL LEASE LIST

KELIIKOA, Donovan	Succeeded to 07/24/1987 Oahu Islandwide Agricultural Application of mother, Gloria K. Keliikoa. Remove application dated 01/15/2002.
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7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL


Last Month's Transaction Total	19
Last Month's Cumulative FY 2015-2016 Transaction Total	255
Transfers from Island to Island	5
Deceased	0
Cancellations:	
Awards of Leases	16
NHQ	0
Voluntary Cancellations	0
Successorship	1
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	22
This Month's Cumulative FY 2016-2017 Transaction Total	277

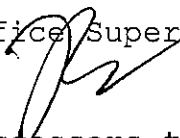
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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 May 2018	11
Previous FY 2017 - 2018	<u>70</u>
FY 2017 - 2018 Total to Date	81

Ratified for FY '16 - '17	104
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Net Proceeds

Ratified for May 2018	0
Previous FY 2017 - 2018	<u>1</u>
FY 2017 - 2018 Total to Date	1

Ratified for FY '16 - '17	2
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LIST OF LESSEES WHO DESIGNATED SUCCESSORS TO THEIR
LEASEHOLD INTEREST
FOR MONTH OF MAY 2018

<u>Deceased Lessee</u>	<u>Designated Successor</u>
1. Andrew A. Akau, Sr. Lot No.: 76 Area: Kewalo, Oahu Lease No. 8051	<u>PRIMARY: Tenants in Common</u> Andrew A. Akau, Jr., Son Daida M. A. Akau, Daughter <u>ALTERNATE:</u> N/A <u>DESIGNEE TO RECEIVE NET</u> <u>PROCEEDS:</u> N/A
2. Audrey U. Ii Lot No.: 115 Area: Waianae, Oahu Lease No. 6777	<u>PRIMARY:</u> Genieva L. Ii, Daughter <u>ALTERNATE:</u> Melodie Edra, Granddaughter <u>DESIGNEE TO RECEIVE NET</u> <u>PROCEEDS:</u> N/A
3. David K. K. Kamai, Sr. Lot No.: 116 Area: Lualualei, Oahu Lease No. 8264	<u>PRIMARY:</u> Walter K. Kamai, Son <u>ALTERNATE:</u> Walter K. Kamai, Jr., Grandson, Omit due to lack of genealogy document to determine eligibility to successorship. <u>DESIGNEE TO RECEIVE NET</u> <u>PROCEEDS:</u> N/A

Deceased Lessee

Designated Successor

4. Kahalaomapuana K. Kanahele
Lot No.: 12
Area: Hanapepe, Kauai
Lease No. 8853

PRIMARY: Tenants in Common
Elvis K. Kanahele, Son
Victoria N. Kanahele, Daughter
Joseph K. Kanahele, Jr., Son
Darlene K. Beniamina, Daughter
Sharon L. Kanahele, Daughter
Alvin H. Kanahele, Son
Julius K. Kanahele, Son

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

5. Bernice P. Kaupu
Lot No.: 218
Area: Keaukaha, Hawaii
Lease No. 1568

PRIMARY:
Chassie M. Gabriel,
Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

6. Zelda N. Kelson
Lot No.: 69-C
Area: Keaukaha, Hawaii
Lease No. 1089

PRIMARY: Tenants in Common
Kendall P. Kelson, Husband
Krystin H. Kelson, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

Deceased Lessee

Designated Successor

7. Henrietta U. New
Lot No.: 17196
Area: Kaupea, Oahu
Lease No. 11393

PRIMARY:
Carolyn I. Pinto, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

8. Ruth L. Omphroy
Lot No.: 254
Area: Keaukaha, Hawaii
Lease No. 9671

PRIMARY:
Aminta Danette Ell,
Daughter

ALTERNATE:
Alicia Ell, Granddaughter

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

9. Raymond L. Palimoo, Sr.
Lot No.: 13703
Area: Maluohai, Oahu
Lease No. 9768

PRIMARY:
June L. Palimoo, Daughter

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

10. Luana H. Rittmeister
Lot No.: 122
Area: Lualualei, Oahu
Lease No. 5569

PRIMARY:
Frederick H. Rittmeister,
Jr. Husband

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET
PROCEEDS:
N/A

Deceased Lessee

11. William D.F.U. Rittmeister
Lot No.: 17
Area: Anahola, Kauai
Lease No. 7894

Designated Successor

PRIMARY:

In the following order:

1) Benjamin J. K. N.
Rittmeister, Son 2)
Daniel T. K. Rittmeister,
Son 3)
William D. F. U.
Rittmeister, Son

ALTERNATE:

N/A

DESIGNEE TO RECEIVE NET

PROCEEDS:

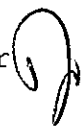
Judith G. Rittmeister, Wife

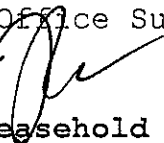
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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

Twenty-Two (22) assignments of lease.

<u>LESSEE</u>	<u>TRANSFeree</u>
1. Name: Destiny M. Armitage Res. Lease No.: 5158 Lease Date: 8/2/1982 Lot No.: 7 Area/Island: Nanakuli, Oahu Property Sold: Yes Amount: \$311,400.00 Improvements: 4 bedrom, 3 bath dwelling	Name: Tiffany K. A. Meyers Relationship: Sister Loan Assump: No Applicant: No
Reason for Transfer: "Giving lease to relative." Special Condition: Transferee to obtain funds to pay purchase price. See Simultaneous Transfer below.	

LESSEETRANSFeree

2. Name: Tiffany K. A. Meyers Name: Tiffany K. A. Meyers &
 Res. Lease No.: 5158 George A. A. Meyers
 Lease Date: 8/2/1982 Relationship: Lessee &
 Lot No.: 7 Husband
 Area/Island: Nanakuli, Oahu Loan Assump: No
 Property Sold: Yes Applicant: No
 Amount: \$311,400.00
 Improvements: 4 bedroom, 3 bath dwelling

Reason for Transfer: "Adding relative to lease." Special
Condition: Transferee to obtain funds to pay purchase
price.

3. Name: Anna K. Carvalho Name: Tiffany K. Yamashita
 Res. Lease No.: 3725 Relationship: Daughter
 Lease Date: 1/19/1968 Loan Assump: No
 Lot No.: 38 Applicant: No
 Area/Island: Anahola, Kauai
 Property Sold: Yes
 Amount: \$410,060.00
 Improvements: 5 bedroom, 4-1/2 bath dwelling

Reason for Transfer: "Giving lease to relative." Special
Condition: Transferee to obtain funds to pay purchase
price.

4. Name: Tami N. Cockett Name: Sasha I. Tabon
 Res. Lease No.: 9491 Relationship: Daughter
 Lease Date: 10/1/2000 Loan Assump: No
 Lot No.: 53 Applicant: Yes, Maui IW Res.,
 Area/Island: Waiehu Kou II, 1/2/2018
 Maui
 Property Sold: Yes
 Amount: \$325,000.00
 Improvements: 4 bedroom, 2-1/2 bath dwelling

Reason for Transfer: "Financial reasons." Special
Condition: Transferee to obtain funds to pay purchase
price.

LESSEETRANSFeree

5. Name: Pamela K. De Freitas Name: Pamela K. De Freitas &
 Res. Lease No.: 3158 Pamela K. McShane
 Lease Date: 3/14/1958 Relationship: Lessee &
 Lot No.: 238 Daughter
 Area/Island: Kewalo, Oahu Loan Assump: No
 Property Sold: Yes Applicant: No
 Amount: \$47,200.00
 Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "Adding relative to lease." Special
Condition: Transferee to obtain funds to pay purchase
price.

6. Name: Rudy-Lee Q. Domogsac Name: Shaylla-Ann Rosielani
 Res. Lease No.: 12146 Hiilei Moses
 Lease Date: 1/4/2008 Relationship: None
 Lot No.: 16977 Loan Assump: No
 Area/Island: Kaupea, Oahu Applicant: Yes, Oahu IW Res.,
 Property Sold: Yes 3/18/2016
 Amount: \$608,000.00
 Improvements: 5 bedroom, 3 bath dwelling

Reason for Transfer: "Moving off island." Special
Condition: Transferee to obtain funds to pay purchase
price.

7. Name: Donna M. K. Findlay Name: Ann-Charlotte L. K.
 Res. Lease No.: 9840 Dela Pena
 Lease Date: 4/15/2003 Relationship: Daughter
 Lot No.: 36 Loan Assump: No
 Area/Island: Kawaihae, Applicant: Yes, Hawaii IW
 Hawaii Res., 10/24/1986
 Property Sold: No
 Amount: N/A
 Improvements: 2 bedroom, 1 bath dwelling

Reason for Transfer: "Giving lease to relative."

LESSEETRANSFeree

8. Name: Jina Lyn K. Hugo Name: Hastings J. Yee Hoy
 Res. Lease No.: 11206 Relationship: None
 Lease Date: 7/10/2010 Loan Assump: No
 Lot No.: 19 Applicant: Yes, Oahu IW Res.,
 Area/Island: Kumuhaui, Oahu 4/12/2013
 Property Sold: Yes
 Amount: \$270,000.00
 Improvements: 4 bedroom, 2 bath dwelling

Reason for Transfer: "Divorce." Special Condition:
Transferee to obtain funds to pay purchase price.
Simultaneous transfer see below.

9. Name: Hastings J. Yee Hoy Name: Hastings J. Yee Hoy,
 Res. Lease No.: 11206 III
 Lease Date: 7/10/2010 Relationship: Grandson
 Lot No.: 19 Loan Assump: No
 Area/Island: Kumuhaui, Oahu Applicant: No
 Property Sold: Yes
 Amount: \$270,000.00
 Improvements: 4 bedroom, 2 bath dwelling

Reason for Transfer: "Giving lease to relative." Special
Condition: Transferee to obtain funds to pay purchase
price.

10. Name: Germaine K. W. Mook Name: Novella K. Leaver
 Res. Lease No.: 3958 Relationship: Sister
 Lease Date: 2/25/1972 Loan Assump: No
 Lot No.: 8 Applicant: No
 Area/Island: Waimanalo, Oahu
 Property Sold: Yes
 Amount: \$102,255.00
 Improvements: 4 bedroom 2 bath dwelling

Reason for Transfer: "Giving lease to relative." Special
Condition: Transferee to obtain funds to pay purchase
price.

LESSEETRANSFeree

11. Name: Yvonne N. Palama Name: Piilani K. Chong-
 Res. Lease No.: 6767 Echiverri
 Lease Date: 3/14/1995 Relationship: None
 Lot No.: 105 Loan Assump: No
 Area/Island: Waianae, Oahu Applicant: No
 Property Sold: Yes
 Amount: \$365,000.00
 Improvements: 4 bedroom, 2 bath dwelling

 Reason for Transfer: "Financial reasons." Special
 Condition: Transferee to obtain funds to pay purchase
 price.
12. Name: Paul K. Pomaikai Name: Carlene L. K. Bautista
 Res. Lease No.: 12602 Relationship: None
 Lease Date: 5/25/2010 Loan Assump: No
 Lot No.: 18321 Applicant: Yes, Oahu IW Res.,
 Area/Island: Kanehili, Oahu 7/7/2011
 Property Sold: Yes
 Amount: \$609,000.00
 Improvements: 4 bedroom, 3 bath dwelling

 Reason for Transfer: "Moving off island." Special
 Condition: Transferee to obtain funds to pay purchase
 price. See simultaneous transfer below.
13. Name: Carlene L. K. Bautista Name: Chaz A. K. Bautista
 Res. Lease No.: 12602 Relationship: Son
 Lease Date: 5/25/2010 Loan Assump: No
 Lot No.: 18321 Applicant: No
 Area/Island: Kanehili, Oahu
 Property Sold: Yes
 Amount: \$609,000.00
 Improvements: 4 bedroom, 3 bath dwelling

 Reason for Transfer: "Giving lease to relative." Special
 Condition: Transferee to obtain funds to pay purchase
 price.

LESSEETRANSFeree

14. Name: Joseph H. Poouahi, III Name: Jantell Poouahi
 Res. Lease No.: 4126 Relationship: Daughter
 Lease Date: 2/15/1974 Loan Assump: No
 Lot No.: 23 Applicant: No
 Area/Island: Waimanalo, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "Giving lease to relative."

15. Name: Patricia M. Robins- Name: Richard H. K. Kealoha,
 Makaila III
 Res. Lease No.: 8721 Relationship: Son
 Lease Date: 1/15/1997 Loan Assump: No
 Lot No.: 57 Applicant: No
 Area/Island: Waianae, Oahu
 Property Sold: Yes
 Amount: \$335,000.00
 Improvements: 3 bedroom, 2-1/2 bath dwelling

Reason for Transfer: "Giving lease to relative." Special
Condition: Transferee to obtain funds to pay purchase
price.

16. Name: Darlene N. Worden Name: Faith A. M. Mahuka
 Res. Lease No.: 3892 Relationship: Sister
 Lease Date: 7/23/1971 Loan Assump: No
 Lot No.: 331 Applicant: Yes, Oahu IW Res.,
 Area/Island: Nanakuli, Oahu 1/3/1996
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 1 bath dwelling

Reason for Transfer: "Giving lease to relative." See
simultaneous transfer below.

LESSEETRANSFeree

17. Name: Faith A. M. Mahuka Name: Debra L. Werner
 Res. Lease No.: 3892 Relationship: Daughter
 Lease Date: 7/23/1971 Loan Assump: No
 Lot No.: 331 Applicant: No
 Area/Island: Nanakuli, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 1 bath dwelling

 Reason for Transfer: "Giving lease to relative."
18. Name: Wendy I. Kaniaupio- Name: Justin M. Kaniaupio
 Crespo Crespo
 Res. Lease No.: 11745 Relationship: Son
 Lease Date: 12/2/2006 Loan Assump: No
 Lot No.: UNDV202 Applicant: No
 Area/Island: Kapolei, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: None

 Reason for Transfer: "Giving lease to relative."
19. Name: Rebecca K. Pelfrey Name: Miechelle L. K. P.
 Res. Lease No.: 10687 Nations
 Lease Date: 12/3/2005 Relationship: Sister
 Lot No.: UNDV061 Loan Assump: No
 Area/Island: Laiopua, Hawaii Applicant: No
 Property Sold: No
 Amount: N/A
 Improvements: None

 Reason for Transfer: "Giving lease to relative."

LESSEETRANSFeree

20. Name: Harry K. Kamalii, Jr. Res. Lease No.: 6296 Lot No.: 27B Area/Island: Keaukaha, Hawaii Property Sold: No Amount: N/A Improvements: None	Name: Carrie K. Hoopii Relationship: Niece Loan Assump: No Applicant: Yes, Hawaii IW Res., 11/24/2004
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Reason for Transfer: "Giving lease to relative."

21. Name: Phillip W. Reyes Res. Lease No.: 6124 Lease Date: 10/1/1985 Lot No.: 122 Area/Island: Kalamaula, Molokai Property Sold: No Amount: N/A Improvements: None	Name: Ernest C. K. L. K. Loo Relationship: Brother Loan Assump: No Applicant: No
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Reason for Transfer: "Giving lease to relative." See simultaneous transfer below.

22. Name: Ernest C. K. L. K. Loo Res. Lease No.: 6124 Lease Date: 10/1/1985 Lot No.: 122 Area/Island: Kalamaula, Molokai Property Sold: No Amount: N/A Improvements: None	Name: Milton K. Loo Relationship: Son Loan Assump: No Applicant: No
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Reason for Transfer: "Giving lease to relative."

Assignments for the Month of May '18	22
Previous FY '17 - '18 balance	<u>222</u>
FY '17 - '18 total to date	244
 Assignments for FY '16 - '17	 229

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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 of Amendment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Forty-nine (49) amendments of lease.

1. Lessee: Henrietta H. Ah Loy
Agr. Lease No.: 3216
Lot No., Area, Island: 36-G-2, Hoolehua, Molokai
Amendment: To amend the lease title and lessor's name, to update the property description, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years.

2. Lessee: Lyan L. Bonn
Res. Lease No.: 12478
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

3. Lessee: Marlena K. Brown-Clemente
Res. Lease No.: 12322
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
4. Lessee: Anna K. Carvalho
Res. Lease No.: 3725
Lot No., Area, Island: 38, Anahola, Kauai
Amendment: To remove the reservation of life interest, and to incorporate the currently used terms, covenants, and conditions in the lease.
5. Lessee: Donna Mae E. Edwards
Res. Lease No.: 12371
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
6. Lessee: Alexandria K. K. Gonsalves
Res. Lease No.: 12386
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
7. Lessee: Brandon K. Grace
Res. Lease No.: 12493
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
8. Lessee: Jensen C. Halemano
Res. Lease No.: 12492
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

9. Lessee: Joenetta M. Hamakua
Res. Lease No.: 12369
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
10. Lessee: Raelene K. Hampton
Res. Lease No.: 12381
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
11. Lessee: Robert K. Higa
Res. Lease No.: 12507
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
12. Lessee: Lindsey K. Kaawaloa
Res. Lease No.: 12484
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
13. Lessee: Frederick K. Kalilimoku
Res. Lease No.: 12467
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
14. Lessee: Oriana L. Kalilimoku
Res. Lease No.: 12452
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

15. Lessee: Harry K. Kamalii, Jr.
Res. Lease No.: 6296
Lot No., Area, Island: 27-B, Keaukaha, Hawaii
Amendment: To updated the property description.
16. Lessee: Ashlynn K. Kamelamela
Res. Lease No.: 12373
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
17. Lessee: Danielle K. Kapuakela
Res. Lease No.: 12347
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
18. Lessee: James C. B. Kauanoe
Res. Lease No.: 12432
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
19. Lessee: Rayne K. Kauhi
Res. Lease No.: 12353
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

20. Lessee: Bernice P. Kaupu
Res. Lease No.: 1568
Lot No., Area, Island: 218, Keaukaha, Hawaii
Amendment: To amend the lease title and lessor's name, to update the property description, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years.
21. Lessee: James W. Kelii
Res. Lease No.: 464-A
Lot No., Area, Island: 243-B, Nanakuli, Oahu
Amendment: To extend the lease term to an aggregate term of 199 years.
22. Lessee: Zelda N. Kelson
Res. Lease No.: 1089
Lot No., Area, Island: 69-C, Keaukaha, Hawaii
Amendment: To amend the lease title and lessor's name, to update the property description, to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years.
23. Lessee: Kamaehu B. Keone
Res. Lease No.: 12466
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
24. Lessee: Esmond P. Kilaulani
Res. Lease No.: 12518
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

25. Lessee: Stacie K. Kissel
Res. Lease No.: 12404
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
26. Lessee: Valerie K. A. Kon
Res. Lease No.: 12398
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
27. Lessee: Dinah M. Lani & Robert W. Lani, Jr.
Res. Lease No.: 11524
Lot No., Area, Island: 4, Leialii, Maui
Amendment: To amend the tenancy, from joint tenants to tenants in common.
28. Lessee: Brandy K. Lapilio
Res. Lease No.: 12438
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
29. Lessee: Carolyn L. Lopes
Res. Lease No.: 12464
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
30. Lessee: Naleisha K. P. W. Lucrisia
Res. Lease No.: 12477
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

31. Lessee: Danna K. Lyman
Res. Lease No.: 12409
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
32. Lessee: Francis M. P. Maikowski
Res. Lease No.: 12459
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
33. Lessee: Reid E. Medeiros
Res. Lease No.: 12426
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
34. Lessee: Shawn H. Medeiros
Res. Lease No.: 12410
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
35. Lessee: Germaine K. W. Mook
Res. Lease No.: 3958
Lot No., Area, Island: 8, Waimanalo, Oahu
Amendment: To amend the property description.
36. Lessee: Sherene H. Neves
Res. Lease No.: 12486
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

37. Lessee: Devin D. H. Ng
Res. Lease No.: 12359
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
38. Lessee: Kaiiniokuupuwai E. Patelesio
Res. Lease No.: 12387
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
39. Lessee: Sharron L. Regan
Res. Lease No.: 12340
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
40. Lessee: Vonnell L. D. Reiny
Res. Lease No.: 12337
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
41. Lessee: Phillip W. Reyes
Res. Lease No.: 6124
Lot No., Area, Island: 122, Kalamaula, Molokai
Amendment: To amend the commencement date and property description due to final subdivision.
42. Lessee: Sheldon M. Reyes
Res. Lease No.: 12428
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

43. Lessee: Cappy A. Solatorio
Res. Lease No.: 5488
Lot No., Area, Island: 216, Kewalo, Oahu
Amendment: To amend the lease to incorporate the currently used terms, conditions, and covenants into the lease, and to extend the lease term to an aggregate term of 199 years.
44. Lessee: Casey K. Spencer
Res. Lease No.: 12338
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
45. Lessee: Wynnette A. B. Spillner
Res. Lease No.: 12430
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
46. Lessee: Leatrice P. Villarin
Res. Lease No.: 3951
Lot No., Area, Island: 83, Waimanalo, Oahu
Amendment: To amend the lease title and lessor's name, to update the property description, and to incorporate the currently used terms, conditions, and covenants into the lease.
47. Lessee: Helen N. K. Wai
Res. Lease No.: 12326
Lot No., Area, Island: UNDV, Kapolei, Oahu
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.


48. Lessee: Eugene E. K. Winchester
 Res. Lease No.: 12495
 Lot No., Area, Island: UNDV, Kapolei, Oahu
 Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
49. Lessee: Darlene N. Worden
 Res. Lease No.: 3892
 Lot No., Area, Island: 331, Nanakuli, Oahu
 Amendment: To incorporate the currently used terms, covenants, and conditions in the lease.

Amendments for the Month of May '18	49
Previous FY '17 - '18 balance	<u>176</u>
FY '17 - '18 total to date	225
Amendments for FY '16 - '17	193

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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 cannot issue his/her own licenses.

DISCUSSION

Ten (10) non-exclusive licenses.

1. Lessee: Kahoomikiiaukahimekamauliola B.
Benavides &
Kekoholaniokekupunakaneoakamu H.
Aki
Res. Lease No.: 10043
Lot No., Area, Island: 14, Waiehu Kou III, Maui
Permittee: Sunrun Inc.
2. Lessee: Jarrett T.J. Choy
Res. Lease No.: 8432
Lot No., Area, Island: 141, PKE, Oahu
Permittee: Sunrun Inc.

3. Lessee: Henry Decosta, Jr.
Res. Lease No.: 12796
Lot No., Area, Island: 13793, Hoolimalima, Oahu
Permittee: Sunrun Inc.
4. Lessee: Brenda Fischer
Res. Lease No.: 3979
Lot No., Area, Island: 74, Waimanalo, Oahu
Permittee: Sunrun Inc.
5. Lessee: Marilyn L. Kupa
Res. Lease No.: 4457
Lot No., Area, Island: 98, Waianae, Oahu
Permittee: Sunrun Inc.
6. Lessee: Lila Mae K. Lelepali
Res. Lease No.: 7276
Lot No., Area, Island: 24, Nanakuli, Oahu
Permittee: Sunrun Inc.
7. Lessee: Maydeen P. Morrison
Res. Lease No.: 9508
Lot No., Area, Island: 70, Waiehu Kou II, Maui
Permittee: Neighborhood Power Corporation
8. Lessee: James C.T. Repercio
Res. Lease No.: 12808
Lot No., Area, Island: 13741, Hoolimalima, Oahu
Permittee: Sunrun Inc.
9. Lessee: Sheila L.M. Roy
Res. Lease No.: 4941
Lot No., Area, Island: 15CD, Kuhio Village, Hawaii
Permittee: Sunrun Inc.
10. Lessee: Denise K. Vera Cruz
Res. Lease No.: 11575
Lot No., Area, Island: 18561, Kanehili, Oahu
Permittee: Sunrun Inc.


Non-Exclusive License for the Month of May '18	10
Previous FY '17 - '18 balance	<u>86</u>
FY '17 - '18 total to date	96
Non-Exclusive License for FY '16 - '17	69

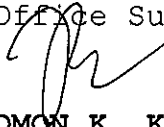
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

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

SUBJECT: **Cancellation of Lease - SOLOMON K. KAHALEWAI**
Residential Lease No. 11617, Lot No. 18664, Kanehili,
Oahu

RECOMMENDED MOTION/ACTION

1. To approve the cancellation of Lease No. 11617, Lot No. 18664, Kanehili, Oahu (Lease), pursuant to the Hawaiian Homes Commission Act of 1920, as amended, as there is no qualified successor to the Lease interest.

2. To approve the payment, in the amount of the appraised value of the improvements less any outstanding debts attached to the Lease, to the estate of the late Solomon K. Kahalewai.

3. To approve the refund of the lease rent in the amount of \$88, to the estate of the late Solomon K. Kahalewai.

DISCUSSION

The interest in the Lease was transferred to Solomon K. Kahalewai (Decedent), by the way of an Assignment of Lease and Consent, dated April 3, 2007.

On September 20, 2017, the death certificate was received by the Department confirming the Decedent passed away on February 15, 2017.

The Decedent designated his biological daughter, Kaitlin K. M. Kahalewai (Kaitlin), as successor. However,

Kaitlin was subsequently adopted by her mother's current husband. Therefore, Kaitlin does not have the required familial relationship to the Decedent and is not a qualified successor to the Lease.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Garden Isle, the Hawaii Tribune Herald, the West Hawaii Today, and The Maui News on December 3, 13, 17, 27, 2017, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department did not receive a successorship claim to the Lease.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), "the land subject to the lease shall resume its status as unleased Hawaiian home lands and the Department is authorized to lease to another qualified native Hawaiian as provided in this Act."

Existing improvements consist of a 3 bedroom, and 2 bath single family dwelling.

As of April 23, 2018, the real property taxes are delinquent in the amount of \$1,152.18 and the lease rent has a credit balance of \$88. The existing DHHL Loan No. 19116, has an outstanding balance in the amount of approximately \$316,704.


The Department is requesting the approval of its recommendation.

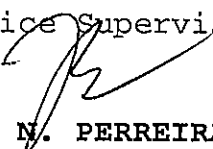
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

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

SUBJECT: **Cancellation of Lease - DANIEL N. PERREIRA**
Residential Lease No. 4637, Lot No. 68, Waianae, Oahu

RECOMMENDED MOTION/ACTION

1. To approve the cancellation of Lease No. 4637, Lot No. 68, Waianae, Oahu (Lease), pursuant to the Hawaiian Homes Commission Act of 1920, as amended, as there is no qualified successor to the Lease interest.

2. To approve the payment, in the amount of the appraised value of the improvements less any outstanding debts attached to the Lease, to the estate of the late Daniel N. Perreira.

3. To approve the refund of the lease rent in the amount of \$2, to the estate of the late Daniel N. Perreira.

DISCUSSION

On November 9, 1977, Daniel N. Perreira (Decedent), received Department of Hawaiian Home Lands Residential Lot lease No. 4637, Lot No. 68, Waianae, Oahu (Lease). The Decedent designated his son, Daniel N. Perreira, Jr. (Daniel), as successor to his lease.

On October 17, 2016, a death certificate was received by the Department which confirmed the Decedent passed away on May 11, 2011.

On July 14, 2017, the Department completed the research of Daniel's native Hawaiian blood quantum and found him to be less than the required 25% Hawaiian.

In compliance with the Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Garden Isle, the Hawaii Tribune Herald, the West Hawaii Today, and The Maui News on December 3, 13, 17, 27, 2017, to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department did not receive a successorship claim to the Lease.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), "the land subject to the lease shall resume its status as unleased Hawaiian home lands and the Department is authorized to lease to another qualified native Hawaiian as provided in this Act."

As of April 27, 2018, there is an outstanding loan balance with PennyMac Loan Services, in the amount of approximately \$86,200, attached to the lease. There is a \$2 lease rent credit balance and there is no outstanding real property tax.


The Department is requesting the approval of its recommendation.

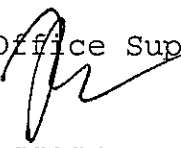
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

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: **Commission Designation of Successor**
MELVIN N. POOUAHI, Residential Lease No. 4126, Lot No.
23, Waimanalo, Oahu

RECOMMENDED MOTION/ACTION

To approve the designation of Jantell H. K. Poouahi (Jantell), as Tenant in Common successor to Residential Lease No. 4126, Waimanalo, Oahu, for the remaining term of the lease.

DISCUSSION

On August 4, 2011, Melvin N. Poouahi (Decedent) succeeded to a Tenant in Common interest to Department of Hawaiian Home Lands Residential Lot Lease No. 4128, Lot No. 54, Waimanalo, Oahu (Lease).

On February 25, 2017, the Decedent passed away without naming a successor to the lease.

In compliance with the Administrative Rules 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Hawaii Tribune Herald, The West Hawaii Today, The Maui News, and The Garden Island newspapers on December 3, 13, 17, and 27, 2017 to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department received a successorship claim from the Decedent's niece, Jantell, who is at least 87.5% Hawaiian and has been determined to be eligible for succession.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives in priority order:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

Existing improvements consist of a three bedroom, two bath single family dwelling, built in 1974.

There is an outstanding DHHL loan with a balance of approximately \$1,710 and real property taxes owing in the amount of approximately \$1,907. Lease rent is paid current.


The Department requests approval of its recommendation.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division 

FROM: Olinda L. Fisher, East Hawaii District Office
Supervisor

SUBJECT: **Cancellation of Tenant-In-Common Leasehold Interest
HERMAN K. MOKE, Residential Lease No. 1348, Lot No. 316,
Keaukaha, Hawaii**

RECOMMENDED MOTION/ACTION

1. To approve the cancellation of the late Herman K. Moke's (Decedent) tenant-in-common leasehold interest in Residential Lease No. 1348, Lot No. 316, Keaukaha, Hawaii; and
2. To approve to dispense with the awarding of Herman's tenant-in-common leasehold interest in the lease; and
3. To approve Herbert K. Moke (Herbert), the surviving tenant-in-common lessee, as the tenant by severalty in Residential Lease No. 1348, Lot No. 316, Keaukaha, Hawaii, for the remaining term of the lease.

DISCUSSION

On May 6, 2015, Herman K. Moke (Decedent), by Transfer Through Successorship and Amendment to Lease, received Department of Hawaiian Home Lands Residential Lot Lease No. 1348, Lot No. 316, Keaukaha, Hawaii (Lease), as a tenant-in-common interest lessee with Herbert K. Moke.

On August 11, 2016, the Decedent passed away without naming a successor to the lease.

In compliance with the Administrative Rules 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Hawaii Tribune Herald, The West Hawaii Today, The Maui News,

and The Garden Island newspapers on December 3, 13, 17, and 27, 2017 to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department did not receive a successorship claim from any qualified relatives for the tenant-in-common interest.

Section 209(a) of the Hawaiian Homes Commission Act (Act) states "In the case of the death of a lessee leaving no designated successor or successors, husband, wife, children, grandchildren, or relative qualified to be a lessee of Hawaiian Home Lands, the land subject to the lease shall resume its status as unleased Hawaiian Home Lands and the Department is authorized to lease the land to a Native Hawaiian as provided in this Act."

Also, Section 209(d) of the Act states that "After the cancellation of a lease by the Department in accordance with sections 210 and 216 of this title, or the surrender of a lease by a lessee, the Department may transfer the lease or issue a new lease to any qualified Native Hawaiian regardless of whether that person is related in any way by blood or marriage to the previous lessee.

Although there were no qualified claimants to designate as successor to Herman's tenant-in-common leasehold interest, it would be unreasonable for the lease to "resume its status as unleased." Furthermore, it would be unreasonable to offer Herman's tenant-in-common interest to another Native Hawaiian from the application waitlist. It would be inappropriate that an unrelated beneficiary be awarded a one-half interest in the lease and be expected to reside in the home with the co-lessee.

Herbert continues to hold a tenant-in-common interest in the lease. As no successorship claim to Herman's interest was received by the Department, it is recommended that Herbert hold the lease as the tenant by severalty as any other recommendation could negatively impact Herbert's right to use and enjoy the premises demised under the Lease.

There is no loan. The Lease rent and Real Property Tax are paid current.


The Department requests approval of its recommendation.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14, 2018

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator 
Homestead Services Division

FROM: Olinda L. Fisher, East Hawaii District Office
Supervisor

SUBJECT: **Commission Designation of Successor**
THOMAS K. KAILIAWA, III, Lease No. 6352, Lot No. 395,
Keaukaha, Hawaii

RECOMMENDED MOTION/ACTION

To approve the designation of Jaime K. Kailiawa (Jamie), as successor to Residential Lease No. 6352, Keaukaha, Hawaii, for the remaining term of the lease.

DISCUSSION

On May 3rd, 1991, Thomas K. Kailiawa, III (Decedent), by Assignment of Lease and Consent, received Department of Hawaiian Home Lands Residential Lot Lease No. 6352, Lot No. 395, Keaukaha, Hawaii (Lease).

On May 20, 2017, the decedent passed away without naming a successor to the lease.

In compliance with the Administrative Rules 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Hawaii Tribune Herald, The West Hawaii Today, The Maui News, and The Garden Island newspapers on December 3, 13, 17, and 27, 2017 to notify all interested, eligible and qualified heirs of the Decedent, to submit their lease successorship claims.

The Department received a successorship claim from the Decedent's wife, Jamie. The claimant is at least 50% Hawaiian and has been determined to be eligible for succession.

Pursuant to Section 209 of the Hawaiian Home Commission Act of 1920 (Act), as amended, when a lessee fails to designate a successor, the commission is authorized to terminate the lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives in priority order:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

There are no improvements to the vacant lot.

There is no loan. Real property taxes owing is in the amount of \$224.40 and lease rent owing is \$21.00 which needs to be cleared prior to the completion of this successorship.

The Department requests approval of its recommendation.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION


May 14 & 15, 2018
Kamuela-Kawaihae, Hawaii

F-ITEMS
LAND MANAGEMENT DIVISION

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission

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

Subject: Annual Renewal of Right of Entry Permit(s), North & West Hawai'i Island

RECOMMENDED MOTION/ACTION: That the Hawaiian Homes Commission (HHC) approves the following actions while developing a process to making short-term agricultural and pastoral land dispositions available to beneficiaries:

- A) Renew all North & West Hawaii Island Right of Entry Permit(s) as listed on Exhibit "A" and identified by approximate location on the North & West Hawai'i Island Map Exhibit "A-1" that are in compliance and issued temporary approvals, as of June 1, 2018.
- B) The annual renewal period, shall be on a month-to-month basis, for up to twelve (12) months, but no longer than May 30, 2019 or at the next scheduled HHC meeting in North or West Hawai'i island whichever occurs sooner.
- C) Authorize the Chairman to negotiate and set forth other terms and conditions that may be deemed to be appropriate and necessary.

DISCUSSION

This submittal represents annual renewals for all North & West Hawai'i Island ROE permit(s) only, which shall effectively expire on May 30, 2018. As a means of maintaining a process by which PERMITEE'S can be assured that their permits have been renewed, notification letters will be transmitted accordingly.

For information purposes Exhibit "A" references all Right of Entry Permits in North & West Hawai'i Island by order of commencement date, land use, then by acreage. While Right of Entry Permits generate additional revenue to the Trust, its primary purpose provides DHHL the ability to efficiently manage its lands through the issuance of these short-term dispositions which are typically not needed for longer-term dispositions (such as homesteading or general leases) over a 20-year time period or as dictated by DHHL's respective island plans. DHHL's total North & West Hawai'i Island land inventory covers approximately 40,282.0 acres¹ or 20% of DHHL's statewide inventory. The short-term disposition(s) cover approximately 9,508.0 acres or 24% of its inventory.

Right of Entry Permits help in having presence on DHHL lands thereby reducing costs for land management activity functions (i.e. signage, landscaping, fencing, removing trash and derelict vehicles,

¹ DHHL Hawaii Island Plan – Final Report, PBR Hawaii, May 2002

and prevents trespassing on unencumbered lands) that DHHL would bear if the lands were to sit vacant. Permittees are required to assume responsibility for the land, post insurance, indemnify the department, and manage and maintain the land.

Until improvements to the Revocable Permit Program can be implemented, this process will be used for Annual Renewals of these month-to-month ROE Permit dispositions.

The table below reflects the revenue generated from ROE permit(s) on North & West Hawaii Island, which is approximately 3.0% (\$77,025) of the ROE total revenues (\$2,803,945) that DHHL receives statewide. Hawaii Island holds 8 of the 145 ROE permits Statewide which are used for various purposes outside of industrial/commercial use. Land Management Division (LMD) proposes an average increased rent of 4% to permittees whose land use is designated for commercial/industrial purposes.

FY 2018		Total
Agriculture	\$0	-
Caretaker/Landscape	\$0	-
Commercial	\$33,015	3
Community	\$0	-
Industrial	\$0	-
Office	\$0	-
Pastoral	\$44,010	5
Preservation	\$0	-
Recreation	\$0	-
Research	\$0	-
Stabling	\$0	-
	\$77,025	8

FY 2019		Total
Agriculture	\$0	-
Caretaker/Landscape	\$0	-
Commercial	\$33,801	3
Community	\$0	-
Industrial	\$0	-
Office	\$0	-
Pastoral	\$44,010	5
Preservation	\$0	-
Recreation	\$3	-
Research	\$0	-
Stabling	\$0	-
	\$77,611	8

According to research done by Colliers International, (See Exhibit "B") "the Oahu Industrial vacancy rate rose to 1.97%, its highest level in two years at year end 2017...average asking industrial base rents rose to their highest level in a decade at \$1.30 per square foot per month..." In light of this research, LMD is recommending a 4% increase in rental rates..

For FY 2019, renewals for the 8 Right of Entry Permits located on North & West Hawaii Island total annual rent revenue of \$77,611 as referenced in the table above. Rental fees for agricultural and pastoral use permits vary and are typically established at less than fair market rates (discounted) but not less than \$240/annum due to various site issues such as, insufficient/no infrastructure, no legal access, substandard lot size or irregular shape, etc.

AUTHORITY / LEGAL REFERENCE:

§171-55, Hawaii Revised Statutes, as amended, a "permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the commission may allow the permit to continue on a month-to-month basis for additional one year periods."

RECOMMENDATION:

Land Management Division respectfully requests approval of the motion as stated.

RIGHT OF ENTRY PERMITS NORTH & WEST HAWAI'I ISLAND

TYPE	ISLAND	ACRE	NO.	USE	PERMITTEE/ADDRESS	LOCATION	TMK	Date Started	Current Fees, All Right of
ROE	HAWAII	0.540	461	Commercial	Edward J. and Naomi Laau, P. O. Box 4913, Kawaihae, Hawaii 96743	Kawaihae	(3) 6-1-003:018	7/1/1989	\$13,497
ROE	HAWAII	0.670	462	Commercial	Kawaihae Spirits, Inc., dba Touching the Earth, LLC, P. O. Box 537, Hawi, Hawaii 96719	Kawaihae	(3) 6-1-002:066 & 068 (p)	2/20/1990	\$12,918
ROE	HAWAII	50.000	464	Pastoral	Marian Kapuniai, P. O. Box 6753, Kamuela, Hawaii 96743	Puukupa	(3) 6-3-038:007 (p.)	12/29/2012	\$900
ROE	HAWAII	105.727	466	Pastoral	Malama Solomon, P. O. Box 519, Kamuela, Hawaii 96743	Waimea	(3) 6-5-001:010(P)	1/1/2000	\$1,260
ROE	HAWAII	0.560	483	Commercial	Guy Startzman, 81 Puako Beach Drive, Kamuela, Hawaii 96743	Kawaihae	(3) 6-1-003:003 (p)	2/14/2011	\$6,600
ROE	HAWAII	1420.000	484	Pastoral	Kahua Ranch, Ltd., P. O. Box 837, Kamuela, Hawaii 96743	Kawaihae	(3) 6-1-001:002 (p)	2/1/2011	\$6,000
ROE	HAWAII	7600.000	485	Pastoral	Palekoki Ranch, Inc., P. O. Box 126, Honokaa, Hawaii 96727	Kawaihae	(3) 6-1-001:003 (p)	6/1/2011	\$31,620
ROE	HAWAII	381.000	599	Pastoral	Parker Ranch, Inc., P. O. Box 6736, Kamuela, Hawaii 96743	Waimea	(3) 6-5-001:011 & 019	7/1/1977	\$4,230

Denotes Beneficiary

Exhibit "A"

Item No. F-1

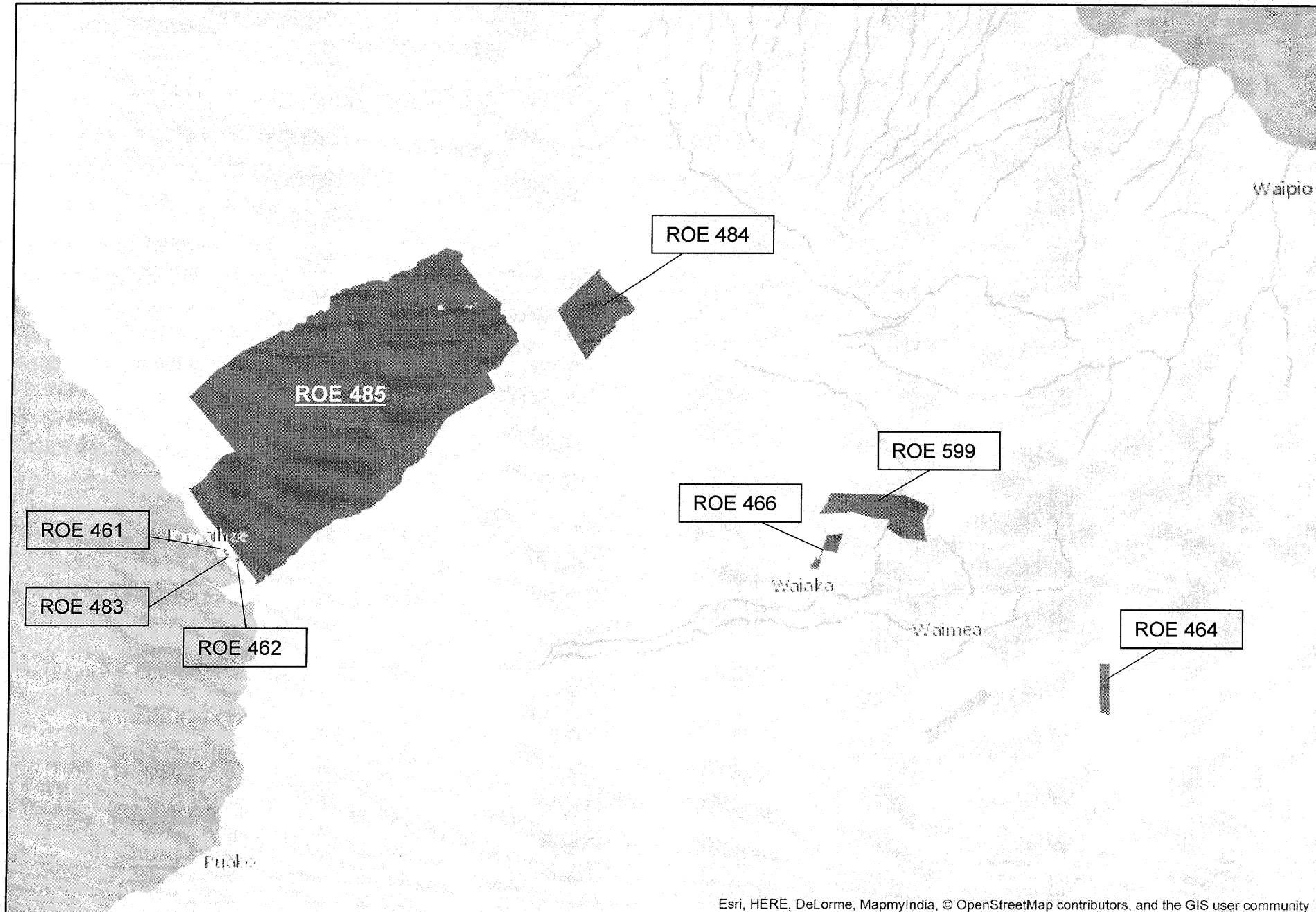


EXHIBIT "A-1"



ITEM NO. F-1


STATE OF HAWAI'I

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission

Thru: Kahana Albinio, Acting Administrator Land Management
Division 
Kaleo Manuel, Acting Planning Program Manager 

From: Kualii Camara, Humu'ula/Pi'ihonua Land Manager
Andrew H. Choy, Planner 

Subject: For Information Only -- 'Āina Mauna Legacy Program
Updates

RECOMMENDED MOTION/ACTION

For information only.

Discussion

The purpose of this update is to provide the HHC with information related to the implementation of the 'Āina Mauna Legacy Program Plan and related on-going DHHL management activities in its Humu'ula/Pi'ihonua Mauka tract ('Āina Mauna lands) on the island of Hawaii.

The 'Āina Mauna lands are composed of approximately 56,200-acres of Hawaiian Home Lands (HHL) located on the northeast slopes of Mauna Kea in the Humu'ula and Pi'ihonua 'ahupua'a. See Exhibit A. The 'Āina Mauna lands are the largest contiguous parcel in the HHL trust and feed the Po'owai (Headwaters) of Wailuku as well as the rivers and streams of Hilo Paliku from Hilo Bay to Ka'awali'i Gulch (Third Horseshoe). These lands contain much of the important native forest areas remaining in the HHL trust.

'Āina Mauna Legacy Program Plan Purpose

The purpose of the 'Āina Mauna Legacy Program Plan (the "Plan"), as adopted by the Hawaiian Homes Commission ("HHC") in 2009, is to restore and preserve the trust resources that exist in the region that include, but are not limited to, the Native Hawaiian Koa forest, sensitive environmental resources, and other cultural and historic resources.

The Plan articulates 12 implementation actions:

1. Form the 'Āina Mauna Legacy Program Implementation Advisory Council;
2. Initiate the first rural-development Homestead Area (on south-eastern part of property)
3. Initiate the Humu'ula Sheep Station Adaptive Reuse Plan
4. Initiate Expanded Ecotourism Opportunities
5. Initiate Use of Remote Accommodations
6. Initiate Gorse Eradication
7. Investigate and implement additional areas for sustainable koa forestry opportunities
8. Initiate a set-aside of portions of the property for restoration and enhancement purposes
9. Pasture uses (focused on fire fuel mitigation, consistent with Fire Plan - additional acreage) around Keanakolu-Mana, Saddle and Mauna Kea Access Roads)
10. Initiate unmanaged-ungulate eradication over entire property
11. Initiate state, federal, and private grant applications to support resource restoration
12. Initiate a Safe Harbor Agreement for threatened/endangered plants, birds, and animals over entire site

The following discussion summarizes progress and activities taken related to some of the above implementation actions since May 2017.

`Āina Mauna Program Plan Implementation Advisory Council

In June 2017, the HHC approved amending the composition of the Advisory Council that was specified in the 2009 plan (Exhibit B). The purpose of the amendment was to increase beneficiary participation and input in the plan implementation process. The new composition of the Advisory Council that the HHC approved in June 2017 consists of two groups:

- (1) A Policy Group to consist of two representatives from each Hawai'i Island Homestead Association and four beneficiaries currently on the Hawai'i Island waiting list and;
- (2) Natural and Cultural Resource Management Group to consist of technical experts and specialists.

In October of 2017, the HHC confirmed the recommended members of the Advisory Council and instructed staff to include existing Humu'ula pastoral lessees on the Advisory Council (Exhibit C). Since then, two Advisory Council meetings were held on December 9, 2017 and March 17, 2018. The agendas and minutes from these meetings are included as Exhibit D & E respectively.

The purpose of the December 9, 2017 Advisory Council meeting was to prioritize the Plan's implementation actions (listed above). The group identified the following management activities to focus on: (1) Enforcement; (2) Initiate first rural development homestead area on south-eastern part of the property; (3) Initiate gorse eradication. Although enforcement of undesired activities was not one of the 12 implementation actions discussed in the Plan, enforcement was identified by the Advisory Council as an important management activity that warranted further discussion.

Based on the Advisory Group's feedback from the December 2017 meeting, the purpose of the March 2018 meeting was to develop a collective understanding of desirable activities on DHHL `Āina Mauna lands and come to a collective agreement on a process and protocol for DHHL to permit desired activities. Rather than focus on negative activities that are occurring within the `Āina Mauna which require enforcement action,

Advisory Council members were asked to focus on "positives" and identify desirable uses that they would like to see on DHHL `Āina Mauna lands. A list of desirable activities is included in Exhibit E, page 3. Advisory Council members were also informed of the current dispositions for access (Exhibit F) to the `Āina Mauna lands, as well as considerations for granting access.

The Advisory Council offered input and suggestions regarding the process and protocol for DHHL to permit desired activities including:

- Do not re-invent the wheel; utilize the current process in place that DHHL uses for permitting short-term activities on its other lands;
- Big topics or issues should involve the Advisory Council;
- Create opportunities for responsible beneficiary access to `Āina Mauna lands with a process that articulates requirements and rules;
- Create a website that shows current activities and issues for only Advisory Council members to access;
- More DHHL staff-driven events; DHHL staff driven events would only require interested participants to sign a waiver to participate;
- Issue competitive bids for other activities.
- Improve beneficiary access to the meat resources of the `Āina Mauna, especially for those on the waitlist.

The next Advisory Council meeting is anticipated to be held sometime in July 2018.

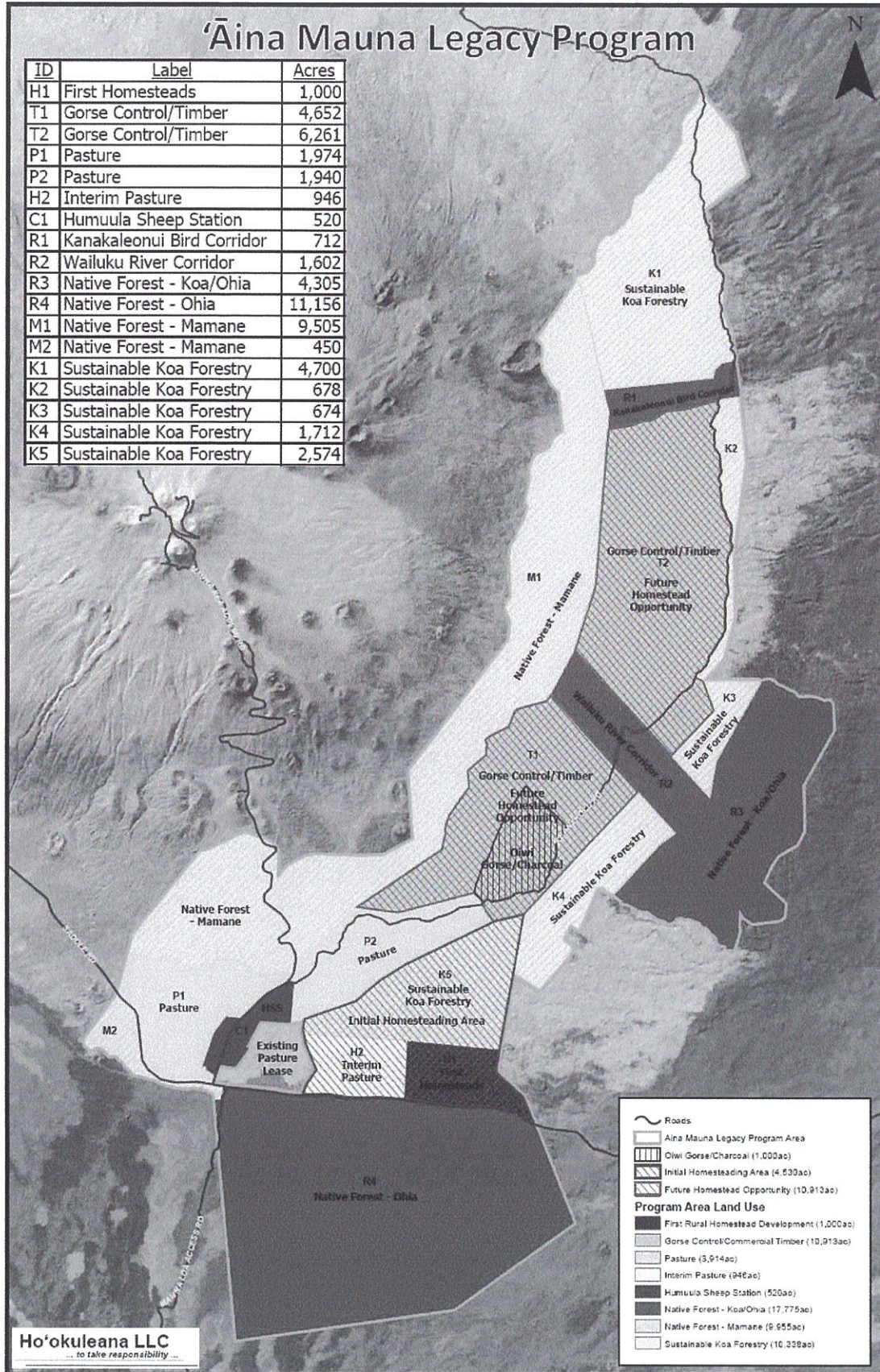
The `Āina Mauna Legacy Program Plan covers has a broad scope and is meant to be a living(amendable) document to provide a multi-generational framework to manage the valuable trust resources of the `Āina Mauna effectively to serve the needs of DHHL beneficiaries. We will continue to seek guidance in this regard from the `Āina Mauna Legacy Program Implementation Advisory Council. Currently we are focusing our efforts and resources on priority actions including:

- Gorse Control
 - Helicopter Nozzle - Focused on mauka movement, Pu`u Kōle, Kahinahina, Pu`u Loa, Waiama
 - Hand Spraying - Kōa Buffer 165 acres, Volunteer Mana roadsides
 - Helicopter Boom - Roads and buffers, mechanical control areas
 - Mechanical control - Focused on dense gorse outside of containment area, areas with remnant kōa, fire breaks, roadway and access maintenance
 - Bulldozer with herbicide
 - excavator with mulching attachment
 - Goat Grazing Test Plot, in development -Implementation requires sound methodology, fencing, controlled burns and fire breaks, mechanical/herbicide contracts, animal husbandry and data collection.
 - Biocontrol - Gorse Pod Moth - investigating legal process, feasibility and funding
- Feral Ungulate Management
 - Accomplished through Cattle removal license 750 and volunteer efforts
 - Meat for beneficiaries at no cost to DHHL, no wasting of meat
 - Priority fence projects - Pu`u `iliāhi, Shiraki Paddock, Hopuwai
 - Partner fence projects - Mauna Kea/Hilo Forest Reserves, Waimau
- Reforestation
 - Increase protected areas to limit the spread of gorse and to facilitate reforestation
 - Work with volunteers and partners to increase planting efforts
- Partnerships
 - Continue to develop relationships and work with Watershed Alliance Partners and other entities whose missions and actions align with `Āina Mauna Legacy Program and other DHHL trust objectives
 - Engage with beneficiary groups
- Enforcement/Access
 - Provide for safe, responsible beneficiary access

- o Need to address ongoing issues
- Homestead Development
 - o Planning Division will budget to begin the process to develop a settlement Plan for Humu`ula Kuleana Homesteads per DHHL HAR Section 10-3-30 in Fiscal Year 2019.

RECOMMENDATION

For information only.





STATE OF HAWAII`I

DEPARTMENT OF HAWAIIAN HOME LANDS

June 19-20, 2017

To: Chairman and Members, Hawaiian Homes Commission

Thru: Kaleo Manuel, Acting Planning Program Manager 

From: Andrew H. Choy, Planner 
Sharde Freitas, Planner

Subject: Amend Portion of 'Āina Mauna Legacy Program Plan -
Composition of Implementation Advisory Council

RECOMMENDED MOTION/ACTION

That the HHC approve amendment of the 2009 'Āina Mauna Legacy Program Plan related to the composition of the Implementation Advisory Council on plan page 28 as specified below:

The Implementation Advisory Council should consist of two groups. The first group should be a "Policy Group" and consist of two (2) representatives from Hawai'i Island Homestead Associations and four (4) waitlist beneficiaries on the Hawai'i Island Waitlist. The second group should consist of technical experts and specialists that would also advise DHHL and the HHC on natural and cultural resource best management practices.

DISCUSSION

The purpose of the 'Āina Mauna Legacy Program Plan (the "Plan"), as adopted by the Hawaiian Homes Commission ("HHC") in 2009, is to restore and preserve the trust resources that exist in the region that include, but are not limited to, the Native

Hawaiian Koa forest, sensitive environmental resources, and other cultural and historic resources.

The Humu'ula/Pi'ihonua area is composed of approximately 56,200-acres of Hawaiian Home Lands (HHL), located on the northeast slopes of Mauna Kea. See Map Exhibit A. The Humu'ula/Pi'ihonua lands are the largest contiguous parcel under the jurisdiction of the HHC. The lands of Humu'ula and Pi'ihonua represents one of the most important native forest areas remaining in the HHL trust. These lands provide a glimpse into the natural environment and native forests which are disappearing throughout the state. The area serves as valuable habitat to many native and endemic species. The area's proximity to Mauna Kea also makes it a valuable cultural resource.

Description of Amended Advisory Council

Upon the adoption of the Plan, it was intended that this Plan be a living document and be updated periodically to respond to relevant community concerns and changing circumstances. The Plan calls for the establishment of an Advisory Council. In light of growing interest from DHHL beneficiaries in being involved in the implementation of the Plan and on-going management activities, DHHL staff suggests that the 'Āina Mauna Advisory Council be established and to amend the current composition of the Advisory Council from what is currently articulated in the Plan. DHHL's goal is to encourage and increase beneficiary participation in the implementation of the plan. Therefore, the suggested composition of the Implementation Advisory Council was developed with this intention.

The purpose of the Advisory Council is "to provide advice and recommendations to the Hawaiian Homes Commission and the Department of Hawaiian Home Lands regarding the implementation of the 'Āina Mauna Legacy Program." The Plan originally called for a 13-member Advisory Council consisting of the following (see p.28 of the Plan Exhibit B):

- 3 DHHL beneficiaries (lessees, licensees, or permit holders from Hawaii Island)

- 3 Native Hawaiians w/experience or knowledge regarding native Hawaiian subsistence, cultural, religious or other activities
- 1 beneficiary currently on applicant wait list
- 2 representatives from science community, experience with forest management, native flora and fauna, and/or any other specific scientific discipline
- 2 representatives from environmental and/or conservation organizations
- 1 representative from eco-tourism industry
- 1 representative from community with experience in education and outreach
- 3 facilitator/commission members:
 - o Facilitator will serve as convener and chair of the Advisory Council
 - o East Hawai'i Commissioner
 - o West Hawai'i Commissioner

Staff is recommending that the composition of the Advisory Council be amended to be comprised of two groups. As previously articulated, the first group would be a "Policy Group" and consist of two representatives from Hawai'i Island Homestead Associations and waitlist beneficiaries on the Hawai'i Island Waitlist. On behalf of each homestead association, the time invested and commitment to the Advisory Council as volunteer liaisons is a non-duplicative resource to the implementation of the Plan. The Department will benefit from each homestead association's consistent and close relationships to those doing the work on-the-ground in Humu'ula/Pi'ihonua. The frequency in which the Advisory Council meets is still to be determined and may vary over time.

The second group would consist of technical experts and specialists in Natural and Cultural Resource Management that would also advise the Department and HHC. It is intended that the first Policy Group advise DHHL and the HHC on higher level goals and policies while the group of technical experts and specialists would advise on best management practices to implement the higher-level goals and policies. See Exhibit C.

DHHL Director, Deputy, and staff met with Hawai'i Island homestead association representatives to get their feedback on

the proposed amendment to the Implementation Advisory Council on May 16-17, 2017 in Hilo and Waimea respectively. A handful of associations expressed strong concern about involving "all" Hawai'i Island associations on the Implementation Advisory Council for various reasons. A concern was expressed that not all associations have similar value sets and perspectives with regards to resource management on the mountain and that each association has varying degrees of knowledge and experience with these lands. There was also concern in the "fairness" of how resources that derive from the activities that may take place on these lands would be distributed amongst all associations.

While some association representatives expressed hesitancy with including every Hawai'i Island association on the Implementation Advisory Council, several other associations noted that in the past, DHHL has not had the best track-record in communicating the policies and implementation actions related to the 'Āina Mauna Legacy Program Plan to Hawai'i Island associations. Other association representatives viewed the proposed revision to the composition of the Implementation Advisory Council as a way to address previous short-comings in communication between DHHL and Hawai'i Island associations regarding 'Āina Mauna. Other association representatives welcomed the opportunity for all associations to participate on the Implementation Advisory Council and were generally supportive of the concept of amending the composition of the Implementation Advisory Council from its current form as described in the 2009 'Āina Mauna Legacy Program Plan to the proposed composition as previously articulated in this submittal.

RECOMMENDATION

Staff respectfully requests that the Hawaiian Homes Commission approve the recommended action as stated.

STATE OF HAWAI'I .

DEPARTMENT OF HAWAIIAN HOME LANDS

October 16-17, 2017

To: Chairman and Members, Hawaiian Homes Commission

Thru: Kahana Albinio, Acting Administrator Land Management
Division *WA*
Kaleo Manuel, Acting Planning Program Manager *Q*

From: Kualii'i Camara, Humu'ula/Pi'ihonua Land Manager
Andrew H. Choy, Planner *AC*

Subject: Confirmation of 'Āina Mauna Legacy Program Plan
Implementation Advisory Council

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission confirm the recommended members of the 'Āina Mauna Legacy Program Plan Implementation Advisory Council which will consist of two groups:

(1) A Policy Group to consist of two representatives from each Hawai'i Island Homestead Association and four beneficiaries currently on the Hawai'i Island waiting list and;

(2) Natural and Cultural Resource Management Group to consist of technical experts and specialists.

Names of the members for each group are stated below:

Policy Group Members:

Association	Member 1	Member 2
Honokoa (Kailapa) Community Association	Diane Kanealii	OPEN
Ka'ū Hawaiian Home Lands Association	Janice Javar	Jeffrey Kekoa
Kaumana Hawaiian Homes Association	Skylark Rosetti	Kaohu Seto
Kawaihae Puaka'ilima Community Association	OPEN	OPEN
Keaukaha Community Association	Patrick Kahawaiolaa	Mapuana Waipa
Keaukaha-Pana'ewa Farmers' Association	Maile Lu'uwai	Elizabeth Masaoka
Maku'u Farmers' Association	OPEN	OPEN
Pana'ewa Hawaiian Home Lands Association	William Brown	Hercules Freitas
Pi'ihonua Hawaiian Homestead Association	Ron Kodani	Maile Miyasato
Villages of La'i'Ōpua Association	Craig Kahui	OPEN
Waimea Hawaiian Homestead Association	OPEN	OPEN
Hawai'i Island Waitlist	Sharon Vannatta	--
Hawai'i Island Waitlist	Joseph Kaolulo	--
Hawai'i Island Waitlist	Leonard Tanaka	--
Hawai'i Island Waitlist	Korey Medeiros	--

Natural and Cultural Resource Management Group Members:

1. Kekuhi Kealiikanakaole Ohaililani
2. Kealoha Kinney
3. Kala Lindsey AhSing
4. Christian Giardina
5. Luana Busby Neff
6. Clarence "KU" Ching
8. Nicholas Agorastos

DISCUSSION

The purpose of the 'Āina Mauna Legacy Program Plan (the "Plan"), as adopted by the Hawaiian Homes Commission ("HHC") in 2009, is to restore and preserve the trust resources that exist in the region that include, but are not limited to, the Native Hawaiian Koa forest, sensitive environmental resources, and other cultural and historic resources.

The Humu'ula/Pi'ihonua area is composed of approximately 56,200-acres of Hawaiian Home Lands (HHL), located on the northeast slopes of Mauna Kea. See Maps Exhibit A. The Humu'ula/Pi'ihonua lands make up one-quarter of DHHL's approximate 200,000 acre state-wide land inventory. The lands of Humu'ula and Pi'ihonua represent one of the most important native forest areas remaining in the HHL trust. These lands provide a glimpse into the natural environment and native forests which are disappearing throughout the state. The area serves as valuable habitat to many native and endemic species. The area's proximity to Mauna Kea also makes it a valuable cultural resource.

At its June 2017 meeting, the HHC approved the amendment of the composition of the 'Āina Mauna Legacy Program Plan Implementation Advisory Council (Exhibit B). The Advisory Council now consists of two groups, (1) a Policy Group consisting of two representatives from each Hawai'i Island homestead association and four waitlist beneficiaries on the DHHL Hawai'i Island waitlist and (2) a Natural and Cultural Resource Management Group consisting of technical experts and specialists with experience in those subject matters. DHHL sent a formal invite letter (Exhibit C) to Hawai'i Island Homestead Associations on July 29, 2017 notifying them about the opportunity to select two representatives from their association to participate on the Policy Group.

Three Hawai'i Island homestead associations did not respond to the July 29, 2017 DHHL invite letter to participate on the Advisory Council. While these three associations did not indicate that they want to participate on the Advisory Council

at this time, it is the intent of DHHL for this Advisory Council to increase beneficiary participation in the implementation of the 'Āina Mauna Legacy Program Plan. As such, staff has indicated that the seats for the representatives of these three associations remain "open" for now and be filled by these associations at a time when they choose to participate. These associations will always have a seat on the Advisory Council.

The four Hawai'i Island waitlist beneficiaries were invited to participate on the Advisory Council because these individuals had previously expressed strong interest in the management of DHHL Humu'ula/Pi'ihonua and/or participating on the Advisory Council.

Individuals selected to participate on the Natural and Cultural Resource Management Group were identified based on three criteria below:

1. Have a deep commitment and connection to the lands, forests and watersheds of Mauna Kea;
2. Have an understanding of Hawaiian Culture and understand and respect the perspectives of Native Hawaiian beneficiaries; and
3. Have specialized expertise in resource management that will contribute to the implementation of the 'Āina Mauna Legacy Program.

A very brief biographical description of the individuals serving as a part of the Natural and Cultural Resource management Group is shown in Exhibit D.

Subject to HHC confirmation of the Advisory Council members at this October HHC meeting, staff anticipates that the first Advisory Council meeting will be held in November/December 2017.

RECOMMENDATION

Staff respectfully requests that the Hawaiian Homes Commission approve the recommended action as stated.

**Aina Mauna Legacy Program Plan
Implementation Advisory Council
Meeting Agenda
Saturday, December 9, 2017
9:00AM – 3:00PM**

**Meeting Goal:
To Prioritize the Aina Mauna Legacy Program Plan's Implementation Actions**

- I. Welcome and Pule (9:00 AM to 9:30 AM)**
- II. Humuula Huakai (9:30 AM to 11:30 AM)**
- III. Working Lunch (12:00 PM to 1:30 PM)**
 - a. Advisory Council Member Introductions
 - b. Advisory Council Role and Function
 - c. Aina Mauna Legacy Program Plan Background
 - d. Aina Mauna Legacy Program Plan Implementation Status
- IV. Facilitated Group Discussion (1:30 PM to 2:30 PM)**
 - a. Implementation Action Prioritization Exercise
- V. Look Ahead to Next Meeting (2:30 PM to 3:00 PM)**
 - a. Identify focus of next meeting from Prioritization Exercise
 - b. Advisory Council Schedule for 2018

Paul

Meeting Participant Kuleana

- | |
|--|
| <ul style="list-style-type: none">• Hoomanawanui• Be Present• Turn-off Cell Phones• Agree to Disagree• Be Respectful |
|--|

EXHIBIT "D"

**‘Āina Mauna Program Plan Implementation Advisory Council
Meeting Notes
December 9, 2017
DHHL Humu‘ula Sheep Station**

Meeting Attendees

Policy Group Members: (Checkmark = Member attended this meeting)

<u>Association</u>	<u>Member 1</u>	<u>Member 2</u>
Honokoa (Kailapa) Community Association	Diane Kanealii	OPEN
Ka‘ū Hawaiian Home Lands Association	Janice Javar ✓	Jeffrey Kekoa ✓
Kaumana Hawaiian Homes Association	Skylark Rosetti ✓	Kaohu Seto ✓
Kawaihae Puaka‘ilima Community Association	OPEN	OPEN
Keaukaha Community Association	Patrick Kahawaiolaa	Mapuana Waipa
Keaukaha-Pana‘ewa Farmers' Association	Maile Lu‘uwai	Elizabeth Masaoka
Maku‘u Farmers' Association	OPEN	OPEN
Pana‘ewa Hawaiian Home Lands Association	William Brown	Hercules Freitas ✓
Pi‘ihonua Hawaiian Homestead Association	Ron Kodani ✓	Maile Miyasato
Villages of La‘i‘Ōpua Association	Craig Kahui ✓	Dora Aio-Leamons ✓
Waimea Hawaiian Homestead Association	OPEN	OPEN

Hawai‘i Island Waitlist Representatives

Sharon Vannatta ✓
Joseph Kaolulo ✓
Leonard Tanaka ✓
Korey Medeiros ✓

Humu‘ula Pastoral Homestead Lessees

Gary Kaniho
Guy Kaniho
Kalani Kaniho ✓
Kazu Kaniho
Kenneth Kaniho

Natural/Cultural Resource Group Members: (Checkmark = Member attended this meeting)

Kekuhi Kealiikanakaole Ohaililani	Luana Busby Neff	Christian Giardina
Kealoha Kinney ✓	Clarence “Ku” Ching	
Kala Lindsey AhSing ✓	Nicholas Agorastos	

Others in Attendance:

James E. Laaer	Donald Medeiros	Makaala Rawlins
Rudy Spencer	Michael Kyser Jr.	Justine Kamelamela
Jamie Kaniho	Keith Kaniho Jr.	Samuel Keliihoomalu

DHHL Staff in Attendance:

Chairman Jobie Masagatani, Jim Dupont, Kualii Camara, Kaleo Manuel, Andrew Choy

EXHIBIT “D”

Huaka'i

The meeting began with a huaka'i of some of DHHL's Humu'ula and Upper Pi'ihonua lands via van. One stop was made near Pu'u O'o, Laumai'a, Humu'ula. Kualii Camara of the DHHL Land Management Division gave a quick overview of general ahupua'a and property boundaries and locations of particular resources. He also talked about the challenges of resource management in the area, in particular, gorse and feral animal control.

Meeting Presentation

Advisory Council Role and Function (Chairman Masagatani)

- The Advisory Council consists of two primary groups: (1) A Policy Group and (2) Natural and Cultural Resource Management Group.
- The Natural and Cultural Resource Group will advise DHHL staff on best management practices to mālama resources on these lands.
- The Policy Group will overlay and integrate the implementation of the DHHL 'Āina Mauna Plan with the needs and concerns of DHHL beneficiaries.
- The Policy Group and the Natural/Cultural Resource Management Group will integrate with each other. The two groups will meet together 1 or two times a year.
- It is important to note that this is an Implementation advisory group. The groups should be focusing on actions to implement the DHHL 'Āina Mauna Plan. The groups should be focusing on action.
- The Hawaiian Homes Commission (HHC) meets on Hawai'i Island twice a year. DHHL staff will provide updates to the HHC on the progress of the Advisory Group and plan implementation at those meetings.
- Time is valuable. So to honor that time, we ask that the Advisory Group focus on these guiding principles: Kuleana, Kako'o, Mana'o, Holomua.
- We need input from the Advisory Council on setting priorities. We have a finite amount of resources to manage the lands in Humu'ula and Upper Pi'ihonua and cannot implement everything at once. We need input from the Advisory Council on what should be priorities.
- Question: Will DHHL provide minutes from these meetings for those members of the Advisory Council that could not attend this first meeting?
- Answer: Yes, DHHL will be providing meeting minutes.

'Āina Mauna Legacy Program Plan Background (Andrew Choy)

Andrew passed out a handout that illustrated the DHHL Planning System. The following information is based on that handout.

- DHHL uses a "Planning System" to help it coordinate and manage its lands and resources across the state. The DHHL Planning System consists of 3-tiers of plans.
 - Tier 1 (highest tier) is the DHHL General Plan. It consists of policy statements that apply statewide.
 - Tier 2 are DHHL Island Plans and Strategic Program Plans. Island Plans are specific to each island in which DHHL has landholdings. Island Plans indicate the HHC land use policy for lands on a particular island i.e. what types of uses should occur on specific lands. Strategic Program Plans are related to subject matter specific topics like water or agriculture that apply to the entire state.

- Tier 3 are DHHL region specific plans and consist of Regional Plans, Homestead Development Plans, and Special Area Plans. Regional Plans focus on issues and opportunities of existing homestead communities. Homestead Development Plans focus on the development of new homestead communities. Special Area Plans are plans that focus on areas with unique resources that need a higher degree of attention and management.
 - The DHHL 'Āina Mauna Legacy Program Plan is a Tier 3 plan.
- The DHHL 'Āina Mauna Legacy Program Plan was approved by the HHC in 2009.
- The 'Āina Mauna plan identifies 12 implementation actions for resource management on DHHL Humu'ula and Upper Pi'ihonua lands. Kualii will provide information on the status of some of these 12 implementation actions.
- (Chair Masagatani) Plans are the way DHHL beneficiaries hold DHHL accountable during changes in administrations. I am not going to be the Chair forever. But this plan and this group will help to inform and educate a new administration on the importance of these lands and the activities that need to occur to properly manage this 'āina.

'Āina Mauna Legacy Program Plan Implementation Status (Kualii Camara)

Kualii passed out a handout that listed the 'Āina Mauna Plan's 12 implementation actions. The red text indicated actions that have been initiated and are still underway by DHHL and the black text indicates actions that have not been initiated by DHHL. The following information is based on that handout.

- Kualii started with DHHL in April 2017.
- Gorse Eradication – DHHL has been successful in some areas in controlling gorse, but not in all areas.
 - The aerial photo in the packet is where we went today on our huaka'i. The photo shows the extent of the gorse.
 - DHHL conducts helicopter boom spraying (pesticide) of gorse on roads and buffers that have been previously cleared.. DHHL will be initiating a hand spray contract in the 167 acre koa buffer between Mana Road and Hakalau Wildlife Refuge. Helicopter Nozzle operation are underway to control remote populations of gorse, focusing on high elevation populations below Pu'u Kole and Pu'u Kahinahina.
 - Bio-control of gorse – We have discovered that a certain type of moth eats gorse seeds. This will help to reduce the seed bank. We are looking at the feasibility and process for this action
 - Grazing management with goats – DHHL is looking into this.
- Comment/concern: Goats eat everything. I don't want goats to eat my cattle feed.
- DHHL: Grazing management of gorse with goats will have to be in a contained and controlled area so that the goats do not get loose.
- Sustainable Koa Forestry – Forest regeneration of koa forest past Hopuwai has been successful because cattle was removed prior to koa salvage operations
- Ungulate Control – We want to control the ungulate population on these lands but also make sure that meat comes down the mountain to feed DHHL beneficiaries. We do not want to eradicate all ungulates
 - The number of feral cattle that has been removed from DHHL lands is in the handout. Sheldon Mattos has a contract with DHHL to remove cattle.
 - Hilo Forest Reserve Fence – animals were removed from that area. Leonard Tanaka has helped with service projects in that area.
 - Pu'uilihi one of Na pu'u Omackoili (50 acres)

- There is a lot of cattle pressure in the Upper Piʻihonua area. DHHL is looking at a fence to help alleviate that pressure.
- DHHL has partnered with DLNR to install a fence to keep out ungulates. The fence was recently completed.
- Waimau Unit initiated with the Mauna Kea Watershed Alliance. The Mauna Kea Watershed Alliance partners include: DLNR, Hakalau Wildlife Refuge (FWS), Ranchers (Parker, Iolehaehae, Kukaiau) . UH-CTAHR, Hawaii Forest Industry Association are not partners but work to implement DHHL projects
- Hawaii Reforestation Program 501c3. Mission to re-forest Mauna Kea. They have been planting sandalwood on DHHL land.
- (Chair Masagatani) 'Āina Mauna is the first time DHHL is managing land for beneficiaries as a whole. In the past DHHL has focused on creating individual homestead lots. This is a special place that provides an opportunity to look at collective community solutions.

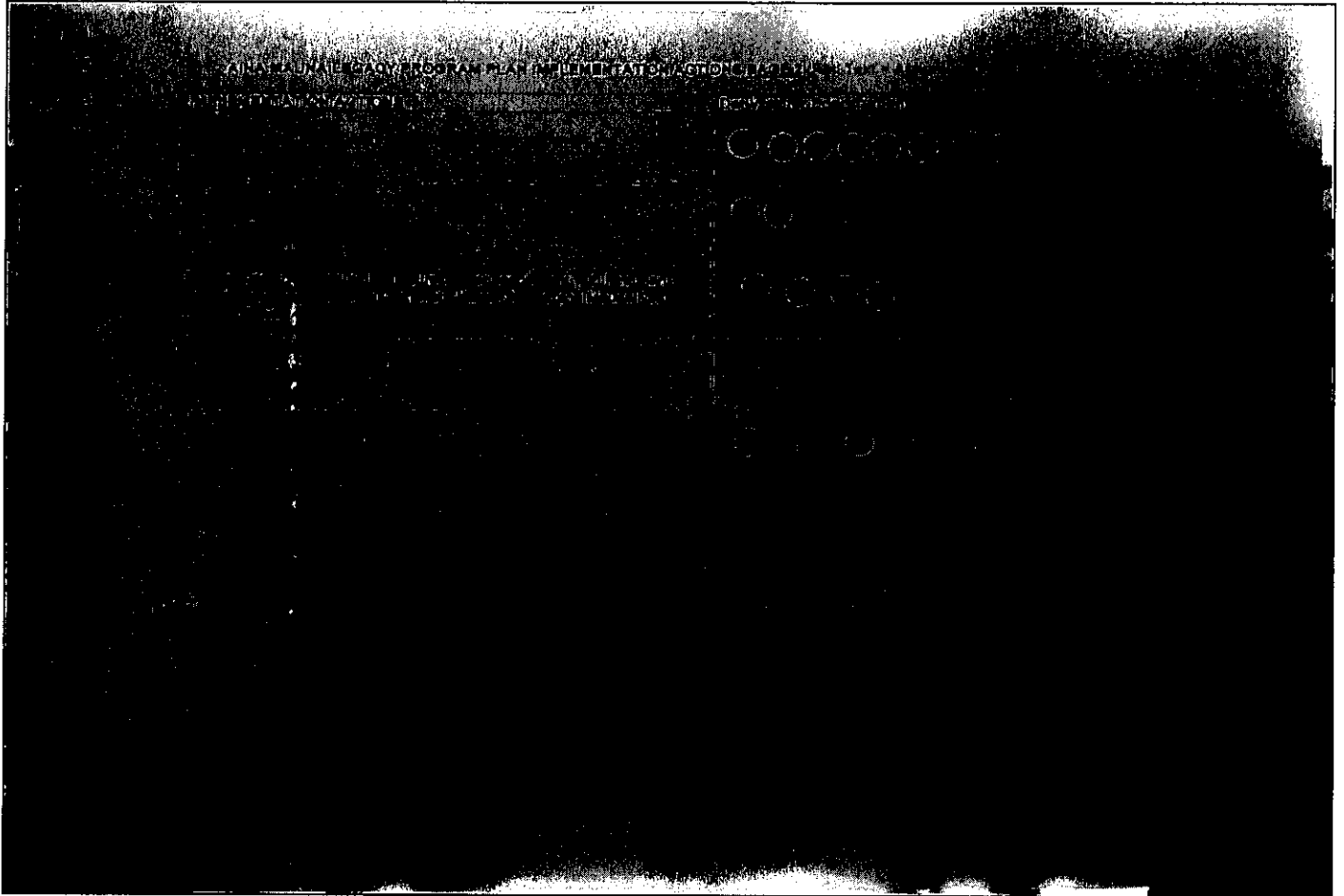
Questions and Comments Regarding DHHL Presentations

- Water is a major concern for the existing homestead lessees up here. We cannot ranch without water. Lessees have to haul water to ranch. The gas to do that is expensive.
- Where is the aquifer on the map?
- Answer: An aquifer is water that is underground and there are various aquifers that are spread out all over the island. Because aquifers are underground, it is hard to determine their boundaries and quantities on a map.
- DHHL should pass some of the high value forest land to beneficiaries. Get lands into beneficiaries' hands. When is DHHL going to do that?
- Perhaps another option for gorse eradication is to put more homesteads and houses. Some actions in the plan may complement each other. Kill two birds with one stone.
- Enforcement – We have valuable assets on these lands – food, koa etc. We have poaching and trespassing going on up here. People take these assets without permission. We have to protect the resources we have first before we do other activities. If we do not address enforcement first, it's like filling a cup that has a hole in it. The resources will leak out.

Group Exercise: Prioritization of Implementation Actions

Meeting participants were given three colored dots (red, green, blue). There were two boards that listed the 12-Implementation Actions identified in the 'Āina Mauna Plan. Participants were asked to place their red dot next to the implementation action that they felt should be the highest priority, their blue dot next to action that they felt should be the second highest priority, and the green dot that next to the action they felt should be the third highest priority. The results are illustrated below.

DATA BASED ON THE FOLLOWING INFORMATION	
1. NAME OF THE PERSON OR FIRM	
2. ADDRESS	
3. CITY	
4. STATE	
5. ZIP CODE	
6. PHONE NUMBER	
7. TYPE OF BUSINESS	
8. DATE OF ESTABLISHMENT	
9. TYPE OF INVESTMENT	
10. OTHER	
11. OTHER	
12. OTHER	



Discussion on Results of Group Exercise

- I'm a beneficiary on the waitlist from Kona and I don't see a lot of Kona people here. I want to see more people involved. It took me a long time to get into this DHHL process. How do we get more people involved?
- I got questions on about the advisory board composition. Not everyone was informed about it.
- How extensive was the invite for the Council?
- Answer: DHHL geared the invite for this meeting to the council members that were approved by the HHC. Most of the council members included leaders and representatives from homestead associations. DHHL relies on its association leaders. It is hard for DHHL to know all beneficiaries. There are 27,000 waitlist applicants and 10,000 lessees. DHHL relies on the association leaders to network with their community. When you put your dot up, it represents not just you, but those you represent.
- We (association leaders) are the messenger carriers. Not everybody in my community has time to volunteer on my board.
- Enforcement – as a land owner, my enforcement is my neighbors.

- We (Humu'ula Pastoral Lessees) are out in the middle of nowhere. I don't have neighbors.
- We should create more neighbors (create more homesteads).
- There are multiple ways to get beneficiaries on to the land. Homestead lease, Right-of-Entry (ROE), license etc.
- Getting beneficiaries on to the land to mālama 'āina, how does that work? Is that something different?
- How do we partner with other enforcement entities?
- Can DHHL hire off-duty police to help enforce on its lands?
- Answer: Having off-duty police cannot be for forever. But that is something that we can look at in the short-term.
- Maybe we just have police up here during the daylight hours.
- There is lots of traffic on the road up here between 10:00pm and 2:00am. I do lots of fencing.
- Out-law hunting has its benefits if it is not causing harm to others.
- My water tank was stolen from my pasture.
- Up here, we (Humu'ula lessees) enforce among family.
- Vendor license for hunting?
- DHHL is generous enough to provide public access to other places thru its lands via roads. We need to make sure that people who need access stay on the road. Don't trespass.
- I think DHHL should never absolve its authority over policies such as hunting.
- Unmanaged ungulate wasn't prioritized by this group. Homesteading was. I get it. Homesteading is about sustenance. Maybe a community pasture is a way to provide sustenance. Lots of us have been working on it. There's some synergies among homesteading and ungulate management.
- Community pasture – we noted a good location at Pu'u O'o. We need fencing material. But we also need enforcement because someone already put their pipi there.
- Enforcement – Kualii has been doing a good job working with the Police Department and DOCARE to enforce. But they are lacking the authority to cite trespassers on DHHL lands.
- OHA is suing UH for management (at the summit of Mauna Kea). Is it possible for DHHL to manage the whole mountain?
- Answer: DHHL has limited resources to manage the 56,000 acres it has now. We have only one staff person assigned to it full-time (Kualii). It would be difficult at the moment for DHHL to assume additional management and responsibility on the mountain.

Look Ahead to Next Meeting

Through the exercise and subsequent discussion, the following were identified as implementation priorities by the group (1 is highest ranked priority):

1. Enforcement
2. More homesteading (Initiate the first rural development homestead area on south-eastern part of the property)
3. Gorse and invasive species control (Initiate gorse eradication)

We will be focusing more in-depth on these issues at future meetings in 2018.

- DHHL asked the group its preferred day/time to meet and meeting location. Consensus of the group was that Saturdays are generally good days for everyone to meet and that meeting at the Sheep Station was a good place as it helped ground the discussion.
- Other possible meeting locations suggested were: Ka'ū and DHHL Waimea District Office.
- Next meeting date for the Advisory Council tentatively will be Saturday March 17, 2018.

Last Comments from Group

- Applicants – how to inform and get involved?
- Fairness, hard to be heard from DHHL
- I understand that decisions have to be made, but I want to talk about it first before they are made.
- There are associations that are not here. We need to get more representatives from those associations here.

**Aina Mauna Legacy Program Plan
Implementation Advisory Council
Meeting Agenda
Saturday, March 17, 2018
10:00AM – 2:30PM**

**Meeting Goal:
To Develop a Collective Understanding of Desirable
Activities within Aina Mauna**

- I. Welcome, Pule, and Introductions (10:00 AM to 10:15 AM)**
- II. Review Discussion and Outcomes from December 2017 Meeting (10:15 AM to 10:20 AM)**
 - a. Review December 2017 Meeting Notes
 - b. Priority Issues Identified by Council -- Enforcement, Homesteading, Gorse Eradication
- III. Overview of Aina Mauna Existing Permitted Activities & Other Access Issues (10:20 AM TO 10:45 AM)**
- IV. Facilitated Group Discussion Regarding Priority Issue of Enforcement (10:45 AM to 12:00 PM)**
 - a. Group activity to identify desirable activities within Aina Mauna
 - b. Discussion of Results
- V. Lunch Break (12:00 PM to 12:30 PM) (to be provided)**
- VI. Facilitated Group Discussion Regarding Developing a Process/Protocol for DHHL to Permit Desired Activities (12:45 PM to 2:15 PM)**
- VII. Look Ahead to Next Meeting (2:15 PM to 2:30 PM)**
 - a. Identify focus of next meeting based on results of today's discussion
 - b. Advisory Council Schedule for 2018

Paul

Meeting Participant Kuleana

<ul style="list-style-type: none">• Hoomanawanui• Be Present• Turn-off Cell Phones	<ul style="list-style-type: none">• Agree to Disagree• Be Respectful
--	---

EXHIBIT "E"

**Aina Mauna Program Plan Implementation Advisory Council
Meeting Notes
March 17, 2018
DHHL Humuula Sheep Station**

Meeting Attendees

Policy Group Members: (Checkmark = Member attended this meeting)

<u>Association</u>	<u>Member 1</u>	<u>Member 2</u>
Honokoa (Kailapa) Community Association	Diane Kanealii	OPEN
Kau Hawaiian Home Lands Association	Janice Javar	Jeffrey Kekoa
Kaumana Hawaiian Homes Association	Skylark Rosetti	Kaohu Seto
Kawaihae Puakailima Community Association	OPEN	OPEN
Keaukaha Community Association	Patrick Kahawaiolaa ✓	Mapuana Waipa
Keaukaha-Panaewa Farmers' Association	Makaala Rawlins ✓	Justine Kamelamela ✓
Makuu Farmers' Association	Shirley Pedro ✓	Emma Pedro ✓
Panaewa Hawaiian Home Lands Association	William Brown ✓	Hercules Freitas ✓
Piihonua Hawaiian Homestead Association	Ron Kodani ✓	Maile Miyasato
Villages of Laiopua Association	Craig Kahui	Dora Aio-Leamons ✓
Waimea Hawaiian Homestead Association	OPEN	OPEN

Hawaii Island Waitlist Representatives

Sharon Vannatta ✓
Joseph Kaolulo ✓
Leonard Tanaka ✓
Korey Medeiros

Humuula Pastoral Homestead Lessees

Gary Kaniho
Guy Kaniho ✓
Kalani Kaniho ✓
Kazu Kaniho
Kenneth Kaniho

Natural/Cultural Resource Group Members: (Checkmark = Member attended this meeting)

Kekuhi Kealiikanakaole Ohaililani	Luana Busby Neff	Christian Giardina
Kealoha Kinney	Clarence "Ku" Ching ✓	
Kala Lindsey AhSing ✓	Nicholas Agorastos ✓	

Others in Attendance:

Commissioner Wally Ishibashi	Louis Hao	Roberta Banks
Kalaniakea Wilson	Kainoa Bugado	Warren Matsumoto
Jamie Kaniho	Jarrett Kodani	Herring Kalua
Milton Kalai	Billie Vannatta	Levi Rita

DHHL Staff in Attendance:

Chairman Jobie Masagatani, Jim Dupont, Kualii Camara, Kahana Albinio, Kaleo Manuel, Andrew Choy

EXHIBIT "E"

Meeting Presentation

Recap of December 9, 2017 Meeting (Andrew Choy)

Andrew passed out the meeting notes from the December 9, 2017 Advisory Council meeting and gave a quick overview of what was covered at the last meeting. There was one question from the Advisory Council regarding the meeting notes.

- Question: Where did the community agriculture and community pasture idea go? We discussed that at the last meeting.
- Answer: It is included as part of one of the three identified implementation priorities – Initiate the first rural development homestead area on south-eastern part of the property.

Overview of Aina Mauna Existing Permitted Activities and Access Issues (Kualii Camara)

Kualii presented information from three handouts:

- (1) Current Permitted Access Dispositions on Aina Mauna Lands;
- (2) Aina Mauna Enforcement and Access;
- (3) DHHL Considerations for Aina Mauna Access Dispositions.

Below are questions and comments Advisory Council members had regarding the above handouts:

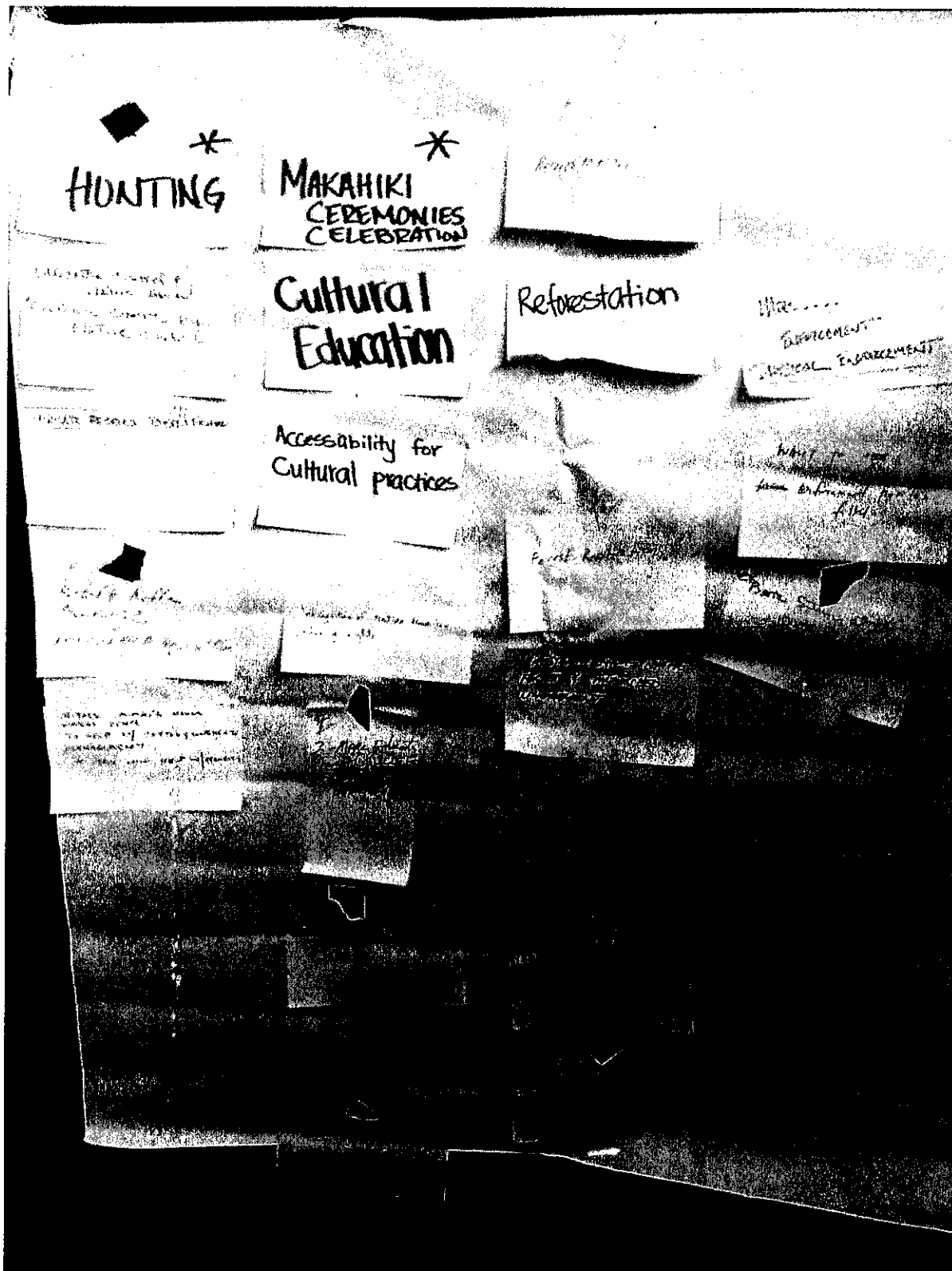
- Laumaia Trail (Mana Road), It was part of the Highways Act of 1892.
- Does Mana Road cover the Mauna Kea Summit Access Road?
- Ans: No, they are two different roads. Mana Road is older than the Mauna Kea Summit Access Road. Mana Road wraps around Mauna Kea through DHHL Humuula lands while the Mauna Kea Summit Road goes to the top of Mauna Kea. DHHL is in the process of clarifying ownership of these roads.
- The County of Hawaii has a list of "roads in limbo".
- DHHL investigating status of different roads and the jurisdiction with the County. Research findings will advise the Hawaiian Homes Commission.
- We need to get clarification on Mana Road.
- At the end of the day, who gets final say regarding Mana Road.
- "No Trespassing" on DHHL Humuula lands – does that rule apply to beneficiaries too?
- Ans: Yes, everyone including beneficiaries need permission from DHHL to access these lands.
- What kind of hunting is allowed on DHHL Humuula lands?
- Ans: Right now no hunting is allowed here because the Attorney Generals believe that since animals can move across different property boundaries and do not stay within one property boundary, they are considered a public trust resource and are not exclusively a DHHL trust resource and DLNR has authority over public trust resources.
- We need to install a gate to prevent off-roading by the nene pond.
- Is Sheldon Mattos [Current DHHL contractor that removes cattle] a beneficiary?
- Ans: He is a Native Hawaiian. His mother was on the waitlist and has passed on.

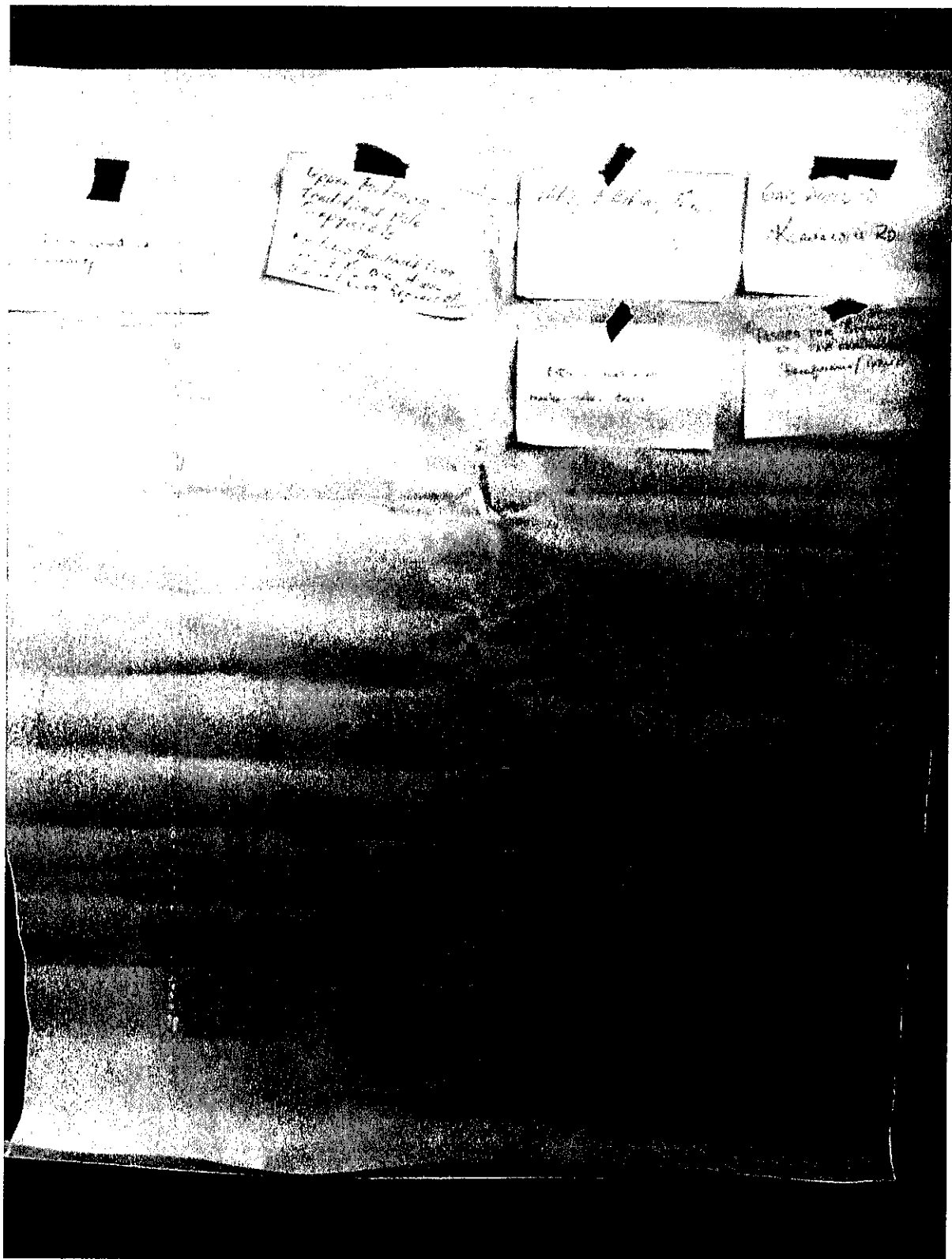
Facilitated Group Discussion Regarding Priority Issue of Enforcement (Kaleo Manuel)

Kaleo led the group through a group activity. Rather than focus on negative activities that are occurring within Aina Mauna, Advisory Council members were asked to focus on "positives" and identify desirable uses that they would like to see on DHHL Aina Mauna lands. Advisory Council members were asked to write their ideas on post-it notes and post them on boards for others to see. Similar ideas were grouped together to form larger categories of desired uses. Thru the exercise, the group identified these categories of desired uses on DHHL Aina Mauna Lands:

1. Beneficiaries have opportunities first; beneficiaries are priority – *Who*
2. Reforestation – *What*
3. Cultural practices and education – *What*
4. Hunting / Ungulate Removal – *What*
5. Homesteading – *What*
6. Access – *What*
7. Trails – *What*
8. Camping – *What*
9. Expedite Process – *How*
10. Water – *What*
11. Land tenure research – *How*
12. Fire mitigation -- *What*

Next to each category, Kaleo labeled each of the categories as either, *Who* (who should be doing the activity), *What* (what type of activity), or *How* (how should an activity be conducted). By identifying desirable activities, the group also implicitly identified undesirable activities i.e. activities that do not fall within these desired uses.





LUNCH BREAK

Facilitated Group Discussion Regarding Developing a Process/Protocol for DHHL to Permit Desired Activities (Kaleo Manuel / Kahana Albinio)

After desirable activities were identified, the group began a discussion on potential process / protocol to allow desirable activities on Aina Mauna. Kahana Albinio gave a quick summary of the type of dispositions (i.e. permitting the right to access and/or utilize land and resources) that DHHL commonly issues for non-homesteading purposes. These types of dispositions include:

Short-term Non-Homestead Dispositions:

- **Limited Right of Entry (LROE)** -- For activities that are 30-days or less in duration. Typically used for activities such as education, data collection and research, periodic community work days. DHHL Land Management Division and District Office Managers have the authority to issue LROE.
- **Right of Entry (ROE)** -- Dispositions that are on a year-to-year basis and can be cancelled at any time. Right-of-Entries require Hawaiian Home Commission approval and are typically renewed annually.

Long-term Non-Homestead Dispositions:

- **License** -- Longer-term multi-year disposition. Licenses for commercial purposes require competitive bidding process to award disposition. Licenses require Hawaiian Home Commission approval. Depending upon the terms of the license, license may grant exclusive access to a particular area to a single entity.
- **General Lease** -- Longer-term multi-year disposition. Requires competitive bidding process if for commercial purposes to award disposition. General Leases require Hawaiian Home Commission approval. This type of disposition usually grants exclusive access to a particular area to a single entity. General leases also allow the lessee to sub-lease a portion of the property to a third-party, subject to the approval of the Hawaiian Home Commission and allows lessee to take out a mortgage on the property finance development and improvements made to the property.

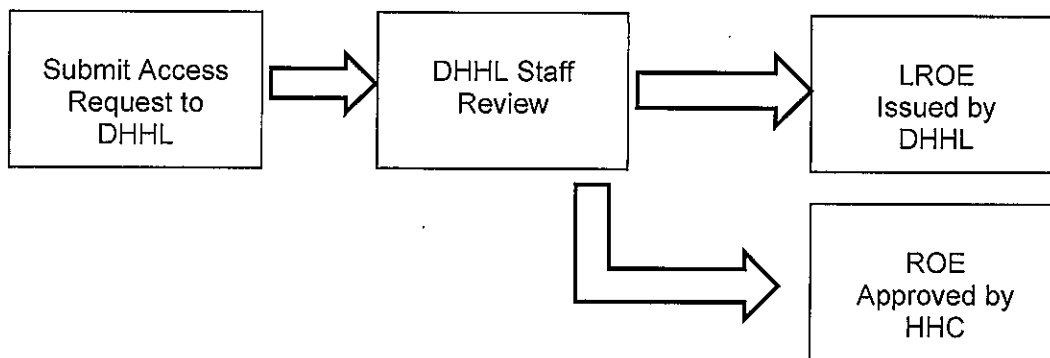
Questions regarding Short & Long-Term Non-Homestead Dispositions

- Can LROE be renewed?
- Answer: If the activity is for a period that is longer than 30-days, you would need to obtain an ROE from DHHL.
- How long does it take DHHL to respond to LROE requests?
- Answer: Typically, DHHL will respond in two-weeks to LROE requests.
- DHHL: For the purposes of today's discussion, lets focus on the short-term dispositions.

The group then went through each of the desirable activities listed above to identify potential processes / protocols to allow access for each activity. It was decided that "Beneficiaries Having Opportunities First" should be incorporated into all desirable activities.

Reforestation

- Chair Masagatani: I would like to see “experts” people with knowledge included in reforestation activities.
- Beneficiaries need to be involved with these users. How do we do that?
- DHHL: One aspect that DHHL would review when people request for access for reforestation projects is where the applicant is bringing plants in from. We do not want to introduce invasive species. The closer the new plants are to Humuula the better.
- DHHL: How do we get the requests for access that DHHL receives to this group?
- Beneficiaries need to be first.
- An alakai role needs to be identified.
- What is the process to access Humuula now? No need to re-invent the wheel if we do not have to. We don't want to make access more complicated.
- DHHL: For short-term dispositions, the process is basically as illustrated --



- When it gets down to specifics, don't necessarily need the Advisory Council, but if it is a big issue, big topic should involve the Advisory Council.
- DHHL led activities would be the fastest. The interested participants would just need to sign a waiver.
- We are advisory. We add on to the existing process. In Laiopua, we have a protocol and rules to rent our association meeting facility. Association members can sponsor someone from outside of the community to rent the meeting space. We should have a list or rule book of requirements. We should create a reservation process.
- Create a website for the Advisory Council. Members of the Council get a password to access the site. It would be transparent and show activities and issues that are current. Paper takes forever. Only the advisory committee gets access.
- DHHL can inform community of upcoming ROE's.
- I got a ROE six-years ago for gorse. I built a fence around koa trees. I wish we had more ROE opportunities because there would be benefits to the aina.
- Is there a land use request form that people need to fill out?
- Answer: Yes, it is on the DHHL website:
<http://dhhl.hawaii.gov/wp-content/uploads/2012/05/DHHL-NHLURF-150129.pdf>

Cultural Practices & Education

- Refer to existing laws regarding access rights for traditional cultural practices. DHHL needs to be up to date with those laws and apply those laws to its management of Aina Mauna.
- DHHL add an expert with these laws to help apply these laws to its management of Aina Mauna.
- These are inalienable rights. People have these rights.
- How would you define the definition of traditional cultural access? For instance, if someone wanted to cut and take koa, how do we deal with that?
- It has to be an established customary practice.
- How do you know an activity is an established customary practice?
- DHHL: We need the Advisory Council to help us with that. Every location has different practices.
- The general public cannot use Hawaiian Home Lands. Hawaiian Home Lands has to be used for beneficiaries.
- The Hawaiian Homes Commission has responsibility to the beneficiaries first. Maybe one policy consideration is for beneficiaries to be able to practice first.
- Cultural intelligence – what about non-50 percent practitioners?
- Sources for cultural practice references include the OHA Papakilo Database www.papakilodatabase.com and the 1840, 1848, 1854 Hawaiian Kingdom Constitutions.
- Some things run concurrently, they are not one before the other. HHCA was enacted after ceded (stolen) lands. There are different layers and they are all relevant.

Hunting and Ungulate Removal

- Hawaiian Homes Commission Act, there are specific provisions in it. You cannot sell the cattle meat (?) HHCA by right we can come in, but we need to ask permission first.
- Gorse spraying – are we still doing it?
- DHHL: Yes, along the road with volunteers.

Homesteading

- DHHL: Homesteading – DHHL could propose in the next fiscal year's budget to do planning for homesteading area that is identified in the Aina Mauna Legacy Plan. This in itself is a process.
- Related to homesteading, create a community pasture. It would have benefits.
- We have a hard time in our existing homestead communities. How would DHHL manage and assist existing communities if we put a new one up here?
- Community-led initiatives would help. Everything is a priority. These processes are going on now.
- We have five beneficiaries. Why don't we find five more? Example is Sonny Kaniho. He had his lot and offered to others on the waitlist. Water is an issue, but there are solutions.
- DHHL should consult Humuula lessees all the time.
- New homestead lessees need to be educated about Humuula.
- Community pasture opportunities are important and should be considered.
- Kalima case. The state has not addressed the waitlist.

- Aina Mauna is unique because of its location. How do we (DHHL) provide opportunities for beneficiaries in addition to homesteading?
- Has DHHL engaged the top applicants on the waiting list regarding Humuula?
- Answer: No. When DHHL has a more concrete homestead development plan like it will for Honomu, then it will engage the wait list for Humuula.
- How many acres is a pastoral homestead lease?
- Answer: The HHCA says a pastoral homestead lease can be no more than 1,000 acres of unirrigated lands. It can be less than 1,000 acres and varies depending upon location.
- Why not make pasture lots smaller so that you can accommodate more people?
- Answer: That is something DHHL did consider, but historic situations where DHHL has been sued because of awarding smaller acreages. The smaller acreages were not viable for pastoral lessees' commercial ranching needs.
- Puukapu was once a community pasture for both Waimea and East Hawaii. DHHL took it away in order to create more homestead leases.
- DHHL should create an advisory group to look at vacant lots not used by current homestead lessees to get them to use their lands or to re-award. The advisory group should be made up of applicants.

Trails

- The reason why I identified trails as a desired activity in Aina Mauna is to create jobs. It is a job opportunity. My children live away because there are no job opportunities here.
- Go back and review old maps to see what trails exists.

Camping

- Build a meeting space. Structure would be like a Hawaiian Hale.
- A Hawaiian Hale would be cold up here.
- We need facilities to have keiki up here.

Access

- Mana Road – gate it up. Limit access and permit only a few. Realistically how can we control access? It falls to one person with limited resources.
- Put “beneficiary community” in front of everything, that’s the solution. Collective agreement.
- What I hear in the last two comments, it sounds similar, but it is a timing issue.
- DHHL should look at monitoring solutions that do not require staff like motion sensors etc.
- Just having a presence is a help. We can just ask questions. Working with law enforcement agencies would be helpful.
- I see illegal activities at night. The light from the people trespassing is right above me.
- I run ranches on three islands. You cannot bust hunters because there is a “right to roam”. It’s the law.
- I have been on a committee for Puukapu Ranchers related to health and safety to identify lots, owners, location, and type of use. We went through similar issues and discussions. We color coded the areas for identification of lots and locations. We used the color code to identify locations. Perhaps a similar system can be utilized up here.

Fire Mitigation

- When was the last fire?
- Answer: The last fire was in 2008 and it burned ~2,900 acres.

General Discussion

- Out of all the benefits from Hawaiian Homes for beneficiaries, the meat from Humuula has been the best for our communities. It is a food resource. The associations know who in the community is most in need like kupuna and deliver meat to them.
- DHHL: Sheldon Mattos went through Request for Proposals (RFP) process to get the existing license for the cattle. He gives two cows per month to a homestead association. DHHL's intention is to issue a new RFP for a cattle license. As part of that, there are criteria (see DHHL Considerations for Aina Mauna Access Dispositions). Based on feedback today, perhaps an additional criteria DHHL should continue to include is making sure that meat continues to go to homestead associations.
- In Panaewa, we receive two cattle every quarter. Sometimes more. We make 500-600lbs of hamburger.
- The new RFP should have the requirement of delivering meat.
- The distribution of meat is worked out by each association. They know who is most in need in their community.
- DHHL: If this is not broken, then should we change?
- Keep criteria the same, make sure meat still gets delivered to the association.
- Waitlist Applicants are not benefiting from the cattle removal?
- Waitlist Applicants need to advocate more. They need to organize an entity to engage and receive more benefits from DHHL.
- Keep the criteria to deliver meat in the new RFP.
- Who keeps the vendor accountable?
- Answer: Ultimately DHHL, but the associations let us know if the vendor is not delivering.
- How do we get those on the waitlist meat?
- When I was younger I used to dive and share my catch with others. But when people started to complain that I did not gut and clean my catch for them, I stopped sharing.
- Through the LROE that he received from DHHL, Leonard Tanaka reported in 2016, 369 sheep were trapped. Of the 369, 300 went to Hawaii Island Associations
- What is Leonard's LROE for?
- Answer: Leonard's LROE is for resource management, Ungulate management, gorse control, protect koa seedling, assisting with signage. For people that participate Leonard requires service from volunteers first before the volunteers can participate in ungulate management.
- Where would applicants go to pick-up meat?
- Where do you live? Is there a place that cattle can be delivered to you and other people on the waitlist?
- We need to make sure that in the next RFP [for cattle removal] that the meat goes to the applicants too.
- When did the current cattle removal contract start?
- Answer: 2011

- Follow the procurement law. But don't forget beneficiaries. Give them an opportunity. They can start tomorrow.
- In the 1990's, DLNR would shoot and tell people coordinates. But only those people who knew the DLNR staff would get that information. It was who you know.
- Hunting is not allowed now on DHHL land.
- What if I wanted to do what Leonard does now?
- Answer: Turn in a LROE request to DHHL to review. DHHL will review based on the criteria in the handout that Kualii shared.
- Aina Mauna Advisory Council should advise criteria for new RFP.
- I am concerned that when you poison the gorse, the cattle eat the gorse, and beneficiaries eat the cattle.
- I heard a kupuna and keiki got sick from the meat.
- Where was this? Who was it?
- DHHL: All herbicides used on Aina Mauna are approved for use on pasture or rangeland settings in the presence of grazing animals. Herbicides go through an extensive testing process before being approved for pasture usage. Strict application rates and other labeled restrictions are followed. No restricted use (requiring special application permits) herbicides are used on Aina Mauna Lands.
- Who is inspecting the meat for health and safety? No one! This is all about rehabilitation of native Hawaiians. Here we are studying the study again. How does that get people on to the land? Without getting people up here we cannot take care of up here. It's important to put people on the land. If we put people up here, we will take care of the gorse. What's the priority?
- I use gorse for medicinal purposes. I make gorse oil.
- There are two ways we get people up here faster: (1) More DHHL staff-driven events and (2) Issue competitive bids for other activities. The DHHL staff driven events, all people would need to do is sign a waiver if they want to volunteer for the event. Also, we should cease all contracts regarding cattle until we figure out the health issues.
- I object to that idea (ceasing cattle removal), I don't want to deal with DOH regulations. We are getting cattle now and it is a good thing.

Look Ahead to Next Meeting

- Consensus of the group again was that Saturdays are generally good days for everyone to meet and that meeting at the Sheep Station was a good place.
- Next meeting for the Advisory Council **tentatively** will be on a Saturday in **July 2018**. DHHL will send out a "save the date" email ahead of the meeting.

Current Permitted Access Dispositions on Aina Mauna Lands

- 5 beneficiary pastoral homestead leases
- Vendors contracted by DHHL for services on Aina Mauna Lands
 - Gorse removal contracts
 - UH research and christmas tree plots
- License 811 to Mauna Kea Watershed Alliance for Waimau unit
 - Aina Mauna Legacy Program (AMLPL) Implementation R3 – portion
 - Use of State, Federal, Watershed Partnership and other grant funding
- License 750 to T&C Fencing for cattle removal
 - AMLPL Implementation feral ungulate removal
 - Meat for beneficiaries
- Licenses for communications towers along Mauna Kea Access Road.
 - Income producing licenses
- Right of Entry (ROE) 675 to DLNR DOFAW for Mauna Kea Forest Restoration Fence construction
 - AMLPL Implementation M1
 - No cost to DHHL, over \$300,000 value
- ROE 597 to Hawaii Forest and Trail, fee for use of portion of Humuula Sheep Station
 - AMLPL ecotourism income production
- ROE 678 Cooperative agreement with DLNR DOFAW for Maintenance of Mauna Kea Forest Restoration and Hilo Forest Reserve Fences.
 - AMLPL Implementation R3, M1
 - No cost to DHHL for fence maintenance or construction
 - Reciprocal access given through DLNR Lands
- Month to month Limited Right of Entry (LROE) for Hawaiian Reforestation Program Foundation for Sandalwood and other native species restoration
 - AMLPL Implementation, mamane/sandalwood reforestation M1 – portion
 - No cost to DHHL
- Month to month LROE to Kaiulani LLC for ungulate management and volunteer activities
 - Assist in AMLPL targeted ungulate control, gorse eradication on roadways and fence construction.
 - Meat for beneficiaries
 - No cost to DHHL
- Periodic LROE to Paniolo Preservation Society for grounds maintenance of Humuula Sheep Station and fire hazard mitigation.
 - Maintenance of historic properties, clearing of dry grass from property
 - No cost to DHHL
- Na Ala hele trail systems of Puu Oo, Puu Huluhulu, Humuula, and KaluaKauka
 - Public access to historic trails

Informational document presented for discussion

DHHL Aina Mauna Legacy Program Implementation Advisory Council

March 17, 2018

EXHIBIT "F"


DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION

May 14 & 15, 2018
Kamuela-Kawaihae, Hawaii

G-ITEMS
PLANNING PROGRAM DIVISION

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager
From: Andrew H. Choy, Planner 
Subject: Declare a Finding of No Significant Impact
(FONSI) for the DHHL South Point Resources
Management Plan Final Environmental Assessment,
TMK (3)-9-3-001:003, Kau, Hawaii Island

Recommended Action

That the Hawaiian Homes Commission issue a FONSI declaration based on the FEA for the DHHL South Point Resources Management Plan.

Discussion

In January 2018, DHHL staff presented the public review draft environmental assessment (DEA) the DHHL South Point Resources Management Plan (RMP) to the Hawaiian Homes Commission (HHC). The DEA assessed the potential environmental impact to the surrounding environment of the project area of the RMP. In summary, the DEA found that the proposed management actions in the RMP will have minimal impact to the surrounding environment (Exhibit B).

The DEA also addressed the proposed RMP for consistency with existing plans and applicable land use policies. The proposed RMP management goals and actions are consistent with existing plans and applicable land use policies in the region.

Based upon the analysis completed in the DEA, staff anticipated a finding of no significant impact (FONSI) for the management activities articulated in the RMP. Per Hawaii Administrative Rules (HAR) 11-200-11, the DEA and AFONSI are required to be published in the state Office of

Environmental Quality Control "Environmental Notice" bulletin for a 30-day public review and comment period. The public comment period was from February 23, 2018 to March 22, 2018. DHHL also accepted comments from agencies after the close of the comment period.

FINAL ENVIRONMENTAL ASSESSMENT (SUMMARY)

Various government agencies at the federal, state, and county level as well local community groups and associations were asked to comment on the DEA. Revisions to the DEA were made based on the comments received during the public consultation period. These changes are reflected in the FEA (Exhibit A).

A summary of the more important key substantive issues identified by other agencies during the public comment period and how those comments were addressed in the FEA are in the following table. A complete record of comments received and responses to those comments are included in appendix F of Exhibit A.

Agency	Comment/Summary	Response to Comment
State Agencies		
DLNR-Division of Aquatic Resources	Generally supports the proposed RMP actions. Expressed concern regarding lack of robust assessment of marine resources and limits to vehicular access for fishing.	<p>The jurisdiction of DHHL at South Point is limited to terrestrial resources. Therefore the protection of terrestrial resources is the focus of the RMP. We appreciate DAR's commitment to protecting coastal resources and look forward to future assessments of marine resources at South Point that DAR may be conducting and welcome assistance and resources DAR may provide to assist with management of marine resources at South Point.</p> <p>The main threat to terrestrial resources at South Point is vehicular access. Actions to curb vehicular access will protect the natural and cultural resources.</p>
DLNR-Division of Forestry & Wildlife	DOFAW would like to partner with DHHL to explore the possibility of further enhancing species recovery efforts via outplanting and other strategies to expand native vegetation distribution.	DHHL is open to partnering with others to further enhance the conservation of native species at South Point.

Agency	Comment/Summary	Response to Comment
DOH-Waste Water Branch	Subject project must conform to applicable provisions of HAR 11-62 "Wastewater Systems." Prior Waste Water Branch comment to DHHL was that Portable toilets are not allowed for permanent use for public facilities and parks.	All activities for this project will be in compliance with Federal, State, and County regulations where applicable, including Hawai'i Administrative Rules Chapter 11-62.
County Agencies		
Department of Water Supply	DWS is not providing any new services from the existing water system for parcels within the service limits.	DHHL looks forward to working with DWS to improve and maintain the integrity of water conditions in Kau. DHHL does not anticipate potable water needs in the near-term implementation of the RMP.

Criteria for a Finding of No Significant Impact (FONSI)

Hawaii Administrative Rules (HAR) Section 11-200-12.2 establishes procedures for determining if an Environmental Impact Statement (EIS) should be prepared for a project, or if a Finding of No Significant Impact (FONSI) is warranted. HAR Section 11-200-12 lists the following criteria to be used in making the determination.

1. *Involve an irrevocable loss or destruction of any natural or cultural resources.*

Discussion: The proposed Project is not expected to adversely impact any natural or cultural resources. Technical studies have been conducted to assess the potential impact of the proposed Project on fauna and flora, as well as cultural and archaeological resources at South Point. These studies have found the proposed Project will not negatively impact native fauna and flora populations at South Point. The archaeological inventory survey and cultural impact assessment conducted for this

Project also found that the proposed actions will not negatively impact the natural and cultural resources and practices of the Project area. Though archaeological features might be encountered during the construction phase, an archaeological monitoring plan will be in place and an archaeological monitor will be present at all times of construction. Should any resources be discovered during construction, all work will cease immediately and SHPD will be contacted.

2. *Curtail the range of beneficial uses of the environment.*

Discussion: The proposed Project is not expected to curtail the range of beneficial use of the environment since the proposed actions are minimal. Rather, the proposed actions will improve the integrity of the environment at South Point.

3. *Conflict with the state's long-term environmental policies or goals and guidelines as expressed in Chapter 344 HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders.*

Discussion: The proposed Project is consistent with the environmental policies, goals, and guidelines expressed in HRS Chapter 344.

4. *Substantially affects the economic or social welfare of the community or state.*

Discussion: The proposed Project is not expected to have significant negative socio-economic effect, but rather, is anticipated to provide significant benefits to communities surrounding South Point through employment opportunities, restoring and maintaining the sense of place of South Point that many value.

5. *Substantially affects public health.*

Discussion: The proposed Project is not anticipated to negatively affect public health. Instead, the proposed Project will improve public health and safety by providing toilets to improve sanitary conditions, as well as infrastructure for emergency service vehicles.

- 6. Involves substantial secondary impacts, such as population changes or effects on public facilities.*

Discussion: The proposed Project is not anticipated to have secondary impacts such as population changes or effects on public facilities. The proposed project will not encourage changes in population size.

- 7. Involves a substantial degradation of environmental quality.*

Discussion: No substantial degradation of environmental quality is expected as a result of the proposed Project. However, the proposed Project is expected to substantially improve the environmental quality of South Point.

- 8. Is individually limited but cumulatively has considerable effect upon the environment or involves a commitment for larger actions.*

Discussion: The proposed Project is not expected to have a significant negative cumulative effect upon the environment. Rather, if all resource management activities are implemented, the cumulative effect on the environment is expected to be very positive.

- 9. Substantially affects a rare, threatened or endangered species, or habitat.*

Discussion: The fauna and flora study that was conducted for this Project found that the proposed actions will not negatively impact rare, threatened, or endangered species or its habitat. The study notes that the proposed management actions of the Project will instead enhance and improve habitats at South Point that will in turn attract more native species.

- 10. Detrimentially affects air or water quality or ambient noise levels.*

Discussion: The proposed project is not anticipated to have any long-term impacts on air, water quality, or noise conditions. Impacts on air and water quality and noise conditions are anticipated to be minor and short-term resulting from construction-related activities, and will

cease upon Project completion. Short-term impacts may include an increase in dust generating around the Project area; an increase in noise levels from construction equipment and onsite vehicles; and increase in the amount of sediment in storm runoff because of exposed soils. However, the proposed Project is located far away from residential areas, therefore, will not impact surrounding communities. Nevertheless, these short-term impacts will be mitigated through use of Best Management Practices (BMPs) to minimize and mitigate potential negative impacts.

Also, the actions of the RMP are anticipated to protect against detrimental effects to air or water quality by limiting destructive activities that expose soils. Proposed actions will also encourage the re-establishment of native vegetation in exposed areas, thereby reducing the potential for soil erosion.

- 11. Affects or is likely to suffer damage by being located in an environmentally sensitive area such as flood plain, tsunami zone, beach, or erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal water.*

Discussion: The Project area is located in Zone X of the FEMA's Flood Insurance Rate Map which is in an area of minimal flood hazard and higher than the elevation of the 0.2-percent-annual-chance or 500-year flood. The Project area is also outside of the tsunami evacuation zone and is classified as an area with low risk of wildfires. Therefore, the proposed Project is not located in an environmentally sensitive area.

- 12. Substantially affects scenic vistas and view-planes identified in county or state plans or studies.*

Discussion: The proposed project will not adversely affect the public's enjoyment of scenic vistas and view planes. Instead, the proposed Project is anticipated to improve and protect the integrity of the cultural and natural resources of South Point and enhance coastal views at South Point.

- 13. Require substantial energy consumption.*

Discussion: The proposed project is not anticipated to consume a substantial amount of energy.

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 the implementation of the South Point Resources Management Plan will not have a significant impact on the project area or surrounding vicinity. Should the HHC disagree with staff findings, an Environmental Impact Statement Preparation Notice (EISPN) may be issued instead of a FONSI, per HAR §11-200-11.2.

Mitigation Measures Agreed to by DHHL in the FEA

- Focus on minimizing dust-generating materials and activities;
- Landscape and rapidly cover bare areas, including slopes;
- Control dust from debris being hauled away;
- Future structures will be built to County building code standards;
- Archaeological monitoring will be implemented where ground disturbance work will occur in the project area;
- Wastewater management will be compliant with HAR 11-62-7.1 and design considerations to address any effects to public trust resources, Native Hawaiian resources and practices associated with the development and utilization of a wastewater system will be implemented;
- Emergency access to the area will be improved with the design and construction of the emergency road;

Next-Steps

Should the HHC approve the recommended action, implementation of the RMP can proceed. However, several of the priority projects that are within close proximity of known cultural resources such as Palahemo and Puu Alii or involve major ground disturbance will need continued consultation with SHPD in order to ensure compliance with HRS Chapter 6E.

Recommended Action

DHHL staff respectfully requests approval as recommended.

MAY 2018 HHC MEETING
ITEM G-1

EXHIBIT A
FINAL ENVIRONMENTAL ASSESSMENT
(FEA)
DHHL SOUTH POINT
RESOURCE MANAGEMENT PLAN

PLEASE CLICK ON LINK FOR PDF COPY:

<http://dhhl.hawaii.gov/po/environmental-review/>

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 29-30, 2018

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager *g*
From: Andrew H. Choy, Planner *AC*
Subject: For Information Only Draft Environmental
Assessment for the DHHL South Point Resources
Management Plan, Kau, Hawaii Island and
Anticipated Finding of No Significant Impact
(AFONSI) TMK (3)-9-3-001:003

Recommended Action

None; for information only.

Discussion

PURPOSE

The purpose of this informational briefing is to update the HHC on the status of the DHHL South Point Resources Management Plan (RMP) and provide the HHC an opportunity to provide comments on the DEA prior to publication in the Office of Environmental Quality Control's Environmental Notice Bulletin. The adoption and implementation of the RMP was also identified as a Priority Project in the 2012 DHHL Kau Regional Plan.

The DEA (Exhibit B) is posted on the DHHL website for review at:

<http://dhhl.hawaii.gov/po/environmental-review/>

BACKGROUND

At its October 16, 2016 meeting, the Hawaiian Homes Commission adopted the RMP (See HHC submittal Exhibit A). South Point is an extremely important wahi pana that has been undermanaged and neglected by DHHL for decades. All of the resource management issues that have arisen over these decades have stemmed from the lack of a consistent DHHL management presence in the area due to insufficient funds, staffing levels, and resources to manage these lands at a higher level. DHHL's inconsistent presence at South Point has given rise to a "wild-wild-west" type management regime among private individuals with dissimilar priorities and interests.

The current management regime coupled with increased visitor interest in South Point attractions such as Mahana Bay (Green Sands Beach) has resulted in unregulated and unpermitted activities on DHHL lands and has left visible scars on the natural landscape as well as emotional scars on the relationships among individuals and families in the Kau community. As such, a management plan for DHHL lands in South Point was necessary. Because the majority of the management activities in the management plan are considered a use of state land lands, preparation of an environmental assessment as prescribed by HRS Chapter 343 is required.

DRAFT ENVIRONMENTAL ASSESSMENT (SUMMARY)

The DEA (Exhibit B) assesses the potential environmental impact of the resource management activities that are prescribed in the RMP. The RMP recommends the following management activities:

SUMMARY OF GOALS, PROJECTS AND STRATEGIES	
Goal 1: Restore, preserve, and protect cultural and natural resources.	
1.1	Restore and protect important cultural sites and natural resources within the DHHL's property.
1.2	Plan, design, and construct a walking path that guides visitors around the cultural and natural resources near South Point.
Goal 2: Perpetuate native Hawaiian culture, values, history and language for future generations.	
2.1	Provide opportunities for 'āina-based educational programs at South Point.
2.2	Design and implement a permit system to allow for 'ohana camping at South Point.
2.3	Plan, design, and create an area to serve as a gathering place for the local community.
Goal 3: Provide a safe, clean, and friendly environment.	
3.1	Manage vehicular access at South Point.
3.2	Provide sanitary amenities and signage at South Point.
3.3	Plan, design and construct a service road and a pedestrian path to Mahana Bay.
3.4	Develop and implement a public education campaign to increase awareness and to deter unpermitted recreational activities.
3.5	Improve access to lifesaving equipment for the local community and visitors.
3.6	Improve access to Kaulana boat ramp and launching area.
3.7	Develop and implement a fire management plan.
Goal 4: Generate revenue in order to sustainably fund cultural and natural resources management activities and provide economic opportunities for DHHL beneficiaries and their families.	
4.1	Institute a parking fee for South Point.
4.2	Provide training and technical assistance to DHHL beneficiaries to become legal business entities on DHHL lands.
4.3	Provide opportunities/programs that engage visitors in the history and culture of the place.
4.4	Seek alternative sources to fund resource protection projects for South Point.

The enclosed illustration (Figure 1, page 4) in the DEA (Exhibit B) depicts the spatial orientation of the above projects. A more detailed description of the entire management plan, and management activities' potential

impact to the surrounding environment and planned mitigation measures can be found in the DEA. In summary, these proposed uses are anticipated to have minimal impact to the surrounding environment. Furthermore, the lack of action will lead to additional and more severe environmental degradation.

Natural Resources

During the botanical survey of the project area, one endangered plant species was identified, the ohai. Additionally, there were six endemic and 16 indigenous plant species identified in the project area. Two native bird species were identified in the project area, the pueo and the noio. No endangered animals were observed in the project area during the EA study.

Cultural Resources

The project area contains several known important cultural sites and approximately 700 acres of the project area is designated as a National Historic Landmark. An archaeological inventory survey (AIS) was conducted as a part of this DEA on portions of the project area where potential ground disturbing activities would be located. These ground disturbing activities include: road, trail, trail.

Fieldwork was conducted from June to August 2017. Fieldwork consisted of a 100% pedestrian inspection, an extensive subsurface testing program, and photo documentation of previously recorded sites located along the Green Sand Beach Pedestrian Path. The AIS found that the original proposed alignment for the emergency road and the walking trail in the 2016 plan needed to change to account for steep topography and archaeological sites found in the area. Therefore, the alignments of the maintenance and emergency access road and walking trail in the 2016 plan have been modified. The final current alignment and location of for the road and trail is shown in Figure 2 of Exhibit B.

The AIS also documented numerous historic properties found in previous archaeological studies within and near the Project area, as well as five newly discovered historic properties. In summary, the AIS confirms that South Point

is rich with significant historical and cultural sites. No-action on the part of DHHL management of South Point will result in continued degradation of these sites. The entire AIS report can be found in the DEA report Appendix D (Exhibit B).

Infrastructure

The DHHL Kamaoa-Puueo tract is serviced by the County of Hawaii Waiohinu-Naalehu Public Water System 108 which serves the communities of Naalehu and Waiohinu. The system extends all the way down near the barracks at South Point. The only proposed potable water use in the 2016 RMP is related to a possible visitors' center. Projected potable water demand for the visitors' center is expected to be minimal and will not significantly impact the existing water system.

Vehicular access to South Point from Mamalahoa Highway is via the County's South Point Road. A point-in-time traffic count was conducted over a two-day period in June 2017. Traffic was counted on a weekday and a weekend during the hours of 7:00am to 5:00pm. Approximately 300 cars were counted on the weekday and 380 cars were counted on the weekend accessing South Point. A previous point-in-time traffic count was conducted in May 2016 on a weekday. During the May 2016 count, 243 cars headed to South Point were counted between 6:00am and 6:00pm.

Parking areas delineated in the 2016 RMP could accommodate an estimated 85 cars near the barracks and 15 vehicles near the fish hoist at any one time. Without management and regulation of vehicle access as proposed in the 2016 RMP, the current volume of daily traffic headed to South Point will continue to overwhelm and degrade the natural and cultural resources in the area.

There are no electricity or telecommunication services that exist in the project area.

DHHL Planning System Consistency

The DEA also addresses the proposed project uses for consistency with existing plans and applicable land use policies. As previously mentioned, the development of a South Point Resource Management Plan was identified as a

priority project in the DHHL Kau Regional Plan. The DHHL Hawaii Island Plan land use designation for the South Point area is Special Area District. Per the Island Plan, Special Area Districts consist of areas requiring special attention due to the presence of unique natural and cultural resources. The management activities prescribed in the South Point Resource Management Plan are consistent with the allowable uses within the Special Area District land use designation.

Based upon the analysis completed in the DEA, staff anticipates a finding of no significant impact for the South Point Resources Management Plan. This determination is based upon the 13 criteria of significance that approving agencies must consider as specified in HAR 11-200-12.

1. *Involve an irrevocable loss or destruction of any natural or cultural resources.*

The proposed Project is not expected to adversely impact any natural or cultural resources. Technical studies have been conducted to assess the potential impact of the proposed Project on fauna and flora, as well as cultural and archaeological resources at South Point. These studies have found the proposed Project will not negatively impact native fauna and flora populations at South Point. The archaeological inventory survey and cultural impact assessment conducted for this Project also found that the proposed actions will not negatively impact the natural and cultural resources and practices of the Project area. Though archaeological features might be encountered during the construction phase, an archaeological monitoring plan will be in place and an archaeological monitor will be present at all times of construction. Should any resources be discovered during construction, all work will cease immediately and SHPD will be contacted.

2. *Curtail the range of beneficial uses of the environment.*

The proposed Project is not expected to curtail the range of beneficial use of the environment since the proposed actions are minimal. Rather, the proposed

actions will improve the integrity of the environment at South Point.

3. *Conflict with the state's long-term environmental policies or goals and guidelines as expressed in Chapter 344 HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders.*

The proposed Project is consistent with the environmental policies, goals, and guidelines expressed in HRS Chapter 344.

4. *Substantially affects the economic or social welfare of the community or state.*

The proposed Project is not expected to have significant negative socio-economic effect, but rather, is anticipated to provide significant benefits to communities surrounding South Point through employment opportunities, restoring and maintaining the sense of place of South Point that many value.

5. *Substantially affects public health.*

The proposed Project is not anticipated to negatively affect public health. Instead, the proposed Project will improve public health and safety by providing toilets to improve sanitary conditions, as well as infrastructure for emergency service vehicles.

6. *Involves substantial secondary impacts, such as population changes or effects on public facilities.*

The proposed Project is not anticipated to have secondary impacts such as population changes or effects on public facilities. The proposed project will not encourage changes in population size.

7. *Involves a substantial degradation of environmental quality.*

No substantial degradation of environmental quality is expected as a result of the proposed Project. However, the proposed Project is expected to substantially improve the environmental quality of South Point.

8. *Is individually limited but cumulatively has considerable effect upon the environment or involves a commitment for larger actions.*

The proposed Project is not expected to have a significant negative cumulative effect upon the environment. Rather, if all resource management activities are implemented, the cumulative effect on the environment is expected to be very positive.

9. *Substantially affects a rare, threatened or endangered species, or habitat.*

The fauna and flora study that was conducted for this Project found that the proposed actions will not negatively impact rare, threatened, or endangered species or its habitat. The study notes that the proposed management actions of the Project will instead enhance and improve habitats at South Point that will in turn attract more native species.

10. *Detrimentially affects air or water quality or ambient noise levels.*

The proposed project is not anticipated to have any long-term impacts on air, water quality, or noise conditions. Impacts on air and water quality and noise conditions are anticipated to be minor and short-term resulting from construction-related activities, and will cease upon Project completion. Short-term impacts may include an increase in dust generating around the Project area; an increase in noise levels from construction equipment and onsite vehicles; and increase in the amount of sediment in storm runoff because of exposed soils. However, the proposed Project is located far away from residential areas, therefore, will not impact surrounding communities. Nevertheless, these short-term impacts will be mitigated through use of Best Management Practices (BMPs) to minimize and mitigate potential negative impacts.

Also, the actions of the RMP are anticipated to protect against detrimental effects to air or water quality by limiting destructive activities that expose

soils. Proposed actions will also encourage the re-establishment of native vegetation in exposed areas, thereby reducing the potential for soil erosion.

11. *Affects or is likely to suffer damage by being located in an environmentally sensitive area such as flood plain, tsunami zone, beach, or erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal water.*

The Project area is located in Zone X of the FEMA's Flood Insurance Rate Map which is in an area of minimal flood hazard and higher than the elevation of the 0.2-percent-annual-chance or 500-year flood. The Project area is also outside of the tsunami evacuation zone and is classified as an area with low risk of wildfires. Therefore, the proposed Project is not located in an environmentally sensitive area.

12. *Substantially affects scenic vistas and view-planes identified in county or state plans or studies.*

The proposed project will not adversely affect the public's enjoyment of scenic vistas and view planes. Instead, the proposed Project is anticipated to improve and protect the integrity of the cultural and natural resources of South Point and enhance coastal views at South Point.

13. *Require substantial energy consumption.*

The proposed project is not anticipated to consume a substantial amount of energy.

NEXT STEPS FOR EA COMPLETION

The following is a list of anticipated next steps and milestones in the completion of the EA.

- DEA anticipated to be published in the February 8, 2018 OEQC bi-monthly bulletin
- 30-day public comment period on the DEA ends March 7, 2018;

- Revise DEA per public comments and complete Final Environmental Assessment (FEA) (May 2018);
- Present FEA to HHC; HHC issues Finding of No Significant Impact (FONSI) declaration for the project (May 2018)
- HHC FONSI declaration for the project and FEA submitted to OEQC for publication in OEQC bi-monthly bulletin. (June 2018)

NEXT STEPS FOR OVERALL PROJECT IMPLEMENTATION

In addition to the completion of the FEA and HHC declaration of FONSI for the project in accordance with Hawaii Revised Statutes Chapter 343 and HAR 11-200, the following priority projects as identified in the South Point Resource Management Plan will need to be implemented:

- Restore and protect important cultural sites and natural resources within DHHL's property;
 - Creation and installation of interpretive signage for known cultural and natural resources;
 - Organize community work days;
 - Issue a curatorship agreement with a community organization to steward cultural resources at Ka Lae;
 - Construction of protective barriers around sensitive resources like Palahemo and Puu Alii;
- Manage vehicular access at South Point;
 - Establish a consistent DHHL enforcement presence;
 - Creation of a full-time DHHL Resource Manager at South Point;
 - Installation of entrance station, security booth, and gate;
 - Designation and enforcement of permitted parking areas;
- Provide sanitary amenities and signage at South Point;
 - Deploy waste receptacles;
 - Install entrance sign;
 - Install regulatory signage (no trespassing, no cliff jumping);

- o Provide portable toilets;
- Institute a parking fee for South Point;
 - o Further research and outreach to develop a fee structure;
 - o Establish internal policies and procedures to collect parking fee;
 - o Deploy DHHL staff or contractors to enforce and collect fee;
- Plan, design, and construct a pedestrian path and service road to Mahana Bay;
 - o Procure vendor to design and engineer service road and walking paths;
 - o Procure vendor to construct service road and walking paths.

Sufficient budget will need to be allocated by the HHC and DHHL to implement plan recommendations. Furthermore a willingness by current and future decision-makers to follow through on plan recommendations will be needed to ensure successful implementation.


Recommended Action


For information only. No action required.

EXHIBIT "B"

State of Hawaii
Department of Hawaiian Home Lands
May 14 - 15, 2018

To: Chair and Members, Hawaiian Homes Commission

Through: M. Kaleo Manuel, Acting Planning Program Manager 

From: Gigi Cairel, Grants Specialist 
E. Halealoha Ayau, Water Resources Specialist

Subject: Acceptance of Beneficiary Consultation Report for
Proposed Water Rate Increase for the DHHL Kawaihae
Water System

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) accepts this Beneficiary Consultation Report as the public record of beneficiary input and feedback relative to the proposed water rate increase for the Department of Hawaiian Home Lands (DHHL) Kawaihae Water System.

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

DISCUSSION

The HHC approved the DHHL request to proceed with beneficiary consultation regarding the proposed increase to the water rates for all DHHL-owned systems at the HHC February 2018 meeting. DHHL conducted the beneficiary consultation meeting in Kawaihae, Hawai'i island on April 11, 2018. There is a 30-day comment period that ends May 10. Included in this submittal are beneficiary comments received up to May 7. If additional comments are received, they will be presented at the HHC on May 14 and 15, 2018.

Using the water billing addresses on file, DHHL mailed a meeting notification (see Exhibit A) to all users connected to the Kawaihae water system - over 150 residential beneficiaries in the Kailapa homestead. Over 30 people attended and 11 signed in (see Exhibit B) - all 11 did not self-identify their status as a beneficiary (applicant, lessee, both, other). Anecdotally, a majority who attended were lessees. A powerpoint presentation was used, along with handouts to provide information and the content of the proposed increase to the water rates (see Exhibit C). DHHL staff was assigned to take detailed notes during the

entire meeting time. Meeting participants were engaged and thoughtful in their comments and feedback.

DHHL created a webpage dedicated to the beneficiary consultation process for the proposed water rate increase for the Kawaihae water system (<http://dhhl.hawaii.gov/po/beneficiary-consultation/proposed-increase-to-kawaihae-drinking-water-system-rates/>) for those that could not attend the April 11, 2018 meeting or who wanted access to the information independently. The information posted on the webpage includes the following:

- Background from the November 17, 2017 - Information meeting on Water System expenses.
- April 11, 2018 - Beneficiary Consultation on proposed increase to the Kawaihae water rates (powerpoint presentation and handouts, including the proposed water rates schedule for residential beneficiaries.

Related to the proposed water rates discussion, DHHL also conducted beneficiary consultation on proposed Water Administrative Rules on July 6, 2017, in Waimea. Information on the proposed rules and the beneficiary consultation meetings held are also posted on the DHHL website at <http://dhhl.hawaii.gov/department-of-hawaiian-home-lands-administrative-rules/>.

In addition to comments collected at the April 11, 2018 meeting, beneficiaries could submit written comments using the half-sheets provided at the meeting, by sending email or mail to the DHHL Planning Office. The period to submit written comments closes on May 10, 2018. All comments received as of May 7, 2018, are included in this submittal. If additional comments are received after that date, they will be presented at the HHC on May 14 and 15, 2018. A copy of the transcribed notes from the April 11, 2018 Beneficiary Consultation meeting is attached as Exhibit D.

Analysis of Transcribed Meeting Notes

There was one consistent theme from the April 11, 2018, Beneficiary Consultation meeting, as well as from the informational meeting on November 17, 2017 - New Water Source Development. This is discussed below. All other beneficiary comments are summarized in the Table below.

New Water Source Development

The major comment received was for DHHL to explore development of a new water source to be owned by DHHL. Currently, the water source for the DHHL Kawaihae system is from the privately-owned and managed Kohala Ranch water system.

Regulated by the Public Utilities Commission, the ranch's water rates (\$7.00 per 1,000 gallons) are among the highest on Hawai'i island. DHHL is under a temporary agreement with the ranch to supply water to Kawaihae. Further, annual water purchases from the ranch were \$177,400 in FY 2015 and \$164,500 in FY 2016. This represents 75% of DHHL's costs to operate the Kawaihae water system. Thus, the request for a new water source is understandable.

The Kohala Ranch rates are out of DHHL's control. On an individual basis, however, beneficiaries can control their water bill amount through conservation. For low-volume water users (<30,000 gallons bi-monthly), the current DHHL water rates and the proposed increase are affordable, per industry standard.

A "Kawaihae Water Assessment Study" was completed in June 2015 to explore new ground water and surface water sources. The preferred option in the study is to develop an existing well and the related infrastructure. The study notes that the new source will potentially provide for 10+ years for future water demand. Also, salinity level is high, so desalinization treatment is recommended. This would require a higher level DOH certified licensed operator than the current distribution operator Grade Level 1. A second well for backup is also recommended. The current connection to Kohala Ranch could serve as the backup. Cost estimate to construct the system is \$14.8 million (2015). In addition to infrastructure costs, cost projections are needed for system management, operations, maintenance and reserves and the impact on user water rates. Further research is needed to determine the long-term viability and sustainability of this new source and better understanding of DHHL's return on investment should we move forward on this. DHHL took no action on the study's recommendation.

The table below summarizes the transcribed meeting notes into patterns or themes and provides a staff response. The table also identifies specific suggestions from beneficiary comments that resulted in recommendations related to the proposed water rate increase.

Theme	Beneficiary comments	Staff response
Beneficiary advocacy	There was a comment that the Kailapa Community Association circulate a petition that DHHL continue to subsidize the Kawaihae water system.	Staff respectfully acknowledges the comment.

Theme	Beneficiary comments	Staff response
	<p>Beneficiaries also commented that DHHL increase staff and resources to focus on water</p> <p>Kailapa Community Association received a Resilient Communities grant and may help with water needs</p>	
Water for agriculture	The comment here was about creating an Agriculture water rate for those who wish to farm	DHHL supports highest and best use of the water based on the highest quality of water. The Kawaihae system provides potable water for human consumption (drinking, cooking, etc.).
Non-payment of water bills	Comment here was about exploring why beneficiaries are not paying their water bills	<p>Currently, DHHL district offices reach out to the lessees and draft a "work out" payment plan.</p> <p>The proposed Water Administrative Rules include provisions and procedures for water billing, collection, enforcement and delinquencies, including allowance for non-cash payment.</p> <p>Based on the FY 2016 Cost of Service Study, total expenses was \$226,670. Under the current rate structure, DHHL billed for \$117,155 and about half (\$60,886) was collected. The shortfall of \$56,269 (or 25% of total billed) represents outstanding payments from beneficiaries.</p>

Theme	Beneficiary comments	Staff response
		Further research is needed to better understand the needs and extent of the water bill delinquencies.

CONSISTENCY WITH DHHL PLANNING SYSTEM

DHHL Planning System

The DHHL Planning System consists of three tiers of plans - General Plan, Island Plans and Strategic Program Plans, and Regional Plans.

DHHL General Plan (2002)

The DHHL General Plan is intended as a high-level policy and long-range planning document to implement the HHCA of 1920, as amended. Within this plan, the proposed increase to the rate schedule for the DHHL Kawaihae Water System is consistent with the Water Resources goal to provide access to quality water in the most cost-effective and efficient manner.

Hawai'i Island Plan (2002)

The Hawai'i Island Plan is primarily a land use designation document. The DHHL Kawaihae water system serves the Kailapa residential homestead and the Kailapa Community Association Pavilion. Per the Island Plan, "constraints limiting immediate [and further] development [in Kawaihae] include high costs associated with providing sufficient water."

Water Policy Plan (2014)

The proposed increase to the rate schedule for the DHHL Kawaihae Water System directly addresses the following priority policy goals and objectives in the Water Policy Plan.

- Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses
- Educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana
- Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users

Kawaihae Regional Plan (2010)

Within the Kawaihae Regional Plan, water is identified as major infrastructure and as a potential project. For the Kawaihae system, DHHL purchases water from the neighboring Kohala Ranch water system. Water is then stored in two tanks (each with 100,000 gallons capacity) on Hawaiian home lands. As Kawaihae is

built out and surrounding communities grow, new water sources will become necessary to meet increasing demand. One potential project was identified in the regional plan.

New Water Source and Transmission

- Commission a groundwater resource study to identify and develop necessary water sources and related water infrastructure in order to provide potable water for existing and future homestead lessees at Kailapa and Kawaihae.
- Identify methods to capture, store, transmit and use surface water resources to potable and/or non-potable water uses.

RECOMMENDATION

Staff respectfully requests acceptance as recommended.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

DOUGLASS S. CHIN
LT. GOVERNOR
STATE OF HAWAII



JOHIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AHA, JR.
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879
HONOLULU, HAWAII 96805

March 16, 2018

Aloha,

The Department of Hawaiian Home Lands (DHHL) will be conducting a Beneficiary Consultation on the **proposed increase** in water rates that DHHL charges its customers (you) to help cover costs to provide reliable water service to your homestead. The current rates were established in 1995. Before the Hawaiian Homes Commission (HHC) takes action on the proposed increase in rates, DHHL would like to hear beneficiary input.

The department and beneficiaries connected to the water system each have kuleana. For DHHL, we continuously look for ways to cut costs and operate the system efficiently. For beneficiaries, your kuleana is to use water wisely and pay your water bill.

The objectives for this Beneficiary Consultation are as follows:

- Present a summary of DHHL's costs to manage, operate and maintain the water system
- Explain what DHHL is doing to keep costs down
- Get feedback on the proposed increase in water rates

**Wednesday, April 11, 2018
6:00 p.m. to 8:00 p.m.
Kailapa Community Pavilion**

Note: Please bring chairs because there is a limited number of chairs at the meeting place.

We all know the importance of clean and safe drinking water. You and your 'ohana are affected directly. We hope you will take advantage of this opportunity, share your mana'o, and perhaps, learn something new about your water system. The input you share will be presented to the HHC in their decision making process.

Aloha and mahalo,


Jobie M. K. Masagatani, Chair
Hawaiian Homes Commission

EXHIBIT A

Department of Hawaiian Home Lands
Beneficiary Consultation – Kawaihae water system
Proposed Increase in Water Rates

Wednesday – April 11, 2018
6:00 PM – 8:00 PM – Kailapa Community Pavilion

Meeting Agenda
subject to change

- I. Overview
- II. Summary of DHHL costs to operate the water system
- III. Your water bill
- IV. Get Feedback on proposed increase in water rates
- V. Wrap Up

If you have any questions, please contact the following.

Ms. Gigi Cairel, Planning Office
(808) 620-9461; Fax (808) 620-9559

Email: DHHL.Planning@hawaii.gov

Or visit our website, www.DHHL.hawaii.gov, and click on “Beneficiary Consultations”

Please bring chairs because there is a limited number of chairs available at the meeting place.



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS
SIGN-IN SHEET

EVENT BC Water Rates - Kawaihae

DATE Wed April 11, 2018

(Please print)

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

BENEFICIARY	NAME	MAILING ADDRESS	E-MAIL	TELEPHONE
A L B O	Makaila Kancalin			
A L B O	Justin Drummond			
A L B O	Jordan Hollister			
A L B O	Justin P. Aging			
A L B O	Kahua Tanumoh			
A L B O	Easton Chong			
A L B O	Tommy Silva			
A L B O	Donna Parker			
A L B O	Quana Verna byatake			
A L B O	Dan Manuel			

**Please include email

EXHIBIT B



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS
SIGN-IN SHEET

PAGE ____

(Please print)

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

BENEFICIARY	NAME
A L B O	Puapuni Wao
A L B O	
A L B O	
A L B O	
A L B O	
A L B O	
A L B O	
A L B O	
A L B O	
A L B O	

**Please include email

EXHIBIT B



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
DEPARTMENT OF HAWAIIAN HOME LANDS

Beneficiary Consultation

Proposed Increase in Water Rates

DHHL Kawaihae Water System
March 2018

Agenda

- Pule
- Welcome & Introduction
 - Meeting Purpose & Kuleana
 - The Beneficiary Consultation Process
- DHHL Presentation
 - Background & Need
 - Proposed increase to the water rates
- Community input
- Next Steps

Meeting Purpose

Gather input from Beneficiaries on the proposed increase in water rates for the Kawaihae drinking water system

Refresher

- Hawaiian Homes Commission Act
 - Retain exclusive control of water systems
- Water Policy Plan
 - Secure revenue & reduce costs to “break even”
- Water Administrative Rules
 - Water bill payments, options, Shut-Off (last resort)
- Information meeting on System Costs
 - Expenses = \$227,000 and Rev. = \$117,000
 - Shortfall \$110,000

Meeting Kuleana

- ✓ Be creative!
 - Work toward future solutions/aspirations
- ✓ Disagreement is ok as long as we are respectful of each other
- ✓ Everyone gets a turn first, then repeats
- ✓ Cell phones off or on silent
 - Take all calls/texting outside
- ✓ Please hold questions until after presentation

Meeting Kuleana

You are personally responsible for:

- ✓ Make sure everyone has equal opportunity to express their ideas
- ✓ Actively listen (listen to understand)
- ✓ Ask questions to clarify
(get the right info)
- ✓ Have an open mind; open heart
- ✓ Focus our attention on speaker

Beneficiary Consultation Process Steps

April 11
BC Meeting

May 10
30-day BC
comment period
ends

May 14-15
HHC-Kailua-Kona
Meeting

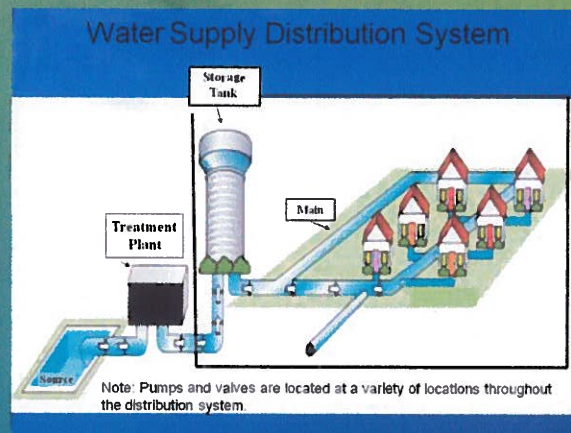
July 1
Water Rates
effective

What is a Water System?

U.S. EPA:

Water may be
BASIC.

But it sure isn't
SIMPLE.



Water System Goals

- Provide safe, clean drinking water
- Provide reliable water delivery service (24/7)
- And cover all operating costs & have Reserve Funds for emergencies, cash flow, capital improvements

Typical Water System Expenses

ADMINISTRATION

OPERATIONS

- Certified Operator
- Purchase of Water
- Electricity
- Storage tank
- Booster pumps
- Pipes, fire hydrants

RESERVE FUNDS

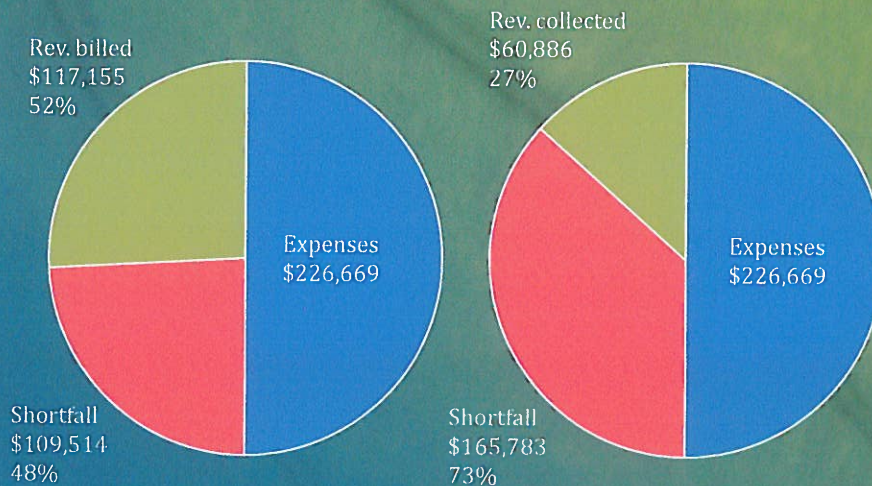
- Operating = cash flow
- Emergency = when pumps break down
- Capital improvement = Rainy Day fund
- Debt service on loans

Kawaihae Water System Expenses

Fiscal Year 2015 - 2016

	% of Total	Amount
Personnel - DHHL	4%	\$9,082
Contracted Operator, includes	19%	42,016
✓ O&M Service		
✓ Repair, Maintenance, Other		
Water Purchase – Kohala Ranch	72%	164,553
Electricity	5%	11,018
Reserves	0%	-0-
TOTAL	100%	\$226,669

Kawaihae Water System



Goal

Balance

Costs to deliver water Rate affordability



Need for Water Rate Increase

- Rates were established in 1999
- Costs have gone up since
- Shortfall is \$166,000
- Reserve Funds

What DHHL is doing

- ✓ Completed Cost of Service Analysis
 - Reviewed water system budget, expenses, revenue
- ✓ Developed Administrative Rules to address non-payment of water bills
- ✓ Reviewed and analyzed water rates
- ✓ Reviewing current contract for water system operations

15

"Water Rates 101"

Water rates are based on:

- (1) Meter size – 5/8"
- (2) "Usage Fee" – Amount of water used over a 2-month period, grouped in 4 levels or "Tiers"

There are different rates for Residential Beneficiaries and Kailapa Community Association

Refer to Handout

16

Best Rate Option

- ✓ Balances the budget through rates
- ✓ Fully recovers operational costs only
- ✓ Assumes Reserves budgeted with other funds
- ✓ Still affordable to those using 10,000 gallons or less (bi-monthly)
- ✓ For high volume water users, this rate option may be unaffordable

17

Residential Beneficiary Proposed Increase

- 5/8" meter – Currently \$34.80 bi-monthly
By Year 5 - \$106.46 and By Year 10 - \$179.00

380% increase over the meter fee, spread incrementally over 10 years
PLUS 3% annual inflation

		<u>Current</u>	<u>By Year 5</u>	<u>By Year 10</u>
➤ Usage Fee	Tier 1	\$2.60	\$7.95	\$13.37
	Tier 2	3.49	10.68	17.95
	Tier 3	4.89	14.96	25.15
	Tier 4	5.89	18.02	30.30

380% increase over the usage fee, spread incrementally over 10 years
PLUS 3% annual inflation

Refer to Handout

18

Kailapa Community Association Proposed Increase

- 5/8" meter – Currently \$34.80 bi-monthly
By Year 5 - \$106.46 and By Year 10 - \$179.00

380% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

		<u>Current</u>	<u>By Year 5</u>	<u>By Year 10</u>
➤ Usage Fee	Tier 1	\$8.09	\$24.75	\$41.61

380% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout

Alternative Rate Option

Increase is only to the meter service fee. Usage fee remains constant.

- ✓ Balances the budget through rates
- ✓ Fully recovers operational costs only
- ✓ Assumes Reserves budgeted with other funds
- ✓ Most affordable for water users of <30,000 gallons
- ✓ Because the base rates are higher, lower water volume users are subsidizing high volume users
- ✓ For high volume water users, this rate option may be unaffordable

Residential Beneficiary Proposed Increase

- 5/8" meter – Currently \$34.80 bi-monthly
By Year 5 - \$118.64 and By Year 10 - \$203.37

450% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

NO INCREASE TO USAGE FEE

		<u>Current</u>	<u>By Year 5</u>	<u>By Year 10</u>
➤ Usage Fee	Tier 1	\$2.60	\$2.60	\$2.60
	Tier 2	3.49	3.49	3.49
	Tier 3	4.89	4.89	4.89
	Tier 4	5.89	5.89	5.89

Refer to Handout

21

Kailapa Community Association Proposed Increase

- 5/8" meter – Currently \$34.80 bi-monthly
By Year 5 - \$118.64 and By Year 10 - \$203.37

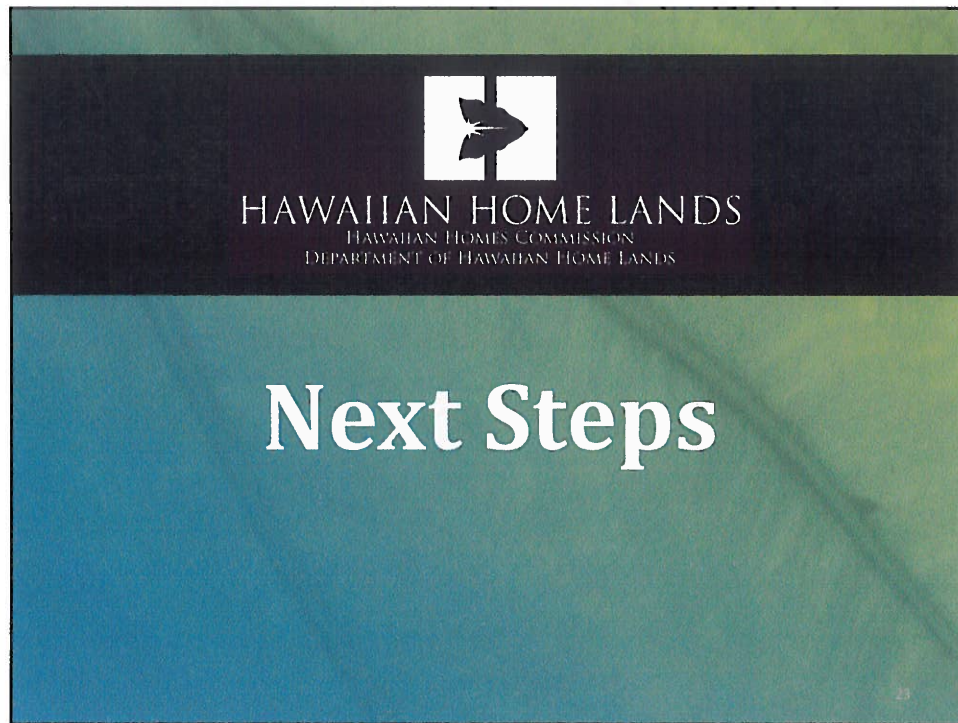
450% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

NO INCREASE TO USAGE FEE

		<u>Current</u>	<u>By Year 5</u>	<u>By Year 10</u>
➤ Usage Fee	Tier 1	\$8.09	\$8.09	\$8.09

Refer to Handout

22



Beneficiary Consultation Process

Estimated Date	Action Step
April 11, 2018	BC Meeting on Molokai
May 10, 2018	End of 30-day BC comment period
May 14-15, 2018	Hawaiian Homes Commission meeting on Molokai
July 1, 2018	New Kawaihae water system rates become effective (pending HHC approval)

Next Steps for DHHL

- Complete public hearings for Water Administrative Rules
- Complete next Cost of Service Analysis for FY 17 and FY 18
- Complete next Water Rate Study in FY 2020

Next Steps for You

- Participate in the BC Process
 - Send written comments by May 10
- Attend, testify or submit public testimony at the HHC – May 14-15
- Think about today's discussion
- Talk to family, friends, neighbors
- Fix leaks
- Conserve water
- Everyone do their part, including DHHL



Mahalo !

**Kawaihae Water System
Residential Beneficiaries**

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$49.07	\$63.37	\$77.70	\$92.06	\$106.46	\$120.90	\$135.37	\$149.88	\$164.42	\$179.01

Existing water service delivery (usage) fees

	GallonsBi- Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$2.60
Tier 2	10,001 - 30,000	\$3.49
Tier 3	30,001 - 80,000	\$4.89
Tier 4	Over 80,000	\$5.89

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$3.67	\$4.73	\$5.81	\$6.88	\$7.95	\$9.03	\$10.11	\$11.20	\$12.28	\$13.37
Tier 2	\$4.92	\$6.35	\$7.79	\$9.23	\$10.68	\$12.12	\$13.58	\$15.03	\$16.49	\$17.95
Tier 3	\$6.89	\$8.90	\$10.92	\$12.94	\$14.96	\$16.99	\$19.02	\$21.06	\$23.10	\$25.15
Tier 4	\$8.30	\$10.73	\$13.15	\$15.58	\$18.02	\$20.46	\$22.91	\$25.37	\$27.83	\$30.30

The rates and fees are based on a 38% increase per year to both base and usage fees per year (or 380% spread over 10 years), plus 3% inflation per year, or a total of 41% increase per year.

**Kawaihae Water System
Kailapa Community Association**

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi-Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$49.07	\$63.37	\$77.70	\$92.06	\$106.46	\$120.90	\$135.37	\$149.88	\$164.42	\$179.01

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	9,999,999	\$8.09

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$11.41	\$14.73	\$18.06	\$21.40	\$24.75	\$28.11	\$31.47	\$34.84	\$38.22	\$41.61

The rates and fees are based on a 38% increase per year to both base and usage fees per year (or 380% spread over 10 years), plus 3% inflation per year, or a total of 41% increase per year.

**Kawaihae Water System
Residential Beneficiaries**

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$51.50	\$68.24	\$85.01	\$101.81	\$118.64	\$135.51	\$152.42	\$169.36	\$186.35	\$203.37

Existing water service delivery (usage) fees

	GallonsBi- Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$2.60
Tier 2	10,001 - 30,000	\$3.49
Tier 3	30,001 - 80,000	\$4.89
Tier 4	Over 80,000	\$5.89

No change to water service delivery (usage) fees

The rates and fees are based on a 45% increase per year to only meter fee (base) (or 450% spread over 10 years), plus 3% inflation per year.

Kawaihae Water System
Kailapa Community Association

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$51.50	\$68.24	\$85.01	\$101.81	\$118.64	\$135.51	\$152.42	\$169.36	\$186.35	\$203.37

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	9,999,999	\$8.09

No change to water service delivery (usage) fees

The rates and fees are based on a 45% increase per year to only meter fee (base) (or 450% spread over 10 years), plus 3% inflation per year.

Department of Hawaiian Home Lands
Beneficiary Consultation – Kawaihae water rates proposed increase
Location: Kailapa Community Association Pavilion
6:00 PM – 8:00 PM – April 11, 2018

Meeting Notes

Note: There was lengthy discussion on identifying several potential water sources to replace the current source (Kohala Ranch water system) and DHHL's current efforts.

- Develop alternate source
- Any revenues from the wells on Hawaiian home lands
- Investigate delinquencies . . . the “why” lessees have hard time to pay [water bill]
- Water rates are unique and applicable to only the Kawaihae water system serving the Kailapa homestead
- Report back to community on efforts to development new source. Get off Kohala Ranch water. Who's working on the \$14.9 million (minimum)?
- When Kohala Ranch increases [its water rates], only then DHHL should increase [rates to the beneficiaries]
- Can DHHL make a residential/agriculture rate for those who want to farm and have cheaper rate for agriculture?
- Explore all of the other existing wells on or near DHHL lands in Kawaihae including 'Ainala project (which is not yet operational). DHHL didn't apply to water sources.
- How can DHHL draw water from mauka sources to service Kailapa?
- DHHL needs to investigate 3 diversions from mauka sources
- What's timeline to plan for new water source development (ie DLNR collaboration)
- Resilient Hawaiian Communities grant received by Kailapa Community Association to help look into water needs (per Diane Kanealii)
- Increase staff and resources to focus on water – ie, answer beneficiary questions
- Suggested a petition be done by the Kailapa Community Association that DHHL continue subsidizing the Kawaihae water system

State of Hawaii
Department of Hawaiian Home Lands
May 14 - 15, 2018

To: Chair and Members, Hawaiian Homes Commission
Through: M. Kaleo Manuel, Acting Planning Program Manager
From: Gigi Cairel, Grants Specialist *G. Cairel*
E. Halealoha Ayau, Water Resources Specialist
Subject: Acceptance of Beneficiary Consultation Report for
Proposed Water Rate and Fee Increase for the DHHL
Pu'ukapu Water System

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) accepts this Beneficiary Consultation Report as the public record of beneficiary input and feedback relative to the proposed water rate increase for the Department of Hawaiian Home Lands (DHHL) Pu'ukapu Water System.

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

DISCUSSION

The HHC approved the DHHL request to proceed with beneficiary consultation regarding the proposed increase to the water rate for the DHHL-owned Pu'ukapu water system at the HHC March 2018 meeting. DHHL conducted the beneficiary consultation meeting in Waimea, Hawai'i island on April 12, 2018. There is a 30-day comment period that ends May 11. Included in this submittal are beneficiary comments received up to May 7. If additional comments are received, they will be presented at the HHC on May 14 and 15, 2018.

Using the water billing addresses on file, DHHL mailed a meeting notification (see Exhibit A) to all users connected to the Pu'ukapu water system - over 40 pastoral beneficiaries in the Pu'ukapu homestead. Over 40 people attended and 32 signed in (see Exhibit B) - 18 (56%) lessees; 0 applicants, 5 (16%) both lessee and applicant; 1 (3%) other; and 8 (25%) did not self-identify. A powerpoint presentation was used, along with handouts to provide information and the content of the proposed increase to the water rates (see Exhibit C). DHHL staff was assigned to take detailed

notes during the entire meeting time. Meeting participants were engaged and thoughtful in their comments and feedback.

DHHL created a webpage dedicated to the beneficiary consultation process for the proposed water rate increase for the Pu'ukapu water system (<http://dhhl.hawaii.gov/po/beneficiary-consultation/proposed-increase-to-the-puukapu-water-system-rates/>) for those that could not attend the April 12, 2018 meeting or who wanted access to the information independently. The information posted on the webpage includes the following:

- Background from the November 16, 2017 - Information meeting on Water System expenses.
- April 12, 2018 - Beneficiary Consultation on proposed increase to the Pu'ukapu water rate (powerpoint presentation and handouts, including the proposed water rate schedule).

Related to the proposed water rates discussion, DHHL also conducted beneficiary consultation on proposed Water Administrative Rules on July 6, 2017, in Waimea. Information on the proposed rules and the beneficiary consultation meetings held are also posted on the DHHL website at <http://dhhl.hawaii.gov/department-of-hawaiian-home-lands-administrative-rules/>.

In addition to comments collected at the April 12, 2018 meeting, beneficiaries could submit written comments using the half-sheets provided at the meeting, by sending email or mail to the DHHL Planning Office. The period to submit written comments closes on May 11, 2018. All comments received as of May 7, 2018, are included in this submittal. If additional comments are received after that date, they will be presented at the HHC on May 14 and 15, 2018. One comment was received via electronic mail. A copy of the email comment and of the transcribed notes from the April 11, 2018 Beneficiary Consultation meeting are attached as Exhibit D.

Analysis of Transcribed Meeting Notes

There was one consistent theme from the April 12, 2018, Beneficiary Consultation meeting, as well as from the informational meeting on November 17, 2017 - DHHL to evaluate the current contract for water system operations. This is discussed below. All other beneficiary comments are summarized in the Table below.

Contracted Water Operator

The major comment received was for DHHL to evaluate the scope and price of the current contract for water system operations. DHHL contracts out water system operations for three

of the four systems that DHHL owns. See Table 1 below. In addition, DHHL contracts with three different companies for each system. Unlike DHHL's other water systems, the Pu'ukapu system is not a regulated water system by the Department of Health (DOH) and federal safe drinking water standards. So, there is minimal requirements to operate and maintain the Pu'ukapu system, such as the system does not require a DOH certified licensed water operator nor water sample/testing. Thus, the request to evaluate the contract to operate the Pu'ukapu system is understandable.

Table 1
Cost Comparison of Contract Fees

DHHL water system	Average # of connections	Age of system	Annual fee	Monthly fee
Pu'ukapu	43	4 years old	\$130,000	\$10,760
Anahola	77	30 years old	\$76,800	\$6,400
Kawaihae	151	20 years old	\$44,544	\$3,712

Table 2 below summarizes the transcribed meeting notes into patterns or themes and provides a staff response. The table also identifies specific suggestions from beneficiary comments that resulted in recommendations related to the proposed water rate increase.

Table 2
Summary of Beneficiary Comments

Theme	Beneficiary comments	Staff response
Beneficiary advocacy	<p>Consider alternatives to the contracted operator [to reduce costs], such as training DHHL personnel and beneficiaries to run the system.</p> <p>There are homesteaders who are licensed plumbers, backflow prevention specialists, etc.</p> <p>Majority of the beneficiaries commented they were not supportive of any water rate increase until there is</p>	Staff respectfully acknowledges the comment.

Theme	Beneficiary comments	Staff response
	better understanding of the costs to operate the system.	
Potable water for human consumption	What is the vision for the future to provide drinking water?	<p>The current water system for Pu'ukapu is a non-potable system, so system operations and maintenance is fairly simple and minimal. For public health and safety, DHHL has taken steps to outreach to beneficiaries that the current system is not for human consumption.</p> <p>A potable water system must meet DOH and federal standards and will need to be constructed to meet both County and DOH standards. This is an extremely high capital investment. Additionally, the ongoing costs to operate and maintain a potable system (ie certified licensed operator, water sampling/testing, etc.) will increase tremendously from the current water flat rate fee, thus making it unaffordable for beneficiaries and requiring Trust subsidy.</p>
Current water consumption	In the water credit agreement with County of Hawaii, the average consumption for each connection was 600 gallons per day (gpd), based on 184 lots.	The 600 gpd is currently adequate, but may be exhausted quickly without volumetric rates promoting conservation.

Theme	Beneficiary comments	Staff response
	Beneficiaries inquired for an update.	FY 2016 monthly usage data: <ul style="list-style-type: none"> • 3-600 gpd - 28 connections • 600 gpd - 2 connections • 700-2,500 gpd - 9 connections

CONSISTENCY WITH DHHL PLANNING SYSTEM

DHHL Planning System

The DHHL Planning System consists of three tiers of plans - General Plan, Island Plans and Strategic Program Plans, and Regional Plans.

DHHL General Plan (2002)

The DHHL General Plan is intended as a high-level policy and long-range planning document to implement the HHCA of 1920, as amended. Within this plan, the proposed increase to the rate schedule for the DHHL Kawaihae Water System is consistent with the Water Resources goal to provide access to quality water in the most cost-effective and efficient manner.

Hawai'i Island Plan (2002)

The Hawai'i Island Plan is primarily a land use designation document. The DHHL Pu'ukapu water system serves the Pu'ukapu pastoral lots. Per the Island Plan, "the terrain at Pu'ukapu is relatively steep in areas . . . Immediate development is constrained by hilly terrain, variable slopes, and access limitations."

Water Policy Plan (2014)

The proposed increase to the rate schedule for the DHHL Pu'ukapu Water System directly addresses the following priority policy goals and objectives in the Water Policy Plan.

- Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses
- Educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana
- Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users

Waimea Nui Regional Plan (2012)

Within the Waimea Nui Regional Plan, the Pu'ukapu water system is identified as an infrastructure partnership benefit,

resulting from a collaboration between DHHL and the County of Hawaii. For the Pu'ukapu system, DHHL purchases water at County agriculture rates. Water is then stored in three tanks and distributed as non-potable water to the Pu'ukapu pastoral lots on Hawaiian home lands.

RECOMMENDATION

Staff respectfully requests acceptance as recommended.

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. AHA, JR.
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879
HONOLULU, HAWAII 96805

March 22, 2018

Aloha,

The Department of Hawaiian Home Lands (DHHL) will be conducting a Beneficiary Consultation on the **proposed increase** in water rates that DHHL charges its customers (you) to help cover costs to provide reliable water service to your homestead. For the Pu'ukapu water system, the current rates were established in 2014. Before the Hawaiian Homes Commission (HHC) takes action on the proposed increase in rates, DHHL would like to hear beneficiary input.

The department and beneficiaries connected to the water system each have kuleana. For DHHL, we continuously look for ways to cut costs and operate the system efficiently. For beneficiaries, your kuleana is to use water wisely and pay your water bill.

The objectives for this Beneficiary Consultation are as follows:

- Present a summary of DHHL's costs to manage, operate and maintain the water system
- Explain what DHHL is doing to keep costs down
- Get feedback on the proposed increase in water rates

**Thursday, April 12, 2018
6:00 p.m. to 8:00 p.m.
Kūhiō Hall – DHHL West Hawaii District Office**

We all know the importance of clean and safe drinking water. You and your 'ohana are affected directly. We hope you will take advantage of this opportunity, share your mana'o, and perhaps, learn something new about your water system. The input you share will be presented to the HHC in their decision making process.

Aloha and mahalo,

Jobie M. K. Masagatani, Chair
Hawaiian Homes Commission

EXHIBIT A

Department of Hawaiian Home Lands
Beneficiary Consultation – Pu‘ukapu water system
Proposed Increase in Water Rates

Thursday – April 12, 2018
6:00 PM – 8:00 PM – Kūhiō Hall
DHHL West Hawaii District Office – Waimea

Meeting Agenda
subject to change

- I. Overview
- II. Summary of DHHL costs to operate the water system
- III. Your water bill
- IV. Get Feedback on proposed increase in water rates
- V. Wrap Up

If you have any questions, please contact the following.

Ms. Gigi Cairel, Planning Office
(808) 620-9461; Fax (808) 620-9559

Email: DHHL.Planning@hawaii.gov

Or visit our website, www.DHHL.hawaii.gov, and click on “Beneficiary Consultations”



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS
SIGN-IN SHEET

PAGE ____

(Please print)

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

BENEFICIARY	NAME
A L B O	Dennard DeGuzis
A L B O	DET & Amy Kallimall
A L B O	Bert & Penny Piranda
A L B O	Betty & Mike Dupreneau
A L B O	Keave & Leila White
A L B O	Christopher Levi
A L B O	Kuipo W. Abreu
A L B O	Ka & Myles Hiraoka
A L B O	Diana Suganuma
A L B O	Mike Hudson

**Please include em



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS
SIGN-IN SHEET

EVENT

BC Water Rates - Piiukapu

DATE

Thurs April 12, 2018

(Please print)

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

BENEFICIARY	NAME
A (L) B O	Edward C. D. De Melb Katherine De Melb
A (L) B O	Laenelle Hudgins
A (L) B O	Savvie Pong
A L B O	Heidi McVey
A L B O	Brian McVey
A L B O	Andy Lindsey
A (L) B O	Ray Aina
A (L) B O	LI Kapuni
A (L) B O	PAT LAL
A (L) B O	Andis Bro

**Please include email

EXHIBIT

B



DEPARTMENT OF HAWAIIAN HOME LANDS

DEPARTMENT OF HAWAIIAN HOME LANDS
SIGN-IN SHEET

PAGE ____

(Please print)

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

BENEFICIARY	NAME
A L B O	Betsy Carr
A L B O	Aletha Lindsey-Bark
A L B O	Mahana Gomes
A L B O	Marta Cowardlee Tuma
A L B O	Jeanne Turpley
A L B O	Diana Kalamau
A L B O	
A L B O	
A L B O	
A L B O	

**Please include email



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
DEPARTMENT OF HAWAIIAN HOME LANDS

Beneficiary Consultation

Proposed Increase in Water Rates

DHHL Pu'ukapu Water System
March 2018

Agenda

- Pule
- Welcome & Introduction
 - Meeting Purpose & Kuleana
 - The Beneficiary Consultation Process
- DHHL Presentation
 - Background & Need
 - Proposed increase to the water rates
- Community input
- Next Steps

Meeting Purpose

Gather input from Beneficiaries on the proposed increase in water rates for the Pu'ukapu water system

Refresher

- Hawaiian Homes Commission Act
 - Retain exclusive control of water systems
- Water Policy Plan
 - Secure revenue & reduce costs to “break even”
- Water Administrative Rules
 - Water bill payments, options, Shut-Off (last resort)
- Information meeting on System Costs
 - Expenses = \$213,439 and Rev. = \$52,547
 - Shortfall \$160,892

Meeting Kuleana

- ✓ Be creative!
 - Work toward future solutions/aspirations
- ✓ Disagreement is ok as long as we are respectful of each other
- ✓ Everyone gets a turn first, then repeats
- ✓ Cell phones off or on silent
 - Take all calls/texting outside
- ✓ Please hold questions until after presentation

Meeting Kuleana

You are personally responsible for:

- ✓ Make sure everyone has equal opportunity to express their ideas
- ✓ Actively listen (listen to understand)
- ✓ Ask questions to clarify
(get the right info)
- ✓ Have an open mind; open heart
- ✓ Focus our attention on speaker

Beneficiary Consultation Process Steps

April 12
BC Meeting

May 11
30-day BC
comment period
ends

May 14-15
HHC-Kailua-Kona
Meeting

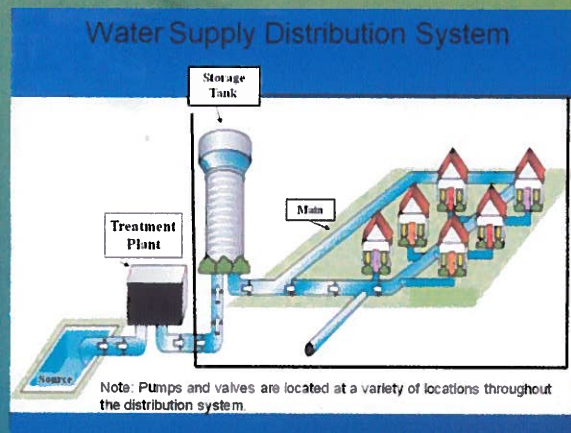
July 1
Water Rates
effective

What is a Water System?

U.S. EPA:

Water may be
BASIC.

But it sure isn't
SIMPLE.



Water System Goals

- Provide safe, clean drinking water
- Provide reliable water delivery service (24/7)
- And cover all operating costs & have Reserve Funds for emergencies, cash flow, capital improvements

Typical Water System Expenses

ADMINISTRATION

OPERATIONS

- County water
- Electricity
- Fire tanks
- Transmission lines
- Security

RESERVE FUNDS

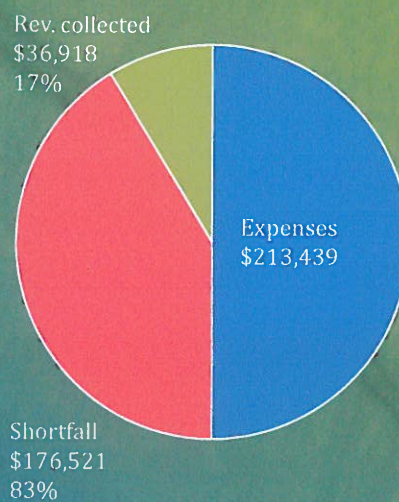
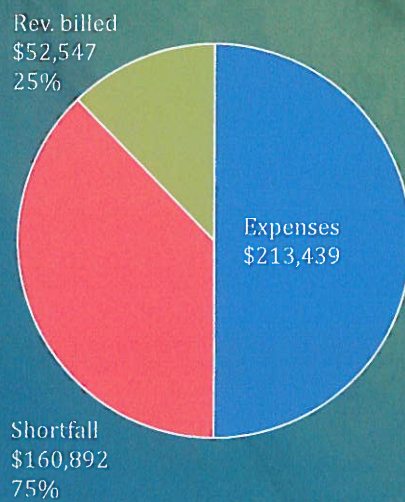
- Operating = cash flow
- Emergency = when pumps break down
- Capital improvement = Rainy Day fund
- Debt service on loans

Pu'ukapu Water System Expenses

Fiscal Year 2015 - 2016

	% of Total	Amount
Personnel - DHHL	4%	\$7,568
Contract Operator, includes	86%	183,496
✓ O&M Service		
✓ Repair, Maintenance, Other		
Water Purchase – Hawaii County	10%	21,761
Electricity	0%	614
Reserves	0%	-0-
TOTAL	100%	\$213,439

Pu'ukapu Water System



Pu'ukapu Water System Expenses

Fiscal Year 2015 - 2016 (adjusted)

	% of Total	Amount
Personnel - DHHL	4%	\$7,568
Contract Operator, includes	86%	183,496
✓ O&M Service		
✓ Repair, Maintenance, Other		
Water Purchase - Hawaii County	10%	21,761
Electricity + \$7,000 (Pearl)	0%	614
Construction _____	0%	-0-
Reserves		
TOTAL	100%	\$213,439

Goal

Balance

Costs to deliver water Rate affordability



Need for Water Rate Increase

Costs have gone up

- County stand by charge for 4" meter

2014 - \$255 2018 - \$359 2019 - \$377

- County ag water rates

2014: 1st Block - \$0.89 2nd - \$1.80 3rd - \$1.00

2018: 1st Block - \$0.91 2nd - \$1.95 3rd - \$1.24

2019: 1st Block - \$0.92 2nd - \$2.01 3rd - \$1.27

- Repairs
- Electricity
- Shortfall
- Reserve Funds

15

What DHHL is doing to increase revenue

- ✓ Completed Cost of Service Analysis
 - Reviewed water system budget, expenses, revenue
- ✓ Developed Administrative Rules to address non-payment of water bills
- ✓ Reviewed and analyzed water rates

15

What DHHL is doing to increase system operational efficiency

- ✓ Reduced electricity bill by \$200,000
- ✓ Implemented leak detection program
- ✓ Increased scheduled maintenance
 - Helps parts/equipment to last longer
 - Example: Fire hydrant flushing, exercising valves
- ✓ Developed Administrative Rules to address un-accounted for water loss /theft

"Water Rates 101"

Water rates are based on:

- (1) Meter size – 5/8" to 8"
- (2) "Usage Fee" – Amount of water used over a 2-month period, grouped in 3 levels or "Tiers"

There are different fees for Beneficiaries (residential & agriculture) and Commercial accounts.

Refer to Handout

Commercial Proposed Increases

- 5/8" meter – Currently \$30, then \$134.82 by Year 2028

315% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

		<u>Current</u>	<u>By Year 2028</u>
➤ Usage Fee	Tier 1	\$1.80	\$ 6.02
	Tier 2	3.35	11.20
	Tier 3	4.95	16.55

200% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout

Residential Beneficiary Proposed Increases

- 5/8" meter – Current \$5.60, then \$11.95 by Year 2028

79% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

		<u>Current</u>	<u>By Year 2028</u>
➤ Usage Fee	Tier 1	\$1.42	\$2.62
	Tier 2	1.91	3.52
	Tier 3	2.25	4.15

50% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout

Agriculture Beneficiary Proposed Increase

- 5/8" meter – Current \$5.60, then \$11.95 by Year 2028

79% increase over the meter fee, spread incrementally over 10 years PLUS 3% annual inflation

		<u>Current</u>	<u>By Year 2028</u>
➤ Usage Fee	Tier 1	\$1.42	\$2.62
	Tier 2	1.91	3.52
	Tier 3	0.76	1.40

50% increase over the usage fee, spread incrementally over 10 years PLUS 3% annual inflation

Refer to Handout

21



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
DEPARTMENT OF HAWAIIAN HOME LANDS

Next Steps

22

Beneficiary Consultation Process

Estimated Date	Action Step
April 12, 2018	BC Meeting on Molokai
May 11, 2018	End of 30-day BC comment period
May 14 - 15, 2018	Hawaiian Homes Commission meeting in Waimea
July 1, 2018	New Ho'olehua water system rates become effective (pending HHC approval)

Next Steps for DHHL

- Complete public hearings for Water Administrative Rules
- Complete next Cost of Service Analysis for FY 17 and FY 18
- Complete next Water Rate Study in FY 2020

Next Steps for You

- Participate in the BC Process
 - Send written comments by April 11
- Attend, testify or submit public testimony at the HHC – April 16-17 on Molokai
- Think about today's discussion
- Talk to family, friends, neighbors
- Fix leaks
- Conserve water
- Everyone do their part, including DHHL

Mahalo !

Pu'ukapu Water System
Proposed water rate increase projections

	Today	FY 19	FY 20	FY 21	FY 22	FY 23
Pu'ukapu Pastoral	\$122.41	\$149.95	\$161.95	\$174.90	\$188.90	\$204.01

	FY 24	FY 25	FY 26	FY 27	FY 28
Pu'ukapu Pastoral	\$220.33	\$237.96	\$256.99	\$277.55	\$299.76

Water rate increase is based on Year 1 increase of 22.5 percent, then an 8% annual increase thereafter. This rate option will partially recover operational costs and still require Trust subsidy.

Beneficiary Consultation
Pu'ukapu water rates increase
Location: Kūhiō Hall, DHHL West Hawaii District Office, Waimea
April 12, 2018

6:59 p.m.

[Agenda and purpose slide]

Are the others [DHHL water systems] all potable systems?

[Increase operational efficiencies slide]

How many months did this (leaking pipes @ 10M gallons) go on?

[Proposed rate increase slide]

That's for non-potable? And a monthly bill?

Operations cost / contracted operator

\$183K in 2015 – 2016 (\$10K per month)

Should this be divided by all 184 lessees or just the 40 with a meter?

What's the scope of work for the [contracted] operator? Is that just for Pu'ukapu?

Where's the contract? I asked for the contract? We're paying for it, we should know what it is.

October of this year? So, they had a 4 year contract? What is the total for 4 years?

Was that contract RFP offered on number of lots or number of active users?

How much do the Anahola people pay?

What is the consumption by present users?

Flat rates based on 600 gal a day. But 1 animal only drinks 30(?) gal a day. This was developed by your land development division.

Are these rates set to go already? Or is it just a proposal?

Are you folks going to get a report to see if your operating costs will change? Because once you base the cost on 83% there's no way that's ever going to reduce. So, it has to be based on the new study and a new operator? How can you make a decision when you don't have the new operating costs, yet? So, is that what you're going to say to the HHC?

We talk about these rates it's a little earlier. But tell Jobie Pu'ukapu doesn't have safe clean drinking water.

What numbers in gallons? What are we using? 40 people. What I'm getting at is a study on why people are not coming on line because it's too expensive. We'll make more money by reducing the rates to get more people on line.

Your largest cost is the operator. We can't be honest here that the proposed increase is going to reduce the subsidy tab. And with 40 people on the system we have to pay \$500 per month to meet the costs.

Why don't we bring the costs down so we can have more people using?

The procurement might come up again in Oct. Are you going to have a ceiling? The lowest bid could be \$600M. You can put a ceiling if the bids too high then you can go back out. IF HHL would hire and train to run the system instead of contracting out the system when you don't need the chlorination and monitoring. I appreciate the contractor weed-eating inside the storage area but HHL can be more Akamai and put gravel/cinder to reduce the labor.

I do the Kawaihae and Kailapa tanks. I work for the [DHHL contracted] operator. I know the operators for HHL [Kawaihae system] go 2x per week. [For Pu'ukapu] Is there a proposal to go every day to know how much water is being used. What is the financial pros and cons of hiring out. Isn't their job to go out because that's a lot of money for only 2x per week. How many tanks because I know Kailapa has 2 tanks. Water department goes every day why can't we do that? But then the operator costs go up even more.

Are you paying Davis-Bacon, too? Still huge amount per hour. Rather than a private contractor.

One more question. On this application for the water meter and backflow preventer you ask for the TMK. The question is can we contract privately. I'm a plumbing contractor, I can put in my own.

To me, you kind of like that backflow preventer because you have livestock and you don't want that livestock bacteria going back into the water.

I was wondering could we do hire outside regular maintenance. That would cut. Would that be cheaper than what we're doing now?

Going forward Hale and Gigi, if we table the rates. What is your vision for the future? We know were paying ridiculously high for non-potable. We know there are costs. Are you moving to potable? What are we doing because that makes a big difference in what we're talking about. Does that make sense what I'm saying?

Is Nienie potable? Because they live on their lots. If they calculated Nienie for potable water why didn't they do that for Pu'ukapu?

Sounds like Puukapu was shortchanged all the way around; the roads and the water. We have county water too, right?

We're not being charged ag rates? Tell me what you can farm to pay for that rate?

Did you guys look at what it would cost to run from the County system? Are you folks looking into that just to weigh all the options? I know right now it look like a lot but I think in the long run but if you look at the county rates.

Right now, I would like to acknowledge all the work you are doing. I've heard you say now that there doesn't need to be an increase if we don't. You're prepared that we all might say no. it not going to be a shock or a surprise. What do you need for us to do to support the rate hike not go forward? Do we show up in [HHC] May or do we say send a letter? So, my answer would like to be conditional. I don't agree to an increase now. But I would like a say as we go forward so we know what we're doing and how we look at the contract and all of that? Can we have a role in that process?

What else are we getting provided for the water rates we're paying? I asked for a larger meter [for the spigot] by the first tank. I asked for 1.5 inch for volume to reduce the wait time for filling up.

What are the figures on the consumption? How much water was actually used?

DOA should have information on the amount of water a 10-acre lot would use. I don't know if that might help for getting numbers.

I want to know how much everybody is using so we can match up the increase with the actual use. That should have been done after a year.



[BC process slide]

I don't think the rates should go up in July. Not when our stuff doesn't end till October.

Close: 8:07 pm.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager 
From: Andrew H. Choy, Planner 
Subject: Update on West Hawaii Regional Plans

Recommended Action

For information only. No action required.

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 community meeting. The purpose of the monthly update is to provide the HHC with information related to prior policies and/or plans specific to that previously adopted by the HHC specific to that particular geographic region.

A status report of DHHL's progress in implementing these policies/plans is also included for the HHC's consideration. For May 2018, Planning Office will be providing an update to the HHC for West Hawaii.

Discussion

EXISTING PLANS & IMPLEMENTATION STATUS

Hawaii Island Plan Policies Related to West Hawaii.

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 Hawaii Island

Plan was adopted by the HHC in 2002. The 2002 Hawaii Island Plan delineated five planning regions on Hawaii Island, North, East, South, West, and Central. (see maps, Exhibit A). For the purposes of this informational submittal, Planning Office will be focusing on the lands in the North and West regions.

Subsequently, an update of the island plan was adopted by the HHC in 2009 for DHHL lands in West Hawaii as approximately 600 acres were added to the DHHL land inventory in the Kealakehe and Kalaoa Tracts (see map, Exhibit B). The 2002 Hawaii Island Plan and subsequent 2009 West Hawaii Update identifies the following land use designations and acreage amounts.

Land Use Designation	Acres	Percent of Total
Residential	1,608	4.1%
Subsistence Agriculture	540	1.3%
Supplemental Agriculture	1,113	2.9%
Pastoral	24,101	62.4%
Community Use	258*	0.6%
General Agriculture	10,747*	27.8%
Commercial	230	0.5%
Industrial	384	0.9%
Conservation	391	1%
Special District	266	0.6%
TOTAL	38,638	100%

* Does not reflect the Land Use Designation amendment of 161 acres from General Agriculture to Community Use discussed below.

Hawaii Island Plan Implementation Status

Since the West Hawaii Island Plan was updated in 2009, there was one additional land use designation amendment made to the Island Plan for TMK (3)-6-4-038:011 (por.), in Waimea. The land use designation was amended from "General Agriculture" to "Community Use". The island plan land use amendment was approved by the HHC in May of 2015.

Kealakehe-La'i'Ōpua Regional Plan

The *Kealakehe- La'i'Ōpua* Regional Plan was adopted by the HHC in December, 2009. Outreach with beneficiaries in the

region through the planning process identified the following priority projects:

- (1) North Kona Water Source Development and Storage
- (2) Continued Support of *La'i'Ōpua* 2020 Community Sustainable Projects
- (3) Renewable Energy Initiative
- (4) Kona Regional Park
- (5) Burial Treatment Plan for Inadvertent Discovery of Iwi Kupuna

Kawaihae Regional Plan

The Kawaihae Regional Plan was adopted by the HHC in September, 2010. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Kailapa Resource Center
- (2) Kawaihae Water and Energy Research and Development
- (3) Kawaihae Bypass Highway
- (4) Improve the Marine Water at Pelekane Bay
- (5) Management and Maintenance of Kawaihae Reinternment Site

Waimea Nui Regional Plan

The Waimea Nui Regional Plan was adopted by the HHC in January, 2012. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Waimea Hawaiian Homestead Community Complex - Planning
- (2) Evaluate and Revise Agriculture/Pastoral Program Waimea Nui

- (3) Support/Plan Development of Affordable Homestead Alternatives in Waimea Nui
- (4) Assess the Implications of Eliminating Requirement to Pay Property Taxes
- (5) Assess the Implications of a Non-Standard Building Code

Implementation Status of West Hawaii Regional Plans

The following tables identify the "project champions" of each regional plan priority project as well as summarizes the status of each regional plan priority project.

Table 2: LAIOPUA REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
North Kona Water Source Development and Storage	DHHL	In-Progress. The HHC allocated \$1M in trust funds for water development in North Kona. DHHL is in process of procuring contractor to prepare two EA reports and two preliminary reports for two potential well sites in North Kona (1) Gianulias property and (2) KS well site. DHHL hopes to commence with these studies in summer of 2018.
Continued Support of Laiopua 2020 Community Sustainable Projects	L2020	In Progress. L2020 completed the construction of its Medical Center in 2015. The vertical construction of its community center is in progress. Build-out of other portions of its master plan for the community parcel as well as its commercial parcel are pending on additional water credits and additional funding becoming available.
Renewable Energy Initiative	DHHL	In-Progress. DHHL is participating in the HECO RFP process and solicited DHHL Kalaoa lands for potential development.
Kona Regional Park	County of Hawaii and surrounding community	In-Progress. Various community partners have been leading discussions and planning for the park development.
Treatment Plan for Inadvertent Discovery of Iwi Kupuna	DHHL	Not Started. The priority project called for the development of a burial treatment plan for inadvertent burials discovered in Laiopua.

Table 3: KAWAIHAE REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Kailapa Resource Center	Kailapa Community Association	In-Progress. The HHC issued a FONSI for KCA's FEA in February 2016 for KCA's plans on the 14-acre parcel. KCA has almost completed the construction of its pavilion and office. Electrical work and obtaining a Certificate of Occupancy from the County are major project milestones that remain.
Kawaihae Water and Energy Research and Development	DHHL	In-Progress. DHHL completed a Kawaihae Water Assessment Study in June 2015. The assessment identified potential options for water development in the Kawaihae region. Implementation of study recommendations has not begun.
Kawaihae Bypass Highway	DOT	DOT reports that it has postponed its planning and feasibility study of the project due to the lack of construction funding in the foreseeable future.
Improve the Marine Water at Pelekane Bay	DHHL / Community Associations / Kohala Mountain Watershed Partnership	In-Progress. The Kohala Mountain Watershed Partnership received ROEs to install ungulate fences on DHHL property to mitigate impacts from feral ungulates. Fence installation is in progress.
Management and Maintenance of Kawaihae Reinternment Site		Not started.

Table 4: WAIMEA NUI REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Waimea Hawaiian Homestead Community Complex -- Planning	Waimea Hawaiian Homestead Association (WHHA)	In-Progress. HHC approved FONSI of WHHA final EA in and approved 65-Year general lease to WHHA in 2015. DOA has commenced construction of the internal road network. WHHA is soliciting other funding sources for future development phases.
Evaluate and Revise Agriculture/Pastoral Program Waimea Nui	DHHL / WHHA	In-Progress. DHHL awarded a \$100k agriculture peer-to-peer technical assistance grant to WHHA to promote more farming on Waimea homestead areas.
Support/Plan Development of Affordable Homestead Alternatives in Waimea Nui	DHHL	In-Progress. State-wide, DHHL has been contemplating alternative affordable homestead options for its beneficiaries. This could result in alternatives applicable to Waimea Nui.
Assess the Implications of Eliminating Requirement to Pay Property Taxes	DHHL	Not Started.
Assess the Implications of a Non-Standard Building Code	DHHL	In-Progress. DHHL is currently assessing process and legal requirements for implementing an alternative building code. Preparation of a research paper identifying initial findings is expected to be completed summer 2018.

Recommendation

For information only. No action required.

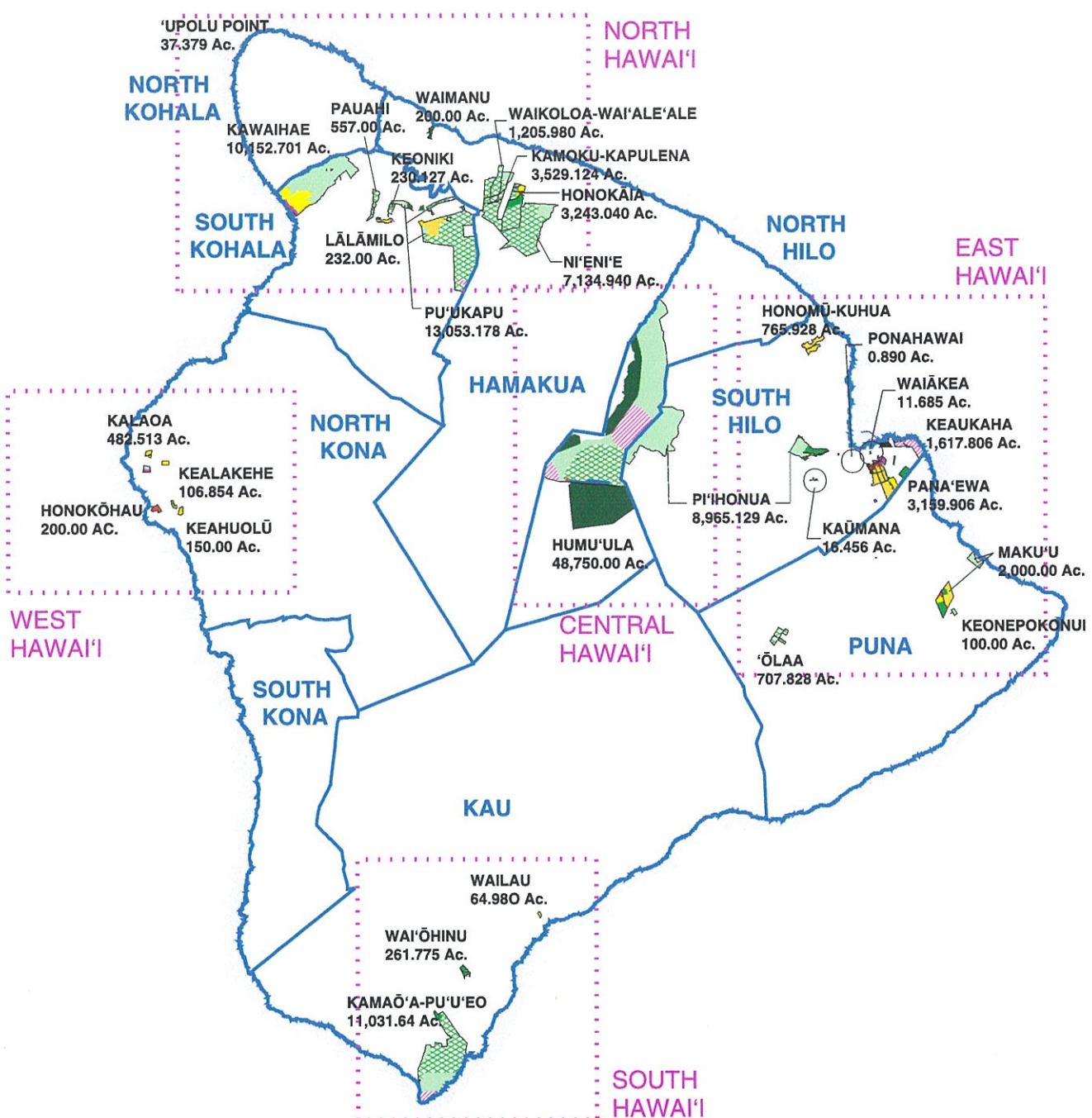



EXHIBIT A

Figure 1
Locational Map
HAWAII LAND INVENTORY

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14 - 15, 2018

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager


Subject: Update on West Hawai'i Water Projects and Issues

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

This submittal provides an update on Department of Hawaiian Home Lands (DHHL) related water projects and issues in West Hawai'i. It provides background information on planned water needs in four planning regions on Hawai'i island and ongoing efforts to address those needs: (1) Humu'ula-Pi'ihonua; (2) Waimea Nui; (3) Kawaihae; and (4) Kealakehe - La'i 'Opua.

Since the 2017 update to the HHC on these matters, the most significant developments have been a) the initiation of renewed planning efforts for Humu'ula-Pi'ihonua¹ that may change the long term water demands for that tract and b) the successful isolation of fresh groundwater below the basal lens and saltwater at Keōpū, North Kona, which could be an additional groundwater source for that area. Other steps to develop water in these areas have also been taken in the last year by DHHL and some homestead organizations.

Because of the adoption of the State Water Projects Plan (SWPP) Update on May 16, 2017, DHHL is also now poised to seek reservations of water from CWRM across the islands. DHHL staff and consultants have been working with CWRM staff and are currently pursuing the reservation of ground water on Hawai'i Island and Kaua'i.

¹The 'Āina Mauna Legacy Program Plan Implementation Advisory Council has been established and has had two meetings as of this time.

While there is an existing approved reservation of groundwater for the Keauhou Aquifer, this development will be of significance to all the other drier tracts of land on Hawai'i and Kaua'i. The existing reservation for Keauhou and any future possible reservations for this island lack the enforcement mechanisms under the state Water Code (HRS Ch. 174C) that exist only in Water Management Areas. DHHL shall continue to work cooperatively with CWRM to seek enforceable reservations here and across the islands.

I. Introduction

The Department has updated its estimates of its planned water needs for its tracts as part of the SWPP Update described above. These numbers in the SWPP Update, repeated here, are estimates based on land use designations; projected water use amounts remain approximations that will be further refined as proposed land uses are realized. However, they indicate where needs exist and the general potential volumes of those needs. Values for all Department lands on the island are identified in Table 1.A.

Overall water demand projections in Table 1.A. are an aggregate of demands calculated for each of the tracts on the island. More specific information for the basis of each calculation, and the water issues related from those needs, are provided in the discussion below.

TABLE 1.A. Hawai'i Water Demand Projections (high)²

	Year 2016	Year 2021	Year 2026	Year 2031
Potable	2.617	4.164	5.209	10.174
Nonpotable	1.367	5.266	5.266	39.221
Total	3.984	9.430	10.475	49.395

Source: SWPP Update

² Figures describe units of a million gallons per day (mgd). High, medium, and low demand scenarios were developed for each tract.

II. Planned Water Needs by Planning Region

1) Humu'ula - Pi'ihonua (39,553 acres)

Pending revision due to renewed planning efforts described above, the following information describes water demands based on current plans.

Humu'ula is a 32,475 acre parcel located on the southeastern slopes of Mauna Kea. Parker Ranch and Nobriga Enterprises lease the area for cattle grazing, and it is surrounded by forest reserves (Hawai'i Island Plan at 27, May 2002). Pi'ihonua is a 7,078 acre parcel adjacent to the Humu'ula parcel and is currently under revocable permit for agricultural and pastoral uses. *Id.* These tracts lie within the East Mauna Kea Aquifer System Area (ASA).

TABLE 2.A.: HUMU'ULA - PI'IHONUA LAND USE DESIGNATIONS

LAND USE DESIGNATION	TOTAL ACRES
General Agriculture	16,660
Pastoral Homesteads	8,440
Special District	4,865
Conservation District	21,000
Commercial	50
Total	39,553

Source: *Hawai'i Island Plan, at 39 (May 2002).*

The 'Aina Mauna Legacy Program Plan adopted by the Hawaiian Homes Commission (HHC) in 2009 further defines and guides land management goals and activities in this region to conserve its legacy for future generations while also serving as an economic resource.

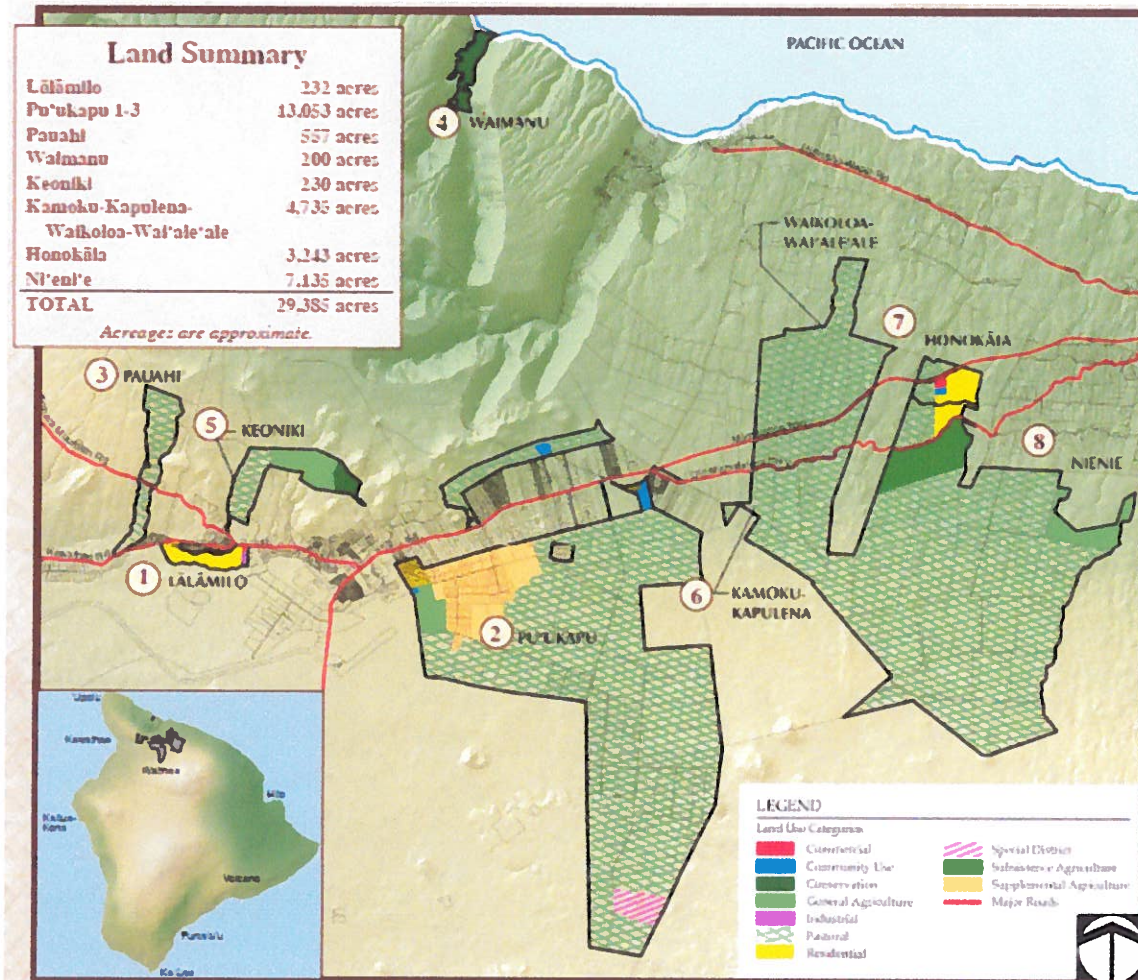
No public or private water systems extend to this area, although ongoing research into aquifers in this area may identify potential groundwater source development opportunities. SWPP Update at 4-35. Dr. Don Thomas with the University of Hawai'i at Hilo conducted preliminary hydrogeology studies on DHHL lands and has determined that there is high-level perched water in the region, but the amount and long-term reliability of that resource is unknown. Parker Ranch operates a stream diversion within the tract with a declared use of 7.320 mgd. The perennial Wailuku River and its tributaries also traverse the tract. Current and future potable water needs for planned uses of these tracts (0.2496-0.300 mgd) may be met through

rainwater catchment.³ Nonpotable water needs may be met through ambient rainfall irrigation (3.400 mgd) and diverted stream water (0.972 mgd). (SWPP Update 4-35).

2) Waimea Nui (29,385 ac).

Waimea Nui includes eight tracts: Waimanu, 'Upolu, Kamoku-Kapulena-Waikoloa-Wai'ale'ale, Ni'eni'e, Lālāmilo, Pauahi, Keoniki, Pu'ukapu 1, 2, 3, and Honokāia. Waimea Nui Regional Plan at 13 (Jan. 2012). Waimea Nui Regional Plan at 24. Homesteaders in the Waimea Nui region identified the need to exercise Native Hawaiian water rights as their first priority water issue. Waimea Nui Regional Plan at 31.

FIGURE 1. Overview of Waimea Nui tracts.



Source: Waimea Nui Regional Plan, at 13.

³ The Hawai'i County Water Use Development Plan 2010 Update ("Hawai'i WUDP") recorded a proposed demand of 0.16 mgd. *Id.* at 802-24.

i. Waimanu

The entire 200-acre tract lies within the Kohala ASA and has been designated for conservation uses. The area has been proposed for joint State and Federal management in the Natural Area Reserves System. *Waimea Nui Regional Plan* at 14. Currently no actions regarding water supply resources or infrastructure are recommended. *Hawai'i Water Use Development Plan Update* at 801-34 (2010) ("*Hawai'i WUDP*").

ii. 'Upolu

'Upolu Point consists in 37 acres proposed for community use and lies in the Kohala ASA. *SWPP Update* at 4-31; *Hawai'i WUDP Update* at 801-34. It is currently serviced by a 1.5-inch waterline connecting to the Hawai'i County Department of Water Supply's ("*HDWS*") 6-inch Hawai - Kokoiki water line. *Id.* The 1.5-inch waterline may need to be replaced with a larger one to meet long term potable water demand of 0.148 mgd. *Id.*

iii. Kamoku-Kapulena-Waikoloa-Wai'ale'ale & Ni'eni'e

Kamoku-Kapulena is a 3,529-acre tract. The Waikoloa-Wai'ale'ale tract (1,206 acres) lies adjacent to Kamoku-Kapulena tract. Twelve pastoral leases have been awarded for the Kamoku areas. *Waimea Nui Regional Plan* at 14. Eleven pastoral leases have been awarded for Ni'eni'e and another 600 acres were set aside for the Hāmākua Forest Preserve in 1928. *Id.* at 6. All of these tracts lie within the East Mauna Kea ASA, have been designated for pastoral agricultural use, and the Department has proposed no additional water demands for these tracts. *Hawai'i WUDP* at 802-24.

iv. Lālāmilo & Pauahi & Keoniki

Lālāmilo is a priority tract with at least 30 residential lessees, with a total of 442 residential lots planned. Pauahi consists in 557 acres, all which have been designated for pastoral uses. *Waimea Nui Regional Plan* at 13. Keoniki consists in 230 acres, which have been designated for pastoral, general agricultural, and conservation uses. *Id.* All three tracts lie in the within the Kohala ASA and the HDWS Kawaihae-Lālāmilo-Puako water system. *Hawai'i WUDP* at 801-34.

TABLE 2.B: LĀLĀMILO LAND USE DESIGNATIONS

LAND USE DESIGNATION	TOTAL ACRES
Residential (422 lots)	214
Community Use (3 lots)	19
Industrial	38
Commercial	4
Total	275

Source: *Hawai'i Island Plan, at 30 (May 2002).*

Future water demands associated with the Lālāmilo - Keoniki tracts are 0.214 mgd (potable) and 0.229 mgd (nonpotable). SWPP Update at 4-29. The Department has an agreement with HDWS, dated June 5, 2013, under which HDWS will provide 441 units plus a 300 unit entitlement from DLNR for contribution to well development based on average daily demand of 400 gpd per unit (total 0.296 mgd). SWPP Update at 4-28.

v. *Honokāia.*

The Honokāia tract consists of 3,243 acres proposed primarily for agricultural and pastoral use, and lies within the East Mauna Kea ASA. Hawai'i WUDP at 802-24. Projected potable water needs to 2031 estimate 0.396 mgd in potable water needs. SWPP Update at 4-29. Waimea Nui homesteaders identified as their second water priority the evaluation and assessment of HDWS systems in Honokāia and Ni'eni'e. Waimea Nui Regional Plan at 31. Department plans to meet potable water need overage by drawing on the HDWS Haina water system. SWPP Update at 4-29. Department is also meeting with Honokāia lessees to finalize the design of a supplemental stock water system as part of a legal settlement agreement.

TABLE 2.C: HONOKĀIA LAND USE DESIGNATIONS

LAND USE DESIGNATION	TOTAL ACRES
Pastoral homestead	2,336
Subsistence agriculture	538
General agriculture	93
Residential, community, conservation, commercial	276
Total	3,243

Source: *Waimea Nui Regional Plan 2012*

vi. Pu'ukapu.

Two of the three Pu'ukapu tracts lie within the Kohala ASA. Pu'ukapu 2 (493 acres) and Pu'ukapu 3 (476 acres) are north of Mamalahoa Highway. Hawai'i WUDP at 801-34. Pu'ukapu 1 (10,979 acres) lies below Mamalahoa Highway. Pu'ukapu 2 and 3 tracts are inaccessible for any type of development. Waimea Nui Regional Plan at 13. Pu'ukapu 1 is primarily designated for pastoral use; there were 454 Pu'ukapu lessees in 2011. *Id.* Long term water demands to 2031 are 0.610 mgd (potable). SWPP Update at 4-31. Long term nonpotable needs (0.8114 mgd) will be delivered through the Hawai'i State Department of Agriculture ("DOA") Waimea irrigation system. *Id.*

All Pu'ukapu tracts lie within the HDWS Waimea water system. SWPP Update at 4-30. Under the "Waimea Well Agreement," HDWS allocates 198 units of water at 400 gpd per unit to the Department. SWPP Update at 4-30. In 2002, the Pu'ukapu Pasture Lot Water Strategy, prepared by Engineering Surveyors Hawai'i, Inc., concluded a non-DWS or "hybrid" system would be most feasible to develop due to cost factors. The Pu'ukapu hybrid system was designed to have a production capacity of 0.120 mgd of water, which will service the lower part of the Pu'ukapu tract consisting in potable water delivery for domestic and stock watering use for 184 ranch lots.⁴ SWPP Update at 2-16.

Waimea Nui homesteaders identified as a priority water issue a determination as to whether DOA reservoirs lie on Department lands and if homesteaders can access these waters. Waimea Nui Regional Plan at 31. The Department leases lands upon which DOA maintains its 60 MG Pu'ukapu Reservoir (HI00042), constructed in 1957 at TMK No. (3) 6-4-002:125.⁵ DOA's Waimea Irrigation System (WIS) runs through the top portion of Pu'ukapu 1. SWPP Update at 4-30. Water sources for DOA's WIS include diverted flows from five streams, which are channeled into a series of

⁴ FEA-FONSI for the Pu'ukapu Hybrid Water System, prepared for the Dep't of Hawaiian Home Lands, at 1 (Mar. 23, 2010).

⁵ Dep't of Agriculture, State of Hawai'i, "Application for a DLNR Dam Safety Construction/ Alteration Permit No. 53 - Waimea 60 MG Reservoir (HA-0042) Dam Safety Improvement, Waimea, Hawai'i," at 1 (Sep. 14, 2012) available at: <http://hawaii.gov/dlnr/chair/meeting/submittals/120914/L-ENG-Submittals-L2.pdf>.

open ditches and tunnels comprising the Upper Hamakua Ditch. *Id.* These flows supply the concrete-lined 60 MG Waimea Reservoir (also called the "Pu'ukapu Reservoir"), with excess flowing to the 100 MG Pu'u Pulehu reservoir. *Id.* The 2004 Agricultural Water Use Development Plan ("AWUDP") adopted recommendations from a 1997 Waimea-Pa'auilo Watershed Plan and Environmental Impact Statement, which identified future cropland areas to be irrigated by the WIS, including Pu'ukapu 1. *Id.* The 2016 legislature allocated funding to conduct planning and engineering studies to look at additional storage and system improvements to the WIS. Whether the WIS will be able to supply Pu'ukapu tract nonpotable needs depends on determinations in the forthcoming AWUDP and the aforementioned study.

3) Kawaihae.

The Kawaihae tract consists in 10,153 acres on the dry western side of Hawai'i.

TABLE 3.A: KAWAIHAE LAND USE DESIGNATIONS

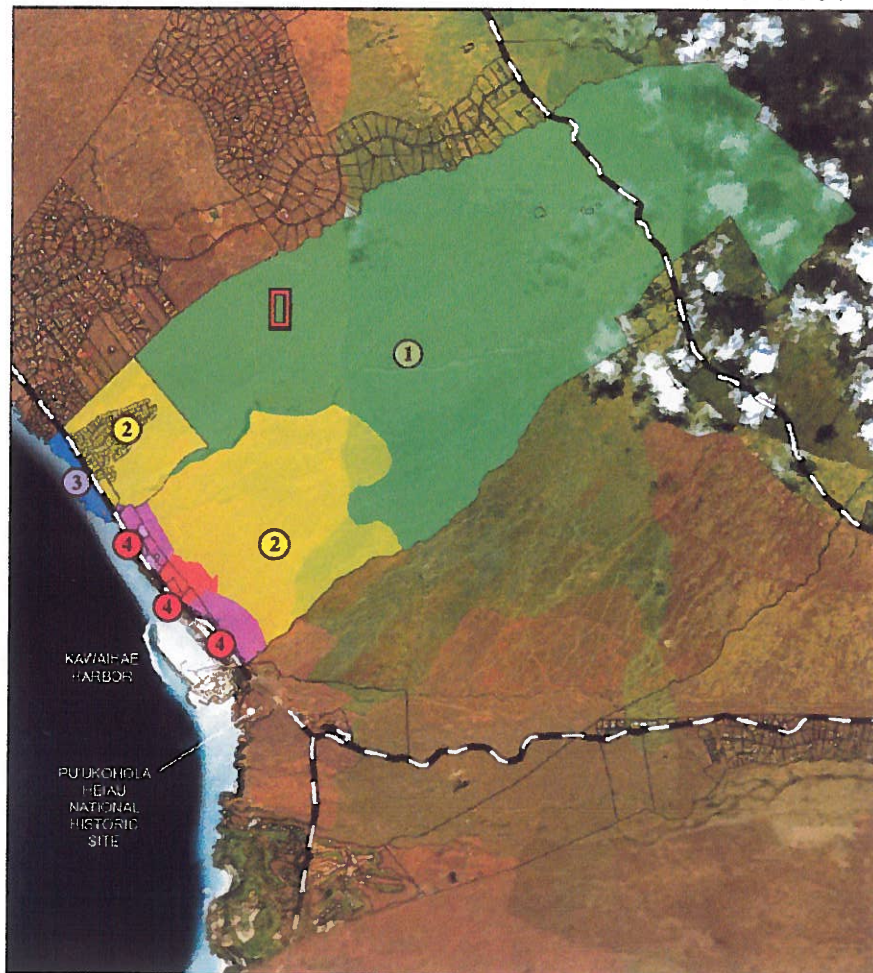
LAND USE DESIGNATION	TOTAL ACRES
General agriculture	7,502
Residential	2,223
Community Use	72
Industrial/ Commercial	356
Total	10,153

Source: Kawaihae Regional Plan 2010

Long term plans for the Kawaihae tract require potable water for 1,185 acres, with the other 7,046 acres put to agricultural uses requiring nonpotable water. Phase I of the development consists in 199 lots (180 acres) developed for residential use, with 1 acres for community use. Phase II will consist in commercial development (10 years). Phase III will 1,648 residential lots (649 acres), commercial, and industrial uses (20 years). Future water needs for this tract will be 3.27 mgd (potable) and 35.93 mgd (non-potable). SWPP Update at 4-29. Homesteaders in the Kawaihae planning region identified resolution of water resource and delivery issues as a priority. These homesteaders pay some of the highest water rates in the State, despite the Department subsidizing a portion of their water bills. Kawaihae Regional Plan, at 29 (Sep. 2010).

The Kawaihae Harbor Project is within the HDWS Kawaihae-Lālāmilo-Puako water system and the 90-acre Kaei Hana II industrial subdivision at the makai portion of the tract currently receives these waters. Hawai'i WUDP Update at 801-34. Wells in this area have a pumping capacity of between 700 to 1,250 gallons per minute (gpm). Kawaihae Regional Plan at 19. The HDWS Lālāmilo water system could provide potable water for some of the Kawaihae tract future needs, however delivery of HDWS water would require significant infrastructure, including storage, transmission, and booster pumping stations. SWPP Update at 4-30.

FIGURE 2. Overview of the Kawaihae tract.



Source: Kawaihae Regional 2010

(Green = general agriculture; yellow = residential; purple = community use; red = industrial/ commercial).

In 2015, R.M. Towill Corp. prepared a study of potable water development options for the Kawaihae tract for the Department. Department of Hawaiian Home Lands Kawaihae

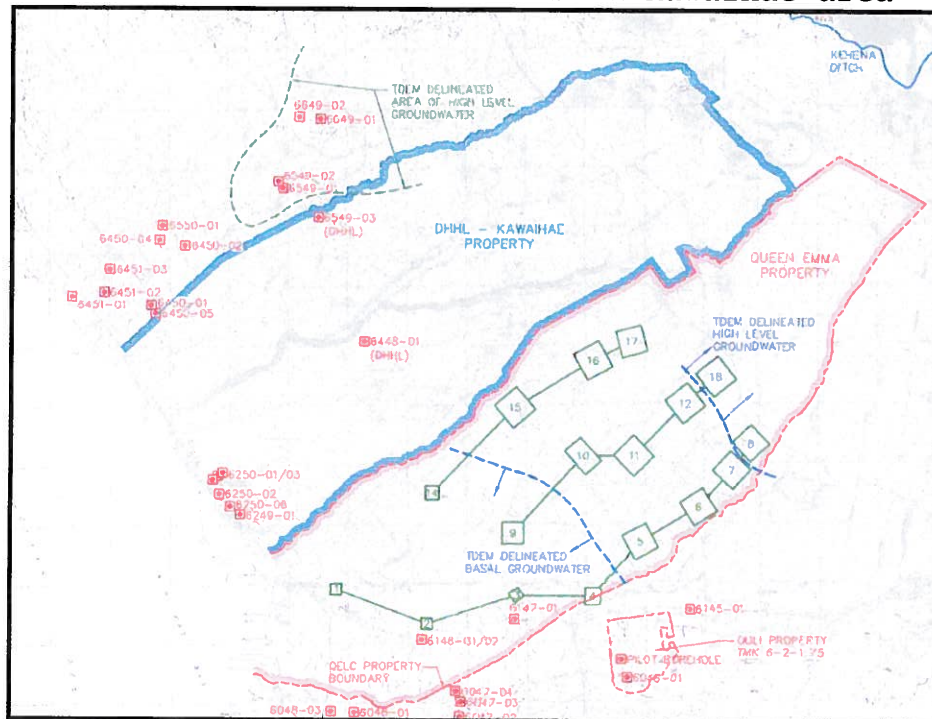
Water Assessment Study, DHHL Job No.: PS-13-LDD-008 (Jun. 2015) ("Towill study"). Existing water infrastructure in Kawaihae consists in: (i) the Kawaihae Tank #5: located south of boat harbor; (ii) two homestead residential lot water storage tanks (approximately 0.1 MG each); and (iii) ongoing construction of a 1.0 MG tank in industrial and commercial areas. The Kawaihae tract is supplied by the Department's Kawaihae water system (Department of Health Water System No. 164), which has a system capacity of 0.125 mgd and a maximum daily demand of 0.081 mgd. SWPP Update at 2-14.

Currently, the Department has an agreement with Kohala Ranch Water Co. ("Kohala Ranch") to supply water to its Kawaihae system. The agreement provides for a "temporary potable water commitment of 177,600 gpd for use by DHHL to provide domestic water to 196 lots designated Kawaihae Residence Lots, Unit 1." See Towill Study, Appx. "C" (*In the Matter of Kohala Ranch Water Co.*, Hawai'i Public Utilities Comm'n Dkt. No. 96-0388 (Decision & Order No. 15331, Jan. 23, 1997) ("Kohala Ranch agreement")). The agreement with Kohala Ranch can be terminated with two years notice by either party, although Kohala Ranch "agree[d] not to issue a notice of termination until [Kohala Ranch's] consumption reaches 1.5 mgd." *Id.* at 78. The Kohala Ranch agreement further provided that if the Department was unable to obtain an alternate source of potable water within the two-year termination period, the Department would provide Kohala Ranch with potable water from the Kawaihae Exploratory Well A (Well No. 6448-01) in an amount equal to the amount used by the Kawaihae Residence Lots. *Id.* The Kawaihae Exploratory Well A, however, was later determined to be unable to produce potable water. Towill Study at Appx. "A" (Tom Nance Water Resource Engineering, "Assessment of Water Supply Alternatives for DHHL's Kawaihae Property" (revised Feb. 2014)). Development of a new water source takes approximately three years. Towill Study at 1. Kohala Ranch has indicated a ten-year time frame for termination of the Department's continuing use. This source of water is very expensive and restricts homesteaders to potable, non-irrigation uses of this water. Violations of these restrictions risk cancellation of the agreement. Current usage averages 70,000-75,000 gpd. Towill Study at 2.

Projected potable water demands could be met through either development of new well sources through partnership

with DWS or acquiring a portion of 'Oūli-1 well production (Well No. 6046-01), which has an estimated 1.1 mgd yield. Hawai'i WUDP Update at 801-34; Kawaihae Regional Plan at 19. Discussions initiated in 2006 with the well owner, Bridge 'Āina Le'a, LLC and HDWS failed to materialize into an agreement. Kawaihae Regional Plan at 19. Developing a new source near the 'Oūli field was considered, but would require extensive installation and transmission costs. Towill Study at 8.

FIGURE 3. Well locations in Kawaihae area



Source: Towill Study, Appx. "A"

The Department has also investigated the feasibility of drilling its own well. Of two exploratory wells already drilled, only one indicated potential production of potable water (Well No. 6549-03). SWPP Update at 4-29. Well No. 6549-03 is located near to the existing Kailapa subdivision and future Department developments, and would potentially provide for water needs for Phase II future water demands. Development of the well and water system would cost less than developing a source offsite and installing transmission mains to future development. Towill Study at 9. The Towill Study concluded one well was capable of producing nonpotable water, which could be used for potable water if desalinated. The Study, however, was inconclusive

as to whether long term use of the well for potable water could be supported.

Another solution proposed by the Department would be to share water resources with Kohala Ranch. Some consumers are using Kohala Ranch's potable water for nonpotable uses, such as irrigation. The Department has proposed to provide nonpotable water for Kohala Ranch consumers in exchange for continued use of Kohala Ranch's potable water resources. However, Kohala Ranch has not indicated any interest in such an exchange.

In addition, beneficiaries in the area are interested in further exploration of use of water from the HDWS Lālāmilo water system, as the HDWS is planning to increase pumping from wells in that area, making more source available. Community members have initiated discussions with the HDWS on these matters.

Finally, individual homesteaders are interested in developing their own wells for use on their lot, as discussed in Item G- 10. The well development process includes the lessee (well operator), a certified well driller, the Department as the landowner, and the Commission on Water Resource Management.

4) Kealakehe, Keahuolū, Honokōhau, and Kalaoa.

The Kealakehe-La'i 'Ōpua planning region consists in: (1) Kealakehe - Keahuolū where the Department's portion (722 acres) of the over 1,000 acre master planned Villages of La'i 'Ōpua community is situated; (2) Kalaoa (483 acres), consisting in four non-contiguous parcels; and (3) Honokōhau (200 acres) in the makai portion, reserved for commercial uses. Hawai'i Island Plan, at 25-26 (2002); Kealakehe-La'i 'Ōpua Regional Plan, at 11 (Nov. 18, 2009). Homesteaders in the Kealakehe- La'i 'Ōpua planning region identified North Kona water quality and availability for developments as an issue and priority. West Hawai'i Island Plan Update, at 28 (Jan. 2009).

This planning region made up of approximately 1,500 acres is within the Keauhou ASA, which was until recently the subject of a petition for designation as a groundwater management area ("WMA") before the Commission on Water Resources Management ("CWRM"). CWRM rejected the WMA petition on February 14, 2017, and instead placed eight

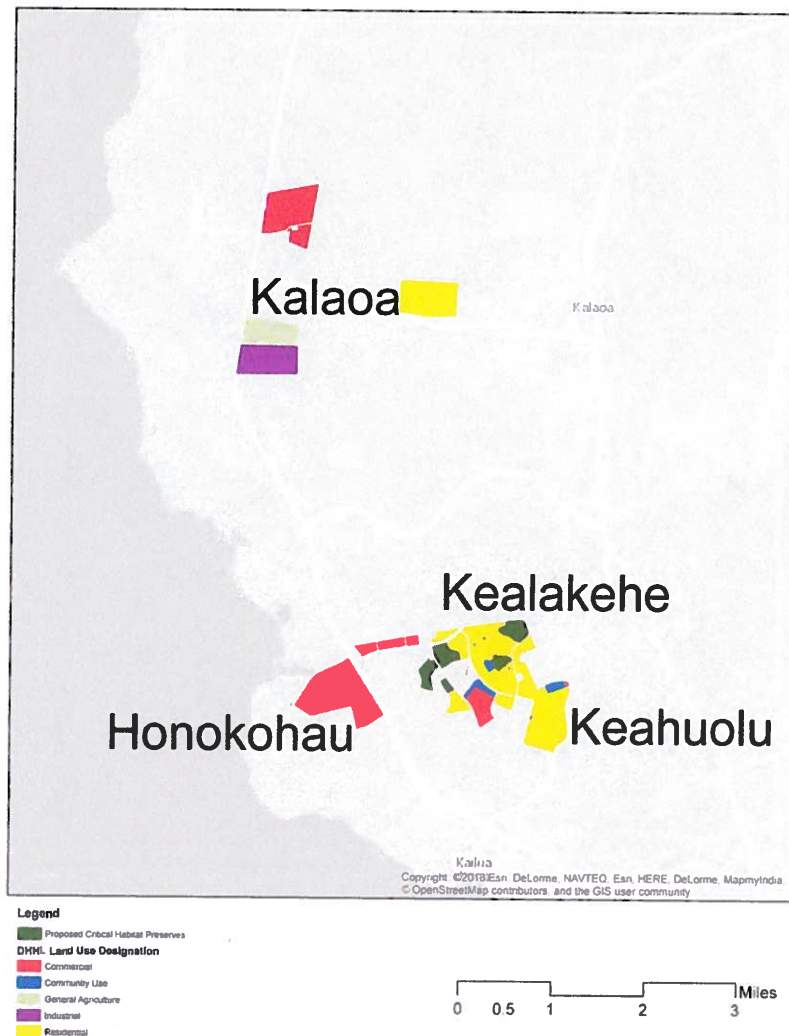
conditions on future water development in the area. On August 17, 2015, CWRM approved a reservation request by the Hawaiian Homes Commission for water resource rights under Hawaii Revised Statutes ("HRS") § 174C-101(a) in the Keauhou ASA in the amount requested, 3.398 mgd.

TABLE 4.A: WEST HAWAI'I LAND USE DESIGNATIONS

LAND USE DESIGNATION	TOTAL ACRES
Residential	600
Community Use	30
General Agriculture	100
Commercial	667
Industrial	100
Total	1,497

Source: HIP 2002 & WHIP 2009

Figure 4: Overview of West Hawai'i Region



Source: West Hawai'i Island Plan Update

The Department holds 392 water credits (based on 400 gpd/unit), which were received in connection with acquisition of its lands in the Keauhou ASA.⁶ A balance of 221 credits remains and will be applied to La'i 'Ōpua Village 4. Although 3.398 mgd of water resources have been secured through the CWRM water reservation, source development, storage, and transmission are required for the full build-out of the Villages of La'i 'Ōpua. Kealakehe-La'i 'Ōpua Regional Plan, at 29. Following the rejection of the Keauhou ASA designation petition, how the reservation is transformed into "wet water" remains unclear.

DHHL is currently contracting an engineering firm to determine feasibility, plan, and design two (2) potential water sources in the North Kona Region located on private lands. If successful, these wells will assist the Department in meeting some of the water needs of its North Kona land holdings, which is described below in further detail.

i) Kealakehe- Keahuolū

Long term water needs for Kealakehe and Keahuolū consist in 0.9098 mgd of potable water, which may be supplied through improved HDWS infrastructure. SWPP Update at 4-36. HDWS' 20-Year Water Master Plan, (2005) recommended several CIP projects within the system, including transmission waterlines. Since the finalization of the 20-Year Water Master Plan, the Department added over 600 acres of land inventory and total water demands from West Hawai'i tracts are significant. *Id.*

As mentioned in the beginning of this submittal, the state Commission on Water Resource Management has recently been successful at isolating a fresh water source that underlies salt water in certain areas of North Kona, at the Keōpū Well sites. While the long term sustainable production from this site is unknown, it could be a possible source of water. Among others, the County of Hawai'i is pursuing further exploration of this source of water.

⁶ See Hawaiian Homes Commission Meeting, Submittal for Item No. G-1: "Authorize the Chairman to Request and Pursue a Water Reservation in Keauhou, Kona, Hawaii," at 4-6 (Nov. 17-18, 2014) ("Keauhou Reservation Submittal").

TABLE 4.B: DEPARTMENT'S KEAUHOU ASA WATER DEMANDS

AREA	LAND USE DESIGNATION	ACRES	WATER SYSTEM STANDARDS	EXISTING/ PLANNED UNITS OR ACRES	TOTAL WATER DEMAND (MGD)
Kalaoa	Commercial	384	3,000 gpd/acre	384 acres	1.152
Kalaoa	Industrial	100	4,000 gpd/acre	100 acres	0.400
Kalaoa**	General Ag	100	3,400 gpd/acre	100 acres	0.340
Kalaoa	Residential	130	400 gpd/unit	283 units	0.113
Honokōhau	Commercial	200	3,000 gpd/acre	200 acres	0.600
Kealakehe 1	Residential	50	400 gpd/unit	260 units	0.104
Kealakehe 2	Residential	50	400 gpd/unit	256 units	0.102
Kealakehe 3*	Residential	50	400 gpd/unit	225 units	0.090
Kealakehe 4*	Residential	55	400 gpd/unit	220 units	0.088
Kealakehe 5*	Residential	23	400 gpd/unit	116 units	0.046
Kealakehe 6*	Community Use	26	4,000 gpd/acre	26 acres	0.104
Kealakehe 6	Commercial	26	3,000 gpd/acre	26 acres	0.078
Kealakehe 7	Residential	11	400 gpd/unit	61 units	0.024
Kealakehe 8	Commercial	34	3,000 gpd/acre	34 acres	0.102
Kealakehe 11	Residential	24	400 gpd/unit	126 units	0.050
Kealakehe*	Preserves	97	-	97 acres	0.002
Keahuolū	Residential	140	400 gpd/unit	732 units	0.293
Keahuolū	Community Use	10	4,000 gpd/acre	10 acres	0.040
Total		1,510		2,279 units 977 acres	3.728

Source: Keauhou Reservation Submittal, at 5.

*Areas with existing water allocations or construction.

**Non-potable water demand.

The Department's Villages of La'i 'Ōpua Water Master Plan (approved by HDWS on October 26, 2006) ("La'i 'Ōpua Master Plan") identified potential sources of water and required water distribution system improvements to serve the Villages of La'i 'Ōpua located in Kealakehe and Keahuolū. The La'i 'Ōpua Master Plan recognized four wells as potential sources for potable water: Kealakehe Well (State Well No. 4057-04), North Keopū Well (site only), North Keopū Well (State Well No. 3957-02), and Keopū Well (State Well No. 3957-05). The wells are all owned by HDWS, except the State-owned Keopū Well.⁷ The La'i 'Ōpua Master

⁷ Draft Environmental Assessment for Keopu Well, Reservoir, and Water Transmission Lines Hienaloli 1-6, North Kona, Hawai'i, prepared

Plan included service to a portion of the State of Hawai'i Housing Finance and Development Corporation's (HHFDC) former Keahuolū project. Since 2006, Forest City Hawai'i Kona, LLC and HHFDC partnered to develop Kamakana Villages, which was originally called the Keahuolū project. Forest City plans to develop Keopū Well No. 4, which would produce 1.5 mgd for the Kamakana project with a surplus, then dedicate the well to HDWS. FEA-FONSI Keopū Well #4 Pump and Transmission Lines Project, prepared for Forest City Hawai'i Kona, LLC, at 1-1 (Jun. 2015) ("Keopū well FEA"). The Department proposed access to available water sources, such as Keopū well excess capacity pumpage, during the environmental assessment preparation process for the Keopū Well by comment letter dated February 12, 2015 ("[t]his remaining allocation of water credits or source could and should be available to provide water for public purposes, including the Public Trust water uses of the [Department]."). Access to Keopū well surplus would be one way of implementing a portion of the existing Keauhou water reservation. The Department is interested partnerships to develop additional water source in the region, but those opportunities are still being investigated.

ii) Kalaoa

The Kalaoa tract consists in four discontinuous parcels that border the University of Hawai'i Palamanui campus. Long term water needs consist in 0.9032 mgd of potable water, which may be supplied through existing HDWS infrastructure. SWPP Update at 4-36.

iii) Honokōhau

The Honokōhau tract is designated entirely for commercial use. Long term water needs consist in 0.600 mgd of potable water, which may be supplied through existing HDWS infrastructure. SWPP Update at 4-36.

RECOMMENDATION

None; for information only.

for Hawai'i Housing Finance & Development Corp., State of Hawai'i, at 7 (Sep. 2009) ("Keopu Well DEA").
http://oeqc.doh.hawaii.gov/Shared%20Documents/EA_and_EIS_Online_Library/Hawaii/2000s/2009-10-08-HA-DEA-Keopu-Well-Reservoir.pdf

ORIGINAL

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 14 - 15, 2018

To: Chairman and Members, Hawaiian Homes Commission

From: M. Kaleo Manuel, Acting Planning Program Manager

Subject: Water Policy Plan Implementation Program Report for FY 2018 and Draft Water Policy Plan Implementation Program for FY 2019

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

This submittal provides (1) a report on progress made towards the Commission's water policy goals under the FY 2018 Water Policy Plan ("WPP") Implementation Program ("IP"), and (2) a Proposed WPP-IP for FY 2019.

I. Purpose

The HHC Water Policy Plan was passed as the first comprehensive water policy for the HHC in 2014. It specifies that the Chairman shall seek approval of the HHC for a proposed IP annually in conjunction with the Department's budget request. In addition, the Chairman shall annually report on progress on execution of the previously approved IP.

II. Background.

At its July 22, 2014 meeting, the Commission adopted its Water Policy Plan ("WPP"). The WPP was developed over three years through extensive consultation with beneficiaries. The purpose of the WPP is to provide strategic, proactive, comprehensive, and consistent guidance to the Commission, Department of Hawaiian Home Lands ("Department"), and beneficiaries on water related issues, actions, and decisions.

The Planning Office ("PO") is the lead division for the WPP-IP. However, as responsibilities for water are currently held throughout the department, implementation requires coordination across the agency.

Because of the timing of the approval of the WPP, the FY 2016 WPP IP was the first submitted prior to the beginning of the fiscal year and the first evaluated on a full year basis. This will be the third full year of evaluation and the fourth WPP IP submitted for consideration of the HHC.

III. Summary of Performance on the FY 2018 WPP-IP

Application of the FY 2018 WPP IP, as in previous years, has focused on advocacy and communication / education. The years of investment in advocacy have also begun to generate returns, so there was also significant work towards the start of efforts to bring "wet" water to Home Lands directly resulting from advocacy efforts.

The most significant highlights were as follows:

- 1) On June 19, 2017 the very end of FY 2017 after final consideration of that year's WPP IP, the Commission on Water Resource Management (CWRM) approved a reservation for 6.903 million gallons a day of surface water from tributaries of the Waimea River on Kaua'i. This is the first surface water reservation approved since the passing of the Water Code in 1987.
- 2) Based in part on the reservation of water above, the HHC took actions to enter into a lease with Kaua'i Island Utility Cooperative that will result in the development of infrastructure necessary to deliver these waters to DHHL lands.
- 3) Beginning implementation of statewide water rights training for our beneficiaries with the William S. Richardson School of Law's Ka Huli Ao / Center for Excellence in Native Hawaiian Law

As in past years, developments in ongoing water disputes had critical implications for the Department's interests in water. Conflicts regarding groundwater on Moloka'i and surface water from East Maui and Waimea, Kaua'i necessarily required focused staff and consultant efforts to ensure the rights of the

beneficiaries, Hawaiian Homes Commission, and the DHHL were protected and enhanced.

Due to the necessary redirection of efforts towards advocacy, efforts on other goals remain to be fully implemented. Some of these have been included in the proposed FY 2019 WPP IP, while others are recommended to be removed. A summary of FY 2018 WPP IP performance is provided in Exhibit A.

IV. Proposed FY 2019 WPP-IP.

The proposed WPP-IP FY2019 budget is \$400,000, maintaining the same level as FY 2018 and a \$100,000 decrease from FY 2016 and FY 2017. The following describes general areas of expenditures under subparts of WPP-IP FY 2018 goals, which are detailed as Exhibit B.

Goal 2.f.	\$150,000 Water Rights Experts/Studies (Including expert witnesses as may be needed for administrative proceedings and/or litigation)
Goal 5.b.	\$150,000 Refinement of water source strategies for Subsistence and other agricultural homesteading on Hawai'i, Maui, Molokai, O'ahu, and Kaua'i
Goal 5.c.	\$100,000 Molokai Irrigation System (MIS) Advocacy and Analysis
Total:	\$400,000

The primary focus of FY 2019, in addition to maintaining work on advocacy and existing projects, will be on securing sources of water for and understanding the condition of agricultural water systems that can serve DHHL lands. Based on previous HHC actions and budgeting, the PO is pursuing new Subsistence Agricultural Homestead planning projects in Honomū, Hawai'i, Honokōwai, Maui, Ho'olehua, Moloka'i, Waimānalo, O'ahu, and Hanapēpē and Anahola, Kaua'i. Without water, at least as a backup source, agricultural initiatives may fail.

In addition, the operation and condition of the MIS has been an issue of contention on the island for decades. The ability to provide additional connections to homestead lots to the MIS would not only support agricultural operations by

lessees, but could also reduce demand on the DHHL Moloka'i drinking water system. However, even basic data on the availability of MIS connections and barriers to connection are missing.

The timing for DHHL work on agricultural water systems is complimentary to other ongoing state efforts on water systems and existing advocacy as the Agricultural Water Use and Development Plan is being updated. In the FY 2019 budget request for the PO, funds for professional services contracts to address these issues are requested as described above.

RECOMMENDED MOTION/ACTION

None; for information only.

Exhibit A. Summary of Performance on the FY 2018 WPP-IP

Application of the FY 2018 WPP IP, as in previous years, has focused on advocacy and communication / education. The years of investment in advocacy have also begun to generate returns, so there was also significant work towards the start of efforts to bring "wet" water to Home Lands directly resulting from advocacy efforts.

The most significant highlights were as follows:

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As in past years, developments in ongoing water disputes had critical implications for the Department's interests in water. Conflicts regarding groundwater on Moloka'i and surface water from East Maui and Waimea, Kaua'i necessarily required focused staff and consultant efforts to ensure the rights of the beneficiaries, Hawaiian Homes Commission, and the DHHL were protected and enhanced.

Due to the necessary redirection of efforts towards advocacy, efforts on other goals remain to be fully implemented. Some of these have been included in the proposed FY 2019 WPP IP, while others are recommended to be removed. A summary of FY 2018 WPP IP performance is provided in Exhibit A.

Table I. Summary of FY 2018 WPP IP Performance

Red shading and plain text indicates implementation action goal was not met; yellow shading and *italicized text* indicates some progress was made; green shading and bold-faced text indicates the action goal was met.

#	Implementation Action(s)	Performance	Next Steps
1.a.	<i>Continue development of communication tool or tools to communicate with beneficiaries and stakeholders on key water issues.</i>	<ul style="list-style-type: none"> <i>Partially met / reevaluated; after working on email and press release strategies, the beneficiary preference for and value of face to face training was recognized</i> 	<i>Subsume under revised presentation and training goals 1.b. and 1.c.</i>
1.b.	Annually and regionally present on DHHL water projects and issues in conjunction with HHC meetings.	<ul style="list-style-type: none"> Met in conjunction with HHC meetings Honored and recognized the original petitioners for a water management area on Moloka'i in March 2018 	Continue for FY 2019
1.c.	<i>Develop and execute ten targeted trainings on water rights for beneficiaries over two years in collaboration with the William S. Richardson School of Law's Ka Huli Ao program and others as available and appropriate.</i>	<ul style="list-style-type: none"> <i>Partially met; contract executed, planning completed, and first training conducted on Molokai</i> 	<i>Continue nine further trainings through FY 2019.</i>
2.a.	<i>Begin to implement plan for advocating for funds due to the Native Hawaiian NHRF based on a final report due in February 2018.</i>	<ul style="list-style-type: none"> <i>Partially met; final report due by June 30, 2018.</i> 	<i>Continue for FY 2019</i>

#	Implementation Action(s)	Performance	Next Steps
2.b.	<ul style="list-style-type: none"> • Secure water reservations pursuant to Hawai'i Revised Statutes, Chapter 174C & Section 171-58 • Coordinate with CWRM staff on use of the State Water Projects Plan as a basis of minimum reservations across the islands. • Continue exploration of enforcement mechanisms for reservations. • On a case by case basis assert reservation needs in conjunction with water licensing under HRS 171-58 	<ul style="list-style-type: none"> • Continued to meet • Surface water reservation secured for the Waimea River, Kaua'i • HRS 171-58 reservations begun for the Wailua River (Kaua'i), Wailuku River (Hawai'i), Ka'u Irrigation Systems (Hawaii) • Continued work towards reservations based on the State Water Projects Plan with CWRM staff, beginning with Hawai'i and Kaua'i groundwater 	Continue for FY 2019

#	Implementation Action(s)	Performance	Next Steps
2.c.	<ul style="list-style-type: none"> • Continue efforts to ensure regulatory compliance • Continue regular comments on water use permit applications (WUPAs), BLNR and CWRM actions, and other agency actions ... that could affect DHHL water rights; • Continue to coordinate with OHA compliance staff on identification and tracking of compliance actions 	<ul style="list-style-type: none"> • Continued to meet with comments on CWRM and BLNR actions • Meet monthly to coordinate efforts with OHA • Began participation in DLNR Deputy coordinated Hawai'i Island Water Working Group • Monitored CWRM IIFS efforts 	Continue for FY 2019
2.d.	<ul style="list-style-type: none"> • Participate in and comment on all updates to the Hawai'i Water Plan and County Plans that will affect DHHL and beneficiary water uses and rights • Coordinate DHHL agricultural water systems development planning with State and county community development and agricultural water plans. • Coordinate with DHHL staff working on subsistence agricultural plans to ascertain agricultural water needs. 	<ul style="list-style-type: none"> • Continued participation in Hawai'i Water Plan development 	Continue for FY 2019
2.e.	<i>Water Rights Experts/Studies</i>	<ul style="list-style-type: none"> • <i>Partially met; continued work on participation in United States</i> 	<i>Continue for FY 2019</i>

#	Implementation Action(s)	Performance	Next Steps
	<i>Work with authorized outside counsel as applicable to assert DHHL water rights through legal mechanisms Use of expert witnesses if attempts to mediate ongoing disputes are unsuccessful in administrative proceedings</i>	<i>Geological Survey studies, especially Molokai, but no new legal counsel secured</i>	
2.f.	Comment on water rights-related legislative and other agency rulemaking actions as necessary and directed.	<ul style="list-style-type: none"> Continued support for initiative to add HHC Chairman or designee to CWRM Continued to review relevant bills as requested 	Continue for FY 2019
3. a.	Continued review of information collected for the WAI	<ul style="list-style-type: none"> Participated with CWRM staff on verifying continued existence of wells recorded on DHHL land on Molokai 	Continue for FY 2019
3. b.	<i>Manage existing WAI inventorying contract</i>	<ul style="list-style-type: none"> See 3. C., below 	Merge with Goal 3.c., below
3. c.	<i>Identify traditional, place-based knowledge of water resources relevant to DHHL interests to develop a Cultural Water Assets Inventory</i>	<ul style="list-style-type: none"> Partially met; continued work with WAIwai - Cultural Water Assets Inventory via consultant Nohopapa LLC 	Continue for FY 2019
4. a.	<i>Implement revisions to 'Āina Mauna program</i>	<ul style="list-style-type: none"> Partially met; After review, established and then conducted two (2) meetings with the 'Āina Mauna Legacy Program Plan Implementation Advisory Council 	Continue for FY 2019

#	Implementation Action(s)	Performance	Next Steps
		•	
5. a.	<i>Revise the DHHL submittal template to the HHC for water related decisions.</i>	• <i>Reevaluated</i>	<i>Remove goal for FY 2019</i>
5. b.	<i>Staff and organize the DHHL consistent with importance of water to the trust. Train and update them on issues addressed DHHL water team and positions taken on those issues.</i>	<ul style="list-style-type: none"> • <i>Partially met; Hiring of water resource management specialist</i> • <i>Based on Effective Utilities Management Assessment by RCAC, drafting organizational chart and positions for Water Utility Branch USDA water system improvements internally working team created</i> 	<i>Continue for FY 2019</i>
5. c.	<i>Continue efforts regarding agricultural water systems at Anahola and Waimea, Kaua'i</i>	<i>Partially met; see notes elsewhere regarding Waimea Kaua'i</i>	<i>Continue for FY 2019</i>
5. d.	<i>Pursue resolution by the Department of Agriculture of prior audit findings in the management of the Moloka'i Irrigation System and full repair of the System</i>	<i>Not met; priority work on Moloka'i has been on advocacy for domestic water and improvements to and rates related to the drinking water system</i>	<i>Recommend making top priority in FY2019</i>
5. e	<i>Advocate before the city and county Boards of Water Supply and other county agencies concerning decision-making affecting water in order to: Carry out the Hawaiian Homes Commission Act;</i>	<i>Partially met Particular efforts and progress made in securing water for Ka'ū and Kona</i>	<i>Continue for FY 2019</i>

#	Implementation Action(s)	Performance	Next Steps
	<i>Protect DHHL water uses as a public trust use of water; and Manage rates so they are affordable for beneficiaries.</i>		
5. f.	Continue test implementation of the procedure for homesteader well drilling and bring back to the HHC for final approval	Met; submittal due to HHC in May 2018.	Remove, as completed.
5. g.	Continue development and bring to the HHC for approval a procedure for managing HHC/DHHL controlled water credits	Partially met; submittal due to HHC in June 2018.	Finish in FY 2019

Additional WPP Related activities not covered by a particular IP goal

- **Initiated Environmental Impact Statement Preparation Notice (EISPN) for the Pūlehunui Regional Infrastructure Master Plan, Pūlehunui, Maui**
- **Implementation of agreements for Waimea Kaua'i water including reservations, KIUC lease negotiation and approval**
- **Support of other lead offices and consultants for Final Environmental Assessments for DHHL Wailua Well Project, Wailua, Kaua'i**
- **Beneficiary Consultation Meetings**
 - **Water System and Planning System Hawaii Administrative Rules**
 - **KIUC Waimea Hydroelectric Project, Waimea, Kaua'i**
 - **HECO Request for Water Lease from Wailuku River, Hilo, Hawai'i**
 - **Water Rate Increases for DHHL Moloka'i, Kawaihae, and Pu'ukapu Water Systems**
- **Conducted Cost of Service Study and Effective Utility Management Assessment for DHHL Water Systems that resulted in a Water Rate Increase for the DHHL Moloka'i System that moves DHHL towards system sustainability**
- **Partnered with Kohala Mountain Watershed Partnership and Kailapa Community Association to initiate Kawaihae Fence Project to help with erosion and ungulate control**
- **Partnering with Ka 'Ohana o Kahikinui, KIA Hawaii LLC, and Leeward Haleakala Watershed Restoration Project in completing fencing project and ungulate removal to protect native Koa forests and reestablish watershed forest**

Additional Information

In addition to the information presented above and in the main HHC submittal, regional updates on Water Issues and Projects have been provided throughout the year to the HHC.

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

The proposed Water Policy Plan- Implementation Program ("WPP-IP") FY2019 budget is \$400,000. The following describes general areas of expenditures under subparts of WPP-IP FY2017 goals.

Goal 2.a. \$100,000 NHRF Audit Strategy Implementation

Goal 2.b. \$150,000 Water Policy Plan Implementation (Reservations and other WPP - IP consultation; also applied to other goals)

Goal 2.e. \$150,000 Water Rights Experts/Studies (including expert witnesses as may be needed for administrative proceedings)

Total: \$400,000

Rough estimates of staff and consultant time are included below. Except where noted, the target date for completion is June 30, 2019. The Planning Office ("PO") is the lead Department of Hawaiian Home Lands ("DHHL") division for the WPP-IP. Resources for certain implementation actions are not specified when they are conducted by other divisions or included in other portions of the PO budget.

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

Goal 1. Affirmatively communicate with beneficiaries regarding water decisions, performance, and water rights on a regional and annual basis.

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
1. a.	Annually and regionally present on DHHL water projects and issues in conjunction with HHC meetings.	Staff time: 80 hr. Consultant time: 80 hr.	Within PO budget and consultant contracts
1. b.	Develop and execute ten targeted trainings on water rights for beneficiaries over two years in collaboration with the William S. Richardson School of Law's Ka Huli Ao program and others as available and appropriate.	Staff time: 200 hr. Consultant time: 200 hr.	Covered under contract issued in FY 2018

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

Goal 2. Aggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries, the DHHL, and the HHC to water before all relevant agencies and entities.

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
2. a.	Begin to implement plan for advocating for funds due to the Native Hawaiian NHRF based on a final report due in June 2018.	Goal 2.a. Staff time: 100 hr. Goal 2.a. Consultant time: Approximately 800 hours	\$100,000 (carryover FY 2018 funds)
2. b.	Secure water reservations pursuant to Hawai'i Revised Statutes, Chapter 174C & Section 171-58 i. Coordinate with CWRM staff on use of the State Water Projects Plan as a basis of minimum reservations across the islands. ii. Continue exploration of enforcement mechanisms for reservations. ii. On a case by case basis assert reservation needs in conjunction with water licensing under HRS 171-58	Goal 2.b. Staff time: 200 hr. Goal 2.b. Consultant time: 400 hr.	Covered under contract issued in FY 2018
2. c.	Continue efforts to ensure regulatory compliance i. Continue regular comments on water use permit applications (WUPAs), BLNR and CWRM actions, and other agency actions (Agriculture, Agribusiness Development Corporation, County Departments/ Boards of Water Supply and Planning Departments, and on Environmental Assessments / Environmental Impact Statements (EA/ EIS) that could affect DHHL water rights;	Goal 2.c. Staff time: 100 hr. Goal 2.c. Consultant time: 100 hr.	Within PO budget and consultant contracts

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
	<ul style="list-style-type: none"> ii. Continue to coordinate with OHA compliance staff on identification and tracking of compliance actions; ii. Develop a method for utilizing WAI information in comment letters and tracking comment letters in a WAI database. iv. Review the WPP and identify elements to be incorporated into rulemaking procedures under HR. §91-3. 		
2. d.	<p>Water Planning</p> <ul style="list-style-type: none"> i. Participate in and comment on all updates to the Hawai'i Water Plan and County Plans that will affect DHHL and beneficiary water uses and rights ii. Coordinate DHHL agricultural water systems development planning with State and county community development and agricultural water plans. ii. Coordinate with DHHL staff working on subsistence agricultural plans to ascertain agricultural water needs. 	<p>Goal 2.d. Staff time: 35 hr.</p> <p>Goal 2.d. Consultant time: 60 hr.</p>	Within PO budget and consultant contracts
2. e.	Comment on water rights-related legislative and other agency rulemaking actions as necessary and directed.	<p>Goal 2.f. Staff time: 20 hr.</p> <p>Goal 2.f. Consultant time: 40 hr.</p>	Within PO budget and consultant contracts
2. f.	Work with authorized outside counsel as applicable to assert DHHL water rights through legal mechanisms; Use of expert witnesses if attempts to	Dependent on litigation	\$150,000

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
	mediate ongoing disputes are unsuccessful in administrative proceedings		

Goal 3. Develop and manage a Water Assets Inventory (WAI).

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
3. a.	Continued integration of data into the WAI	Goal 3.c. Staff time: 50 hr. Goal 3.c. Consultant time: 40 hr.	Within PO budget and consultant contracts
3. b.	Identify traditional, place-based knowledge of water resources relevant to DHHL interests to develop a Cultural Water Assets Inventory i. Integrate, as appropriate, into template for comments on water actions and submittals to HHC.	Goal 3.c. Staff time: 200 hr. Goal 3.c. Consultant time: 500 hr.	From Contract issued in FY 2018

PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

Goal 4. Support watershed protection and restoration on DHHL lands and source areas for DHHL water.

#	Implementation Action(s)	Cost / resource estimate	Estimated expenses
4. a.	Implement revisions to `Aina Mauna program	Covered in LMD budge	Not included in WPP - IP / Planning budget



PROPOSED WPP IMPLEMENTATION PROGRAM AND BUDGET FOR FY 2019

5. Other WPP Goals: Implementation of additional WPP goals based on the availability of resources

#	Implementation Action(s)	Cost / resource estimate	Estimated Expenses
5. a.	Staff and organize the DHHL consistent with importance of water to the trust. i. Train and update them on issues addressed DHHL water team and positions taken on those issues.	Staff time and existing authorization for position	Within PO budget and consultant contracts
5. b.	Continue to pursue development of agricultural water systems i. Continue efforts regarding agricultural water systems at Anahola and Waimea, Kaua`i, and for other areas	5.c. Staff time: 160 hr. 5.c. Consultant time: 300 hr.	New contract for \$150,000
5. c.	Pursue resolution by the Department of Agriculture of prior audit findings in the management of the Moloka`i Irrigation System and full repair of the System	5.d. Staff time: 160 hr. 5.d. Consultant time: 300 hr.	New contract for \$100,000
5. d.	Advocate before the county Boards of Water Supply and other county agencies concerning decision-making affecting water	5.d. Staff time: 80 hr. 5.d. Consultant time: 40 hr.	Within PO budget and consultant contracts

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager 
From: Andrew H. Choy, Planner 
Subject: Draft Environmental Assessment (DEA) and
Anticipated Finding of No Significant Impact
(AFONSI) Project Kamoleao, Panaewa, Hilo, Hawaii
(TMK 3-2-2-047:075)

Recommended Action

For information only. No action required.

Purpose

The purpose of this informational briefing is to update the HHC on the status of the DEA for Project Kamoleao and provide the HHC an opportunity to provide comments on the DEA prior to publication in the Office of Environmental Quality Control's Environmental Notice Bulletin in June 2018.

Background

The implementation of Project Kamoleao was identified as a Priority Project in the 2017 DHHL Panaewa Regional Plan Update. The name "Kamoleao" means the young shoots of a kalo plant nurtured by the bright sun (ao), symbolizing "growing from the foundation of the elders." An excerpt from the 2017 Panaewa Regional Plan Update and summarizes the history of the Kamoleao parcel is attached (Exhibit C). Conceptualization of community programs and uses for the Kamoleao parcel began as early as 1986. Since that time several iterations of master plan concepts have been developed.

However, none of the previous efforts resulted in the development of an HRS Chapter 343 environmental assessment (EA) for the entire 12-acre parcel nor were any conceptual business plans developed to identify potential revenue sources to address initial development costs and long-term operation and maintenance costs. The completion of an HRS Chapter 343 EA for the entire parcel and incorporating a conceptual business plan as a component of the master plan are a part of this current effort and should increase the probability of this project's success.

DHHL staff presented an informational submittal to the HHC regarding the Project Kamoleao Master Plan in October 2017 (Exhibit B). In summary, the preferred alternative plan consists of three development phases and the following major components:

- Community Center & Certified Kitchen (Phase 1A)
- Commercial Retail (Phase 1B)
- Light Industrial (Phase 1B)
- Health & Wellness Complex (Phase 2)
- Future Community Uses and/or Commercial Uses (Phase 3)
- Forested Open-Space/Puuhonua Concept (Existing)

A graphic illustration of the preferred master plan including acreage amounts for each of the above components is included in Chapter 2 of the DEA (Exhibit A) as well as a brief description of each of the components' concepts.

DEA Summary

The DEA (Exhibit A) assesses the potential environmental impact of the Project Kamoleao. The following discussion summarizes the analysis of the DEA assessment of the project's impact to various resources.

Natural Resources

A botanical survey conducted in 2009 of a portion of the project area identified no rare, threatened, or endangered plant species. Several common species of native plants were identified during the survey including: ohia, uluhe, kopiho, hala, kukui, hapuu, and popolo. The highest concentration of native plant species is in the center of the property. As such, the development scheme of the

Project Kamoleao Master Plan recommends siting development on the exterior of the property and keeping the center of the property in conservation. The center of the property will also serve as a "puuhonua" and quiet place of reflection.

Endangered faunal species such as the hoary bat and Hawaiian Hawk have been observed on occasion in the greater Hilo area, but not specifically at the project site. To mitigate potential disturbance to these species, the DEA recommends not cutting or removing trees larger than 15 feet during these animals breeding seasons (March thru September) as large trees could be potentially inhabited by these animals during that period.

Historic and Cultural Resources

An archaeological inventory survey (AIS) was conducted on the project site. The AIS found that the project site had been largely altered previously and that no existing cultural or historical sites were found on the property. A Cultural Impact Assessment (CIA) was conducted as part of the DEA study. The CIA contacted 11 individuals who may know of cultural practices that occur in the vicinity of the project area. Of the 11 individuals that were contacted, only two responded. Neither respondent noted ongoing cultural practices in the vicinity of or on the project site. Furthermore, Project Kamoleao is seen as an opportunity to allow native Hawaiians to gather and practice cultural activities as facilities such as the community center and conservation area in the middle of the property will help to facilitate cultural practices.

Infrastructure -- Traffic

The addition of project traffic to the intersections immediately adjacent to the site is not expected to result in any operational issues given the available capacity and limited extent and length of existing congestion. As noted under existing conditions, longer delays occur at the intersections along Kanoelehua Avenue during the peak commute periods. While project traffic is expected to be added to some of those intersections, the volumes are expected to have a minimal or negligible impact based on the project's total trip generation, the anticipated distribution focused on the adjacent neighborhood, and the

options for traffic to access the site (e.g., to use Railroad Avenue to travel north and south vs Kanoelehua Avenue.) The site design will also encourage patrons to walk and bicycle to the site by providing multiple connections to fronting sidewalks, as well as bicycle parking at strategic locations close to the building entrances.

Infrastructure - Water & Wastewater

The County Department of Water Supply (DWS) also indicated that the current domestic water allocation for this parcel is 1-water unit, which is equivalent to 400 gallons per day (gpd). Additional water units are available and shall be based on the water demand calculations for the proposed improvements as required by the DWS. The projected water demand for the master plan is not expected to significantly impact the existing County water system and local water resources.

The nearest County sewer main is located in Makaala Street, located to the north of the parcel. The existing 8-inch sewer main is over 1,000-feet away from the Kamoleao parcel. Because of the distance, the Kamoleao parcel is not required to connect to the County sewer system. Connecting to the existing sewer system would also significantly increase construction cost. Therefore, it is recommended that on-site individual wastewater systems be considered for wastewater treatment and disposal. Wastewater would be handled by an Individual Wastewater System (IWS) for each Phase or other sub-area of the plan. These wastewater systems shall be sized to accommodate the wastewater generated from each phase or area. The design of all IWS in all phases shall conform to the most current version of HAR 11-62 Wastewater Systems. Prior to construction of each septic tank and leach field, the design civil engineer will prepare an Individual Wastewater System permit and submit it to DOH, Wastewater Branch for approval.

DHHL Planning System Consistency

The 2002 DHHL Hawaii Island Plan land use designation of the project area is for community use. The proposed uses of the Project Kamoleao Master Plan is consistent with the community use land use designation. As mentioned previously, implementation of Project Kamoleao was

identified by DHHL beneficiaries as one of five priority projects in the 2017 update of the DHHL Panaewa Regional Plan.

Based upon the analysis completed in the DEA, staff anticipates a finding of no significant impact for the Project Kamoleao Master Plan. This determination is based upon the 13 criteria of significance that approving agencies must consider as specified in HAR 11-200-12.

(1) Involves an irrevocable commitment to loss or destruction of any natural or cultural resource;

Discussion: Project Kamoleao is not anticipated to involve any activity that may lead to a loss or destruction of any natural or cultural resource. The Project Site has been the subject of biological, archaeological, and cultural studies, and those studies have revealed the absence of any significant natural or cultural resources.

(2) Curtails the range of beneficial uses of the environment;

Discussion: Implementation of Project Kamoleao will not curtail the range of beneficial uses of the environment, but instead promote beneficial uses of the environment, by providing a long-planned community center and other socially beneficial uses.

(3) Conflicts with the State's long term environmental policies or goals and guidelines as expressed in Chapter 344, HRS; and any revisions thereof and amendments thereto, court decisions, or executive orders;

Discussion: The Project is not in conflict with the long-term environmental policies, goals, and guidelines of the State of Hawaii as discussed in Section 5.1 above.

(4) Substantially affects the economic or social welfare of the community or State;

Discussion: The Community Center and Certified Kitchen components of Project Kamoleao are seen to target the estimated 2,100 Pana'ewa Homestead residents on a preferential basis, but are expected to have capacity to also support and benefit from use by other area

beneficiaries and residents. In the case of the Certified Kitchen, targeted users could also include start-up or small food-service related businesses from throughout the East Hawaii area that may utilize the six incubator-style kitchens that are proposed. These commercial facilities would benefit from Kamoleao's proximity to the Hilo airport, harbor and diversity of food product sources. In these respects, Project Kamoleao is seen to promote the economic and social welfare of the community, and thereby a portion of the State.

(5) Substantially affects public health;

Discussion: There will be temporary impacts to noise and air quality levels during construction phases of the Project; however, these potential impacts will be short-term and are not expected to substantially affect public health. It should be noted the current zoning allows for industrial use, and the Proposed Action would likely present lesser long-term impacts to air and noise quality, compared to a plan that might be dominated by industrial uses. All construction activities will comply with applicable regulations and will implement appropriate mitigation measures. Rather, the various attributes of Project Kamoleao are envisioned to enhance the public health of the Panaewa Homestead community and neighboring communities.

(6) Involves substantial secondary impacts, such as population changes or effects on public facilities;

Discussion: Project Kamoleao will not induce any increases or shifts in population and will not have a significant effect on any other public facilities.

(7) Involves a substantial degradation of environmental quality;

Discussion: Construction activities associated with Project Kamoleao are anticipated to result in negligible short-term impacts to noise, air quality, and traffic in the immediate vicinity. With the incorporation of the recommended mitigation measures during the construction period, development of Project Kamoleao will not result in degradation of environmental quality. No long-term negative impacts are expected from implementation.

(8) Is individually limited but cumulatively has considerable effect on the environment, or involves a commitment for larger actions;

Discussion: Although the implementation of Project Kamoleao has the potential to provide significant community and social benefits, it will have a cumulative impact on traffic (§0 above). Project Kamoleao will not contribute to nonpoint source pollution (§3.4 above). The Project is a stand-alone project, which does not involve a commitment for larger actions.

(9) Substantially affects a rare, threatened or endangered species or its habitat;

Discussion: There are no known, threatened, or endangered species of flora, fauna, or associated habitats located on Kamoleao that could be adversely affected by the construction and operation of Project Kamoleao. However, according to the USFWS, it is possible that several endangered species may use or overfly Kamoleao. Mitigation measures will be specified and incorporated into the construction documents.

10) Detrimentially affects air or water quality or ambient noise levels;

Discussion: Construction activities for development of Project Kamoleao could potentially impact noise and air and water quality levels on Kamoleao. However, these impacts will be short-term and are not expected to be detrimental. All construction activities will comply with applicable regulations and will implement appropriate mitigation measures as necessary. After construction, the development is not expected to adversely impact ambient noise levels or water and air quality. There will be an increase in impervious surfaces compared to Kamoleao's current vacant state; however, any increase in runoff will be accommodated by proposed drainage improvements and will not detrimentally affect water quality. Operational noise levels would be similar to ambient noise levels.

(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;

Discussion: The development will not affect any environmentally sensitive area. The Project is located outside a FIRM-designated flood plain and inland from the coast. Project Kamoleao will be constructed in compliance with County of Hawaii building codes, and the drainage improvements will be designed to minimize any potential for localized flooding.

(12) Substantially affects scenic vistas and view planes identified in County or State plans or studies;

Discussion: Project Kamoleao will not alter the visual setting of the area, nor will it block any scenic vistas. The area is not listed as a scenic view plane or area of natural beauty by the County.

(13) Requires substantial energy consumption.

Discussion: Construction and operation of Project Kamoleao will not require substantial increases in energy consumption.

Next-Steps

The following is a list of next-steps for the completion of the master-plan and EA contract as well as estimated timeline for master plan Phase 1 completion.

- June 2018: DEA published OEQC Environmental Notice
- July 2018: 30-day public comment period
- August 2018: Revise DEA per public comments received
- Sept. 2018: HHC Approve FEA and FONSI
- 2018-2019: General Lease Discussions with DHHL
- 2018-2019: Pursue Funding/Grants
- 2019: Developer Contracting, Financial Analysis
- 2020: Secure Funding & Permits
- 2021-2022: Construction & Opening

Recommendation

For information only. No action required.

MAY 2018 HHC MEETING
ITEM G-7



EXHIBIT A
DRAFT ENVIRONMENTAL ASSESSMENT
(DEA)
PROJECT KAMOLEAO

PLEASE CLICK ON LINK FOR PDF COPY:

<http://dhhl.hawaii.gov/po/environmental-review/>

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

October 16-17, 2017

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager 
From: Andrew H. Choy, Planner 
Subject: Project Kamoleao Master Plan & Environmental
Assessment Update; Hilo, Hawaii (TMK 3-2-2-
047:075)

Recommended Action

For information only. No action required.

Background

In September 2009 with the approval of the Native Hawaiian Development Program Plan 2009-2011, DHHL launched the Kulia I Ka Nuu program (Kulia), a multi-faceted capacity building program geared toward homestead associations. Kulia included a community economic development component that was intended to provide each DHHL region with a community economic development opportunity. The Kulia program ended in January 2012.

At the time of Kulia's termination, a handful of community associations were continuing to pursue conceptualization and planning of a community economic development project within their region anticipating the continuation of the Kulia program and the financial resources it provided. Without a community economic development program in place, however, DHHL did not have a mechanism to provide these community associations the assistance necessary to move forward.

As such, to address this need, in September 2013, the HHC authorized the Chairman to undertake a pilot project with the Waimea Hawaiian Homestead Association (WHHA) to assist the association with the planning and HRS Chapter

343 environmental assessment (EA) for its community economic development project (Exhibit A). WHHA was not one of the associations that received a Kulia grant. Based off of the evaluation of the Kulia program and lessons learned (Exhibit B), the approach of the pilot project differed from the Kulia program.

The Kulia program provided a direct grant to homestead associations for the completion of a master plan and EA. In the Kulia model with the direct grant to the homestead association, the association was responsible for overall project management that included tasks such as: developing a scope of work, hiring consultants, managing the consultant's time, and reviewing consultant deliverables. Because many associations that received Kulia grants were comprised of part-time volunteers with varying degrees of planning, project management, and development experience, this approach did not always bring about the success that either DHHL or the associations that participated in the Kulia program had envisioned.

With the Waimea Nui Pilot Project, the proposed approach also involved DHHL providing financial assistance to the homestead association. However, in lieu of providing a direct grant to the association for master planning and an environmental assessment, DHHL staff directly contracted and managed a consultant to work closely with WHHA to complete a master plan and EA for the WHHA project. DHHL worked very closely with WHHA to ensure that the master plan that was produced was a WHHA plan that captured the input of the community. Subsequently the master plan and EA were completed for WHHA in 2015 (Exhibit C).

It is with this approach from the Waimea Nui Pilot Project, that DHHL is also assisting the Panaewa Hawaiian Home Lands Association (PHHLCA) with its Project Kamoleao. DHHL contracted a consultant to work closely with PHHLCA. The following discussion gives a brief summary of the history of the Kamoleao parcel and also a summary of the progress of work completed to date since DHHL initiated this master plan and EA with PHHLCA in May 2017.

The name "Kamoleao" means the young shoots of a kalo plant nurtured by the bright sun (ao), symbolizing "growing from the foundation of the elders." Exhibit D is an excerpt from the 2016 Panaewa Regional Plan Update and summarizes the history of the Kamoleao parcel. Conceptualization of community programs and uses for the Kamoleao parcel began as early as 1986. Since that time several iterations of master plan concepts have been developed. The last HHC action taken on the Kamoleao parcel was in September 2015, as the HHC approved the issuance of a benefit license to PHHLCA and the Panaewa Community Alliance (PCA) as co-licensee for the parcel (Exhibit G). PCA is the financial sponsor (for purposes of the Waiakea MOA w/DHHL dated July 19, 2013 on \$30k annually) for all exclusive programs with PHHLCA.

However, none of the previous efforts resulted in the development of an HRS Chapter 343 environmental assessment (EA) for the entire 12.77-acre parcel nor were any conceptual business plans developed to identify potential revenue sources to address initial development costs and long-term operation and maintenance costs. The completion of an HRS Chapter 343 EA for the entire parcel and incorporating a conceptual business plan as a component of the master plan are a part of this current effort and should increase the probability of this project's success.

2017 Master Plan Process To-Date

As previously mentioned, the Project Kamoleao planning process began in May 2017. Major milestones in the process are articulated below:

- **June.** A survey of PHHLCA/PCA members was conducted to identify potential uses and development of the Project Kamoleao site. This was the second survey of its members that PHHLCA/PCA conducted regarding Kamoleao. The first survey was conducted by PHHLCA/PCA in August 2015.
- **June.** In addition to the survey, a design workshop was held by PHHLCA/PCA and the planning consultants for PHHLCA members to identify major concepts, themes, and programmatic land uses for the Kamoleao site.
- **July.** Based on the results of the June design workshop, two alternative concept plans were

developed. These two alternative concepts were presented at an "Open House" event on July 30 at the Kamoleao site. Participants provided feedback and input on the two alternatives (Exhibit E).

- **August.** Based on the results of the open house, the planning consultant developed a preferred alternative plan that incorporated feedback received at the "Open House" event.
- **September.** PPHLCA held its regular general membership meeting on September 19. The preferred alternative was presented at the general membership meeting and unanimously accepted by association members in attendance.

The Preferred Master Plan Components

The preferred alternative plan consists of three development phases and the following major components:

- Community Center & Certified Kitchen (Phase 1A)
- Commercial Retail (Phase 1B)
- Light Industrial (Phase 1B)
- Health & Wellness Complex (Phase 2)
- Future Community Uses and/or Commercial Uses (Phase 3)
- Forested Open-Space/Puuhonua Concept (Phase 1A)

A graphic illustration of the preferred master plan including acreage amounts for each of the above components is included in Exhibit F as well as a brief description of each of the components' concepts.

Preliminary Lease & Cost Assumptions

Table 1 below illustrates preliminary net operating income and cost assumptions related to the master plan, in future dollars. The preliminary business plan is for PPHLCA/PCA to fundraise the initial capital costs, but the estimated net income generated by commercial retail and light industrial uses in Phase 1B and Phase 2 will be used to offset potential operating shortfalls related to the community services provided in the Community Center and Certified Kitchen facilities, as well as maintenance of the Puuhonua and open spaces in Phase 1A.

Table 1: Preliminary Lease and Cost Assumptions (2017 Dollars)

	Phase 1A (Core)			Phase 1B (Commercial uses)		Phase 2	Phase 3+
	Community Center	Certified Kitchen	Puuhonua Open Space	Ohuohu Street Shops	Light Industrial	Health & Wellness Complex	Future Community and/or Commercial
Developer / Manager	PHHLCA/ PCA	PHHLCA/ PCA	PHHLCA/ PCA	Third- Party	Third- Party	Third- Party or PHHLCA/ PCA	TBD
Gross Building Area (sf)	11,000	2,200	0	9,600	27,950	22,650	TBD
Est. Site Acres	2.8		3.5	0.6	1.4	2.2	2.0
Potential Year of Opening	2022		2023	2022	2023	2025	TBD
Net Operating Income/Year	-\$460k to 2032		-\$230k to 2032	\$210k to 2032	\$520k to 2032	\$480k to 2032	TBD
ROM PHHLCA/PCA Development Costs (future \$)	\$6.4M		\$0.3M	\$0	\$0	\$0.1M	TBD

The projected operating income to PHHLCA/PCA would derive from ground rents collected from third party developers in Phase 1B and 2. In order to realize such income, it is assumed that PHHLCA/PCA will need to have the ability to sub-lease portions of the 12.77-acre parcel to interested third-party developers who would implement Phase 1B and Phase 2. Currently, PHHLCA/PCA has a 30-year license agreement from DHHL. However, PHHLCA/PCA will eventually need a general lease agreement from DHHL in order for Project Kamoleao to become an economically self-sufficient project over time.

Next-Steps

The following is a list of next-steps for the completion of the master-plan and EA contract as well as estimated timeline for master plan Phase 1 completion.

- October 2017: Finalize master plan report
- Q2 2018: Draft EA & Final EA
- 2018-2019: General Lease Discussions with DHHL

- 2018-2019: Pursue Funding/Grants
- 2019: Developer Contracting, Financial Analysis
- 2020: Secure Funding & Permits
- 2021-2022: Construction & Opening

Recommendation

For information only. No action required.

6 Priority Projects

Beneficiaries from Pana'ewa that attended the Regional Planning meetings discussed regional issues and opportunities with DHHL. The topics discussed, while varied, focused around the values discussed in Chapter 2 (Vision and Values) including: Culture, Community Facilities, Services, and Amenities, Agriculture, Youth, Housing Development and Settlement on Hawaiian Home Lands, The Economy, and Infrastructure.

The numerous issues and opportunities identified by beneficiaries were consolidated into a list of potential projects. Meeting participants categorized the potential project list into a priority matrix that assessed level of difficulty and level of impact. Based on this group exercise, priority projects were identified as those projects with high impact despite the level of difficulty. These projects also achieve Pana'ewa's vision of creating "a connected community that promotes collective health and wealth, succession of generational knowledge and practices, and access to resources and services through community and agriculture activities."

Appendix C includes all of the potential projects and identifies those elevated to priority projects by community consensus. The details of the four priority projects described on the following pages were evaluated and expanded upon by DHHL, their consulting team and key stakeholders.

6.1 Kamoleao

Past Actions

The concept and efforts by the community to develop Kamoleao have evolved since 1986:

- **1986:** DHHL commissioned a master plan for Pana'ewa that identified 32.3 acres as the "Kamoleao Block" for community use.
- **1993:** DHHL subdivided a 7.326 portion for a parking lot needed by the Prince Kuhio Mall shopping center, resulting in a net of 24.987 acres.
- **1994:** As a community benefit, a developer sponsored the preparation of a master plan for the 24.987-acre Kamoleao site (Kimura International, March 1994) (see Figure 16). The master plan identified 3 acres for a Hawaiian Community Center, 3 acres for a cultural preservation area, and the balance of 18.987 acres to preserve the rainforest. The community center included a multi-purpose assembly hall (10,000 s.f. to accommodate a capacity of 1,425 people), one-stop Hawaiian

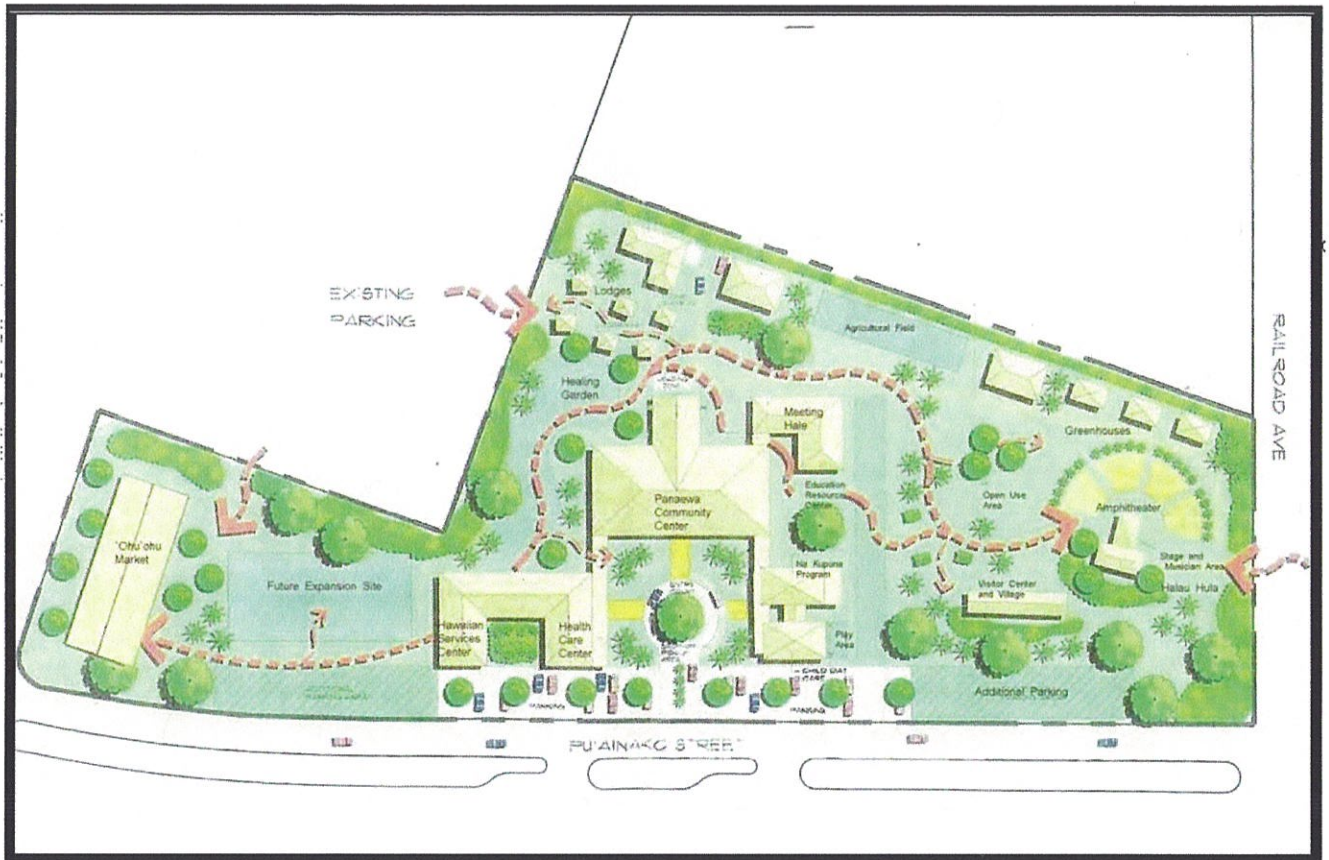
6 Priority Projects

services office complex (3,200 s.f.), childcare center (3,300 s.f.), educational resource center (2,000 s.f.), and amphitheater (750 seats). The Hawaiian Cultural Preservation Area included a sleeping hale and meeting halau, agricultural fields to teach traditional farming methods, green houses to grow traditional Hawaiian plants to restore the rainforest, Hawaiian health services, and sacred Hookupu place. The construction cost estimate for Phase 1 (see Figure 16), consisting of the 10,000 s.f. multi-purpose hall, was \$1.5 million (Charles Aina Planning & Design Consultants, 1995).

- **1995:** HHC granted a 30-year license to PHHLCA and Haola, Inc. ("Haola"), a 501(c)(3) nonprofit, for 12.77 acres (License No. 365) to develop the community-envisioned master plan. DHHL created Haola for the purpose of receiving and disbursing community benefit funds negotiated with general lessees. Haola has since been dissolved.
- **2004:** DHHL officially subdivided the 24.987 parcel to create the 12.774 acre parcel for Kamoleao (Subdivision No. 7856, TMK 3-2-2-047:075).
- **2005:** Haola Inc. prepared an illustrative master plan for the 12.774-acre site shown in the 2009 Pana'ewa Regional Plan (see Figure 17). The site plan was essentially the same uses/services presented in the 1994 Plan except that it shifted away from rainforest restoration to focus on health care services, educational assistance, social opportunities for youth, and a market place for the Pana'ewa farmers.
- **January 2010:** A Final Environmental Assessment (Final EA) for Kamoleao was completed by Pana'ewa Hawaiian Home Lands Community Association and accepted by the Hawaiian Homes Commission for a 1.5 acre portion of the 12.77 acre parcel. The project described in the FEA defined and focused on Phase 1. Phase 1 consisted of an 1,800 s.f. building containing a commercial kitchen, classroom, and support facilities (e.g., parking, septic system) on about 0.5-acre, with the balance of approximately 1-acre in Phase 1 proposed for community gardens (see Figure 18). The FEA did not provide any plans for Phase 2.
- **May 2015:** Pana'ewa Community Alliance received \$150,000 Grant-in-Aid (GIA) from the State Legislature for planning and design work.
- **September 2015:** HHC approved issuance of a new 30-year license to Pana'ewa Hawaiian Home Lands Community Association (PHHLCA) and Pana'ewa Community Alliance (PCA) to develop Kamoleao for purposes of a community center and other related uses (License No. 788).
- **October 2015:** Pana'ewa Community Alliance conducted a survey of community members to reassess the needs of the community with regards to the development of Kamoleao. Based on a response rate of 27% of 301 survey forms mailed, the respondents ranked a health clinic as most important and favored the continuation of the multi-purpose room and incubator kitchen.
- **March-April 2016:** DHHL convened meetings on Pana'ewa Regional Plan Update. During these meetings, beneficiaries identified potential activities and uses that could be implemented on the Kamoleao site.

6 Priority Projects

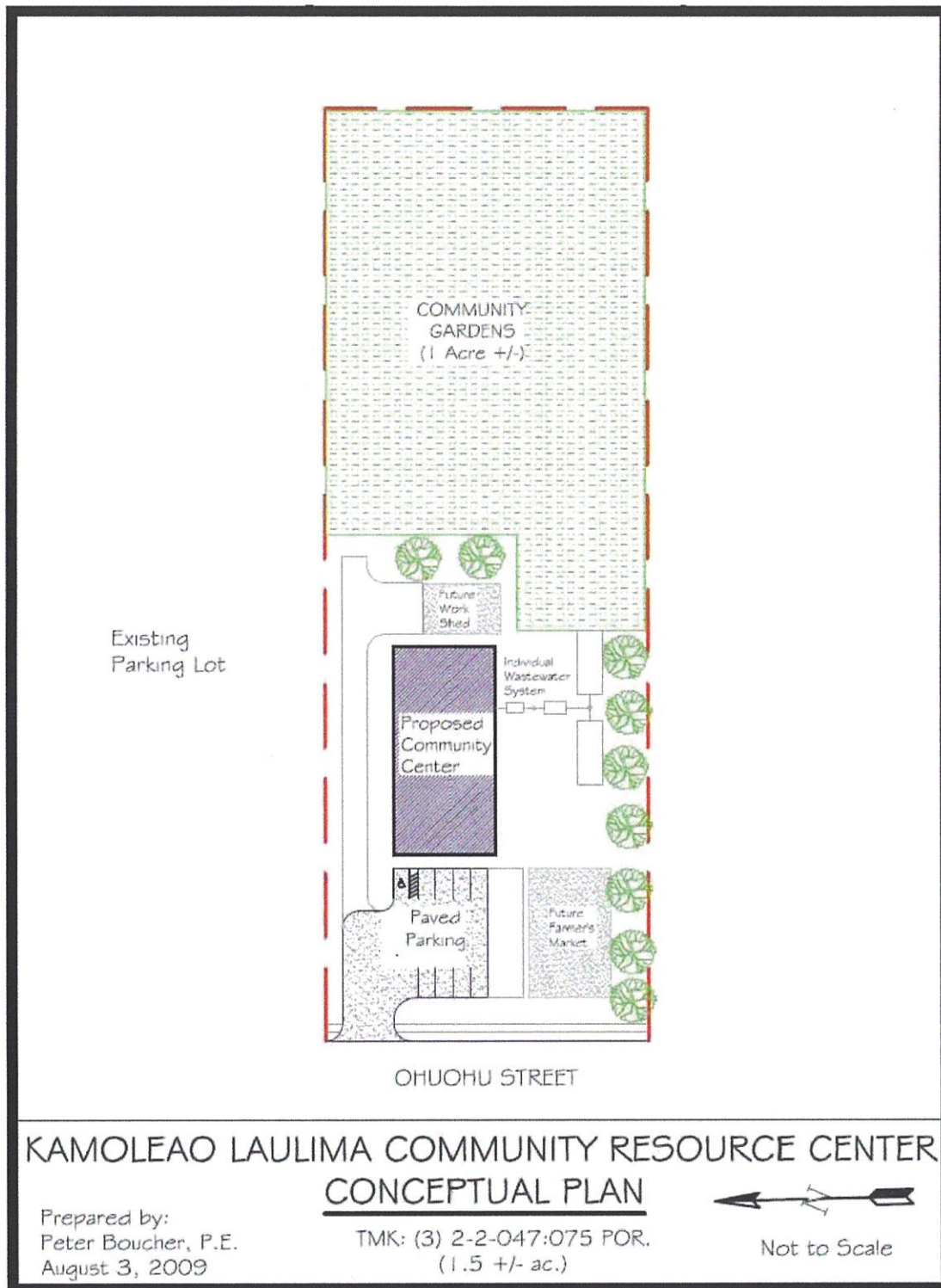
Figure 17: 2005 Kamoleao Master Plan



Source: PBR Hawaii & Associates, Inc.

EXHIBIT "C"

Figure 18: 2010 Kamoleao Final EA Site Plan 1.5 acres



Source: Geometrician Associates LLC

6 Priority Projects

Community Input

Beneficiaries identified the following types of activities they would like to see in Pana‘ewa:

- Open/Natural space at Kamoleao
- Health education and outreach for prevention
- Multi-purpose center as proposed in EA (Add innovation renewable energy component for findings)
- Multi-purpose facility and kitchen with multi-media
- Sewer connection to Kamoleao
- One-stop Hawaiian agencies
- Health center /medical clinic (partner with hui malama)

Many of these uses could be incorporated into the Kamoleao project depending upon beneficiary preferences and physical characteristics of the Kamoleao site.

Objectives

Kamoleao means the young shoots of the taro plant (mole) nurtured by the bright sun (ao), symbolizing “growing from the foundation of the elders.” True to its name, Kamoleao is rooted in a rich history of mana‘o and discussion (see “Past Actions” below), which created several iterations of a Master Plan. The project objectives have changed over time. Based on recent community meetings, the current objectives are as follows:

- **Health & Wellness.** Improve health and wellness by conveniently locating services that provide education, evaluation, affordable medical services, and incorporation of traditional Hawaiian holistic practices;
- **Economic Self-Sufficiency.** Provide a venue for employment training and hiring notices to implement the general lease conditions of the commercial general lessees, and for business development training;
- **Access to Native Hawaiian Opportunities.** Provide convenient access to the range of services available to Native Hawaiians by providing a one-stop consolidation of these various agencies in one location;
- **Technology Capability.** Provide a technologically equipped meeting area to enable remote learning, video-conferencing, and engaging presentations;
- **Refuge.** Incorporate into the landscaping a quiet rainforest retreat restored with plants native to the area that would be part of the holistic physical, emotional, and mental health and wellness practices.

Implementation Action Steps

The action steps to accomplish the above objectives include:

- 1) **Finalize Phase 1 Programming.** PHHLCA and PCA will need to determine whether or not to implement the Phase I development program described in the January 2010 FEA (floor plan for an approximately 1,800 s.f. building consistent with the Final EA). PHHLCA and PCA have two options:
 - a) **OPTION 1.** If PHHLCA and PCA choose to implement the development described in the January 2010 FEA, then a new EA will not be needed. PHHLCA and PCA can allocate a larger portion of the \$150,000 GIA towards design and engineering work of the project described in the January 2010 FEA. OR
 - b) **OPTION 2.** If PHHLCA and PCA instead choose to change the characteristics of the development described in the January 2010 FEA, then a new master plan and EA will need to be developed. The new master plan and EA should be done for the entire 12.77 acre parcel for both Phase I and Phase II. Some of the more popular proposed uses articulated in regional plan outreach meetings and October 2015 PCA survey results include a health center and/or a one-stop center for Native Hawaiian service agencies. During the master planning and EA process PHHLCA should obtain commitments and space requirements from those service providers. For other anticipated uses (e.g., workforce training), PHHLCA should identify partners and/or specific programs to confirm their space and design requirements.

Based on DHHL's meeting with the PHHLCA executive board on June 7, 2016, PHHLCA's preference at this time is to proceed with Option 2 and complete a new master plan and EA for the entire site. The estimated cost of a new master plan and EA is between \$80,000 and \$100,000.

Whichever option is selected and pursued, Phase 1 of the plan should be simple and attainable to ensure the project is developed within the next few years.

- 2) **Develop a Financial Plan.** Regardless of which option is chosen above, PHHLCA and PCA should develop a financial plan for design, construction, and operations of its planned facilities. The Hawai'i Small Business Development Center at the UH Hilo is available to provide technical advisory services [need to confirm]. A portion of its \$150,000 GIA could be utilized to develop a financial plan. If Option 2 is chosen, the financial plan should be included in the scope of a master plan.
- 3) **Phase 2 Master Plan** (Only if OPTION 1 is chosen). PHHLCA should use a portion of its GIA funding (\$150,000) to develop a conceptual master plan for Phase 2 uses to ensure compatibility and

6 Priority Projects

optimization between Phases 1 and 2. Potential ideas for Phase 2 uses that have been mentioned in recent community meetings are listed above.

- 4) **Sewer Line Extension.** The amount of wastewater that is generated by the Kamoleao project is unknown until definitive proposed uses of the site are clearly identified in a master plan for Phase I and II. Based on estimated wastewater generation requirements that are identified in the Master Plan for Phases 1 and 2, the connection to the county sewer system may or may not be required. If the amount of wastewater generation is low, wastewater from Kamoleao could be handled by an individual waste water system (IWS). On the other hand, if the amount of estimated wastewater is high, then connection to a county sewer system would be required. If hook-up to the county sewer system is required, the preferred sewer line extension (see attached map) is along Ohuohu Street to connect to the existing sewer line on Makaala in order to have the sewer lateral closest to the Phase 1 portion of the site. The cost of an IWS could be between \$30,000 to \$60,000 depending upon the size of the system and the existing conditions of the site . The cost to hook up to the county sewer line could be as much as \$380,000 or more.
- 5) **HHC Approval.** HHC approval of a new EA is required if PHHLCA and PCA decide to develop a new master plan and EA. Additionally, PHHLCA and PCA have inquired about amending their existing license agreement to a general lease. Any amendment to the terms of the existing license agreement would also require HHC approval. Prior to requesting a general lease from DHHL, PHHLCA and PCA need to complete a new master plan, EA, and Financial Plan. These reports would help to identify why PHHLCA and PCA's proposed plans cannot be accommodated under the existing license agreement to justify a general lease.
- 6) **Annual Review.** PHHLCA should submit an annual report to HHC to assess its accomplishments and challenges. The spirit of this report is to encourage open communication on the successes and challenges faced by PHHLCA so the HHC and DHHL is fully apprised of PHHLCA efforts and in order to encourage Departmental assistance as needed.



6.2 Pana'ewa Park & Family Center Management

Past Actions

- **1975.** HHC approved a 20-year license agreement with the County Department of Parks and Recreation to manage and operate a park on a 6.641 acre parcel of Hawaiian Home Lands.
- **1978.** County opens the Pana'ewa Park.
- **1983.** In a project spearheaded by PHHLCA, park playground equipment was installed.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager 
From: Andrew H. Choy, Planner 
Subject: Kailapa Community Association Resilient Hawaiian
Communities Grant (For Information Only)

*THIS IS A WORKSHOP. INFORMATION ITEMS WILL BE
DISTRIBUTED AT THE TABLE.*

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 14-15, 2018

To: Chairman and Members, Hawaiian Homes Commission
Through: M. Kaleo Manuel, Acting Planning Program Manager *KM*
From: Lehua Kinilau-Cano, HHL Legislative Analyst *Lehua Kinilau-Cano*
Subject: Summary of Legislative Session 2018

RECOMMENDATION/ACTION:

None; For information only.

DISCUSSION

The State Budget

The Hawaii State Legislature passed the State Budget reflected in HB1900, HD1, SD2, CD1. The Legislature didn't make any changes to the Governor's Operating Funds request for DHHL of \$25,120,730 in general funds for fiscal year 2019 or to the proviso requiring that \$6,865,887 be transferred to B&F for fringe benefit costs. With regard to the Governor's CIP request of \$15 million for lot development, the Legislature appropriated \$15.63 million. The Governor also proposed \$10 million in CIP for R&M for existing infrastructure and the Legislature appropriated \$3 million. The legislature awarded a total of \$1.5 million in GIA funding for CIP - \$600,000 to Kailapa Community Association and \$450,000 each to Laiopua 2020 and Waiohuli Hawaiian Homesteaders Association, Inc. The legislature also awarded \$200,000 for operations to Laiopua 2020. A chart highlighting the budget request for Purpose 4 - Operating & Admin expenses and Purposes 1-3 - Lots, Loans & Rehabilitation Projects as well as detail of the CIP and GIA funding in HB1900, HD1, SD2, CD1 is attached as Exhibit 'A'.

Bill Tracking

Staff has prepared a measure tracking spreadsheet listing all measures that impact the department that passed the Legislature. The current spreadsheet with the status of each measure as of May 2, 2018 is attached as Exhibit 'B'.

Of the DHHL bills in the Governor's Package, the bill protecting the privacy of beneficiary information was inserted

into HB2318, CD1 and passed by the Legislature. The next step is for the bill to be signed by the Governor. A measure (HB2464, CD1) requires DHHL to conduct a study and report on the issue of Hawaiian home lands lessees selling or transferring their leases for a fee or other personal gain and then applying for a subsequent lease would be required to be submitted prior to the convening of legislative session in 2020.

In addition to the bills and resolutions that specifically reference DHHL, staff monitored and prepared testimony as appropriate on measures that would impact Hawaiian Home lands or the Department as a state agency. The current spreadsheet with the status of each measure as of May 8, 2018 is attached as Exhibit 'C'.

RECOMMENDED MOTION/ACTION

None; For information only.

DHHL's "Sufficient Funds" & Executive Supplemental Budget FY 19 – Purpose #4

	FY2019 HHC BUDGET	FY2019 COF BUDGET	FY2019 HHC BUDGET
A & O Budget Request (A)	(260) \$31,831,519	(200) \$25,120,730	(200) *\$25,120,730
Operating R&M for Existing Infrastructure (A)	\$3,613,000		
CIP R&M for Existing Infrastructure (C)	\$35,315,000	\$10,000,000	\$3,000,000
Total HHC A & O Budget Request	\$70,759,519	\$35,120,730	\$28,120,730

*Includes \$6,865,887 to reflect the fringe benefit cost



DHHL's "Sufficient Funds" & Executive Supplemental Budget FY 19 – Purposes #1-3

	FY2019 DWHF	FY2019 GOV	FY2019 HB3300 CDH
Lot Development (C)	\$147,125,000	\$15,000,000	\$15,630,000
Loans (C)	\$73,100,000		
Rehab Projects (C)	*\$29,050,000		*\$1,500,000
Rehab Projects (A)	^\$13,109,100		*\$200,000
Total	\$262,384,100	\$15,000,000	\$17,330,000

*Total reflects projects requested by homestead leaders.

^ Includes \$365,000 requested by homestead leaders.



HB1900 HD1 SD2 CD1 CIP Spreadsheet
(Appropriations in 000's)

ProgID	Title	Description	CD FY18	CD FY19	MOF
EDN600	HALAU KU MANA PUBLIC CHARTER SCHOOL, OAHU	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO INSTALL A PERMANENT WASTEWATER SYSTEM, AN ADDITIONAL FIRE HYDRANT, AND UTILITY AND INFRASTRUCTURE UPGRADES INCLUDING ELECTRICAL SERVICES, OUTDOOR SITE LIGHTING, AND WATER DISTRIBUTION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	550	-	C
EDN600	KAOHAO SCHOOL, OAHUKAOHAO SCHOOL, OAHU	DESIGN AND CONSTRUCTION FOR A NEW MULTIPURPOSE CAFETORIUM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	-	1,500	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII	PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF KAU WATER SYSTEM, KAU, HAWAII.	1,500	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII	PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF KAUMANA SUBDIVISION LOT REHABILITATION, KAUMANA, HAWAII.	500	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, KAUAI	PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF HANAPEPE RESIDENTIAL SUBDIVISION PHASE 2, HANAPEPE, KAUAI.	1,000	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI	DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF AGRICULTURAL OFF-SITE WATER SYSTEM, KEOKEA, MAUI AKA WATER SYSTEM IMPROVEMENTS, KEOKEA-WAIOHULI.	2,000	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI	DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF LEIALII PARKWAY AND HIGHWAY IMPROVEMENTS, LEIALII, MAUI.	-	1,400	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI	DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF PHASE 2 SITE IMPROVEMENTS (76 LOTS), KEOKEA-WAIOHULI, MAUI.	1,000	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, MOLOKAI	DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF NAIWA SUBDIVISION SITE IMPROVEMENTS, HOOLEHUA, MOLOKAI.	-	1,500	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, MOLOKAI	DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF SCATTERED LOTS SITE IMPROVEMENTS, HOOLEHUA, MOLOKAI.	1,500	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU	PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF AGRICULTURAL LOTS, WAIMANALO, OAHU.	1,300	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU	PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF VOICE OF AMERICA, PHASE I INFRASTRUCTURE, NANAKULI, OAHU.	800	-	C
HHL602	HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR LOT DEVELOPMENT, OAHU.	6,900	-	C
HHL602	KAILAPA COMMUNITY ASSOCIATION, HAWAII	CONSTRUCTION FOR THE KAILAPA COMMUNITY RESOURCE CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	500	-	C

EXHIBIT A

HB1900 HD1 SD2 CD1 CIP Spreadsheet
(Appropriations in 000's)

ProgID	Title	Description	CD FY18	CD FY19	MOF
HHL602	KAMAKOU CHARTER SCHOOL ROAD, OAHU	DESIGN AND CONSTRUCTION FOR FLOOD CONTROL AND DRAINAGE IMPROVEMENTS AND EQUIPMENT FOR KE KULA O KAMAKAU CHARTER SCHOOL.	-	50	C
HHL602	KEOKEA-WAIOHULI DEVELOPMENT, MAUI	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR PHASE 2 SITE IMPROVEMENTS (76 LOTS); EQUIPMENT AND APPURTENANCES.	-	5,480	C
HHL602	KULA RESIDENCE LOTS, MAUI	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR ROADWAY SAFETY AND DRAINAGE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	-	1,200	C
HHL602	LA'I'OPUA 2020, HAWAII	CONSTRUCTION FOR A COMMUNITY CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	500	-	C
HHL602	LUMP SUM R&M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REPAIR AND MAINTENANCE TO EXISTING INFRASTRUCTURE ON VARIOUS HAWAIIAN HOME LANDS, STATEWIDE.	-	3,000	C
HHL602	MOLOKAI VETERANS CENTER, MOLOKAI	PLANS, DESIGN, CONSTRUCTION AND EQUIPMENT FOR PARKING LOT PORTABLE FACILITY AND INSTALLATION OF SEPTIC TANK AND PHOTOVOLTAIC SYSTEM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES IN HOOLEHUA TO PROVIDE SERVICES TO VETERANS AND HOMESTEAD RESIDENTS. THE LEGISLATURE FINDS AND DECLARES THAT THE APPROPRIATION IS IN THE PUBLIC INTEREST AND FOR THE PUBLIC'S HEALTH, SAFETY AND GENERAL WELFARE OF THE STATE.	-	4,000	C
HHL602	NAHASDA DEVELOPMENT PROJECTS, STATEWIDE	PLANS, DESIGN, AND CONSTRUCTION FOR VARIOUS HAWAIIAN HOMESTEAD PROJECTS AND IMPROVEMENTS STATEWIDE, PURSUANT TO THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT, PUBLIC LAW 107-73, 107TH CONGRESS. FUNDS NOT NEEDED IN A COST ELEMENT MAY BE USED IN ANOTHER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	15,000	15,000	N
HHL602	PULEHUNUI SITE IMPROVEMENT AND INFRASTRUCTURE, PULEHUNUI, MAUI.	PLANS, DESIGN, AND CONSTRUCTION FOR SITE IMPROVEMENTS AND INFRASTRUCTURE DEVELOPMENT FOR SEWAGE TREATMENT SYSTEM IMPROVEMENTS. TO SERVICE THE ENTIRE PULEHUNUI DEVELOPMENT AREAS THAT SHALL INCLUDE ALL PSD, LNR, HHL AND MAUI COUNTY RECREATION AREAS; GROUND AND SITE IMPROVEMENTS.	17,500	-	C
HHL602	R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, MAUI	DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ARCHAEOLOGICAL PRESERVATION IMPROVEMENTS, KEOKEA-WAIOHULI, MAUI.	1,000	-	C

HB1900 HD1 SD2 CD1 CIP Spreadsheet
(Appropriations in 000's)

ProgID	Title	Description	CD FY18	CD FY19	MOF
HHL602	R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, MAUI	DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ROADWAY SAFETY AND DRAINAGE IMPROVEMENTS, KULA MAUI.	1,200	-	C
HHL602	R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE	DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF UTILITIES IN EXISTING HOMESTEAD SUBDIVISION, WATER, SEWER, DRAINAGE, AND STREETLIGHTS, STATEWIDE.	2,900	-	C
HHL602	R & M HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE	DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF MOLOKAI AND KAUAI WATER SYSTEMS SECURITY ENHANCEMENTS.	500	-	C
HHL602	R & M HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE	PLANS, DESIGN, AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ENVIRONMENTAL MITIGATION AND REMEDIATION ON EXISTING LOTS, STATEWIDE.	2,000	-	C
HHL602	WAIANAE COAST PARALLEL ROUTE, OAHU	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR PARALLEL ROUTE FOR THE WAIANAE COAST, INCLUDING BUT NOT LIMITED TO SAFETY IMPROVEMENTS, SYSTEM PRESERVATION, AND TRAFFIC/CONGESTION RELIEF.	-	2,000	C
HHL602	WAIANAE COAST SECOND ACCESS ROAD, OAHU	PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR SECONDARY ACCESS ROAD FOR LEEWARD COAST INCLUDING BUT NOT LIMITED TO SAFETY IMPROVEMENTS, SYSTEM PRESERVATION AND TRAFFIC/CONGESTION RELIEF.	3,000	-	C
HHL602	WAIQHULI HAWAIIAN HOMESTEADERS ASSOCIATION, INC. (WHHA), MAUI	CONSTRUCTION FOR A COMMUNITY CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	500	-	C
HMS220	LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO DEVELOP, UPGRADE, OR RENOVATE PUBLIC HOUSING FACILITIES, INCLUDING GROUND AND SITE IMPROVEMENTS, MODERNIZATION OF ELEVATORS, INFRASTRUCTURE, EQUIPMENT, APPURTENANCES, AND ALL RELATED AND ASSOCIATED PROJECT COSTS FOR PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE, INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT CIP PROJECT RELATED POSITIONS.	-	21,500	C

ORGANIZATION	Island	CD FY19 Award \$	MOF
Aloha Medical Mission	Oahu	150,000	C
Alternative Structures International	Oahu	500,000	C
Blood Bank	Oahu	500,000	C
Boy Scouts of America, Aloha Council	Oahu	450,000	C
Boys and Girls Club of Maui	Maui	250,000	C
Children's Discovery Center	Oahu	250,000	C
Daughters of Hawai'i	Oahu	200,000	C
Diamond Head Theatre	Oahu	250,000	C
Friends of King Kaunaloa	Kauai	220,000	C
Friends of Kona Pacific Public Charter School	Hawaii	400,000	C
Friends of the Volcano School of Arts & Sciences	Hawaii	450,000	C
Girl Scouts of Hawai'i	Oahu	450,000	C
Gregory House Programs	Oahu	250,000	C
Habitat for Humanity, Hawaii Island, Inc.	Hawaii	265,000	C
Habitat for Humanity, Maui	Maui	300,000	C
Hale Makua Health Services	Maui	175,000	C
Hamakua Youth Foundation, Inc	Hawaii	135,000	C
Hawaii County Economic Opportunity Council (HCEOC)	Hawaii	280,000	C
Hawaii Island Humane Society S.P.C.A.	Hawaii	300,000	C
Hawaii Island Portuguese Chamber of Commerce Cultural and Educational Center	Hawaii	200,000	C
Hawai'i Nature Center, Inc	Oahu	500,000	C
Hawaiian Humane Society	Oahu	300,000	C
Hawaiian Kamalii, Inc.	Maui	60,000	C
Honolulu Habitat for Humanity	Oahu	150,000	C
Ka Hale A Ke Ola Homeless Resource Center	Maui	1,000,000	C
Ka Lima O Maui, Ltd.	Maui	250,000	C
Kahilu Theater	Hawaii	250,000	C
Kailapa Community Association	Hawaii	600,000	C
Kalani Honua Inc.	Hawaii	100,000	C
Kalanihale	Hawaii	200,000	C
Kalihi-Palama Health Center	Oahu	200,000	C
Kauai Economic Opportunity, Inc.	Kauai	500,000	C
Kauai Habitat for Humanity	Kauai	150,000	C
Kauai Phillipine Cultural Center	Kauai	500,000	C
Kona Historical Society	Hawaii	600,000	C
Laakea Foundation	Maui	125,000	C
Lai'I'opua 2020	Hawaii	450,000	C
Maui Arts and Culture Center	Maui	750,000	C
Maui County Council of the Boy Scouts of America, Limited	Maui	500,000	C
Maui Economic Opportunity, Inc	Maui	500,000	C
Maui Family YMCA	Maui	200,000	C
Moanalua Gardens Foundation, Inc	Oahu	890,000	C
North Hawaii Community Hospital	Hawaii	500,000	C
One Ninety Nine Initiative	Oahu	231,500	C
Pacific Fleet Submarine Memorial Association, Inc.	Oahu	215,000	C
Pacific Gateway Center	Oahu	125,000	C
Rehabilitation Hospital of the Pacific	Oahu	350,000	C
Royal Order of Kamehameha I, Mamalahoa	Hawaii	102,500	C
Shade Institute	Oahu	300,000	C
Special Education Center of Hawaii	Oahu	250,000	C
The Alcoholic Rehabilitation Services of Hawaii Inc	Oahu	200,000	C
The Mediation Center of the Pacific, Inc	Oahu	450,000	C

The Storybook Theatre of Hawaii	Kauai	50,000	C
The Wahiawa Center for Community Health	Oahu	500,000	C
Wahiawa General Hospital	Oahu	800,000	C
Waialua Community Association	Oahu	76,000	C
Waikiki Community Center	Oahu	300,000	C
Waiohuli Hawaiian Homesteaders Association, Inc.	Maui	450,000	C
Young Men's Christian Association of Honolulu	Oahu	350,000	C

ORGANIZATION	Island	CD FY19 Award \$	MOF
Adult Friends for Youth	Oahu	400,000	A
After-School All-Stars Hawaii	Oahu	100,000	A
Alea Bridge	Oahu	200,000	A
Aloha Harvest	Oahu	80,000	A
Big Island Resource Conservation and Development Council 2	Hawaii	47,000	A
Big Island Resource Conservation and Development Council as Fiscal Sponsor for The Marine and Mammal Center	Hawaii	100,000	A
Bishop Museum	Oahu	105,500	A
Catholic Charities Hawai'i	Oahu	125,000	A
Center for Tomorrow's Leaders	Oahu	100,000	A
Chamber of Commerce of Hawaii	Hawaii	45,000	A
Community First	Hawaii	25,000	A
Easter Seals Hawaii	Oahu	250,000	A
Family Support Services of West Hawaii	Hawaii	100,000	A
Friends of Ka Leo Hawai'i Media	Oahu	150,000	A
Friends of NELHA	Hawaii	175,000	A
Going Home Hawaii 1	Hawaii	200,000	A
Gregory House Programs 2	Oahu	150,000	A
Guide Dogs of Hawaii	Oahu	150,000	A
Hamakua Youth Foundation, Inc	Hawaii	75,000	A
Hawaii Agricultural Foundation	Oahu	400,000	A
Hawaii Arch Foundation	Oahu	65,000	A
Hawaii Council on Economic Education	Oahu	15,000	A
Hawaii Institute of Pacific Agriculture	Hawaii	75,000	A
Hawaii Japanese Center	Hawaii	175,000	A
Hawaii Literacy, Inc.	Oahu	110,000	A
Hawaii Tropical Fruit Grower's Assn	Hawaii	200,000	A
Hawaiian Community Assets, Inc.	Oahu	200,000	A
Hawaiian Paradise Park Neighborhood Watch	Hawaii	13,500	A
Holualoa Foundation For Arts & Culture	Hawaii	40,000	A
Honolulu Theatre for Youth	Oahu	75,000	A
Ho'okako'o Corporation	Hawaii	298,000	A
Hookupaa	Oahu	100,000	A
ISIS Hawaii	Oahu	393,000	A
Ka 'Ohana O Kalaupapa	Molokai	80,000	A
Kahua Pa'a Mua, Inc.	Hawaii	50,000	A
Kako'o 'Oiwai for Ko'olau Foundation	Oahu	54,000	A
Kauai Planning & Action Alliance, Inc.	Kauai	100,000	A
Kōkua Kalihi Valley Comprehensive Family Services	Oahu	150,000	A
Kona Historical Society	Hawaii	200,000	A
La'I'opua 2020	Hawaii	200,000	A
Legal Aid Society of Hawaii	Oahu	50,000	A
Life Foundation	Oahu	100,000	A
Malama Kua'aina	Kauai	35,000	A
Malama Maunaloa	Oahu	100,000	A
Moiliili Community Center	Oahu	150,000	A
Moloka'i Child Abuse Prevention Pathways (MCAPP)	Molokai	80,000	A
Navy League, Council of Honolulu	Oahu	413,000	A

Pacific Survivor Center	Oahu	56,000	A
Palama Settlement	Oahu	35,000	A
Parents and Children Together	Oahu	250,000	A
Peoples Advocacy for Trails Hawaii (PATH)	Hawaii	280,000	A
Poi Dogs and Popoki	Oahu	126,400	A
Project Vision Hawaii	Oahu	200,000	A
Read to Me International Foundation	Oahu	200,000	A
Remember Honor Salute Foundation	Oahu	184,000	A
Re-use Hawaii	Oahu	200,000	A
Searider Productions Foundation	Oahu	330,000	A
Ship Repair Association of Hawaii	Oahu	234,600	A
St. Francis Healthcare Foundation of Hawaii	Oahu	250,000	A
The Estria Foundation	Oahu	75,000	A
The Sjorgren's and Lupus Foundation of Hawaii	Oahu	300,000	A
Volunteer Legal Services Hawaii	Oahu	50,000	A
Wahiawa Community Based Development Organization	Oahu	150,000	A
Wai'anae Community Re-Development Corporation	Oahu	150,000	A
Waikiki Community Center	Oahu	70,000	A
Weed and Seed Hawaii, Inc.	Oahu	325,000	A
Yoga School of Kailua, Inc	Oahu	35,000	A

Measure #	Report Title	Measure Title	Description	Status	Introducer(s)	Current Referral	Comp.
<u>GM515</u>	Hawaiian Homes Commission	Submitting for consideration and confirmation to the Hawaiian Homes Commission, Gubernatorial Nominee, RANDY AWO, for a term to expire 06-30-2019.		S 4/5/2018: Confirmed. Ayes, 22. Aye(s) with reservations: none. Noes, 0 (none). Excused, 3 (Senator(s) Harimoto, Inouye, Ruderman).		HWN	
<u>GM723</u>	Hawaiian Homes Commission	Submitting for consideration and confirmation to the Hawaiian Homes Commission, Gubernatorial Nominee, ZACHARY HELM, for a term to expire 06-30-2020.		S 4/18/2018: Confirmed. Ayes, 24. Aye(s) with reservations: none. Noes, 0 (none). Excused, 1 (Senator(s) L. Thielen).		HWN	
<u>GM740</u>	Hawaiian Homes Commission	Submitting for consideration and confirmation to the Hawaiian Homes Commission, Gubernatorial Nominee, DAVID KAAPU, for a term to expire 06-30-2021.		S 4/18/2018: Confirmed. Ayes, 24. Aye(s) with reservations: none. Noes, 0 (none). Excused, 1 (Senator(s) L. Thielen).		HWN	
<u>HB1900 HD1 SD2 CD1</u>	State budget.	RELATING TO THE STATE BUDGET.	To adjust and request appropriations for Fiscal Biennium 2017-19 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.	S 4/26/2018: Received notice of passage on Final Reading in House (Hse. Com. No. 676).	SAIKI (Introduced by request of another party)	WAM	
<u>HB2464 HD2 SD2 CD1</u>	Department of Hawaiian Home Lands; Lessees; Waitlists; Report	RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.	Requires the Department of Hawaiian Home Lands to conduct a study on the issue of Hawaiian Home Lands lessees selling or transferring their leases for a fee or other personal gain and then applying for a subsequent lease and submit a report of the findings and recommendations of its study, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2020. (HB2464 CD1)	H 5/2/2018: Transmitted to Governor.	DECOITE, CULLEN, GATES, HASHEM, HOLT, ITO, KEOHOKALO, LOWEN, LUKE, ONISHI, SAY, SOUKI, TODD, TOKIOKA, TUPOLA, WARD, YAMANE, YAMASHITA, Evans, Har, Ing, McKelvey	HWN, JDC	SB2984
<u>HB2318 HD1 SD1 CD1</u>	Department of Hawaiian Home Lands; Disclosure of Government Records	RELATING TO CONFIDENTIAL PERSONAL INFORMATION.	Specifies that certain government records maintained by the Department of Hawaiian Home Lands are not required to be publicly disclosed or made open to inspection pursuant to public records requests and may be discussed during an executive meeting of the Hawaiian Homes Commission. (HB2318 CD1)	H 5/2/2018: Transmitted to Governor.	SAIKI (Introduced by request of another party)	JDC	SB2745
<u>SCR16 SD1</u>	Dedication; Lealiā`i Parkway; Lahaina, Maui; Legislative Authorization	APPROVING THE DEDICATION OF LEALIĀ`I PARKWAY, LAHAINA, HAWAII, TO THE COUNTY OF MAUI.		S 4/24/2018: Resolution adopted in final form.	KOUCHI (Introduced by request of another party)	HSG/OMH, FIN	HCR9
<u>SCR48 SD1</u>	Department of Hawaiian Home Lands; Housing for Native Hawaiians	REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO PROVIDE MULTI-FAMILY, HIGH-DENSITY DEVELOPMENT IN TRANSIENT-ORIENTED DEVELOPMENT ZONES AND TINY HOMES FOR NATIVE HAWAIIANS.		S 4/24/2018: Resolution adopted in final form.	HARIMOTO, ESPERO, INOUE, KEITH-AGARAN, K. RHOADS, TOKUDA, S. Chang, Galuteria, Green, K. Kahele, Nishihara, Riviere, Shimabukuro, Taniguchi, L. Thielen, Wakai, Ruderman	HSG/OMH, FIN	


Measure #	Report Title	Measure Title	Description	Status	Introducer(s)	Current Referral	Comp.
<u>HB1508 HD2 SD2 CD1</u>	Green Energy Market Securitization; Energy Efficiency; Appropriation	RELATING TO ENERGY EFFICIENCY.	Creates a revolving line of credit sub-fund within the Hawaii green infrastructure special fund for a state agency to finance cost-effective energy-efficiency measures. (HB1508 CD1)	S 5/3/2018: Received notice of passage on Final Reading in House (Hse. Com. No. 705).	CULLEN	TRE, WAM	
<u>HB1932 HD1 SD2 CD1</u>	Emergency Rules; Administrative Procedures Act; Superseding Law	RELATING TO EMERGENCY RULES BY AGENCIES.	Authorizes agencies to adopt emergency rules to account for changes in controlling and superseding federal statutes or state or federal case law, subject to public hearing and at least 30 days notice. Provides for expiration no later than adjournment sine die of the next regular legislative session following adoption. (HB1932 CD1)	S 5/3/2018: Received notice of passage on Final Reading in House (Hse. Com. No. 705).	JOHANSON	GVO, JDC	SB2371
<u>HB2106 HD3 SD1 CD1</u>	Environment; Environmental Assessments; Environmental Impact Statements; Sea Level Rise; Environmental Council	RELATING TO ENVIRONMENTAL PROTECTION.	Requires the Environmental Council to adopt and maintain rules requiring all environmental assessments and environmental impact statements prepared pursuant to chapter 343, HRS, to include consideration of sea level rise based upon the best available scientific data regarding sea level rise. (HB2106 CD1)	S 5/3/2018: Received notice of passage on Final Reading in House (Hse. Com. No. 705).	C. LEE	AEN/WTL, WAM	
<u>HB2651 HD2 SD1 CD1</u>	Wireless Facilities; Economic Development; State or County Solely-owned Utility Poles; Permits	RELATING TO WIRELESS BROADBAND FACILITIES.	Establishes a process to upgrade and support next-generation wireless broadband infrastructure throughout the State. Establishes a permitting, application, review, and approval process for small wireless providers or communications service providers to install wireless facilities on state or county solely-owned utility poles, or install associated utility poles, in the right of way. Applies to permit applications filed with the State or county after December 31, 2018. (HB2651 CD1)	S 5/3/2018: Received notice of passage on Final Reading in House (Hse. Com. No. 705).	OHNO, BROWER, CACHOLA, EVANS, FUKUMOTO, HAR, JOHANSON, LOPRESTI, MIZUNO, MORIKAWA, NAKAMURA, QUINLAN, YAMANE, Say	IAC, CPC, FIN	SB2704
<u>SB2237 SD2 HD1 CD1</u>	Public Schools; Property; Title; Transfer; Appropriation	RELATING TO PUBLIC SCHOOLS.	Requires the City and County of Honolulu to transfer to the Department of Education all property upon which a public elementary or intermediate school is situated. Gives the Department of Education power to acquire and hold title to real, personal, or mixed property for use for public educational purposes. Requires legislative approval prior to the sale or gift of lands to which the Department of Education holds title. Appropriates funds. (CD1)	S 5/3/2018: Enrolled to Governor.	KIDANI, GALUTERIA, INOUE, WAKAI, Baker, S. Chang, K. Kahele, Nishihara, Shimabukuro, Taniguchi	EDN/WAL, FIN	
<u>SB2691 SD1 HD1 CD1</u>	State Agencies; Boards; Public Meetings; Copy of Notice; Electronic Mail	RELATING TO BOARD MEETINGS.	Allows boards, under Hawaii's Sunshine Law, to provide a copy of the public notice of a meeting to the Office of the Lieutenant Governor or appropriate county clerk's office via electronic mail. (CD1)	S 5/3/2018: Enrolled to Governor.	ENGLISH, BAKER, HARIMOTO, KEITH-AGARAN, TOKUDA, Galuteria, Ihara, Ruderman	LAB, JUD	

Measure #	Report Title	Measure Title	Description	Status	Introducer(s)	Current Referral	Comp.
SB2919 SD2 HD1 CD1	Public Library Lands; Leases; BOE	RELATING TO PUBLIC LIBRARIES.	Establishes a pilot program to generate revenue through the lease of public library lands to meet the mission of the public libraries. Establishes the library facilities fund. Requires the state librarian and board of education to report to the legislature. (CD1)	S 5/3/2018: Enrolled to Governor.	KIDANI, S. Chang, Gabbard, Galuteria, K. Kahele, Kouchi, Ruderman, Shimabukuro	EDN/WAL, FIN	
SB3058 SD2 HD2 CD1	Hilo Community Economic District; Redevelopment; Lease Restrictions; Request for Interest; Public Auction	RELATING TO PUBLIC LANDS.	Defines the Hilo community economic district. Authorizes BLNR to extend or modify the terms of certain public land leases within the economic district upon approval by BLNR of a lessee's development agreement to make substantial improvements to or construct new improvements on the land as long as the length of any extension granted does not extend the original lease term by more than 40 years. Establishes conditions for BLNR to approve any extension of the fixed rental period of term of certain public land leases in the economic district. Establishes causes of economic hardship for which BLNR may modify or eliminate any of the existing statutory restrictions on public land leases in the economic district, extend or modify the fixed rental period of these leases, or extend the term of these leases and amends the conditions for BLNR's approval of any such modification, elimination, or extension. Establishes a separate request for interest process to public lands in the economic district. Requires qualified bidders to deposit an amount equal to 1% of the value of the leasehold improvements. (CD1)	S 5/3/2018: Enrolled to Governor.	K. KAHELE, GALUTERIA, INOUE, S. Chang, Dela Cruz, Kidani, Nishihara, Shimabukuro, Wakai	WAL, EDB, FIN	HB2641

STATE OF HAWAI'I

DEPARTMENT OF HAWAIIAN HOME LANDS

MAY 14-15, 2018

To: Chairperson and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager 
From: E. Halealoha Ayau, Water Resource Management Specialist
Subject: Authorize Application for a Well Construction and Pump Installation Permit by Lessee Roger Kaneali'i, Jr. to the Commission on Water Resource Management, Kawaihae, Hawai'i, Lot 20, TMK (3) 6-1-007: 020

RECOMMENDED MOTION/ ACTION

1. That the Hawaiian Homes Commission (HHC), as the landowner of Lot 20, authorizes Lessee Roger Kaneali'i, Jr. to submit an application for a well construction and pump installation permit to the Commission on Water Resource Management (CWRM) for the domestic use of water on his homestead lot; and
2. That the HHC authorizes the Chairman to take other actions including addressing all administrative requirements necessary to complete the application for submission to CWRM.

DISCUSSION

In its submittal to the Hawaiian Homes Commission dated October 19-20, 2015, the Planning Office (PO) obtained approval to implement procedures and lease addenda to allow for the drilling of wells by homesteaders on their own lots for their own homesteading needs including domestic, agricultural, aquacultural, and pastoral uses.

Since the approval of the HHC Water Policy Plan, this Application for a Well Construction and Pump Installation Permit being prepared for submission by Lessee Roger Kaneali'i, Jr. and his wife Diane (hereinafter, draft

Kaneali'i application attached as Exhibit A) represents the first effort by a homesteader to seek to drill a water well on homestead land through the CWRM permitting process.

In addition, the 2015 PO submittal discussed policy and legal issues that would arise from a request to approve water wells on homestead lots. They are discussed again here as applicable to the draft Kaneali'i application.

Previously, as a matter of policy, there was no clear directive from the HHC regarding the issue of water wells on homestead lots. However, the HHC's Water Policy Plan (WPP) approved on July 22, 2014, specified that a goal of the HHC is to "[s]upport the drilling of wells by beneficiaries for their own use on lots where appropriate." The WPP paved the way for internal procedures to be developed for Homesteader-Use Well Development Requests. This draft document is attached here as Exhibit B.

Currently, as a matter of law, three main legal issues are applicable regarding the development of water wells on homestead lots including (1) securing the proper permits from the CWRM, (2) complying with the State's environmental review law (HRS 343, Environmental Impact Statements), and (3) shifting legal liability and compliance from DHHL to lessee for well construction, operation, and maintenance, which is applicable post-application approval by CWRM, are discussed below.

(1) Requirements of State Water Code (HRS Chapter 174C)

Development of a water well by any party in the State requires a well construction permit and a pump installation permit from the CWRM. Roger Kanealii, Jr and his wife Diane have completed a draft application for both permits.

In Water Management Areas, an applicant is also required to obtain a Water Use Permit (WUP), which are by law subject to the rights of the Department of Hawaiian Home Lands. However, HRS §174C-47 clarifies that no WUP is required for domestic consumption of water by individual users. Their proposed location is both outside a WMA and for domestic use, and so the WUP requirement is not applicable to the draft Kaneali'i application.

All three of the permits require the signature of the landowner, which for all homesteaders would be the Hawaiian Homes Commission as represented by the Chairman or the Chairman's designee. Therefore, HHC authorization for the completed Kaneali'i application requires a signature by the Chairman or her designee.

(2) Requirements of the State environmental review law
(HRS Chapter 343)

State agencies, including the Department, are generally required to prepare environmental assessments of their proposed projects or programs that utilize state land. This could include approval of well developments on homestead lots. HRS §343-5. Among concerns is that the conduct of an environmental assessment would be cost prohibitive for most homesteaders.

The Environmental Council of the Department of Health consulted with the HHC to develop lists of programs and projects that would be deemed exempt from environmental review requirements, see, HRS §343-6. In accordance with the DHHL Comprehensive Exemption List as concurred upon by the Environmental Council dated June 30, 2015, the Kaneali'i application requests for a well construction permit and pump installation permit are exempt from the preparation of an environmental assessment pursuant to:

Exemption Class #3: Construction and location of single, new, small facilities or structures and the alteration and modification of the same, including, but not limited to: 1. Construction of new structures on DHHL lands (to include leased lands). . . d. domestic water source development for homesteading purposes, with required permits"; and

Exemption Class #4: Minor alteration in the conditions of land, water, or vegetation.

(3) Requirement to Amend Lease to Place Legal Responsibility for Well Construction, Operation, and Compliance with the Lessee

An additional legal requirement involves Lessee Roger Kaneali'i executing a lease addendum with the Department to establish the following agreements necessary to implement the source well development on lot 20:

- (1) to release and discharge the lessor HHC from any and all liability that may arise from the well development and operation;
- (2) to develop a source of water for homesteading water use only (domestic, agricultural, aquacultural or pastoral) and not for any non-domestic uses of water;
- (3) to accept sole responsibility and liability for penalties consequent to violations of CWRM regulations for domestic source well development, per HAR §13-168-3;
- (4) to maintain notifications, reporting, and communications with lessor HHC; and
- (5) to accept the responsibility to meet and comply with all CWRM requirements including water use reporting, well construction and pump installation, source well inspection, and well abandonment).

This lease addendum requirement will be undertaken following approval of the application by CWRM.

RECOMMENDATION

Staff respectfully requests approval of the recommended motions, as stated above.



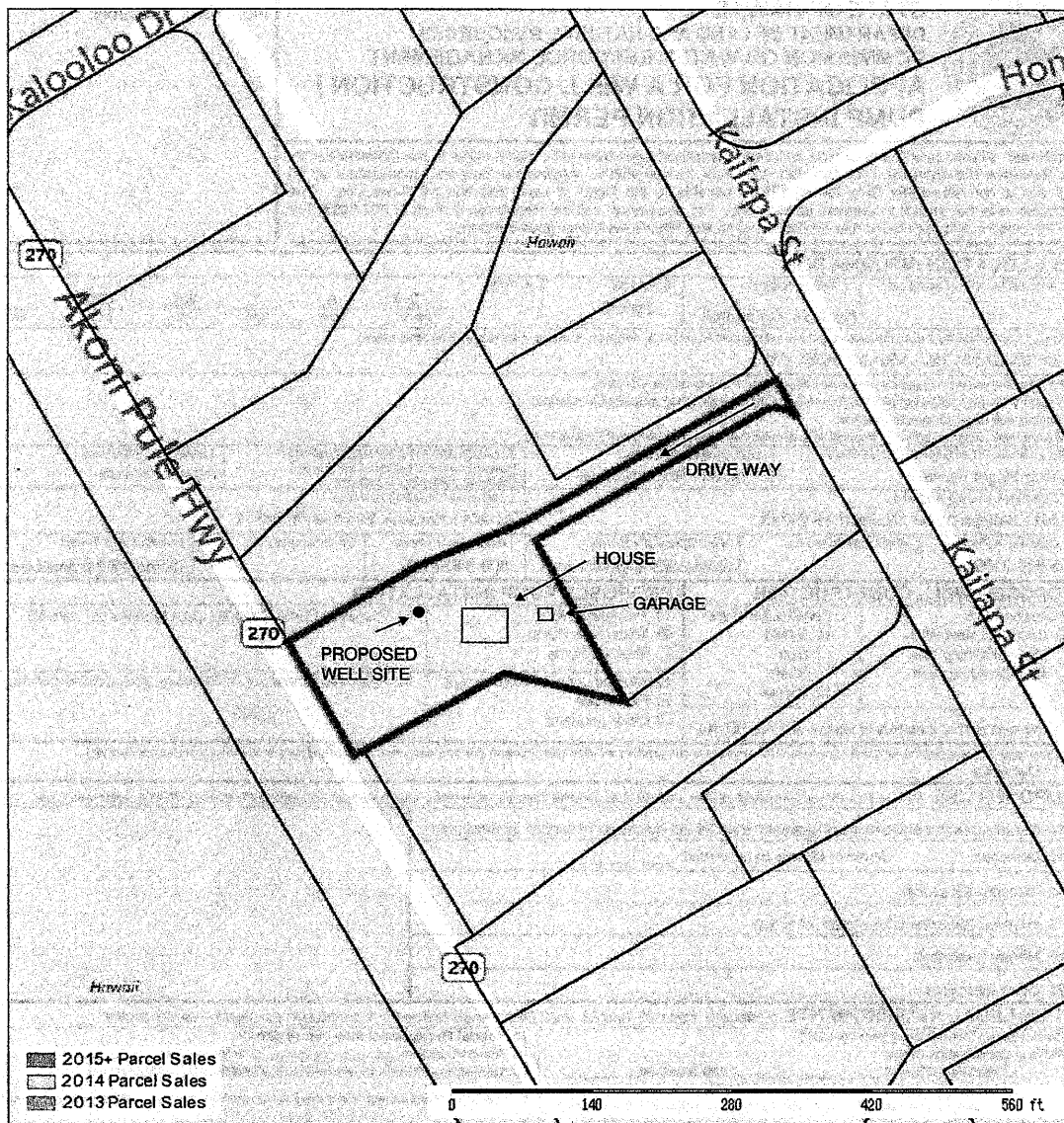
STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT
APPLICATION FOR A WELL CONSTRUCTION /
PUMP INSTALLATION PERMIT

For Official Use Only:

COPY

Instructions: Please print in ink or type and send completed application with attachments to the Commission on Water Resource Management, P.O. Box 621, Honolulu, Hawaii 96809. Application must be accompanied by 10 copies and a non-refundable filing fee of \$25.00 payable to the Dept. of Land and Natural Resources. The Commission may not accept incomplete applications. For assistance, call the Regulation Branch at 587-0225. For further information and updates to this application form, visit <http://www.hawaii.gov/dlnr/cwrm>.

WELL LOCATION INFORMATION			
1. STATE WELL NO. (if assigned)	2. WELL NAME Ku'oko'a 'O Kanealii'i	3. ISLAND Hawaii	4. TMK (3) - 6 - 1 - 007 - 020 lot
5. WELL COORDINATES (latitude and longitude, referenced to NAD 83, degrees, minutes, seconds to 1 decimal place) 20° 03' 32.08" (N) 155° 50' 36.86 (W)			
The following must be attached before this application is accepted as complete: • Property tax map, showing well location referenced to established property boundaries • Photograph of the proposed well site • A schematic diagram showing the well site, access road and proposed well infrastructure			
6. WELL OPERATOR'S NAME/COMPANY Diane or Roger Kanealii		7. LANDOWNER'S NAME/COMPANY Hawaiian Home Lands (Fee Owner) Rox or M. Kanealii Jr. Lessee	
Well Operator's Contact Diane or Roger Kanealii		Landowner's Contact Roger Kanealii	
Well Operator's Mailing Address 61-4011 Kailapa Street Waimea, HI 96743		Landowner's Mailing Address 61-4011 Kanealii Waimea, HI 96743	
Well Operator's Phone 808-640-3195	Well Operator's Fax	Landowner's Phone 808-640-3195	Landowner's Fax
Well Operator's E-mail dkanealii02@gmail.com		Landowner's E-mail dkanealii02@gmail.com	
PROPOSED WELL CONSTRUCTION		PROPOSED PUMP INSTALLATION	
8. Proposed Work <input checked="" type="checkbox"/> Construct New Well <input type="checkbox"/> Modify Existing Well <input type="checkbox"/> Abandon/Seal Well	9. Construction Type <input checked="" type="checkbox"/> Drilled <input type="checkbox"/> Dug <input type="checkbox"/> Shaft <input type="checkbox"/> Tunnel	11. Proposed Work <input checked="" type="checkbox"/> Install New Pump <input type="checkbox"/> Replace Pump	13. Proposed Pump Capacity, gpm (gallons per minute) 20
		12. Method of flow measurement <input checked="" type="checkbox"/> Flowmeter <input type="checkbox"/> Other (explain)	14. Proposed Amount of Withdrawal, gpd (gallons per day) 3,000
10. Is this well part of a battery of wells? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
15. Proposed Surveyor name and license number (a surveyor is required for all Well Construction Permits and may be required for some Pump Installation Permits) Deferred			
PROPOSED USE <i>If the well water will be treated, please describe how (reverse osmosis, ultra violet, etc.) and disposal method of resulting effluent, reject water, etc.</i>			
<input type="checkbox"/> 16. Municipal (water systems serving greater than 25 individuals or 15 service connections)			
<input checked="" type="checkbox"/> 17. Domestic Number of units to be served: 1			
<input type="checkbox"/> 18. Industrial (describe)			
<input type="checkbox"/> 19. Irrigation (describe crop and no. of acres)			
<input type="checkbox"/> 20. Military (describe)			
<input type="checkbox"/> 21. Other (describe)			
OTHER LEGAL REQUIREMENTS <i>If required, items 22. and 23. must be obtained before the Commission can legally issue a permit.</i>			
22. Conservation District Use Permit (CDUP) <input type="checkbox"/> Well is in Conservation District <input type="checkbox"/> Required, CDUP # _____ date approved _____ <input type="checkbox"/> Not Required (attach documentation from OCCL) <input type="checkbox"/> I have not checked with OCCL about whether or not a CDUP is required. <input type="checkbox"/> Well is not in Conservation District <input checked="" type="checkbox"/> I have not checked if well is in or out of Conservation District.		23. Special Management Area Permit (SMAP) <input type="checkbox"/> Required, SMA # _____ date approved _____ <input type="checkbox"/> Not Required (attach documentation from applicable County agency) <input checked="" type="checkbox"/> I have not checked with the county about whether or not an SMA Permit is required.	
24. State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources <input type="checkbox"/> I have consulted with the SHPD regarding potential impacts of well construction activities on historic sites. I have attached applicable documentation from the HPD. <input checked="" type="checkbox"/> I have not consulted with the SHPD regarding potential impacts of well construction activities on historic sites.			
25. Chapter 343 <input type="checkbox"/> An Environmental Assessment was completed, and <input type="checkbox"/> An Environmental Impact Statement was required and has been accepted (attach letter of acceptance). Publication date in The Environmental Notice: _____ <input type="checkbox"/> A Finding of No Significant Impact has been determined (attach letter). Publication date in The Environmental Notice: _____ This project proposes: <input type="checkbox"/> Use of state or county lands, or use of state or county funds <input type="checkbox"/> Use within a state conservation district <input type="checkbox"/> Use within a shoreline setback area <input type="checkbox"/> Use within a national or Hawaii registered historic site <input type="checkbox"/> Use within the Waikiki Special District <input type="checkbox"/> The construction, expansion or modification of helicopter facility <input type="checkbox"/> A wastewater treatment unit <input type="checkbox"/> Waste-to-energy facility <input type="checkbox"/> Landfill <input type="checkbox"/> Oil refinery <input type="checkbox"/> Power-generating facility <input checked="" type="checkbox"/> None of the above 11 items			
26. Water Use Permit No. (if applicable): N/A			
Additional remarks, explanations, etc. (attach additional sheet if more space is needed)			
NOTE: Signing below indicates that the signatories understand and swear that the information provided is accurate and true to the best of their knowledge. Further, the signatories understand that upon permit approval: 1) the proposed work is to be completed within two (2) years of the approval date; 2) the contractor shall submit to the Commission a well completion/abandonment report within 60 days after the completion date of the permitted work; 3) in the event that the application is not completed correctly, any permit may be suspended until the item is brought in to compliance, and any work done while the permit is in suspension may result in fines of up to \$5000/day.			
27. WELL DRILLER (Must be filled out if application is for Well Construction)		28. PUMP INSTALLER (Must be filled out if application is for Pump Installation)	
Derrick's Well Drilling & Pump Services, LLC C-28001 Licensee business name C-57 License No. Derrick Moreira 8/18/2015 Signature Print Date P.O. Box 2187 Kea'au, Hawaii 96749 Address 982-7627 982-7698 moreira_ds@yahoo.com Phone Fax E-mail		Derrick's Well Drilling & Pump Services, LLC C-28001 Licensee business name C-57/C-57a/A License No. Derrick Moreira 8/18/2015 Signature Print Date P.O. Box 2187 Kea'au, Hawaii 96749 Address 982-7627 982-7698 moreira_ds@yahoo.com Phone Fax E-mail	



Hawaii County Assessor

Parcel: 610070200000 Acres: 0.9

Name:	HAWAIIAN HOME LANDS	Land Value	178600
Site:	61-4011 KAILAPA STREET	Land Exemption	178600
Sale:		Taxable Land Value	0
	61-4011 KAILAPA ST	Building Value	251500
	KAMUELA, HI 96743-4563	Building Exemption	180000
Mail:		Taxable Bldg. Value	71500
		Total Taxable Value	71500

*Hawaii County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. The 'parcels' layer is intended to be used for visual purposes only and should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. The 'parcels' data layer does not contain metes and bounds described accuracy therefore, please use caution when viewing this data. Overlaying this layer with other data layers that may not have used this layer as a base may not produce precise results. GIS and imagery data will not overlay exactly.
Date printed: 08/17/15 : 19:38:02

PROPOSED WELL SECTION (Please attach schematic if different from diagram provided below. Also, if this proposed well is a dug well, attach a grading plan with cross section profiles showing existing and finished grades)

Hole Diameter: 12 in.

Elevation at top of casing 114 ft., msl*

Minimum of 2' Radius & 4" Thick Concrete Pad (to contain benchmark surveyed to nearest 0.01 ft.)

Ground Elevation: 113 ft., msl*

Please refer to the **HAWAII WELL CONSTRUCTION AND PUMP INSTALLATION STANDARDS** to ensure that your as-built is in compliance with applicable standards.

Cement Grout: 80 ft. (min. 70% of distance from ground elevation to top of water surface or 500 ft., whichever is less.)

Grouting method:
☐ Positive displacement
☒ Other

Annular space between hole and casing (1.5" for positive displacement, 3" for other methods):
3 in.

Rock or Gravel Packing:
40 ft.
 Material:
☒ Crushed Basalt
☐ Rounded Gravel

Estimated Water Level Elevation:
2 ft. msl*

Total Depth 120 ft.

Solid Casing: (≥ 90% x (Ground Elev.-Water Level Elev))
 Total Length: 100 ft.
 Nominal Diameter: 6 in.
 Wall Thickness: .280 in.
 Bottom Elevation: 13 ft., msl*

Open Casing: ☒ Perforated ☐ Screen
 Total Length: 20 ft.
 Nominal Diameter: 6 in.
 Wall Thickness: .280 in.
 Bottom Elevation: -7 ft., msl*
 note: Neither bentonite nor mud should be used in saturated zone during drilling

Open Hole:
 Length: n/a ft.
 Diameter: in.
 Bottom Elevation: ft., msl*

* The approximate elevation must be referenced to mean sea level (msl) at the time of application filing. Final elevations of well components shall be submitted in the Well Completion/Well Abandonment reports and referenced to a benchmark which has been established by a surveyor licensed by the State.

For non-salt water Basal Wells - bottom elevation of well should not be deeper than 1/4 of aquifer thickness or,

$$\text{Bottom Elevation of Well Limit} = \left(\text{Water Elevation} - \frac{41 \times \text{Water Level Elevation}}{4} \right)$$

$$\text{Example: Estimated } +2 \text{ ft. Water Level Elev.} \rightarrow \text{Bottom Elevation of Well Limit} = \left(2 - \frac{41 \times (2)}{4} \right) = -18.5 \text{ ft.}$$

Note: Unless a variance is requested and approved, if the well is greater than 1/4 of the theoretical aquifer thickness, the well may have to be backfilled to bring the depth into compliance.

Solid Casing Material:

Carbon Steel: compliant with (check one or more): ☐ ANSI/AWWA C200 ☐ API Spec. 5L ☐ ASTM A53 ☐ ASTM A139

And compliant with (check one or more): ☐ ASTM A242 (or A606) ☐ Type E ☐ Type S ☐ Grade B ☐ Other

Stainless Steel: (check one): ☐ ASTM A409 (production wells) ☐ ASTM A312 (monitor wells)

ABS Plastic conforming to ASTM F480 and ASTM D1527: (check one) ☐ Schedule 40 ☐ Schedule 80

PVC Plastic conforming to ASTM F480 and (ASTM D1785 or ASTM D2241): (check one): ☒ Schedule 40 ☐ Schedule 80 ☐ Schedule 120

Thermoset Plastic: (check one)

- ☐ Filament Wound Resin Pipe conforming to ASTM D2996
- ☐ Centrifugally Cast Resin Pipe conforming to ASTM D2997
- ☐ Reinforced Plastic Mortar Pressure Pipe conforming to ASTM D3517
- ☐ Glass Fiber Reinforced Resin Pressure Pipe conforming to AWWA C950
- ☐ PTFE Fluorocarbon Tubing conforming to ASTM D3296
- ☐ FEP Fluorocarbon Tubing conforming to ASTM D3296

Open Casing Material:

Carbon Steel: compliant with (check one or more): ☐ ANSI/AWWA C200 ☐ API Spec. 5L ☐ ASTM A53 ☐ ASTM A139

And compliant with (check one or more): ☐ ASTM A242 (or A606) ☐ Type E ☐ Type S ☐ Grade B ☐ Other

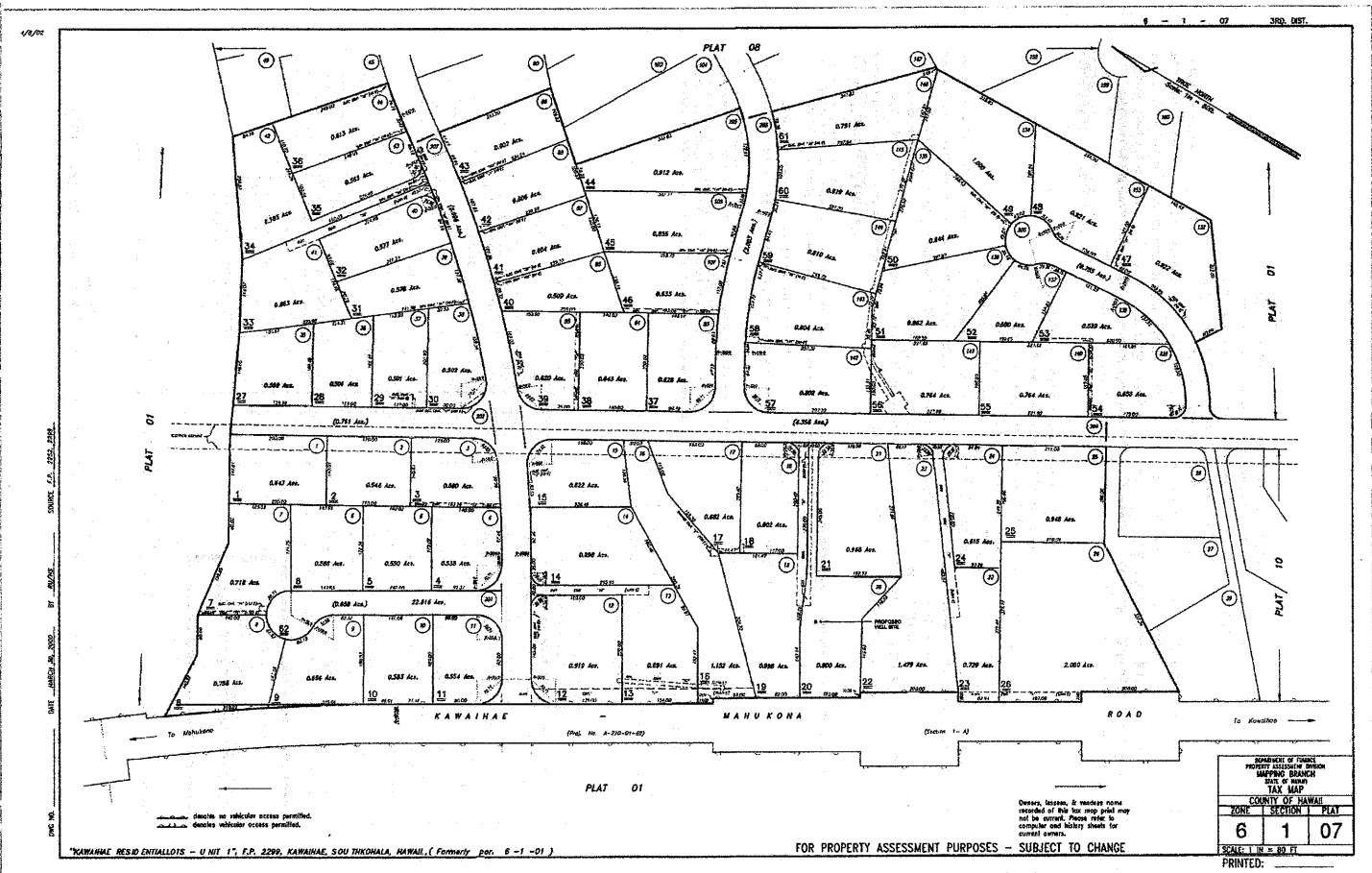
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ABS Plastic conforming to ASTM F480 and ASTM D1527: (check one) ☐ Schedule 40 ☐ Schedule 80

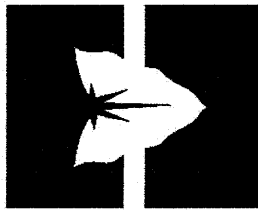
PVC Plastic conforming to ASTM F480 and (ASTM D1785 or ASTM D2241): (check one): ☒ Schedule 40 ☐ Schedule 80 ☐ Schedule 120

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DEPARTMENT OF HAWAIIAN HOME LANDS



DRAFT Internal Process for Homesteader-Use Well Development Requests

**Procedure Number
##-2015**

Jobie M.K. Masagatani, Chairman
Hawaiian Homes Commission

Date

Procedure and Workflow

- Subject:** Internal Department of Hawaiian Home Lands procedures and workflow to be initiated upon homesteader requests for permission for well installation on homestead lots for homesteading use on the same lot.
- Purpose:** To provide procedures for the Department of Hawaiian Home Lands to follow in implementing the Hawaiian Homes Commission Water Policy Plan, Part IV (14) additional goal to "support[the drilling of wells by beneficiaries for their own use on lots where appropriate."
- Policy:** Homesteaders who meet the Department's criteria for well development on their lots may submit a request for: (1) landowner permission to complete necessary well construction and pump installation permitting; and (2) execution of a lease addendum regarding the same.
- Authority:** Hawaii Revised Statutes, Chapter 174C, Part VII, which sets out requirements for all well owners and operators, the Hawaiian Homes Commission's Water Policy Plan Part IV (14) (approved Jul. 22, 2014), which supports homesteader well development; and Hawaii Administrative Rule, Chapter 11, Section 11-200-8, which authorized the Department to declare specific types of actions, including well development for individual homestead use, exempt from environmental assessment preparation requirements.

The Hawaiian Homes Commission Water Policy Plan goals include, Part IV "Develop and protect water sources[.]" which provides the following: "[s]upport the drilling of wells by beneficiaries for their own use on lots where appropriate."

Pursuant to Hawaii Administrative Rule § 11-200-8, the Environmental Council of the State of Hawai'i Department of Health approved the "Comprehensive Exemption List for the State of Hawai'i Department of Hawaiian Home Lands" on June 30, 2015. Exemption Class No. 3(1)(d) provides in pertinent part:

Construction and location of single, new, small facilities or structures and the alteration and modification of the same, including, but not limited to:

[. . . .]

1. Construction of new structures on DHHL lands (to include leased lands) of any of the following:

[. . . .]

d. Water, sewage, electrical, gas, telephone and other essential public utility services extensions to serve such types of structures or facilities, including domestic water source development for homesteading purposes, with required permits.

Part VII of HRS § 174C-83, "Wells" provides the State of Hawai'i Commission on Water Resource Management's requirements, including permitting requirements,

for persons owning or operating all wells accessing groundwater in the State of Hawai'i.

Glossary of Terms for Homestead-Use Well Development*

- 1) **Abandoned well** - Any well that has been permanently discontinued. Any well shall be deemed abandoned which is in such a state of disrepair that continued use for the purpose of obtaining ground water is impractical.
- 2) **Compliance** - Conformity in fulfilling official requirements, a homesteader is in harmony or agreement with the rules and laws governing Hawaiian Home Lands (Lease, Act, HAR, County, State and Federal Law)
- 3) **CWRM** – The State of Hawai'i Commission on Water Resource Management.
- 4) **Good Standing** - A homesteader is in good standing if they are in compliance with all of their explicit obligations as set forth in their lease, required by the Hawaiian homes Commission Act, or required by Hawaii Administrative Rules Chapter 10.
- 5) **Ground water** - Any water found beneath the surface of the earth, whether or not in perched, dike-confined, or basal supply; in underground channels or streams; in standing, percolating, or flowing condition; or under artesian pressure.
- 6) **Homesteader** – Holder or successor thereto of a lease which may be of the following classes issued under section 207 of the Hawaiian Homes Commission Act (1920): (1) residential or residence lot lease; (2) pastoral or pastoral lot lease; and (3) agricultural or agricultural lot lease.
- 7) **Installation of pumps and pumping equipment** - The procedure employed in the placement and preparation for operation of pumps and pumping equipment, including all construction involved in making entrance to the well, and establishing seals and repairs to existing installations.
- 8) **Obligation** - Law or duty binding the parties to perform their agreement, homesteaders as lessees are bound under their respective leases to engage in agricultural or pastoral activities. DHHL as lessor retains the right to approve any other agreements relating in any way to the use of agricultural and pastoral lots.
- 9) **Pump installation contractor** - Any person, firm, or corporation which is in the business of installing or repairing pumps and pumping equipment.
- 10) **Pumps and pumping equipment** – Any equipment or materials utilized or intended for use in withdrawing or obtaining ground water. It includes seals, tanks, fittings, and controls.
- 11) **Repairs** - Any change, replacement, or other alteration of any well, pump, or pumping equipment which requires a breaking or opening of the well seal.

- 12) **Water or waters of the state** - Any and all water on or beneath the surface of the ground, including natural or artificial watercourses, lakes, ponds, or diffused surface water and water percolating, standing, or flowing beneath the surface of the ground.
- 13) **Water Asset Inventory (WAI)** – the current inventory of water related assets maintained by DHHL.
- 14) **Water management area** – A geographic area which has been designated by the State of Hawai'i Commission on Water Resource Management pursuant to chapter 13-171, HAR, as requiring management of the ground or surface water resource, or both.
- 15) **Water source** - A place within or from which water is or may be developed, including but not limited to: (1) generally, an area such as a watershed defined by topographic boundaries, or a definitive ground water body; and (2) specifically, a particular stream, other surface water body, spring, tunnel, or well or related combination thereof.
- 16) **Well** - An artificial excavation or opening into the ground, or an artificial enlargement of a natural opening by which ground water is drawn or is or may be used or can be made to be usable to supply reasonable and beneficial uses within the State.
- 17) **Well construction** - The producing of any well, including the construction, alteration, or repair thereof, but excluding the installation of pumps and pumping equipment.
- 18) **Well driller** - Any person, firm, or corporation which constructs, alters, or repairs wells.
- 19) **Well seal** – An approved arrangement or device used to cap a well or to establish and maintain a junction between the casing or curbing of a well and the piping or equipment installed therein, the purpose or function of which is to prevent pollutants from entering the well at the other terminal.

** Glossary definitions reproduced in substantial part from HRS §174C-81; HAR §13-168-2; HAR §10-1-5.*

Process

A homesteader may initiate a request to drill a water well and/or install a pump on their homestead by submitting a completed or partially completed CWRM Application for Well Construction/ Pump Installation Permit (WCPIA).

<u>Responsible Entity</u>	<u>Action</u>
Homesteader	<ol style="list-style-type: none">1. Contacts the Planning Office to indicate interest in constructing and maintaining a well on their lot; <p>AND</p> <ol style="list-style-type: none">2. Submits a completed or partially completed WCPIA to the Planning Office.
Planning Office (PO)	<ol style="list-style-type: none">3. Reviews Homesteader's communications and/or WPCIA to determine whether sufficient information is contained within the Homesteader request, existing DHHL WAI, Water Policy Plan, to conduct the analysis set forth in <u>Action No. 5</u>. Is there sufficient information available to undertake the analysis?<ol style="list-style-type: none">a. No. PO sends Homesteader a survey that identifies specific information needed for the HHC to act on their request.b. Yes. PO proceeds to <u>Action No. 4</u>.4. PO enters the request into HHC's database, which contains homesteader requests for well development, installation information, maintenance records, and reports of monthly water usage.5. PO applies the following analysis to determine how to handle the request:<ol style="list-style-type: none">a. Will well development at the proposed location compound demands on the aquifer area to a significant degree?b. Would HHC water development plans for the area render domestic well development at this location redundant or unnecessary?

Department of Hawaiian Home Lands Procedure
Internal Process for Homesteader-Use Well Development Requests

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<u>Responsible Entity</u>	<u>Action</u>
	<ul style="list-style-type: none">c. Does the homesteader have the ability to comply with reporting and notification requirements imposed by HHC and CWRM?d. Is the request supported by a completed (except for the required landowner signature) CWRM Well Construction and Pump Installation permit application (WCPIA)?<ul style="list-style-type: none">i. No. Direct homesteader to WCPIA.ii. Yes. Proceed to <u>Action No. 6.</u>
	<ul style="list-style-type: none">6. Contact Homesteader to acknowledge receipt of well construction request and WCPIA.7. Present the Homesteader request, WCPIA and identifying information of the well driller and/or pump installation contractor to the Land Development Division – Design and Construction Branch (LDD) for consultation and review.
Land Development Division (LDD)	<ul style="list-style-type: none">8. Reviews the Homesteader request, WCPIA and identifying information of the well driller and/or pump installation contractor to determine whether: (1) the well development will interfere with LDD plans; (2) the Homesteader is in good standing; and (3) prior contracting experiences with well driller and/or pump installation contractor raised concerns about the sufficiency of their work.9. Prepares a memorandum indicating any concerns raised during <u>Action No. 7</u> and submits to PO.
Planning Office (PO)	<ul style="list-style-type: none">10. PO prepares a submittal and recommendation for re-circulation amongst DHHL divisions, incorporating LDD concerns, the completed WCPIA, and any relevant information on the Homesteader and identified well-drillers/ pump installer contractors. PO also assigns a case number to the well development request.

30 Day Review Period Phase One

Planning Office (PO) circulates Well Development request submittal and recommendation to Department offices and divisions via route slip

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<u>Responsible Entity</u>	<u>Action</u>
Homestead Services Division (HSD) & Land Development Division (LDD) Concurrent Review	11. HSD, LMD, LDD concurrently review the PO submittal and recommendation.
Homestead Services Division (HSD)	12. HSD reviews the Homesteader well development request and associated documents; determines any issues arising from the request that would impact homesteader services; and prepares a memorandum for PO indicating such issues.
Land Development Division (LDD)	13. LDD reviews the Homesteader well development request and associated documents; determines any issues arising from the request that would impact homesteader services; and prepares a memorandum for PO indicating such issues.
Planning Office (PO)	14. PO revises submittal and recommendation documents based on the review. 15. PO prepares submittal to the Hawaiian Homes Commission for approval to proceed with the Homesteader well development request. Submittal list will identify lessee and case number.
Hawaiian Homes Commission (HHC)	16. Hawaiian Homes Commission (HHC) approves, disapproves, or defers, pending more information, the Homesteader well development recommendation and submittal. 17. Chairman signs the WCPIA on behalf of DHHL as landowner.
Planning Office & Homesteader	18. PO receives a copy of the approved WCPI permit from homesteader.
Homestead Services Division (HSD) & Homesteader	19. Executes Homesteader Water Source Well Development Lease Addendum with homesteader.

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<u>Responsible Entity</u>	<u>Action</u>
	<i>Well development phase:</i>
Homesteader & Planning Office (PO) Concurrent Actions	20. Homesteader submits to PO: (1) notifications of any amendments, modifications, or suspensions of well development and pump installation; (2) test results of CWRM well pumping tests; and (3) a well development completion report.
Planning Office (PO)	21. PO conducts annual reviews of those notifications, test results, and well development completion reports for noncompliance with lease terms and/ or CWRM rules and standards for well development.
	<i>Well operation phase:</i>
Homesteader & Planning Office (PO) Concurrent Actions	22. Homesteader submits monthly water usage reports to CWRM and provides access to those reports to PO. PO maintains records of homesteader's access information for monthly reports compiled in CWRM's database.
	23. Homesteader reports any amendments, modifications, or other changes to well operations to PO. PO maintains records of any amendments, modifications, or other changes to Homesteader well operations.
	<i>Well closure phase:</i>
Homesteader & Planning Office (PO) Concurrent Actions	24. Homesteader notifies CWRM and PO that Homesteader plans to abandon the well. Upon notification from Homesteader that a well will be abandoned; PO requests a "Well Closure" plan, which includes: (1) plans for re-casing, cementing, plugging back, capping, or otherwise repairing the well or filling and sealing the well with cement in a manner approved by CWRM; (2) a schedule of estimated costs to be incurred or completing the required work; and (3) a copy of a CWRM well construction permit, which would be required to complete the closure work.
Homesteader	25. Submits a CWRM "Well Abandonment Report" to CWRM and PO within 30 days of the well's closure.

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<u>Responsible Entity</u>	<u>Action</u>
Planning Office (PO)	26. Upon 30 days after the well's closure, PO ensures that a copy of homesteader's CWRM "Well Abandonment Report" is received. If no Well Abandonment Report has been received, PO requests the same from homesteader.

END OF PROCEDURE

- Exhibit A -

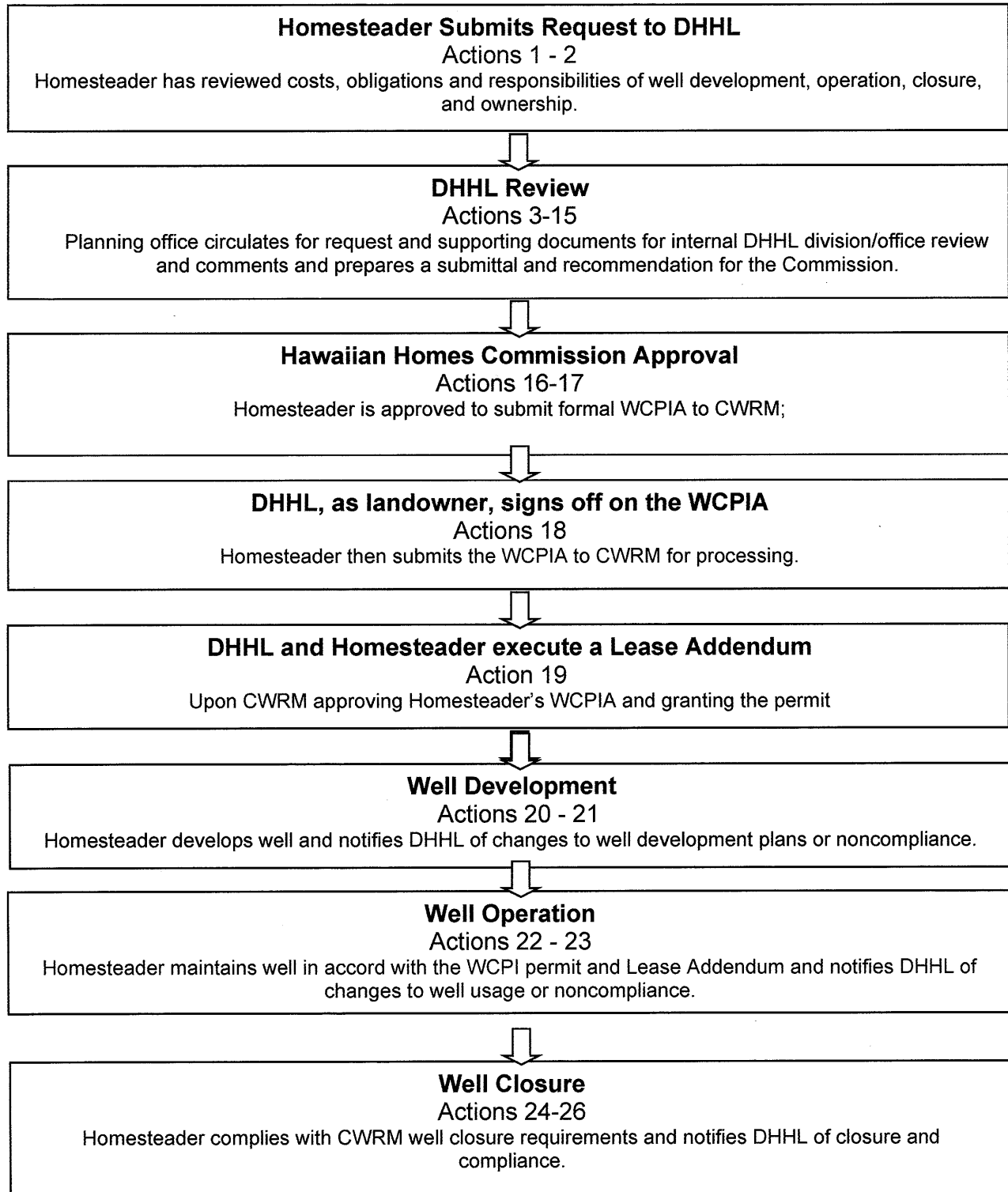
ESTIMATED SCHEDULE FOR SUBDIVISION PROCESS

Action	DHHL	Homesteader	Commission
Submit application <i>Actions 1-2</i>			
DHHL Checks Criteria <i>Actions 3-15</i>	30 days		
HHC approval <i>Actions 16-17</i>			30 days
Complete WCPIA <i>Action 18</i>		30 days	
Execute Lease Addendum <i>Action 19</i>	30 days		
Well development <i>Action 20-21</i>		90 days+	
Well operation <i>Action 22-23</i>		90 days+	
Well closure report <i>Action 24-26</i>		30 days	

****Note ACTUAL schedule may vary depending on the uniqueness of each Homesteader well.***

- Exhibit B -

HOMESTEAD WELL DEVELOPMENT WORKFLOW



Draft September 12, 2015

Homesteading Water Use Source Well Development Addendum

To be used when developing homesteading source wells on property subject to an existing lease

In signing the Lease and this Lease Addendum, Lessee agrees to release and discharge the Lessor, the Hawaiian Homes Commission, or any agency, from any and all liability that may arise from, or may be caused by the following activity.

Lessee is seeking to develop a source well for homesteading water use only. Homesteading water uses include domestic, agricultural, aquacultural, or pastoral uses. Other non-domestic uses of water, including the provision of water to uses or users not on the covered leasehold lands, are not covered by this Lease Addendum. The use of surface water and stream diversion of water, or catchment of water, for any use is also not covered by this Lease Addendum.

Lessee shall be solely responsible for penalties consequent to violations of CWRM regulations for domestic source well development, which may consist in fines of up to \$1,000 per violation. See Hawai'i Administrative Rule (HAR) §13-168-3.

Notifications, reporting, and other communications from Lessee to Lessor required below shall be provided by electronic mail (e-mail) to PLANNING@DHHL.HAWAII.GOV.

The following sections (Water Use Reporting Requirements, Well construction and pump installation requirements, water source inspection requirements, and Abandoning wells) fall under the jurisdiction of the State of Hawai'i Commission on Water Resource Management (CWRM). The current requirements are repeated here below, but knowledge of and compliance with all requirements, which may change, are the sole responsibility of the Lessee.

Water Use Reporting Requirements

Lessee shall provide and maintain an approved meter or other appropriate device or means for measuring and reporting total water usage on a monthly (calendar or work schedule) basis. HAR §13-168-7(a).

Lessee shall file this report of total water usage on a regular monthly basis on or before the end of the month following the month for which water usage is to be reported and using forms provided by CWRM. As may be required by Lessor or CWRM, these reports shall include other use-related information such as type of use, salinity, and water level, as may be deemed appropriate and reasonable by Lessor or CWRM. HAR §13-168-7(b).

Lessee shall provide Lessor with login and password information for its water use reporting account(s) with the Hawai'i State Water Use Reporting database maintained by CWRM.

If monthly water use and other information reporting requirements are lessened, modified, or exempted by CWRM, Lessee must notify Lessor to obtain similar lessened, modified, or exempted reporting requirements from Lessor. HAR §13-168-7(c).

Well construction and pump installation requirements:

Lessee shall obtain appropriate permit(s) from CWRM before constructing, altering, or repairing a homesteading water source well or before installing, replacing, or repairing a pump or pumping equipment on the premises. Lessee is solely responsible for paying the \$25.00 filing fee to CWRM for their well construction or pump installation permit. HAR §13-168-12(a).

Lessee shall ensure any well drillers constructing wells, or pump installation contractors installing pumps, on the premises, make or cause an application for a well construction and/or pump installation permit to be made, and that application must consist in a completed form provided by CWRM and filed with both CWRM and Lessor. These forms require the signature of the Lessor and may not be filed unless signed by the Lessor's authorized representative, the Chairman or designated individual. Completed application forms shall contain the name of the operator; location; contractor's license number; purpose of well construction or pump installation; proposed withdrawal and use of water; water use permit information if applicable; type, size, and expected capacity of the well or pump; and such other information if required by CWRM or Lessor. HAR §13-168-12(b).

Lessee shall ensure that the well construction and/or pump installation permit is prominently displayed at the site of the well at all times until the well construction or the pump installation is completed. HAR §13-168-12(e).

Lessee shall notify Lessor of: (1) applications to change or amend any well construction or pump installation permits filed with CWRM, and of the outcomes of that application; (2) rejections of well construction or pump installation permit applications by CWRM, and of the outcomes of appeals or hearings on that rejection; and (3) modifications, suspensions, or revocations of Lessee's well construction or pump installation permits by CWRM. HAR §13-168-12(f) through (i).

Lessees constructing a new well or a well that has not previously been pumped will comply with CWRM well pumping tests. Test result measurements of time, pumping rate, drawdown, and chloride content, as appropriate and approved, shall be recorded and reported in a "Well Completion Report" filed with CWRM and Lessor. HAR §§13-168-12(d) & -13.

Lessee shall ensure that well-driller and/ or pump installation contractors shall file a CWRM-form titled, "Well Completion Report" with CWRM and Lessor within thirty (30) days of the well construction or pump installation completion. HAR §§13-168-12(e) & -13. Well Completion Report forms, as provided by CWRM, may be require the following information:

- (1) State well number;
- (2) Date of completion;
- (3) Tax map key;
- (4) Well head, top of casing, and ground elevations;
- (5) Method of construction;
- (6) Depths, diameters, and other dimensions of drilled hole;
- (7) Depths, diameters, dimensions, and types of casing and grouting;

- (8) Driller's log of water levels, depths, thickness, and drilling characteristics of sub-surface formations;
- (9) Pumping test record, including times, rates of pumping, drawdown of the water level, and chloride content of the pumped water;
- (10) Elevation of static water level or artesian head;
- (11) Water temperature;
- (12) Chemical analyses of a water sample drawn from the well; and
- (13) Other information as may be required by CWRM.

Lessee shall be solely responsible for ensuring well construction and pump installation(s) conform to the most recent Hawaii Well Construction & Pump Installation Standards, currently available at: <http://files.hawaii.gov/dlnr/cwrn/regulations/hwcpis04.pdf> (attached as Appendix "A").

Installation of pumps and pumping equipment shall be accompanied by the installation of devices to measure the amount of groundwater being withdrawn from the wells. HAR §13-168-14(b). Lessee shall be solely responsible for fines or other penalties imposed by CWRM for violations of well construction or pump installation standards and for consequent well contamination or ground water wastage. HAR §13-168-14(b), (d).

Water source inspection requirements:

Lessee shall comply with CWRM regulations requiring CWRM staff have free access to wells and their appurtenances at any reasonable time to inspect, test, obtain data, or investigate any matter connected with the intent and purposes of CWRM's well and water use rules. HAR §13-168-15.

Abandoning wells:

Lessee shall provide written notification to CWRM and Lessor of a declaration to abandon a well. Lessee shall also notify Lessor if CWRM determined Lessee's well(s) to be abandoned. Lessee shall be solely responsible for re-casing, cementing, plugging back, capping, or otherwise repairing the well or filling and sealing the well with cement in a manner approved by CWRM, expenses incurred in completing the required work, obtaining a well construction permit to complete the required work, and filing a "Well Abandonment Report" within thirty (30) days of completion with CWRM and Lessor. The "Well Abandonment Report" shall include the Lessee's name and address; the water use permit number, if any; the name and address of the well driller who performed the work; the reason for abandonment; a complete description of the work performed; and such other information required by CWRM. HAR §13-168-16.

Lease Transfer, Successorship, or Reversion:

Well development and improvements shall run with the lease in the even that the Lessee: (1) transfers the homestead lease in compliance with HAR §10-3-36; (2) terminates the lease and designates a successor in compliance with HAR §10-3-61; or (3) dies without designating a qualified successor and the lease reverts to Lessor under HAR §10-3-62.

Lot No. _____ Lease No. _____

Date: _____

Printed Name: _____

Signature: _____

DRAFT

State of Hawaii

Department of Hawaiian Home Lands

May 14 - 15, 2018

To: Chair and Members, Hawaiian Homes Commission

Through: M. Kaleo Manuel, Acting Planning Program Manager

From: Gigi O. Cairol, Grants Specialist *McAul* *G*
E. Halealoha Ayau, Water Resources Specialist

Subject: Approval of Water Rate Increase for DHHL Kawaihae Water System

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) approve the water rate increase in Exhibit A for the Department of Hawaiian Home Lands (DHHL) Kawaihae water system. Rates shall take effect July 1, 2018.

BACKGROUND AND PURPOSE

The Department of Hawaiian Home Lands (DHHL) owns and operates the Kawaihae water system (PWS 164¹) on Hawai'i island. Of the four water systems that DHHL owns statewide, the Kawaihae system is the second largest in size - serving 155 beneficiaries and the third oldest (20 years old). The system serves an average of 155 connections and serves only the Kailapa residential homestead. Additionally, one community facility is connected to the system - Kailapa Community Association Pavilion.

As the owner of water systems, HHC and DHHL are responsible for providing safe, clean water and protecting community health and safety, while maintaining compliance with federal and state laws. Drinking water for the DHHL Kawaihae system comes from the Kohala Ranch water system. The source water is excellent and water quality testing meets all water quality standards. The DHHL Kawaihae water system is operated under contract with a private company. Department of Health (DOH) requires the DHHL Kawaihae system to have a certified Grade 1 water operator. Homesteaders have expressed interest in operating this system. They would need to achieve the DOH Grade Level 1 certified

¹PWS is the Public Water System number assigned by the State Department of Health for every regulated drinking water system in the State of Hawaii.

licensed operator and be a qualified and eligible entity to obtain an agreement to operate the DHHL system.

As with any government-owned water system, a major challenge is balancing water service adequacy and dependability with costs and customer rate affordability. DHHL's water systems need continued investment to keep them operational. Parts of the systems are near the end of their life cycle, such as storage tanks, booster pumps, and distribution lines. DHHL is not alone. Water utilities across the country are facing the same challenge. Over the past year, DHHL studied our systems needs and worked to understand the costs of providing water service. Every component critical to delivering water, storage, distribution, and treatment was closely analyzed and planned to ensure sustainability and viability for future generations. The results tell us that we must raise rates to continue providing clean, safe and dependable water supply to beneficiaries served by the DHHL systems. To keep rates affordable to beneficiaries, we must seek other funds, including Trust funds. At the same time, the costs of providing water service have grown steeply - purchase of water, labor, materials, fuel, electricity and other components. For Kawaihae, DHHL established the rates in 1999 to be on par with the County of Hawaii water rates. Both the County and Kohala Ranch have raised their rates since 1999. DHHL did not raise rates to its beneficiaries. The cost to purchase water from Kohala Ranch has risen steeply over the same time period - from \$2.60 per 1,000 gallons in 1999 to now \$7.00 per 1,000 gallons. Water purchase is almost 75% of DHHL's total expenses to operate the Kawaihae system.

Interim Cost of [Water Delivery] Service Analysis

The HHC approved Water Policy Plan, Policy #3, goal #17 states,

"Secure revenue and reduce operation costs so DHHL water systems break even financially over time."

As a first step in fulfilling this goal and to mitigate unsustainable financial losses from delivering drinking water to beneficiaries, DHHL sought technical assistance from the Rural Community Assistance Corporation (RCAC), a federal 501(c)(3) nonprofit with over 40 years experience with small, rural community water/wastewater utilities in the western region of the U.S. RCAC conducted an interim Cost of [Water Delivery] Service (COS) analysis on all four DHHL-owned water systems. The COS was completed in June 2017 for DHHL Fiscal Years 2015 and 2016. The COS analysis was based on after-the-fact reviews of DHHL expenses, all of which was not coded within the DHHL accounting system to the Kawaihae water system enterprise. The COS was presented at an informational workshop held at the June 2017 HHC

regularly scheduled meeting. Also, information from the COS relative to the Kawaihae water system was shared at an informational meeting with Kailapa beneficiaries in November 2017. The COS was intended to serve as the base to evaluate the current DHHL water rate schedules and make recommendations for provisional rates.

Since completion of the COS analysis, DHHL lessons learned include:

- Gathering water system expense data was extremely challenging, given DHHL's current budgeting and accounting systems
- The COS may not have captured all of the "true costs" of each system
- Need to address non-payment of water bills
- Increase dedicated staff to manage and operate the DHHL water systems
- Increase staff training and management oversight on accurate coding of water system expenses and revenue
- Centralize internal management and oversight of the Kawaihae water system with DHHL's other three water systems to achieve management and operational efficiencies and consistency

The COS gave us a good start in understanding the financial needs of the Kawaihae system. With the COS completed, the next step was to conduct an interim water rate study to help DHHL move toward sustainably managing its water systems.

Typically, water rate studies identify the total revenue required by a utility to conduct its normal day-to-day operations, while anticipating future operating and capital needs, such as an emergency replacement of a pump. After determining revenue needs, a rate schedule is developed to divide the costs of delivering clean, safe water among users. There are numerous ways that rates can be structured. DHHL uses 3 types as follows.

- Increasing block rates - a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 - 25,000; over 25,000 gallons) is charged at a higher rate than the previous blocks. This is the rate structure used by the DHHL Kawaihae (Hawaii), Ho'olehua (Molokai) and Anahola (Kauai) water systems.
- Decreasing block rates - a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 - 30,000 gallons; over 30,000 gallons) is charged at a lesser rate than the previous blocks. Typically, this rate structure is used to encourage local economic development. DHHL uses

this structure for DHHL agriculture beneficiaries to encourage farming on Moloka'i and in Anahola (Kauai).

- Uniform flat rates - all users pay the same amount regardless of the quantity of water used. This is the rate structure used for the DHHL Pu'ukapu non-potable water system on Hawaii island.

Water systems typically adopt policies or criteria to guide structuring rates such as encouraging water conservation, ensuring affordability for residents, encouraging economic development, etc.

DISCUSSION

For most small water systems, the main source of revenue, and often times the only source, is derived from Water Rate schedules. Generally, water rates fund daily operations, routine maintenance, repairs, electricity, and four types of reserves - operating, emergency, capital and debt service. On this latter, DHHL is fortunate to not have any debt service on any of DHHL's water systems.

From Table 1 below, the Kawaihae water system operated at a loss of \$109,500 in Fiscal Year 2016. Taking into account Reserves (\$298,600), the shortfall increases to \$408,100 (Table 2). Non-payment of water bills amounted to \$56,270 (or 51% of the \$109,500 shortfall). The magnitude of these losses is indicative of a deficiency in the current water rates and, to some extent, indicative of system managerial and operational inefficiencies. The losses of the Kawaihae water system are paid out of Trust funds. This revenue shortfall continues to increase as operational costs increase, purchase of water increases, non-payment of water bills increases, and infrastructure needs to be repaired or replaced. DHHL must look for ways to eliminate subsidization and operate the water system in a financially sufficient manner.

Table 1
DHHL Kawaihae Water System
FY 2016 - Revenue and Expenses
without Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$117,155	\$60,886	\$56,269
Total Expenses to operate the system	\$226,670	\$226,670	-0-
Shortfall	<\$109,515>	<\$165,784>	\$56,269

Table 2
DHHL Kawaihae Water System
FY 2016 - Revenue and Expenses
with Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$117,155	\$60,886	\$56,269
Total Expenses to operate the system	\$226,670	\$226,670	-0-
Reserve funds	\$298,603	\$298,603	-0-
TOTAL	\$525,273	\$525,273	-0-
Shortfall	<\$408,118>	<\$464,387>	\$56,269

As stated earlier, the Kawaihae water system serves an average of 155 connections - all are beneficiaries. By industry standards, this system is considered very small, so DHHL is not able to achieve economies of scale such as the County water departments. Additionally, our current rate schedule has not kept up with rising costs, so revenue generated from the rate schedule does not produce enough to recover operating costs, let alone setting aside funds for reserves.

To financially break even, DHHL must look at decreasing expenses and finding new ways to increase revenue. Here are current approaches.

Table 3
Current Approaches to Balance Water Budget

Decrease expenses	Increase revenues
<ul style="list-style-type: none"> • Seek cost efficiencies in the water system budget • Continue leak detection • Investigate un-accounted for water • Increase routine maintenance • Find cheaper water source (long term) 	<ul style="list-style-type: none"> • Address non-payment of water bills • Increase water rates • Add more users to the system • Explore other sources for CIP funding

For DHHL, the following five criteria were used for the interim Rate Study.

1. Aligned with the mandates of the Hawaiian Homes Commission Act of 1920 (HHCA) and the HHC Water Policy Plan.

2. DHHL is first and foremost a Public Trust for HHCA beneficiaries. Support from Trust resources can be made available only to beneficiaries.
3. Beneficiary affordability - Industry standard is that rates are considered affordable at 1.5% and not more than 3% of the US Census median household income.
4. Equitability - rates are considered fair and equitable when each customer class pays its proportional share of the cost to provide for the delivery of clean, safe water.
5. Financial sustainability or "break even", per Water Policy Plan Goal #17.

Interim Water Rate Study - Findings and Recommendations

Major findings:

- Though DHHL's rate schedules are complex, they are highly equitable.
- Each DHHL water system serves diverse and unique communities with varying operating costs and numbers of connections. Thus, rate options were calculated separately and are unique to a particular system. Because of the uniqueness of each system, comparing rates among DHHL's four systems is generally not useful. Nor is it useful to compare DHHL's rate schedules to the County water departments or any other water utility. The Counties are able to achieve economies of scale, due to their large population base and wide range of customer classes (residential (single- & multi-family), agriculture, community facilities, commercial/industrial).
- All DHHL water systems are operating at a deficit totaling \$900,000 annually.
- The current DHHL accounting system is not structured in a manner that allows capturing of costs by each individual water system. Thus, the amount each water system is supported by other funds is unclear.
- Management and operations of the DHHL water systems is highly de-centralized and severely under-staffed. Addressing staffing levels is an important step as this can increase costs further or reduce them; build internal capacity and expertise; and increase operational efficiencies.

Overall Recommendations from the interim Rate Study are as follows. DHHL is agreeable to these recommendations.

- Add 3% annual increase for inflation, regardless of which rate option DHHL implements.
- Implement rates in the range of 1.5% to 3.0% of US Census median household income. DHHL to consider conducting its own income surveys, if US Census data is not accurate in homestead areas.

- Change from bi-monthly billing to monthly to achieve fiscal sustainability and customer affordability objectives.
- When more reliable financial statements (based on Enterprise Accounting) are consistently generated, it is recommended that DHHL compare the projected costs used in the Rate Study to calculate rates to actual costs tracked.
- Develop long-term plan and have written policies to fund reserve accounts.
- Conduct annual reviews of accounts receivable's aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the budgeting process.
- Educate water customers regarding the costs of service and the need for rate increases. Often, when customers understand this, resistance to rate increases lessens.
- Develop and enforce stringent collections and water service shut-off policies to keep delinquent accounts at a minimum.

There are two areas where DHHL differs from the recommendations in the Study. These are discussed below.

1. The preferred rate option in the Study

The preferred rate option in the Study is to recover full operational costs only. No funds for reserves through rates. To achieve this, the rate increase in Year 1 is a 100% increase to the meter fee and progressive increases to each water use Tier, as follows.

	Bi-monthly usage
Tier 1	(0 - 10,000 gallons) - 50% increase
Tier 2	(10,001 - 30,000 gallons) - 150% increase
Tier 3	(30,001 - 80,000 gallons) - 175% increase
Tier 4	(Over 80,000 gallons) - 200%. Increase
	For Kailapa Community Association - 150% increase

Then, add 3% for inflation every year thereafter. Per the Study, this rate increase is still considered affordable, except for high-volume water users - greater than 30,000 gallons used bi-monthly. There are 49 connections (or 34% of all users) in this category.

DHHL staff does not agree with the Study's preferred option. Two reasons: (1) this rate increase is projected to only recover operational costs and does not fund reserves for operating, emergency and future capital improvements; and, (2) beneficiaries will be impacted with high rate shock in Year 1. As part of the rate affordability criteria, minimizing rate shock is also important.

The DHHL recommendation is a modified version of the Study's option to fully recover operational costs and fully fund reserves. DHHL believes this rate option best meets the five criteria, particularly financially break even and beneficiary rate affordability.

The recommended rate increase is 380% to both the meter fee and the water use fee, with a 3% annual increase for inflation.

Note: the DHHL recommended figures differ from the Study because the final version of the Study changed from the time DHHL obtained HHC approval to conduct beneficiary consultation in February 2018.

2. Phased approach to implementing rate increase

The Study cautions against using a phased approach because a phased approach may ultimately result in higher rates at the end of the period in which the incremental increase is implemented.

The DHHL recommendation is to use a phased approach to minimize the rate shock to beneficiaries and to help beneficiaries financially prepare. For other DHHL systems, DHHL has used a phased approach. Specifically, the recommendation is to incrementally increase the rates over a 10-year period. For beneficiaries this would be a total of 41% (38% + 3% inflation) to both the meter fee and water use Tiers each year.

See Exhibit A for existing and proposed water rate schedules

The table below is a comparison of current rates and new rates at Years 1, 5 and 10 for 65% of the users on the Kawaihae water system.

Table 4
Monthly Water Bill Projections

User type	Meter size	Average gallons per month per user	Current Rates	Year 1	Year 5	Year 10
Residential	5/8"	13,000	\$35.63	\$50.26	\$109.00	\$183.28

IMPLEMENTATION

To support this action to increase water rates, a comprehensive approach is required. Staff recommends the following five implementing actions - Central Water Division, Enterprise Accounting, Customer Education, water bill

delinquencies, and enforcement.

1. Establish Central Water Utility Branch

It is recommended to organize a Central Water Utility Branch with dedicated staff that possess technical, managerial, and financial expertise. This was discussed at the Water System 101 Training at the HHC June 2017 meeting and was the top recommendation in the Effective Utility Management paper, October 2017.

As an interim step, DHHL may consider a cross-divisional team that regularly meets to oversee the technical, managerial and financial aspects of all four DHHL water systems.

2. Implement Enterprise Accounting

Financial reports are needed for internal use as well as for federal USDA grant compliance. USDA has invested \$20 million in the DHHL water systems and DHHL has been struggling with producing the required financial reports.

It is critical that DHHL implement the Enterprise Accounting policy adopted by the HHC in 2012.

- a. First step is to establish water system budgets at the start of each fiscal year.
- b. Quarterly, track budget-to-actual. Adjust budget as needed.
- c. Invest in technology - billing software, water usage data collection.
- d. Per Rules, regularly conduct COS and Rate Studies and adjust rates accordingly.
- e. Investigate integrity of data - both internal and from contracted water system operators (ie, water usage data) accordingly.

3. Continue Water customer outreach and education

Best management practice in the drinking water industry is to educate customers regarding the costs to provide safe, clean water and the need for rate increases. Many people believe water should be free and do not understand the cost of making water safe and dependably delivered to their homes. Often, when customers understand this, resistance to a rate increase lessens. Customer education is a proactive effort to minimize "rate shock".

4. Address beneficiary non-payment of water bills

DHHL to conduct annual reviews of accounts receivables aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the DHHL budgeting process. The older the account is, the less likely it will be collected. DHHL to consider including the annual water budget a cost for uncollectible accounts.

At the same time, DHHL to continue assisting lessees with payment workout plans. When the Water Administrative Rules are approved (estimated by January 2019), DHHL will have the legal authority to better manage delinquencies including accepting non-cash payment, imposing late payment penalties and shutting off water service as a last resort.

5. *Enforcement*

DHHL to implement stringent collections and water shut-off procedures to keep delinquent accounts at a minimum. No rate schedule adopted will succeed if customers do not pay their bills and enforcement provisions in the (pending) Water Administrative Rules are not followed.

AUTHORITY

- HHCA of 1920, as amended, Section 221f. "Water systems under the exclusive control of the department shall remain under its exclusive control."
- DHHL Hawaii Administrative Rules, Section 10-3-76(i). "Water from department systems shall be sold at rates established by the commission. The department shall establish the frequency of billing and may determine a minimum monthly charge."
- Public Utilities, Hawaii Revised Statutes Chapter 269, Section 31(a), regarding setting water rates. "This chapter shall not apply to . . . public utilities owned and operated by the State, or any county, or other political subdivision."
- Water Policy Plan, HHC approved July 2014 (Exhibit B)
 - Mission: Understand our trust water assets and manage water systems.
 - Priority Policies: Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses; and educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana.
 - Goals: Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users.
- Water System Enterprise Accounting Policy, HHC adopted 2012 (Exhibit C). DHHL will budget for the Water System utilizing an enterprise account accounting structure.

RECOMMENDATION

Staff respectfully requests approval of the recommended motion as stated above.

**Kawaihae Water System
Residential Beneficiaries**

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi- Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$49.07	\$63.37	\$77.70	\$92.06	\$106.46	\$120.90	\$135.37	\$149.88	\$164.42	\$179.01

Existing water service delivery (usage) fees

	GallonsBi- Monthly	Usage Fee per 1,000 gallons
Tier 1	0 - 10,000	\$2.60
Tier 2	10,001 - 30,000	\$3.49
Tier 3	30,001 - 80,000	\$4.89
Tier 4	Over 80,000	\$5.89

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$3.67	\$4.73	\$5.81	\$6.88	\$7.95	\$9.03	\$10.11	\$11.20	\$12.28	\$13.37
Tier 2	\$4.92	\$6.35	\$7.79	\$9.23	\$10.68	\$12.12	\$13.58	\$15.03	\$16.49	\$17.95
Tier 3	\$6.89	\$8.90	\$10.92	\$12.94	\$14.96	\$16.99	\$19.02	\$21.06	\$23. 10	\$25.15
Tier 4	\$8.30	\$10.73	\$13.15	\$15.58	\$18.02	\$20.46	\$22.91	\$25.37	\$27.83	\$30.30

The rates and fees are based on a 38% increase per year to both base and usage fees per year (or 380% spread over 10 years), plus 3% inflation per year, or a total of 41% increase per year.

Kawaihae Water System
Kailapa Community Association

Existing meter service (base) fees

Meter size (inches) Bi-Monthly	Existing Base fee (\$) Bi-Monthly
5/8"	\$34.80

Proposed meter service (base) fees

Meter size (inches) Bi-Monthly	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
5/8"	\$49.07	\$63.37	\$77.70	\$92.06	\$106.46	\$120.90	\$135.37	\$149.88	\$164.42	\$179.01

Existing water service delivery (usage) fees

	Gallons Bi-Monthly	Usage Fee per 1,000 gallons
Tier 1	9,999,999	\$8.09

Proposed water service delivery (usage) fees

Per 1,000 gallons	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Tier 1	\$11.41	\$14.73	\$18.06	\$21.40	\$24.75	\$28.11	\$31.47	\$34.84	\$38.22	\$41.61

The rates and fees are based on a 38% increase per year to both base and usage fees per year (or 380% spread over 10 years), plus 3% inflation per year, or a total of 41% increase per year.

HAWAIIAN HOMES COMMISSION WATER POLICY PLAN

July 22, 2014

Vision

Our vision is that there will be adequate amounts of [water](#) and supporting infrastructure so that homestead lands will always be usable and accessible, to enable us to return to our lands to fully support our self-sufficiency and self-determination in the administration of the Hawaiian Homes Commission Act (HHCA), and the preservation of our values, traditions, and culture.

Mission

In a manner consistent with our [values](#), the Hawaiian Homes Commission (HHC) and Department of Hawaiian Home Lands (DHHL) shall strive to ensure the availability of adequate, quality [water](#) by working cooperatively to:

- Understand our trust [water](#) assets;
- Plan for our [water](#) needs;
- Aggressively understand, exercise and assert our [kuleana](#) as stewards of [water](#);
- Develop and protect [water](#) sources; and
- Manage [water](#) systems.

Values

1. **Waiwai:** [Mōhala i ka wai ka maka o ka pua](#). *Unfolded by the water are the faces of the flowers.* The availability of [water](#) to our lands and people is integral to the trust and our mission.
2. **Waihona:** [Ua lehulehu a manomano ka `ikena a ka Hawai`i](#). *Great and numerous is the knowledge of the Hawaiians.* Honoring and documenting our knowledge about [water](#) is essential to managing it.
3. **Mālama:** [He ali`i ka `āina; he kauwā ke kanaka](#). *The land is a chief; man is its servant.* We consider [water](#) to be part of our genealogy and so we manage it in a manner that cares for its long-term sustainability for all things, as we also use it productively for our mission.
4. **Laulima:** [E lauhoe mai nā wa'a; i ke kā, i ka hoe; i ka hoe, i ke kā; pae aku i ka 'āina](#). *Everybody paddle the canoes together; bail and paddle, paddle and bail, and the shore is reached.* We are one people who now share Hawai`i with others. DHHL is only one of many Hawaiian serving institutions. We will assert our rights while considering our larger lāhui `ōiwi and the larger world in which we live.

Policies

The HHC and the DHHL are seeking to be proactive in our management of water. Our Priority Policies are to:

1. 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](#).
2. Aggressively exercise, reclaim, and protect Hawaiian home land [water kuleana](#).
3. Develop, manage, and steward [water](#) in a manner that balances cost, [efficiency measures](#), and [Public Trust](#) uses in the short and long term.
4. Affirmatively communicate our decisions, our reasoning, and our performance in managing, stewarding, and using [water](#) before and after making major [water](#) decisions.

Additionally, the HHC and the DHHL should consider in their work the following statements:

5. Educate beneficiaries, the DHHL, HHC, and other stakeholders continually on our [water kuleana](#).
6. Foster self-sufficiency of beneficiaries by promoting the adequate supply of [water](#) for homesteading when developing or managing [water](#).
7. Foster the self-determination of beneficiaries by seeking ways for beneficiaries to participate in the management of [water](#) by delegating authority related to [water](#) subject to the discretion of the HHC as described in the [HHCA](#).
8. Make [water](#) decisions that incorporate traditional and place-based knowledge of our people and are clear and methodical in their reasoning.
9. Make efforts to understand, maintain, and improve the quality of [water](#) as it moves into and through our lands and is used by beneficiaries.
10. Affirmatively consider the development and use of [alternative sources](#) of [water](#) and [efficiency measures](#) in [water](#) decision-making.
11. Ensure that [water](#) decisions are consistent with other Departmental [policies](#), programs, and plans including but not limited to the [Energy Policy](#) and Agricultural Program.
12. 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.

Goals

To make progress on achieving our Mission and complying with our Policies, the Priority Goals of the HHC and the DHHL are to:

1. Affirmatively communicate with beneficiaries regarding [water](#) decisions, performance, and [water](#) rights on a regional and annual basis.
2. Aggressively, proactively, consistently and comprehensively advocate for the [kuleana](#) of the beneficiaries, the DHHL, and the HHC to [water](#) before all relevant agencies and entities.
3. Develop and manage a [Water Assets Inventory \(WAI\)](#).
4. Support watershed protection and restoration on DHHL lands and source areas for DHHL [water](#).

Additional goals that DHHL and the HHC shall seek to achieve, based on the availability of resources, organized by Mission activities, are:

Part I. Understand our trust water assets

1. Revise the DHHL submittal template to the HHC for [water](#) related decisions.
2. Revise budgets to show the total costs of a) [water](#) system management b) all spending on [water](#) issues.
3. Staff and organize the DHHL consistent with importance of [water](#) to the trust.

Part II. Plan for our water needs

4. Determine current and foreseeable future needs based upon periodic reviews of [water](#) availability projections that incorporate climate change, projected beneficiary demand, [alternative sources](#) and [efficiency measures](#).
5. Design homesteads and manage lands to create and enhance [water](#) availability, optimizing costs, use of [alternative sources](#) and [efficiency measures](#).

Part III. Aggressively understand, exercise and assert our water rights

6. Secure adequate and enforceable reservations of [water](#) for current and foreseeable future needs for all of its lands across the islands.
7. Partner with trust beneficiaries in [water](#) advocacy efforts.
8. Engage in updates to all [Hawai'i Water Plan](#) elements to ensure DHHL [water](#) needs and rights are addressed.
9. Advocate that all [Water Use Permit Applications](#) properly address the [water](#) rights of DHHL and other Hawaiian [water](#) rights.
10. Advocate that County Boards of Water Supply and other County agencies that affect [water](#) have the spirit of the [HHCA](#) faithfully carried out to protect DHHL

water uses as a [Public Trust](#) use of [water](#) and manage rates so they are affordable by beneficiaries.

11. Ensure that all legal provisions for the licensing of state [water](#) are followed.

Part IV. Develop and protect water sources

12. Carefully weigh alternatives regarding the dedication or DHHL management of new [water](#) systems.
13. Methodically and consistently manage and allocate water credits.
14. Support the drilling of wells by beneficiaries for their own use on lots where appropriate.
15. Partner with Department of Health and others on [water](#) quality education and outreach.
16. Continue to pursue development of agricultural [water](#) systems.

Part V. Manage water systems

17. Secure revenue and reduce operation costs so DHHL [water](#) systems break even financially over the long term.
18. Increase security and reliability for DHHL [water](#) users.
19. Pursue resolution by the Department of Agriculture of prior audit findings in the management of the Moloka'i Irrigation System and full repair of the System

Delegation of Authorities, Reporting, and Consultation

1. Delegation
 - a. The HHC delegates authority to the Chairperson to prepare an Implementation Program for this Water Policy Plan, which shall be subject to the approval by HHC. The Program shall identify tasks to implement each goal, and shall specify tasks that apply statewide as well as tasks that apply to different islands or regions under each goal.
2. Reporting
 - a. The Chairperson shall submit the proposed Implementation Program to the HHC annually in conjunction with the Department's budget request.
 - b. The Chairperson shall annually report on progress on execution of the approved Implementation Program and overall progress towards achieving the goals of and maintaining compliance with the Water Policy Plan.
3. Consultation
 - a. The Chairperson shall consult with the HHC on any major water issues not contained in the Implementation Program.

Legal Authorities

1. [Hawai'i State Constitution](#)
2. [Hawaiian Homes Commission Act of 1921, as amended](#)
3. [Hawai'i State Water Code, HRS 174C](#)
4. [In the Matter of Water Use Permit Applications \(Waiāhole I case\)](#)
5. [Wai'ola o Moloka'i](#)
6. [Kauai Springs, Inc. v. Planning Commission of the County of Kauai](#)

Related Plans and Policies

1. [DHHL General Plan](#)
2. [DHHL Energy Policy](#)
3. [Hawaiian Homes Commission Beneficiary Consultation Policy](#)

References

1. 1983. Pūku'i, Mary Kawena. **'Ōlelo No'eau: Hawaiian Proverbs & Poetical Sayings**. Honolulu: Bernice Pauahi Bishop Museum.
2. **Aia i hea ka wai a Kāne?** (Traditional chant, "Where is the water of Kāne?")

Definitions

Alternative sources: Alternative sources include but are not limited to the water developed through reuse and recycling technologies and best practices, capture of flood waters, desalinated waters, and other sources as may be appropriate for proposed uses.

Hawai'i Water Plan: The Hawai'i Water Plan and its parts, as detailed in Part III of the Hawai'i State Water Code (HRS 174C), is the state's "program of comprehensive water resources planning to address the problems of supply and conservation of water" (HRS 174C-2(b)).

Efficiency Measures: Efficiency measures include optimal design and development, alternative energy utilization, changing in behavioral practices and technologies that support onsite distributed wastewater systems.

Kuleana: Kuleana encompasses both rights and responsibilities. DHHL's water kuleana includes its responsibilities under its mission and the legal rights to water enshrined in the HHCA and state Constitutional and statutory provisions. Kuleana exists within the genealogical and spiritual relationship between water and the lāhui `ōiwi.

Public Trust: As delineated in the Hawai'i Supreme Court [Waiāhole I](#) and [Wai`ola O Moloka`i](#) cases, public trust uses of water include domestic uses, traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and reservations of water for the DHHL.

Water: In this policy, water includes mists, fog, rain, and other precipitation; water as it flows above or below ground, and into the ocean; water used for homesteading; alternative sources including waste, brackish, and salt water; water used in the exercise of traditional and customary practices; infrastructure used to produce, store and transmit water; and water we use as well as water to which we have rights.

Water Assets Inventory (WAI): A comprehensive geographically referenced database of the water assets of the DHHL, including traditional knowledge related to water, DHHL owned water infrastructure, current and future water demand, water agreements, water credits, and potential water sources.

Approval Date

Policy approved by the Hawaiian Homes Commission on July 22, 2014.

HHC 08/20/12 – Adopted Management & Accounting Guidelines for DHHL Water Systems

- The department is able to create separate enterprise accounts for all water system revenue producing activities in the Operating portion of the Hawaiian Home Operating Fund. The separate ledger accounts will be referred to collectively as the Hawaiian Home Lands (HHL) enterprise account.
- In basic terms, this method of accounting will effectively isolate the water system budget from the department's larger budget. An enterprise account establishes a separate accounting and financial reporting mechanism for services for which a fee is charged in exchange for goods or services. The Administrative Services Office has indicated that the enterprise account, as an alternative method of accounting, can be prepared using existing accounting records.
- DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. However, the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency conditions or public health and safety considerations.

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

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
August 20, 2012, 10:00 a.m., Hale Kūpuna O Lana'i, 1144 Ilima Avenue
Lana'i City, Hawai'i

ORDER OF BUSINESS

Roll Call
Approval of Agenda
Approval of Minutes of June 18-19, 2012 & July 23-24, 2012

A - WORKSHOP PRESENTATIONS

- A-1 Lana'i Regional Plan
- A-2 Aina Mauna Legacy Program Status Update

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS (for Monday agenda Items)

C - OFFICE OF THE CHAIRMAN

- C-1 Approval of Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands to Submit With USDA-RD Application
- C-2 NAHASDA - 2012 Annual Performance Report

D - HOMESTEAD SERVICES DIVISION

- D-1 HSD Status Reports
 - Exhibits:
 - 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
 - E - DHHL Guarantees for Habitat for Humanity Loans
- D-2 Approval of Various Lease Awards
- D-3 Rescission of Homestead Lease Award and Reinstatement of Application - East Kapolei II B&C, Undivided Interest
- D-4 Ratification of Loan Approvals
- D-5 Approval of Consent to Mortgage
- D-6 Schedule of Loan Delinquency Contested Case Hearings

- D-7 Homestead Application Transfers / Cancellations
- D-8 Commission Designation of Successors to Application Rights - Public Notice 2011
- D-9 Reinstatement of Deferred Applications
- D-10 Ratification of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds
- D-11 Approval of Assignment of Leasehold Interest
- D-12 Approval of Amendment of Leasehold Interest
- D-13 Cancellation of Lease - **Mary Lou De Aguiar**
- D-14 Designation of Successor - **Adeline K. Spencer**
- D-15 Request to Schedule Contested Case Hearing - Lease Violation
- D-16 Approval of Amendment of Leasehold Interest - **Lenora U. Vierra**, Lease No. 7634, Waiohuli
- D-17 Approval of Assignment of Leasehold Interest - **Jamie L.K. Akiona**, Lease No. 7474, Waiohuli; **Elizabeth H.K. Kahae-Luuloo**, Lease No. 9507, Waichu Kou 2; **Martin Kahae**, Lease No. 5005, Ho'olehua

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
(continuation)
HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
August 21, 9:30 a.m., Lana'i Youth Center, 717 Fraser Avenue
Lana'i City, Hawai'i

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS (for Tuesday agenda items)

F - LAND MANAGEMENT DIVISION

- F-1 Finding of No Significant Impact (FONSI), General Lease No. 294, Kalaeloa Home Lands Solar, Kalaeloa, O'ahu
- F-2 Notices of Default and Revocations, Statewide
- F-3 For Information Only - Overview of Trust Land Request Review Process
- F-4 Authorization to Issue License to Waimea Hawaiian Homestead Association and Homestead Community Development Corporation, Waimea, Hawai'i
- F-5 Authorization to Initiate Direct Negotiation with Green Energy Hawaii for Alternative Energy Project, Anahola, Kaua'i
- F-6 For Information Only - Land Request for Land Formerly Known as "Camp Faith", Anahola, Kaua'i

J - GENERAL AGENDA

- J-1 Request to Address Commission - Hawaiian Community Assets
- J-2 Request to Address Commission - Homestead Community Development Corp.
- J-3 Request to Address Commission - Update Sandwich Isles Communications

EXECUTIVE SESSION

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 this matter.

1. Honokaia 'Ohana et al. v DHHL et al., Civil No. 09-101615-07
2. Duties and Responsibilities of Commissioners
3. Claim for Replacement of Septic System, Leonard Low-Lalamilo, Waimea, HI

ANNOUNCEMENTS AND ADJOURNMENT

1. Next Meeting – Tuesday, September 18, 2012, Naalehu, Hawai'i
2. Other Announcements
3. Adjournment


Jobie M.K. Masagatani, Chair Designate
Hawaiian Homes Commission

COMMISSION MEMBERS

Imaikalani P. Aiu, Kaua'i
Perry O. Artates, Maui
Leimana DaMate, West Hawai'i
Gene Ross K. Davis, Moloka'i

J. Kama Hopkins, O'ahu
Michael P. Kahikina, O'ahu
Ian B. Lee Loy, East Hawai'i
Renwick V.I. Tassill, O'ahu

Next community meeting to be held on Monday, September 17, 2012 at
Pahala Community Center, Pahala, Hawai'i at 6:00 p.m.

Special Accommodations (such as Sign Language interpreter, large print, taped materials) can be provided, if requested at least five (5) working days before the scheduled meeting on the respective island by calling (808) 620-9590.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

August 20, 2012

To: Chairman and Members, Hawaiian Homes Commission

From: Dreana Kalili, Policy and Program Analyst *K*
Ray Enos, Land Issues Officer *RE*

Subject: Management and Accounting Guidelines for the Water
Systems Owned and Operated by the Department of
Hawaiian Home Lands to Submit with USDA-RUS
Applications

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission adopt these management and accounting guidelines for water systems owned and operated by the department.

DISCUSSION

Within Hawaii, water is free, however, there is a cost to pump, store, treat, and transport the water to homes, businesses, and public facilities like schools. On Hawaiian Home Lands, water systems have been and continue to be constructed by the department, and then are either leased to the applicable County water department, or are operated and maintained by the department. Water users of the system pay a fraction of the cost to operate the system and the operating costs of the water systems owned and operated by the department are heavily supplemented by trust funds.

Since 2008, the department has partnered with Na Kupaa O Kuhio to apply for and receive grant and low-interest loan assistance from the U.S. Department of Agriculture Rural Utilities Service (USDA RUS) to develop water systems for homesteaders. The department is eligible to directly apply for USDA-RUS assistance. However, under the department's current accounting structure, the water system expenses and receipts are imbedded in the overall department budget process and as such, the department is not able to demonstrate financial sustainability throughout the life of the improvements and meet the USDA-RUS grant determination criteria.

Section 213(e) of the Hawaiian Homes Commission Act, as amended,

authorizes the Operating portion of the Hawaiian Home Operating Fund to be used for the construction, operation and maintenance of revenue-producing activities that are intended to serve principally occupants on Hawaiian home lands (such as the Molokai Water System, and the Anahola Farm Lots Water System, on the island of Kauai, and the Kawaihae Water System on the island of Hawaii).

The department is able to create separate enterprise accounts for all water system revenue producing activities in the Operating portion of the Hawaiian Home Operating Fund. The separate ledger accounts will be referred to collectively as the Hawaiian Home Lands (HHL) enterprise account.

In basic terms, this method of accounting will effectively isolate the water system budget from the department's larger budget. An enterprise account establishes a separate accounting and financial reporting mechanism for services for which a fee is charged in exchange for goods or services. The Administrative Services Office has indicated that the enterprise account, as an alternative method of accounting, can be prepared using existing accounting records.

The specific management and accounting guidelines for the water systems owned and operated by the DHHL are found attached in Exhibit A.

USDA RUS Grant Criteria

The purpose of USDA-RUS Water and Environment Program is to provide loan and grant funds for water and waste projects serving the most financially needy communities. Financial assistance from the program should result in reasonable user costs for rural residents, rural businesses, and other rural users. The excerpts of the grant criteria are found in Exhibit B and are designed to ensure this program purpose is met.

As a grant and loan applicant, DHHL must meet these criteria and demonstrate the following:

- 1) That grants it receives will not result in an Equivalent Dwelling Unit (EDU) costs below similar system user cost. The EDU means the level of service provided to a typical rural residential dwelling;
- 2) That the debt service portion of the average annual EDU cost, for users in the applicant's service area, exceeds the following percentages of median household income by 0.5% when the median household income of the service area is equal to or below 80% of the statewide nonmetropolitan median income (in other words, if the median income for

the service area is \$48,000, a water system is eligible for a grant if the debt service portion to individual system users is more than \$240 over one year);

- 3) That its annual cost for delivery of service is subsidized; and
- 4) That water system user charges are reasonable, or the planned revenue should be sufficient to provide for all debt service, debt reserve, operation and maintenance, and, if appropriate, additional revenue for facility replacement of short-lived assets without building a substantial surplus.

The staff recommendation is to adopt the "Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands" to align DHHL's operating and accounting processes related to these water systems with the USDA-RUS program criteria and goals.

It is critical that DHHL demonstrate these criteria are met so it can qualify for the maximum grant award allowed per project. These grant funds are needed to increase the operating efficiency of its water systems to decrease trust subsidies, and maximum grant awards means less funds expended from the trust.

MANAGEMENT AND ACCOUNTING GUIDELINES FOR THE WATER SYSTEMS OWNED
AND OPERATED BY THE DEPARTMENT OF HAWAIIAN HOME LANDS

August 2012

- 1) The Water System will carry out the Department's goals, objectives and policies through a service delivery system financed through the utility's operating and capital budgets. The relationship between the operating and capital budgets will be explicitly recognized and incorporated into the budget process in a manner consistent with sound accounting and management practices. Funding for these budgets shall be adequate to provide operating services and maintenance or enhancement of fixed assets needed to support the demand for the water utility. The Commission will establish all user charges fees at a level related to the full costs (operating, direct, indirect and capital) of providing the service. Supplemental funding for the Water System enterprise account may be made by the Commission in order to avoid rate shock to the users. The Commission will review fees/charges at least every four years. As the need arises the Commission may adjust the rates by resolution. The Department will maintain records to document compliance with the user charge requirements, including records of the review, and such records will be available to the users.
- 2) The Water System user charge shall consist of a base rate and a consumption charge which combined shall be considered the water utility user charge. The Department Budget Officer shall establish a account or account within the Department's budget for the Water System utility charges. Moneys received as a result of the Water System utility user charge shall be allocated to the Water System Enterprise Account in the amounts established in the water utility charge resolution of the Commission. Except as otherwise provided or allowed by state law, the utility account or accounts shall be used solely for the purposes of the utility.
- 3) It is recognized that in order for the Water System to be a sustainable, self-supporting enterprise, there would need to be a substantial rate increase to users which would result in rate shock and have undesirable consequences. It is recognized that the utility rate for the Water System will need to be reviewed and re-authorized by the Commission. The Water System

enterprise account may continue to be subsidized by the Department as to avoid rate shock and the Commission may consider financial self-sufficiency and sustainability along with its other goals and objectives when establishing the Water System rates in the future.

- 4) DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. However, the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency conditions or public health and safety considerations.

U.S. DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE
WATER AND WASTE LOANS AND GRANT CRITERIA
(Excerpts from the Code of Federal Regulations, Title 7, Part 1780)

§ 1780.1 General. (Excerpts)

(c) RUS debt instruments will require an agreement that if at any time it shall appear to the Government that the borrower is able to refinance the amount of the indebtedness to the Government then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan.

(j) Water and waste applicants must demonstrate that they possess the financial, technical, and managerial capability necessary to consistently comply with pertinent Federal and State laws and requirements. In developing water and waste systems, applicants must consider alternatives of ownership, system design, and the sharing of services.

§ 1780.3 Definitions and grammatical rules of construction. (Excerpts)

Equivalent Dwelling Unit (EDU) means the level of service provided to a typical rural residential dwelling.

Rural and rural areas means any area not in a city or town with a population in excess of 10,000 inhabitants, according to the latest decennial census of the United States.

Rural Development means the mission area of the Under Secretary for Rural Development. Rural Development State and local offices will administer this water and waste program on behalf of the Rural Utilities Service.

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture established pursuant to section 232 of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, 108 Stat. 3178), successor to the Farmer's Home Administration and the Rural Development Administration with respect to certain water and waste disposal loan and grant programs.

Service area means the area reasonably expected to be served by the project.

Similar system cost means the average annual EDU user cost of a system within a community having similar economic conditions and being served by the same type of established system. Similar system cost shall include all charges, taxes, and assessments attributable to the system including debt service, reserves and operation and maintenance costs.

§ 1780.7 Eligibility.

Facilities financed by water and waste disposal loans or grants must serve rural areas.

(a) Eligible applicant. An applicant must be:

(1) A public body, such as a municipality, county, district, authority, or other political subdivision of a state, territory or commonwealth;

(2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community; or

(3) Indian tribes on Federal and State reservations and other Federally recognized Indian tribes.

(b) Eligible facilities. Facilities financed by RUS may be located in non-rural areas. However, loan and grant funds may be used to finance only that portion of the facility serving rural areas, regardless of facility location.

(c) Eligible projects. (1) Projects must serve a rural area which, if such project is completed, is not likely to decline in population below that for which the project was designed.

(2) Projects must be designed and constructed so that adequate capacity will or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area to the extent practicable.

(3) Projects must be necessary for orderly community development and consistent with a current comprehensive community water, waste disposal, or other current development plan for the rural area.

(d) Credit elsewhere. Applicants must certify in writing and the Agency shall determine and document that the applicant is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

(e) Legal authority and responsibility. Each applicant must have or will obtain the legal authority necessary for owning, constructing, operating, and maintaining the proposed facility or service and for obtaining, giving security for, and repaying the proposed loan. The applicant shall be responsible for operating, maintaining, and managing the facility, and providing for its continued availability and use at reasonable user rates and charges. This responsibility shall be exercised by the applicant even though the facility may be operated, maintained, or managed by a third party under contract or management agreement. Guidance for preparing a management agreement is available from the Agency. Such contracts, management agreements, or leases must not contain options or other provisions for transfer of ownership.

(f) Economic feasibility. All projects financed under the provisions of this section must be based on taxes, assessments, income, fees, or other satisfactory sources of revenues in an amount sufficient to provide for facility operation and maintenance, reasonable reserves, and debt payment. If the primary use of the facility is by business and the success or failure of the facility is dependent on the business, then the economic viability of that business must be assessed.

(g) Federal Debt Collection Act of 1990 (28 U.S.C. 3001 et seq.). An outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a loan or grant until the judgment is paid in full or otherwise satisfied.

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999]

§ 1780.9 Eligible loan and grant purposes.

Loan and grant funds may be used only for the following purposes:

(a) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.

(b) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(c) To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(d) For payment of other utility connection charges as provided in service contracts between utility systems.

(e) When a necessary part of the project relates to those facilities authorized in paragraphs (a), (b), (c) or (d) of this section the following may be considered:

(1) Loan or grant funds may be used for:

(i) Reasonable fees and costs such as: legal, engineering, administrative services, fiscal advisory, recording, environmental analyses and surveys, possible salvage or other mitigation measures, planning, establishing or acquiring rights;

(ii) Costs of acquiring interest in land; rights, such as water rights, leases, permits, rights-of-way; and other evidence of land or water control or protection necessary for development of the facility;

(iii) Purchasing or renting equipment necessary to install, operate, maintain, extend, or protect facilities;

(iv) Cost of additional applicant labor and other expenses necessary to install and extend service; and

(v) In unusual cases, the cost for connecting the user to the main service line.

(2) Only loan funds may be used for:

(i) Interest incurred during construction in conjunction with multiple advances or interest on interim financing;

(ii) Initial operating expenses, including interest, for a period ordinarily not exceeding one year when the applicant is unable to pay such expenses;

(iii) The purchase of existing facilities when it is necessary either to improve service or prevent the loss of service;

(iv) Refinancing debts incurred by, or on behalf of, an applicant when all of the following conditions exist:

(A) The debts being refinanced are a secondary part of the total loan;

(B) The debts were incurred for the facility or service being financed or any part thereof; and

(C) Arrangements cannot be made with the creditors to extend or modify the terms of the debts so that a sound basis will exist for making a loan; and

(v) Prepayment of costs for which RUS grant funds were obligated.

(3) Grant funds may be used to restore loan funds used to prepay grant obligated costs.

(f) Construction incurred before loan or grant approval.

(1) Funds may be used to pay obligations for eligible project costs incurred before loan or grant approval if such requests are made in writing by the applicant and the Agency determines that:

(i) Compelling reasons exist for incurring obligations before loan or grant approval;

(ii) The obligations will be incurred for authorized loan or grant purposes; and

(iii) The Agency's authorization to pay such obligations is on the condition that it is not committed to make the loan or grant; it assumes no responsibility for any obligations incurred by the applicant; and the applicant must subsequently meet all loan or grant approval requirements, including environmental and contracting requirements.

(2) If construction is started without Agency approval, post-approval in accordance with this section may be considered, provided the construction meets applicable requirements including those regarding approval and environmental matters.

(g) Water or sewer service may be provided through individual installations or small clusters of users within an applicant's service area. The approval official should consider items such as: quantity and quality of the individual installations that may be developed; cost effectiveness of the individual facility compared with the initial and long term user cost on a central system; health and pollution problems attributable to individual facilities; operational or management problems peculiar to individual installations; and permit and regulatory agency requirements.

(1) Applicants providing service through individual facilities must meet the eligibility requirements in §1780.7.

(2) The Agency must approve the form of agreement between the applicant and individual users for the installation, operation, maintenance and payment for individual facilities.

(3) If taxes or assessments are not pledged as security, applicants providing service through individual facilities must obtain security necessary to assure collection of any sum the individual user is obligated to pay the applicant.

(4) Notes representing indebtedness owed the applicant by a user for an individual facility will be scheduled for payment over a period not to exceed the useful life of the individual facility or the RUS loan, whichever is shorter. The interest rate will not exceed the interest rate charged the applicant on the RUS indebtedness.

(5) Applicants providing service through individual or cluster facilities must obtain:

(i) Easements for the installation and ingress to and egress from the facility if determined necessary by RUS; and

(ii) An adequate method for denying service in the event of nonpayment of user fees.

§ 1780.10 Limitations.

(a) Loan and grant funds may not be used to finance:

(1) Facilities which are not modest in size, design, and cost;

(2) Loan or grant finder's fees;

(3) The construction of any new combined storm and sanitary sewer facilities;

(4) Any portion of the cost of a facility which does not serve a rural area;

(5) That portion of project costs normally provided by a business or industrial user, such as wastewater pretreatment, etc.;

(6) Rental for the use of equipment or machinery owned by the applicant;

(7) For other purposes not directly related to operating and maintenance of the facility being installed or improved; and

(8) A judgment which would disqualify an applicant for a loan or grant as provided for in §1780.7(g).

(b) Grant funds may not be used to:

(1) Reduce EDU costs to a level less than similar system cost;

(2) Pay any costs of a project when the median household income of the service area is more than 100 percent of the nonmetropolitan median household income of the State;

(3) Pay project costs when other loan funding for the project is not at reasonable rates and terms; and

(4) Pay project costs when other funding is a guaranteed loan obtained in accordance with 7 CFR part 1779 of this title.

(c) Grants may not be made in excess of the following percentages of the RUS eligible project development costs. Facilities previously installed will not be considered in determining the development costs.

(1) 75 percent when the median household income of the service area is below the higher of the poverty line or 80% of the state nonmetropolitan median income and the project is necessary to alleviate a health or sanitary problem.

(2) 45 percent when the median household income of the service area exceeds the 80 percent requirements described in paragraph (c)(1) of this section but is not more than 100 percent of the statewide nonmetropolitan median household income.

(3) Applicants are advised that the percentages contained in paragraphs (c)(1) and (c)(2) of this section are maximum amounts and may be further limited due to availability of funds or the grant determination procedures contained in §1780.35 (b).

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999; 66 FR 23151, May 8, 2001]

State of Hawaii

Department of Hawaiian Home Lands

May 14 - 15, 2018

To: Chair and Members, Hawaiian Homes Commission
Through: M. Kaleo Manuel, Acting Planning Program Manager
From: Gigi O. Cairel, Grants Specialist *McAul*
E. Halealoha Ayau, Water Resources Specialist
Subject: Approval to Extend Current Water Rates and Fees
for the DHHL Pu'ukapu Water System

RECOMMENDED MOTION/ACTION

- 1) That the Hawaiian Homes Commission (HHC) approve to extend the current water rates and fees for the Department of Hawaiian Home Lands (DHHL) Pu'ukapu Water System, and
- 2) That the HHC direct DHHL to evaluate the current rates no later than July 1, 2020, and make recommendations for any rate adjustments to the HHC.

BACKGROUND AND PURPOSE

DHHL owns and operates the Pu'ukapu Water System on Hawai'i island. The homestead area served is the Pu'ukapu pastoral lots. There are no community facilities nor businesses served by this system. It is DHHL's only system not regulated by the Department of Health (DOH) and is operated as a non-potable water system. DHHL installed a spigot at the beginning of the system to provide limited potable water. Of the four water systems that DHHL owns statewide, the Pu'ukapu Water System is the smallest in size (serving 43 beneficiaries) and the newest system (4 years old). The system was constructed to serve all 184 pastoral lots. System components consist of three storage tanks, four fire fighting tank reservoirs, two booster pumps and 71,300 linear feet of distribution lines.

As the owner of water systems, HHC and DHHL are responsible for providing safe, clean water and protecting community health and safety, while maintaining compliance with federal and state laws. Water for the DHHL Pu'ukapu Water System comes from the County of Hawai'i. The source water is excellent and water quality testing meets all water quality standards. The Pu'ukapu Water System operations is contracted out to a private company.

Because this is not a regulated water system, a DOH certified licensed operator is not required.

As with any government-owned water system, a major challenge is balancing water service adequacy and dependability with costs and customer rate affordability. DHHL's systems need continued investment to keep them operational. DHHL is not alone. Water utilities across the country are facing the same challenge. Over the past year, DHHL studied our systems needs and worked to understand the costs of providing water service. Every component critical to delivering water, storage and distribution was closely analyzed and planned to ensure sustainability and viability for future generations. The results tell us that we must raise rates to continue providing dependable water supply to beneficiaries served by the DHHL systems. To keep rates affordable to beneficiaries, we must seek other funds, including Trust funds. At the same time, the costs of providing water service have grown steeply - purchase of water from the County, labor, materials, fuel and electricity. For example, for the Pu'uikapu Water System, the County raised meter service charges and water use rates since 2014, when DHHL first established the Pu'uikapu flat rate of \$122.41.

Interim Cost of [Water Delivery] Service Analysis

The HHC approved Water Policy Plan, Policy #3, goal #17 states,

"Secure revenue and reduce operation costs so DHHL water systems break even financially over time."

As a first step in fulfilling this goal and to mitigate unsustainable financial losses from delivering water to beneficiaries, DHHL sought technical assistance from the Rural Community Assistance Corporation (RCAC), a federal 501(c)(3) nonprofit with over 40 years experience with small, rural community water/wastewater utilities in the western region of the U.S. RCAC conducted an interim Cost of [Water Delivery] Service (COS) analysis on all four DHHL-owned water systems. The COS was completed in June 2017 for DHHL Fiscal Years 2015 and 2016. The COS analysis was based on after-the-fact reviews of DHHL expenses, all of which was not coded within the DHHL accounting system to the Pu'uikapu water system enterprise. The COS was presented at an informational workshop held at the June 2017 HHC regularly scheduled meeting. Also, information from the COS relative to the Pu'uikapu water system was shared at an informational meeting with Pu'uikapu beneficiaries in November 2017. The COS was intended to serve as the base to evaluate the current DHHL water rate schedules and make recommendations for provisional rates.

Since completion of the COS analysis, DHHL lessons learned include:

- Gathering water system expense data was extremely challenging, given DHHL's current budgeting and accounting systems.
- The COS may not have captured all of the "true costs" of each system.
- Because the contract cost for operations is high (60% of overall costs), DHHL to separate out costs for routine operations, repairs, and one-time costs for meter and backflow prevention device installations.
- Need to address non-payment of water bills.
- Increase dedicated staff to manage and operate the DHHL water systems.
- Increase staff training and management oversight on accurate coding of water system expenses and revenue.
- Centralize internal management and oversight of the Pu'ukapu Water System with DHHL's other three water systems to achieve management and operational efficiencies and consistency.

The COS gave us a good start in understanding the financial needs of the Pu'ukapu Water System. With the COS completed, the next step was to conduct an interim water rate study to help DHHL move toward sustainably managing its water systems.

Typically, water rate studies identify the total revenue required by a utility to conduct its normal day-to-day operations, while anticipating future operating and capital needs, such as an emergency replacement of a pump. After determining revenue needs, a rate schedule is developed to divide the costs of delivering water among users. There are numerous ways that rates can be structured. DHHL uses 3 types as follows.

- Uniform Flat rates - all users pay the same amount regardless of the quantity of water used. This is the rate structure used for the DHHL Pu'ukapu Water System.
- Increasing block rates - a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 - 25,000; over 25,000 gallons) is charged at a higher rate than the previous blocks. This is the rate structure used by the DHHL Kawaihae, Ho'olehua (Moloka'i), and Anahola (Kauai) water systems.
- Decreasing block rates - a schedule of rates where each succeeding block (e.g., 1 - 10,000 gallons; 10,001 - 30,000, over 30,000 gallons) is charged at a lesser rate than the previous blocks. Typically, this rate structure is used to encourage local economic development. DHHL uses

this structure for DHHL agriculture beneficiaries to encourage farming on Moloka'i and in Anahola (Kauai).

Water systems typically adopt policies or criteria to guide structuring rates such as encouraging water conservation, ensuring affordability for residents, encouraging economic development, etc.

DISCUSSION

For most small water systems, the main source of revenue, and often times the only source, is derived from Water Rate schedules. Generally, water rates fund daily operations, routine maintenance, repairs, electricity, and four types of reserves - operating, emergency, capital and debt service. On this latter, DHHL is fortunate to not have any debt service on any of DHHL's water systems. The current DHHL water rate schedule for the Pu'ukapu water system expires on June 30, 2018. See Exhibit A.

From Table 1 below, the Pu'ukapu Water System operated at a loss of close to \$161,000 in Fiscal Year 2016. Taking into account Reserves, the shortfall increases to \$315,265 (Table 2). Non-payment of water bills amounted to \$15,600 (or 10% of the \$161,000 shortfall). The magnitude of these losses is indicative of a deficiency in the current water rates and, to some extent, indicative of system managerial and operational inefficiencies. The losses of the Pu'ukapu water system are paid out of Trust funds. This revenue shortfall continues to increase as operational costs increase, purchase of water from the County increases, infrastructure needs to be repaired or replaced, and non-payment of water bills increases. DHHL must look for ways to reduce subsidization and operate the water system in a financially sufficient manner.

Table 1
DHHL Pu'ukapu Water System
FY 2016 - Revenue and Expenses
without Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$52,547	\$36,918	\$15,629
Total Expenses to operate the system	\$213,439	\$213,439	-0-
Shortfall	<\$160,892>	<\$176,521>	\$15,269

Table 2
DHHL Pu'ukapu Water System
FY 2016 - Revenue and Expenses
with Reserves

	BILLED Amount	COLLECTED Amount	Difference
Total Revenue	\$52,547	\$36,918	\$15,629
Total Expenses to operate the system	\$213,439	\$213,439	-0-
Reserve funds	\$315,265	\$315,265	-0-
TOTAL	\$528,704	\$528,265	-0-
Shortfall	<\$476,157>	<\$491,347>	\$15,190

As stated earlier, the Pu'ukapu Water System serves an average of 43 connections - all are beneficiaries. By industry standards, this system is considered very small, so DHHL is not able to achieve economies of scale such as the County water departments. Additionally, our current rate schedule is very low and has not kept up with rising costs, so revenue generated from the rate schedule does not produce enough to recover operating costs.

To financially break even, DHHL must look at decreasing expenses and finding new ways to increase revenue. Here are current approaches.

Table 3
Current Approaches to Balance Water Budget

Decrease expenses	Increase revenues
<ul style="list-style-type: none"> • Evaluate contract for operations • Seek cost efficiencies in the water system budget • Leak detection • Investigate un-accounted for water • Increase routine maintenance 	<ul style="list-style-type: none"> • Address non-payment of water bills • Increase water rates • Add more users • Explore other sources for CIP funding

For DHHL, the following five criteria were used for the interim Rate Study.

1. Aligned with the mandates of the Hawaiian Homes Commission Act of 1920 (HHCA) and the HHC Water Policy Plan.
2. DHHL is first and foremost a Public Trust for HHCA beneficiaries. Trust resources can be made available only to beneficiaries.

3. Beneficiary affordability - Industry standard is that rates are considered affordable at 1.5% and not more than 3% of the US Census median household income.
4. Equitability - rates are considered fair and equitable when each customer class pays its proportional share of the cost to provide for the delivery of clean, safe water.
5. Financial sustainability or "break even", per Water Policy Plan Goal #17.

Interim Water Rate Study - Findings and Recommendations

Major findings:

- Though DHHL's rate schedules are complex, they are highly equitable.
- Each DHHL water system serves diverse and unique communities with varying operating costs and numbers of connections. Thus, rate options were calculated separately and are unique to a particular system. Because of the uniqueness of each system, comparing rates among DHHL's four systems is generally not useful. Nor is it useful to compare DHHL's rate schedules to the County water departments or any other water utility. The Counties are able to achieve economies of scale, due to their large population base and wide range of customer classes (residential (single- & multi-family), agriculture, community facilities, commercial/industrial).
- All DHHL water systems are operating at a deficit totaling \$900,000 annually.
- The current DHHL accounting system is not structured in a manner that allows capturing of costs by each individual water system. Thus, the amount each water system is supported by other funds is unclear.
- Management and operations of the DHHL water systems is highly de-centralized and severely under-staffed. Addressing staffing levels is an important step as this can increase costs further or reduce them; build internal capacity and expertise; and increase operational efficiencies.

Overall Recommendations from the interim Rate Study are as follows. DHHL is agreeable to these recommendations.

- Add 3% annual increase for inflation, regardless of which rate option DHHL implements.
- Implement rates in the range of 1.5% to 3.0% of US Census median household income. DHHL to consider conducting its own income surveys, if US Census data is not accurate in homestead areas.
- When more reliable financial statements (based on Enterprise Accounting) are consistently generated, it is recommended that DHHL compare the projected costs used in the Rate Study to calculate rates to actual costs tracked.

- Develop long-term plan and have written policies to fund reserve accounts.
- Conduct annual reviews of accounts receivable's aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the budgeting process.
- Educate water customers regarding the costs of service and the need for rate increases. Often, when customers understand this, resistance to rate increases lessens.
- Develop and enforce stringent collections and water service shut-off policies to keep delinquent accounts at a minimum.

The preferred rate option in the Study

The preferred rate option in the Study is to partially recover operational costs and does not fund reserves from rates. This option projects the shortfall at \$150,000 annually. To achieve this, the rate increase in Year 1 is a 22.5% increase to the current flat fee. Then, increase the rate by 8% annually to prevent the shortfall from growing. These increases are under the maximum 3% affordability index, based on US Census median household income data. It is projected that revenue generated from these increases will reduce the shortfall from the current \$161,000 to \$150,000 (or \$11,000).

The table below is a comparison of current rates and new rates at Years 1, 5 and 10 for the Pu'ukapu beneficiaries on the Pu'ukapu water system.

Table 4
Monthly Water Bill Projections

User type	Current Flat Rate	Year 1	Year 5	Year 10
Pastoral	\$122.41	\$149.95	\$204.01	\$299.76

In further review of this recommended rate option and in consultation with beneficiaries, DHHL recommends extending the current flat rate fee of \$122.41 and the fee for installation of meter and backflow prevention device. The projected reduction (\$11,000) achieved by the preferred rate option in the study is not significant enough to warrant a rate increase at this time. The flat rate structure for any utility is generally not a best practice as it does not promote water conservation. And, given the water credits agreement with the County limiting water use to 600 gallons per day per homestead lot, water conservation is a priority for the Pu'ukapu water system. Lastly, comments from the Beneficiary Consultation was overwhelmingly not supportive of a rate increase at this time, until further research is done on

the water system costs, particularly the contracted operator expenses.

IMPLEMENTATION

To support this action to extend the current flat rate for the Pu'ukapu Water System, a comprehensive approach is required. Staff recommends the following five implementing actions - Central Water Branch, Enterprise Accounting, Customer Education, water bill delinquencies, and enforcement.

1. Establish Central Water Utility Branch

It is recommended to organize a Central Water Utility work group with dedicated staff that possess technical, managerial, and financial expertise. This was discussed at the Water System 101 Training at the HHC June 2017 meeting and was the top recommendation in the Effective Utility Management paper, October 2017.

As an interim step, DHHL may consider a cross-divisional team that regularly meets to oversee the technical, managerial and financial aspects of all four DHHL water systems.

2. Implement Enterprise Accounting

Accurate and timely financial reports are needed for DHHL management to make better decisions and for long-term financial planning for all of our water systems.

It is critical that DHHL implement the Enterprise Accounting policy adopted by the HHC in 2012.

- a. First step is to establish water system budgets at the start of each fiscal year.
- b. Quarterly, track budget-to-actual. Adjust budget as needed.
- c. Invest in technology - billing software, water usage data collection.
- d. Per Rules, regularly conduct COS and Rate Studies and adjust rates accordingly.
- e. Investigate integrity of data - both internal and from contracted water system operators (ie, water usage data, contract fees for routine operations, repairs, and installation of meters and backflow prevention device).

3. Continue Water customer outreach and education

Best management practice in the water industry is to educate customers regarding the costs to reliably provide water and the need for rate increases. Many people believe water should be free and do not understand the cost of delivering water dependably. Often, when customers understand this, resistance

to a rate increase lessens. Customer education is a proactive effort to minimize "rate shock".

4. *Address beneficiary non-payment of water bills*

DHHL to conduct annual reviews of accounts receivables aging reports to verify the amounts that are deemed uncollectible. This should be done every year as part of the DHHL budgeting process. The older the account is, the less likely it will be collected. DHHL to consider including the annual water budget a cost for uncollectible accounts.

At the same time, DHHL to continue assisting lessees with payment workout plans. When the Water Administrative Rules are approved (estimated by January 2019), DHHL will have the legal authority to better manage delinquencies including accepting non-cash payment, imposing late payment penalties and shutting off water service as a last resort.

5. *Enforcement*

To protect public health and safety, DHHL to develop a program to conduct property inspections to ensure non-potable water from the Pu'ukapu system is being used properly and in compliance with the Lease Addendum (see Exhibit B). When the Water Administrative Rules are approved (estimated by January 2019), DHHL will have the legal authority and procedures to enter lessee property to enforce the Lease Addendum in regards to proper use of non-potable water from the DHHL Pu'ukapu water system.

DHHL also to implement stringent collections and water shut-off procedures to keep delinquent accounts at a minimum. No rate schedule adopted will succeed if customers do not pay their bills and enforcement provisions in the (pending) Water Administrative Rules are not followed.

AUTHORITY

- HHCA of 1920, as amended, Section 221f. "Water systems under the exclusive control of the department shall remain under its exclusive control."
- DHHL Hawaii Administrative Rules, Section 10-3-76(i). "Water from department systems shall be sold at rates established by the commission. The department shall establish the frequency of billing and may determine a minimum monthly charge."
- Public Utilities, Hawaii Revised Statutes Chapter 269, Section 31(a), regarding setting water rates. "This chapter shall not apply to . . . public utilities owned and operated by the State, or any county, or other political subdivision."

- Water Policy Plan, HHC approved July 2014 (Exhibit C)
 - o Mission: Understand our trust water assets and manage water systems.
 - o Priority Policies: Develop, manage and steward water in a manner that balances cost, efficiency measures, and Public Trust uses; and educate beneficiaries, DHHL, HHC and other stakeholders continually on our water kuleana.
 - o Goals: Secure revenue and reduce operation costs to break even; and increase security and reliability for DHHL beneficiaries and water system users.
- Water System Enterprise Accounting Policy, HHC adopted 2012 (Exhibit D). DHHL will budget for the Water System utilizing an enterprise account accounting structure.

RECOMMENDATION

Staff respectfully requests approval of the recommended motion as stated above.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

May 23-24, 2016

To: Chairman and Members, Hawaiian Homes Commission

From: Kaleo Manuel, Acting Planning Program Manager
Norman Sakamoto, Administrator Land Development Division
N Sakamoto

Subject: Extension of Interim Pu'ukapu Hybrid Water System Equipment and Installation Fees and Water Rates, Pu'ukapu, Waimea Nui, Hawai'i

RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the interim water Fees and Rates for all consumers on the Department of Hawaiian Home Lands' (DHHL) Pu'ukapu Hybrid Water System until June 30, 2018, pending preparation of a water rates assessment to be presented to the HHC for action.

DISCUSSION

I. Introduction

The HHC approved the establishment of Equipment and Installation Fees and Interim Water Rate for users of the Pu'ukapu Hybrid Water System on May 19, 2014, to be charged to lessees of the Pu'ukapu Pastoral Lots for a period of one year. No further action has been taken by the HHC on this matter so it is necessary for the HHC to retroactively authorize the extension of the interim fees and rates.

The HHC on April 19, 2016, while meeting on Moloka'i, approved a similar extension for water rates to the one proposed here on the Anahola, Kaua'i and Molokai DHHL water systems. While the Water Rate Assessment (WRA) referenced in the proposed action will be conducted for all four DHHL water systems (the three mentioned here and the Kawaihae water system), the history and methodology of rate setting for the Pu'ukapu Hybrid Water System differs from those

for the Pu'ukapu Hybrid Water System differs from those other systems. Additionally, taking action at this May 23 - 24, 2016 HHC meetings in Kona allows the interim fee and rate extension to be discussed at the meeting of the year closest to the area affected.

HHC action regarding water rates for the Kawaihae system is not required, as the previous HHC action on rates for this system explicitly tracked water rates for the Hawai'i County Department of Water Supply.

This discussion provides a background on key issues and efforts that led to the adoption of current Fees and Rates for the Pu'ukapu Hybrid Water System, background information on the WRA process, and a review of the legal authorities held by the HHC to set water rates.

II. Background

On May 19, 2014 the HHC received submittal E-4 that provided a long background of the history of awarding of lots in the Pu'ukapu tract, the development of the Hybrid Water System, and the rationale for setting interim fees and rates. That submittal is attached here as Exhibit A. Relevant points to this proposed action include:

- a. Staff conducted community meetings in Waimea on September 19, 2013 and December 12, 2013 to provide opportunity for public comment on the proposed water Fees and Rates.
- b. On March 18, 2014 a workshop was presented to the HHC on the proposed Fees and Rates.
- c. On May 19, 2014 the HHC approved Equipment and Installation Fees and an interim water rate for users of the Pu'ukapu Hybrid Water System on May 19, 2014, with authority for the rates to last one year.
- d. The Fees and Rates set on May 19, 2014 were as follows:
 - i. Fees for Equipment and Installation, a one-time charge of \$789.00.
 - ii. A flat water rate for all connections of \$122.41 per month.

- e. Subsequent to staffing changes within the Division that had led the previous water rate setting effort, further action has not been taken on the water rates.

The current effort to conduct the WRA is timely, as it will provide a consistent basis for setting rates on all four DHHL water systems. The WRA process is discussed below, in a manner similar to how it was discussed for the approval of rates in April 2016 for the Anahola and Molokai DHHL water systems.

III. Purpose & Need for the WRA

Currently, WRA preparation remains in planning stages. Since April 21, 2014, DHHL staff attended monthly meetings to assemble information needed to conduct the WRA. Through these meetings, DHHL has identified a scope of work and are currently finalizing a contract to provide the professional services.

DHHL owned and operated water systems should break even financially, but currently do not. Reaching a financial break-even point for water systems, while increasing investments in necessary infrastructure maintenance and replacement, faces multiple challenges. First, operation costs should be reduced through increasing management efficiency and the development and use of less-expensive alternate energy sources, particularly on the island of Molokai; electricity costs are currently a major component of system operation. Second, DHHL has and should continue to seek state subsidy of costs of operations as we believe is justified under the Nelson decision. Third, there are significant numbers of delinquent accounts on the water systems that need to be collected or otherwise addressed. Fourth and finally, existing water rates are considerably below county rates (except for Kawaihae, which tracks County rates). In all four cases, the rates do not accurately account for true system operational costs or for needed investments in the system. Water rates must likely be increased as part of the overall effort to have systems break even financially.

Currently, DHHL water system operations incur an operating loss conservatively estimated to be over \$1,000,000 annually for around 1,000 customers. Stated another way, the HHC and DHHL currently subsidize these

1,000 users (primarily, but not exclusively homesteaders) by approximately \$1,000 per year. This continuing operating loss combined with the existing rate structure and enforcement also raises a number of equity issues.

- Generally, an ongoing subsidy of homesteaders represents a preference to assist current beneficiaries over future beneficiaries; money used to subsidize existing homesteaders is not being spent on developing new homesteads.
- Because these systems only serve some existing homesteaders, it also represents a preference for some homesteaders over others. Homesteaders living on the same island, sometimes in the same communities or even across the street from each other, are being charged significantly different rates for water based on being County or DHHL customers. Some homesteaders on county systems struggle to pay their water bills, yet receive no subsidy from the Department.
- A lack of enforcement against DHHL water customers who fail to pay their bills also exists. This unfairly subsidizes those who do not pay their bills by both the Department and those who do pay. Additionally, homesteaders who do not pay their bills but are served by the county do not have the option of not paying their bills; failure to pay results in their water being shut off.

To address the issue of rates in a systematic and equitable manner, HHC directed and delegated to the Chairman responsibility for preparing a comprehensive WRA for all of its water systems. The WRA will assess various future water rates as well as water system operation options and scenarios, including scenarios that address the different challenges addressed above. Upon further examination of the numerous factors (personnel time, various costs, changing expenses) contributing to a water rate, DHHL staff determined that preparation of the WRA would require further research into methodologies, information-gathering, and engagement of a contractor.

Utilizing findings from the WRA to propose new rates is a sound basis for exercising the HHC's authorities to set water rates, discussed next.

IV. Legal Authorities to Set Water Rates

Sections 220, 220.5, and 221 of the Hawaiian Homes Commission Act provide extensive authority to the HHC and DHHL to own, operate, and manage water systems, to set rates, and to derive revenue from the delivery of water to both homesteaders and non-homesteaders. How rates are set is specifically addressed in Section 10-3-76(i) of the Hawaii Administrative Rules that states:

"Water from department systems shall be sold at rates established by the commission. The department shall establish the frequency of billing and may determine a minimum monthly charge."

Generally, water utilities must charge rates that allow for a financial break-even point while addressing all needed costs to maintain and operate the system. This is described in an Attorney General's Opinion dated August 22, 1994, states that:

"Every water system has operation and maintenance expenses as well as infrastructure capital requirements...Those costs are not for the water per se but for the delivery system, namely, for the "furnishing of water and for water service" (emphasis in original) as authorized in HRS §54-24. Customarily, those costs are prorated to consumers based on the amount of water used on some per unit basis. In the case of capital expenses, these may be paid in advance by the relevant legislative body or obtained through the issuance of bonds which are then repaid by collecting fees for water service on some unit basis. This is simply a means of amortizing the debt incurred in building the system."

V. Conclusion

Operation and management of DHHL owned water systems have been a challenge, both in high operation and management costs and insufficient derived revenue. Primarily because of rising energy costs, coupled with deferred system and infrastructure maintenance and replacement, the water systems operate with extreme costs to DHHL. The low revenues received, long standing

subsidies, high payment delinquencies, pending expenditures for system improvements, and lack of enforcement results in minimal revenue generation to DHHL. These challenges have led to DHHL operating its water systems at a deficit. The WRA will comprehensively address these issues. Other efforts, such as improvements to system efficiencies and upgrades are currently being analyzed and (in the case of Molokai and Anahola) pursued.

RECOMMENDATION

Based on the foregoing, staff recommends HHC take action as recommended.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

May 19, 2014

To: Chairman and Members, Hawaiian Homes Commission

From: Sandra Pfund, Administrator *Sandra Pfund*
Land Development Division

Subject: Puukapu Hybrid Water System, Waimea, Hawaii,
Establishment of Equipment and Installation Fees
And Interim Water Rate for One Year

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission approve the establishment of Equipment and Installation Fees and Interim Water Rate to be charged to lessees of the Puukapu Pastoral Lots for a period of one year from the effective date of this action.

FACTS

1. In 1983 a Federal-State Task Force on the Hawaiian Homes Commission Act issued a report which concluded that the award of homestead leases should be accelerated even though site improvements were not provided ("Acceleration Program").
2. In 1990, DHHL prepared a "paper subdivision" of approximately 4,600 acres at Puukapu into 184 lots and awarded homesteads:
 - 97 leases @ 10 acres
 - 54 leases @ 15 acres
 - 17 leases @ 20 acres
 - 8 leases @ 100 acres
 - 8 leases @ 200 acres
3. Actual use and occupancy of the lots was conditioned upon the availability of adequate access roads and water, estimated at that time to take about 5 years to develop.

4. In 1992, the County of Hawaii required a water master plan detailing the type of water service that would be developed. Over the ensuing years, the Department completed a water master plan, negotiated with the County of Hawaii Department of Water Supply (DWS) for the cost of water allocation credits and assessed various options for the provision of water to the area.
5. In May 2002, a study entitled, "DHHL Puukapu Water Strategy Report", by Engineers Survey Hawaii, Inc., recommended that a DWS standard system was not feasible due to the extremely high cost and length of time for completion of such a system. In the alternative, a non standard system was recommended for development.
6. In March 2014, construction of non-potable water system consisting of storage and fire fighting tank reservoirs, booster pumps and transmission mains within the gravel road system was completed.
7. Water system costs to date:

Construction	\$3,261,700
Facilities Charge to DWS	\$ 849,420
(184 lots & 14 livestock credits)	\$4,111,120

DISCUSSION

1. The Puukapu Hybrid non-potable water system is ready to be placed online for service, subject to establishment of equipment and installation fees, a water rate and execution by each homesteader of an Internal Elevation Agreement and Lease Addendum.
2. Staff conducted community meetings in Waimea on September 19, 2013 and December 12, 2013 to provide opportunities for public comment on the proposed water rate.
3. On March 18, 2014, a workshop was presented to the Hawaiian Homes Commission and it was proposed that the Hawaiian Homes Commission establish an Interim Water Rate for a period of one year in which time the operation and maintenance of the system would be tested, water usage by homesteaders monitored and a review of the water rate structure conducted at the conclusion of one year.

ITEM NO. E-4

HHC ITEM G-4 EXHIBIT A

EXHIBIT A

4. Hawaiian Homes Commission authority to set water rates and fees:

- a. Sections 220, 220.5, and 221 of the Hawaiian Homes Commission Act provide extensive authority to the HHC and DHHL to own, operate, and manage water systems, to set rates, and to derive revenue from the delivery of water to both homesteads and non-homesteaders. How rates are set is specifically addressed in Section 10-3-76(i) of the Hawaii Administrative Rules that states:

"Water from department systems shall be sold at rates established by the commission. The department shall establish the frequency of billing and may determine a minimum monthly charge."

- b. Generally, water utilities must charge rates that allow for a financial break even point while addressing all needed costs to maintain and operate the system. This is described in an Attorney General's Opinion dated August 22, 1994, which states that:

"Every water system has operation and maintenance expenses as well as infrastructure capital requirements...Those costs are not for the water per se but for the delivery system, namely, for the "furnishing of water and for water service" (emphasis in original) as authorized in HRS §54-24. Customarily, those costs are prorated to consumers based on the amount of water used on some per unit basis. In the case of capital expenses, these may be paid in advance by the relevant legislative body or obtained through the issuance of bonds which are then repaid by collecting fees for water service on some unit basis. This is simply a means of amortizing the debt incurred in building the system."

5. The recommended Interim Water Rate is as follows:

COST COMPONENT	RATE PER MONTH
• Standby Charge: 4-Inch Master Meter \$255.00 per month. $\$255.00/184 \text{ lots} = \1.39 per lot	\$ 1.39
• Flat Rate Water Charge	\$ 18.00
• Electricity Charge (\$1,692/40 users)	\$ 42.30
• Operations and Maintenance (10,761/184 users)	\$ 58.48
• Potable Water via Spigot (600 gpd/40 users)	\$ 2.24
TOTAL	\$122.41

6. In addition to the monthly water rate, each homesteader will be required to pay the following one-time equipment and installation costs:

EQUIPMENT/INSTALLATION	COST
5/8" Meter	\$114.00
Backflow Preventer	\$675.00
TOTAL	\$789.00

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission approve the establishment of Equipment and Installation Fees and Interim Water Rate to be charged to lessees of the Puukapu Pastoral Lots for a period of one year from the effective date of this action.

DEPARTMENT OF HAWAIIAN HOME LANDS

PU'UKAPU HYBRID WATER SYSTEM APPLICATION FOR WATER METER AND BACKFLOW PREVENTER

LESSEE'S NAME: _____

BILLING ADDRESS: _____

CURRENT PHONE NUMBER(S): _____

LEASE#: _____ LOT#: _____

TMK: _____

PLUMBING CONTRACTOR: _____

GENERAL CONTRACTOR: _____

BUILDING PERMIT#: _____

INSTALLATION COST: _____

MAKE CHECK PAYABLE TO: DEPARTMENT OF HAWAIIAN HOME LANDS

MAIL OR DELIVER TO: DEPARTMENT OF HAWAIIAN HOME LANDS
PO BOX 125
KAMUELA, HI 96743

PHONE: 887-6053

THE UNDERSIGNED ACKNOWLEDGES THAT THE WATER IS NON-POTABLE AND UNSAFE FOR HUMAN CONSUMPTION. DRINKING OR OTHERWISE INGESTING THE WATER CAN LEAD TO SERIOUS ILLNESS AND DEATH.

LESSE'S SIGNATURE: _____ DATE: _____

DHHL APPROVAL: _____

The undersigned applicant hereby applies to the Department of Hawaiian Home Lands for water service at the above location. Pending approval, and in consideration of commencement of such service, the undersigned agrees to pay all charges incurred upon such location for such service and to abide by all rules, regulations, ordinances, codes, provisions, and policies prescribed by the Department of Hawaiian Home Lands, relating to water rates. The undersigned understands that they will be billed by the Department of Hawaiian Home Lands for water service.

***PLEASE BE AWARE THAT YOU WILL BE ACCESSED THE MONTHLY SERVICE CHARGE WHETHER OR NOT YOU USE WATER.

INITIAL

EXHIBIT B

LEASE ADDENDUM
INTERNAL ELEVATION AGREEMENT

Puukapu Pastoral Lots Subdivision
Non-Potable Water, Low Water Pressure and Limited Water Supply

Lessor State of Hawaii, by its Department of Hawaiian Home Lands ("Lessor" and/or "DHHL") has developed that certain water system known as the Puukapu Hybrid Water System to service lots in the Puukapu Pastoral Lots Subdivision. In consideration of and as a condition to Lessee's use of the System, Lessee agrees as follows:

1. Low Water Pressure/ Non-Potable Water. Lessee acknowledges that the water pressure from the Puukapu Hybrid Water System may not be adequate to serve the entire subdivision. Lessee understands and agrees that real property that is the subject of this agreement may be situated at such an elevation that it cannot be assured of a dependable supply of water from Lessor, or of adequate water service from Lessor's Puukapu Hybrid Water System. Lots at higher elevations may be more affected by low water pressure, below the County of Hawaii 40 psi water pressure standard. Lessee is advised not to build their residence above the 3,500-foot elevation. Lessee agrees to accept the available water pressure from the Puukapu Hybrid Water System.

Lessee accepts such water service and such water pressure as Lessor is able to provide from its Puukapu Hybrid Water System. If Lessee requires more pressure, they will be responsible for installing facilities (booster pumps, etc.) required to meet their needs, however, the Puukapu Subdivision currently does not have the electrical power available to support additional facilities. Lessor shall have no obligation to provide additional power or to develop additional facilities, or to provide potable water to Lessee.

Lessee further acknowledges that the water is non-potable and is not suitable for human consumption.

2. Limited Water Volume. Lessee acknowledges the Puukapu Hybrid Water System will provide a limited volume of water to each lot. Maximum daily water usage to each lot is 600 gallons per day (GPD). Lessee agrees not to exceed the maximum volume of 600 GPD, or any other maximum volume as may be determined by Lessor.
3. Water and Meter Payments. Lessee acknowledges that rates charged for water usage will be established by the Hawaiian Homes Commission. Lessee will be required to pay for water usage rates on a monthly basis. Lessee further acknowledges that Lessee will be required to pay for an individual meter to their lot.
4. Water Meter and Signage. Lessor will issue the individual water meters and signage to Lessees. Lessees will be required to sign a separate agreement for the individual water meter and signage at the time of issuance. Signage will indicate that water is non-potable and is not suitable for human consumption.
5. Elevation Agreement between the Department of Water Supply of the County of Hawaii (DWS) and DHHL. Lessee acknowledges and agrees to be bound by the

stipulations and provisions contained in the attached Elevation Agreement between DWS and DHHL, effective on April 10, 2012.

6. Release and Indemnity. Lessee releases and holds Lessor, DWS, their respective officers, agents and employees harmless from and free of all claims and liabilities resulting from, caused by, or arising out of any harm or damages connected with the non-potability, inadequate water service, pressure, or delivery flow rate or volume to and/or from the Puukapu Hybrid Water System, Lessee's use of the system, or any maintenance, repair, or other work that may be performed on the system by Lessor or its contractors.
7. Other Conditions. Nothing contained herein shall limit or impair Lessor's authority to transfer, dedicate, license, or dispose of the Puukapu Hybrid Water System, or to make any other decisions whatsoever regarding the system's operation, maintenance, or repair. Lessee further agrees to abide by any other terms and conditions as may be established by Lessor pertaining to the use of the system, including usage fees and other charges.

Acknowledged and Agreed:

Signature

Print Name

Date

Lessee

**DEPARTMENT OF HAWAIIAN HOME LANDS
PU'UKAPU HYBRID WATER SYSTEM**

1. Lessee understands that the Pu'ukapu Hybrid Water system is a NON-POTABLE system for livestock use only. Water is not safe for human consumption. Drinking or otherwise consuming the water can lead to serious illness and/or death.
2. Lessee shall clearly label all lines, fixtures, and containers regularly transmitting or storing the water with the following warning: "WARNING: WATER NOT FIT FOR HUMAN CONSUMPTION. DO NOT DRINK. SERIOUS ILLNESS OR DEATH MAY RESULT."
3. Lessee shall not transmit the water to any fixtures inside or attached to any dwelling, including but not limited to hose bibs, faucets, showers, and water closets.
4. Lessee agrees to complete a Pu'ukapu Hybrid Water System Meter and Backflow Preventer Application. Only valid lessees of record are eligible applicants.
5. Lessee agrees to complete the Pu'ukapu Hybrid Water System Elevation Agreement as a condition of service.
6. Lessee agrees to pay the installation costs related to the water meter (\$115.00) and backflow preventer (\$674.00) as a condition of service.
7. For those who require a payment plan to comply with #3 the department will accept the following incremental payment option:

First incremental payment equal to 30% down (\$236.70) with six (6) additional monthly payments of \$92.05.

LESSEE UNDERSTANDS THAT IF THE PAYMENT OPTION IS SELECTED AND PAYMENT IS MISSED THAT THE TOTAL AMOUNT REMAINING IS DUE TO CONTINUE SERVICE.

8. Lessee agrees to pay a flat rate of \$122.41 per month. Upon installation the first month's usage or the first month's usage plus additional days to the first (1st) day of the following month shall be at no charge. The lessee is hereby notified that the Hawaiian Homes Commission approved the interim water rates for a period of one year beginning May 19, 2014. After the one year anniversary DHHL will report to the commission on its findings to determine if the flat rate should be continued at its present amount, increased or decreased.
9. The first full month after the grace period will be assessed at \$122.41. Lessee is responsible for payment on or before the first (1st) day of the next month. The department will not send out invoices and it's the lessee's responsibility to make payment on their own.
10. Late payment is any payment made after the first (1st) day of the following month unless the first day is a holiday or weekend.
11. Service may be terminated if payment of monthly bill is more than sixty (60) days in arrears. Service will be started after payment in full is received. The lessee will be responsible for a deposit equal to the amount in arrears as a condition of service.
12. Lessee understands that the monthly allotment of water is 600 gallons per day (gpd) on average. If average daily usage is in excess of 600 gpd for more than two (2) consecutive months customer will be notified in writing. Should excessive usage continue for a third (3rd) consecutive month service will be terminated. Service will be reinstated only after lessee agrees to pay the flat rate monthly fee for the period in excess.

**DEPARTMENT OF HAWAIIAN HOME LANDS
PU'UKAPU HYBRID WATER SYSTEM**

13. DHHL and their operator are responsible for the maintenance and repair of both the water meter and backflow preventer. Service responsibility ends at the backflow preventer. Lessee is responsible for their own transmission lines.
14. Lessee agrees to notify DHHL and/or operator in the event that a leak is found on the lessee's property. DHHL will make an adjustment to the water bill after three billing cycles. Adjustments will be made only once every two years.
15. Should lessee damage or destroy the water meter and/or backflow preventer the lessee is responsible for the replacement costs.
16. Should lessee be found illegally tapping into water system they will forfeit their water service and be subject to prosecution.
17. Lessee and their assigns agree to abide by all conditions of their Homestead Lease, Administrative Rules and applicable County, State and federal laws pertaining to their homestead including Lease Addendums.
18. Service will not be provided to homesteads in violation of any of the terms listed in 16 above.

HHC 08/20/12 – Adopted Management & Accounting Guidelines for DHHL Water Systems

- The department is able to create separate enterprise accounts for all water system revenue producing activities in the Operating portion of the Hawaiian Home Operating Fund. The separate ledger accounts will be referred to collectively as the Hawaiian Home Lands (HHL) enterprise account.
- In basic terms, this method of accounting will effectively isolate the water system budget from the department's larger budget. An enterprise account establishes a separate accounting and financial reporting mechanism for services for which a fee is charged in exchange for goods or services. The Administrative Services Office has indicated that the enterprise account, as an alternative method of accounting, can be prepared using existing accounting records.
- DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. However, the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency conditions or public health and safety considerations.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
August 20, 2012, 10:00 a.m., Hale Kūpuna O Lana'i, 1144 Ilima Avenue
Lana'i City, Hawai'i

ORDER OF BUSINESS

Roll Call
Approval of Agenda
Approval of Minutes of June 18-19, 2012 & July 23-24, 2012

A - WORKSHOP PRESENTATIONS

- A-1 Lana'i Regional Plan
- A-2 Ama Mauna Legacy Program Status Update

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS (for Monday agenda items)

C - OFFICE OF THE CHAIRMAN

- C-1 Approval of Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands to Submit With USDA-RD Application
- C-2 NAHASDA - 2012 Annual Performance Report

D - HOMESTEAD SERVICES DIVISION

- D-1 HSD Status Reports
 - Exhibits:
 - 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
 - E - DHHL Guarantees for Habitat for Humanity Loans
- D-2 Approval of Various Lease Awards
- D-3 Rescission of Homestead Lease Award and Reinstatement of Application - East Kapolei II B&C, Undivided Interest
- D-4 Ratification of Loan Approvals
- D-5 Approval of Consent to Mortgage
- D-6 Schedule of Loan Delinquency Contested Case Hearings

- D-7 Homestead Application Transfers / Cancellations
- D-8 Commission Designation of Successors to Application Rights - Public Notice 2011
- D-9 Reinstatement of Deferred Applications
- D-10 Ratification of Designation of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds
- D-11 Approval of Assignment of Leasehold Interest
- D-12 Approval of Amendment of Leasehold Interest
- D-13 Cancellation of Lease - **Mary Lou De Aguiar**
- D-14 Designation of Successor - **Adeline K. Spencer**
- D-15 Request to Schedule Contested Case Hearing - Lease Violation
- D-16 Approval of Amendment of Leasehold Interest - **Lenora U. Vierra**, Lease No. 7634, Waiohuli
- D-17 Approval of Assignment of Leasehold Interest - **Jamie L.K. Akiona**, Lease No. 7474, Waiohuli; **Elizabeth H.K. Kahae-Luulua**, Lease No. 9507, Waichu Kou 2; **Martin Kahae**, Lease No. 5005, Ho'olehua

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
(continuation)

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
August 21, 9:30 a.m., Lana'i Youth Center, 717 Fraser Avenue
Lana'i City, Hawai'i

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS (for Tuesday agenda items)

E - LAND MANAGEMENT DIVISION

- F-1 Finding of No Significant Impact (FONSI), General Lease No. 294, Kalaeloa Home Lands Solar, Kalaeloa, O'ahu
- F-2 Notices of Default and Revocations, Statewide
- F-3 For Information Only - Overview of Trust Land Request Review Process
- F-4 Authorization to Issue License to Waimea Hawaiian Homestead Association and Homestead Community Development Corporation, Waimea, Hawai'i
- F-5 Authorization to Initiate Direct Negotiation with Green Energy Hawaii for Alternative Energy Project, Anahola, Kaua'i
- F-6 For Information Only - Land Request for Land Formerly Known as "Camp Faith", Anahola, Kaua'i

J - GENERAL AGENDA

- J-1 Request to Address Commission - Hawaiian Community Assets
- J-2 Request to Address Commission - Homestead Community Development Corp.
- J-3 Request to Address Commission - Update Sandwich Isles Communications

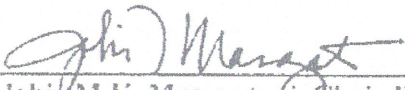
EXECUTIVE SESSION

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 this matter.

1. Honokaia 'Ohana et al. v DHHH et al., Civil No. 09-101615-07
2. Duties and Responsibilities of Commissioners
3. Claim for Replacement of Septic System, Leonard Low-Lalamilo, Waimea, HI

ANNOUNCEMENTS AND ADJOURNMENT

1. Next Meeting – Tuesday, September 18, 2012, Naalehu, Hawai'i
2. Other Announcements
3. Adjournment


Jobie M.K. Masagatani, Chair Designate
Hawaiian Homes Commission

COMMISSION MEMBERS

Imaikalani P. Aiu, Kaua'i
Perry O. Artates, Maui
Leimana DaMate, West Hawai'i
Gene Ross K. Davis, Moloka'i

J. Kama Hopkins, O'ahu
Michael P. Kahikina, O'ahu
Ian B. Lee Loy, East Hawai'i
Renwick V.I. Tassill, O'ahu

Next community meeting to be held on Monday, September 17, 2012 at
Pahala Community Center, Pahala, Hawai'i at 6:00 p.m.

Special Accommodations (such as Sign Language interpreter, large print, taped materials) can be provided, if requested at least five (5) working days before the scheduled meeting on the respective island by calling (808) 620-9590.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

August 20, 2012

To: Chairman and Members, Hawaiian Homes Commission

From: Dreana Kalili, Policy and Program Analyst *DK*
Ray Enos, Land Issues Officer *RE*

Subject: Management and Accounting Guidelines for the Water
Systems Owned and Operated by the Department of
Hawaiian Home Lands to Submit with USDA-RUS
Applications

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission adopt these management and accounting guidelines for water systems owned and operated by the department.

DISCUSSION

Within Hawaii, water is free, however, there is a cost to pump, store, treat, and transport the water to homes, businesses, and public facilities like schools. On Hawaiian Home Lands, water systems have been and continue to be constructed by the department, and then are either leased to the applicable County water department, or are operated and maintained by the department. Water users of the system pay a fraction of the cost to operate the system and the operating costs of the water systems owned and operated by the department are heavily supplemented by trust funds.

Since 2008, the department has partnered with Na Kupaa O Kuhio to apply for and receive grant and low-interest loan assistance from the U.S. Department of Agriculture Rural Utilities Service (USDA RUS) to develop water systems for homesteaders. The department is eligible to directly apply for USDA-RUS assistance. However, under the department's current accounting structure, the water system expenses and receipts are imbedded in the overall department budget process and as such, the department is not able to demonstrate financial sustainability throughout the life of the improvements and meet the USDA-RUS grant determination criteria.

Section 213(e) of the Hawaiian Homes Commission Act, as amended,

Item No. C-1

EXHIBIT C

authorizes the Operating portion of the Hawaiian Home Operating Fund to be used for the construction, operation and maintenance of revenue-producing activities that are intended to serve principally occupants on Hawaiian home lands (such as the Molokai Water System, and the Anahola Farm Lots Water System, on the island of Kauai, and the Kawaihae Water System on the island of Hawaii).

The department is able to create separate enterprise accounts for all water system revenue producing activities in the Operating portion of the Hawaiian Home Operating Fund. The separate ledger accounts will be referred to collectively as the Hawaiian Home Lands (HHL) enterprise account.

In basic terms, this method of accounting will effectively isolate the water system budget from the department's larger budget. An enterprise account establishes a separate accounting and financial reporting mechanism for services for which a fee is charged in exchange for goods or services. The Administrative Services Office has indicated that the enterprise account, as an alternative method of accounting, can be prepared using existing accounting records.

The specific management and accounting guidelines for the water systems owned and operated by the DHHL are found attached in Exhibit A.

USDA RUS Grant Criteria

The purpose of USDA-RUS Water and Environment Program is to provide loan and grant funds for water and waste projects serving the most financially needy communities. Financial assistance from the program should result in reasonable user costs for rural residents, rural businesses, and other rural users. The excerpts of the grant criteria are found in Exhibit B and are designed to ensure this program purpose is met.

As a grant and loan applicant, DHHL must meet these criteria and demonstrate the following:

- 1) That grants it receives will not result in an Equivalent Dwelling Unit (EDU) costs below similar system user cost. The EDU means the level of service provided to a typical rural residential dwelling;
- 2) That the debt service portion of the average annual EDU cost, for users in the applicant's service area, exceeds the following percentages of median household income by 0.5% when the median household income of the service area is equal to or below 80% of the statewide nonmetropolitan median income (in other words, if the median income for

the service area is \$48,000, a water system is eligible for a grant if the debt service portion to individual system users is more than \$240 over one year);

- 3) That its annual cost for delivery of service is subsidized; and
- 4) That water system user charges are reasonable, or the planned revenue should be sufficient to provide for all debt service, debt reserve, operation and maintenance, and, if appropriate, additional revenue for facility replacement of short-lived assets without building a substantial surplus.

The staff recommendation is to adopt the "Management and Accounting Guidelines for the Water Systems Owned and Operated by the Department of Hawaiian Home Lands" to align DHHL's operating and accounting processes related to these water systems with the USDA-RUS program criteria and goals.

It is critical that DHHL demonstrate these criteria are met so it can qualify for the maximum grant award allowed per project. These grant funds are needed to increase the operating efficiency of its water systems to decrease trust subsidies, and maximum grant awards means less funds expended from the trust.

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MANAGEMENT AND ACCOUNTING GUIDELINES FOR THE WATER SYSTEMS OWNED
AND OPERATED BY THE DEPARTMENT OF HAWAIIAN HOME LANDS

August 2012

- 1) The Water System will carry out the Department's goals, objectives and policies through a service delivery system financed through the utility's operating and capital budgets. The relationship between the operating and capital budgets will be explicitly recognized and incorporated into the budget process in a manner consistent with sound accounting and management practices. Funding for these budgets shall be adequate to provide operating services and maintenance or enhancement of fixed assets needed to support the demand for the water utility. The Commission will establish all user charges fees at a level related to the full costs (operating, direct, indirect and capital) of providing the service. Supplemental funding for the Water System enterprise account may be made by the Commission in order to avoid rate shock to the users. The Commission will review fees/charges at least every four years. As the need arises the Commission may adjust the rates by resolution. The Department will maintain records to document compliance with the user charge requirements, including records of the review, and such records will be available to the users.
- 2) The Water System user charge shall consist of a base rate and a consumption charge which combined shall be considered the water utility user charge. The Department Budget Officer shall establish a account or account within the Department's budget for the Water System utility charges. Moneys received as a result of the Water System utility user charge shall be allocated to the Water System Enterprise Account in the amounts established in the water utility charge resolution of the Commission. Except as otherwise provided or allowed by state law, the utility account or accounts shall be used solely for the purposes of the utility.
- 3) It is recognized that in order for the Water System to be a sustainable, self-supporting enterprise, there would need to be a substantial rate increase to users which would result in rate shock and have undesirable consequences. It is recognized that the utility rate for the Water System will need to be reviewed and re-authorized by the Commission. The Water System

enterprise account may continue to be subsidized by the Department as to avoid rate shock and the Commission may consider financial self-sufficiency and sustainability along with its other goals and objectives when establishing the Water System rates in the future.

- 4) DHHL will budget for the Water System utilizing an enterprise account accounting structure that is subsidized by the Department's other funds. However, the Commission may authorize the Department's budget officer to transfer moneys from other funds into the Water System Enterprise account to address emergency conditions or public health and safety considerations.

U.S. DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE
WATER AND WASTE LOANS AND GRANT CRITERIA
(Excerpts from the Code of Federal Regulations, Title 7, Part 1780)

§ 1780.1 General. (Excerpts)

(c) RUS debt instruments will require an agreement that if at any time it shall appear to the Government that the borrower is able to refinance the amount of the indebtedness to the Government then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan.

(j) Water and waste applicants must demonstrate that they possess the financial, technical, and managerial capability necessary to consistently comply with pertinent Federal and State laws and requirements. In developing water and waste systems, applicants must consider alternatives of ownership, system design, and the sharing of services.

§ 1780.3 Definitions and grammatical rules of construction. (Excerpts)

Equivalent Dwelling Unit (EDU) means the level of service provided to a typical rural residential dwelling.

Rural and rural areas means any area not in a city or town with a population in excess of 10,000 inhabitants, according to the latest decennial census of the United States.

Rural Development means the mission area of the Under Secretary for Rural Development. Rural Development State and local offices will administer this water and waste program on behalf of the Rural Utilities Service.

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture established pursuant to section 232 of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, 108 Stat. 3178), successor to the Farmer's Home Administration and the Rural Development Administration with respect to certain water and waste disposal loan and grant programs.

Service area means the area reasonably expected to be served by the project.

Similar system cost means the average annual EDU user cost of a system within a community having similar economic conditions and being served by the same type of established system. Similar system cost shall include all charges, taxes, and assessments attributable to the system including debt service, reserves and operation and maintenance costs.

§ 1780.7 Eligibility.

Facilities financed by water and waste disposal loans or grants must serve rural areas.

(a) Eligible applicant. An applicant must be:

(1) A public body, such as a municipality, county, district, authority, or other political subdivision of a state, territory or commonwealth;

(2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community; or

(3) Indian tribes on Federal and State reservations and other Federally recognized Indian tribes.

EXHIBIT B

Item No. C-1

EXHIBIT C

(b) Eligible facilities. Facilities financed by RUS may be located in non-rural areas. However, loan and grant funds may be used to finance only that portion of the facility serving rural areas, regardless of facility location.

(c) Eligible projects. (1) Projects must serve a rural area which, if such project is completed, is not likely to decline in population below that for which the project was designed.

(2) Projects must be designed and constructed so that adequate capacity will or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area to the extent practicable.

(3) Projects must be necessary for orderly community development and consistent with a current comprehensive community water, waste disposal, or other current development plan for the rural area.

(d) Credit elsewhere. Applicants must certify in writing and the Agency shall determine and document that the applicant is unable to finance the proposed project from their own resources or through commercial credit at reasonable rates and terms.

(e) Legal authority and responsibility. Each applicant must have or will obtain the legal authority necessary for owning, constructing, operating, and maintaining the proposed facility or service and for obtaining, giving security for, and repaying the proposed loan. The applicant shall be responsible for operating, maintaining, and managing the facility, and providing for its continued availability and use at reasonable user rates and charges. This responsibility shall be exercised by the applicant even though the facility may be operated, maintained, or managed by a third party under contract or management agreement. Guidance for preparing a management agreement is available from the Agency. Such contracts, management agreements, or leases must not contain options or other provisions for transfer of ownership.

(f) Economic feasibility. All projects financed under the provisions of this section must be based on taxes, assessments, income, fees, or other satisfactory sources of revenues in an amount sufficient to provide for facility operation and maintenance, reasonable reserves, and debt payment. If the primary use of the facility is by business and the success or failure of the facility is dependent on the business, then the economic viability of that business must be assessed.

(g) Federal Debt Collection Act of 1990 (28 U.S.C. 3001 et seq.). An outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a loan or grant until the judgment is paid in full or otherwise satisfied.

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999]

§ 1780.9 Eligible loan and grant purposes.

Loan and grant funds may be used only for the following purposes:

(a) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.

(b) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(c) To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

(d) For payment of other utility connection charges as provided in service contracts between utility systems.

(e) When a necessary part of the project relates to those facilities authorized by paragraphs (a), (b), (c) or (d) of this section the following may be considered:

(1) Loan or grant funds may be used for:

(i) Reasonable fees and costs such as: legal, engineering, administrative services, fiscal advisory, recording, environmental analyses and surveys, possible salvage or other mitigation measures, planning, establishing or acquiring rights;

(ii) Costs of acquiring interest in land; rights, such as water rights, leases, permits, rights-of-way; and other evidence of land or water control or protection necessary for development of the facility;

(iii) Purchasing or renting equipment necessary to install, operate, maintain, extend, or protect facilities;

(iv) Cost of additional applicant labor and other expenses necessary to install and extend service; and

(v) In unusual cases, the cost for connecting the user to the main service line.

(2) Only loan funds may be used for:

(i) Interest incurred during construction in conjunction with multiple advances or interest on interim financing;

(ii) Initial operating expenses, including interest, for a period ordinarily not exceeding one year when the applicant is unable to pay such expenses;

(iii) The purchase of existing facilities when it is necessary either to improve service or prevent the loss of service;

(iv) Refinancing debts incurred by, or on behalf of, an applicant when all of the following conditions exist:

(A) The debts being refinanced are a secondary part of the total loan;

(B) The debts were incurred for the facility or service being financed or any part thereof; and

(C) Arrangements cannot be made with the creditors to extend or modify the terms of the debts so that a sound basis will exist for making a loan; and

(v) Prepayment of costs for which RUS grant funds were obligated.

(3) Grant funds may be used to restore loan funds used to prepay grant obligated costs.

(f) Construction incurred before loan or grant approval.

(1) Funds may be used to pay obligations for eligible project costs incurred before loan or grant approval if such requests are made in writing by the applicant and the Agency determines that:

(i) Compelling reasons exist for incurring obligations before loan or grant approval;

(ii) The obligations will be incurred for authorized loan or grant purposes; and

(iii) The Agency's authorization to pay such obligations is on the condition that it is not committed to make the loan or grant; it assumes no responsibility for any obligations incurred by the applicant; and the applicant must subsequently meet all loan or grant approval requirements, including environmental and contracting requirements.

(2) If construction is started with Agency approval, post-approval in accordance with this section may be considered, provided the construction meets applicable requirements including those regarding approval and environmental matters.

(g) Water or sewer service may be provided through individual installations or small clusters of users within an applicant's service area. The approval official should consider items such as: quantity and quality of the individual installations that may be developed; cost effectiveness of the individual facility compared with the initial and long term user cost on a central system; health and pollution problems attributable to individual facilities; operational or management problems peculiar to individual installations; and permit and regulatory agency requirements.

(1) Applicants providing service through individual facilities must meet the eligibility requirements in §1780.7.

(2) The Agency must approve the form of agreement between the applicant and individual users for the installation, operation, maintenance and payment for individual facilities.

(3) If taxes or assessments are not pledged as security, applicants providing service through individual facilities must obtain security necessary to assure collection of any sum the individual user is obligated to pay the applicant.

(4) Notes representing indebtedness owed the applicant by a user for an individual facility will be scheduled for payment over a period not to exceed the useful life of the individual facility or the RUS loan, whichever is shorter. The interest rate will not exceed the interest rate charged the applicant on the RUS indebtedness.

(5) Applicants providing service through individual or cluster facilities must obtain:

(i) Easements for the installation and ingress to and egress from the facility if determined necessary by RUS; and

(ii) An adequate method for denying service in the event of nonpayment of user fees.

§ 1780.10 Limitations.

(a) Loan and grant funds may not be used to finance:

(1) Facilities which are not modest in size, design, and cost;

(2) Loan or grant finder's fees;

(3) The construction of any new combined storm and sanitary sewer facilities;

(4) Any portion of the cost of a facility which does not serve a rural area;

(5) That portion of project costs normally provided by a business or industrial user, such as wastewater pretreatment, etc.;

(6) Rental for the use of equipment or machinery owned by the applicant;

(7) For other purposes not directly related to operating and maintenance of the facility being installed or improved; and

(8) A judgment which would disqualify an applicant for a loan or grant as provided for in §1780.7(g).

(b) Grant funds may not be used to:

(1) Reduce EDU costs to a level less than similar system cost;

(2) Pay any costs of a project when the median household income of the service area is more than 100 percent of the nonmetropolitan median household income of the State;

(3) Pay project costs when other loan funding for the project is not at reasonable rates and terms; and

(4) Pay project costs when other funding is a guaranteed loan obtained in accordance with 7 CFR part 1779 of this title.

(c) Grants may not be made in excess of the following percentages of the RUS eligible project development costs. Facilities previously installed will not be considered in determining the development costs.

(1) 75 percent when the median household income of the service area is below the higher of the poverty line or 80% of the state nonmetropolitan median income and the project is necessary to alleviate a health or sanitary problem.

(2) 45 percent when the median household income of the service area exceeds the 80 percent requirements described in paragraph (c)(1) of this section but is not more than 100 percent of the statewide nonmetropolitan median household income.

(3) Applicants are advised that the percentages contained in paragraphs (c)(1) and (c)(2) of this section are maximum amounts and may be further limited due to availability of funds or the grant determination procedures contained in §1780.35 (b).

[62 FR 33478, June 19, 1997, as amended at 64 FR 29946, June 4, 1999; 66 FR 23151, May 8, 2001]

HAWAIIAN HOMES COMMISSION WATER POLICY PLAN

July 22, 2014

Vision

Our vision is that there will be adequate amounts of [water](#) and supporting infrastructure so that homestead lands will always be usable and accessible, to enable us to return to our lands to fully support our self-sufficiency and self-determination in the administration of the Hawaiian Homes Commission Act (HHCA), and the preservation of our values, traditions, and culture.

Mission

In a manner consistent with our [values](#), the Hawaiian Homes Commission (HHC) and Department of Hawaiian Home Lands (DHHL) shall strive to ensure the availability of adequate, quality [water](#) by working cooperatively to:

- Understand our trust [water](#) assets;
- Plan for our [water](#) needs;
- Aggressively understand, exercise and assert our [kuleana](#) as stewards of [water](#);
- Develop and protect [water](#) sources; and
- Manage [water](#) systems.

Values

1. **Waiwai:** [Mōhala i ka wai ka maka o ka pua](#). *Unfolded by the water are the faces of the flowers.* The availability of [water](#) to our lands and people is integral to the trust and our mission.
2. **Waihona:** [Ua lehulehu a manomano ka `ikena a ka Hawai`i](#). *Great and numerous is the knowledge of the Hawaiians.* Honoring and documenting our knowledge about [water](#) is essential to managing it.
3. **Mālama:** [He ali`i ka `āina; he kauwā ke kanaka](#). *The land is a chief; man is its servant.* We consider [water](#) to be part of our genealogy and so we manage it in a manner that cares for its long-term sustainability for all things, as we also use it productively for our mission.
4. **Laulima:** [E lauhoe mai nā wa'a; i ke kā, i ka hoe; i ka hoe, i ke kā; pae aku i ka `āina](#). *Everybody paddle the canoes together; bail and paddle, paddle and bail, and the shore is reached.* We are one people who now share Hawai`i with others. DHHL is only one of many Hawaiian serving institutions. We will assert our rights while considering our larger lāhui `ōiwi and the larger world in which we live.

Policies

The HHC and the DHHL are seeking to be proactive in our management of water. Our Priority Policies are to:

1. 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](#).
2. Aggressively exercise, reclaim, and protect Hawaiian home land [water kuleana](#).
3. Develop, manage, and steward [water](#) in a manner that balances cost, [efficiency measures](#), and [Public Trust](#) uses in the short and long term.
4. Affirmatively communicate our decisions, our reasoning, and our performance in managing, stewarding, and using [water](#) before and after making major [water](#) decisions.

Additionally, the HHC and the DHHL should consider in their work the following statements:

5. Educate beneficiaries, the DHHL, HHC, and other stakeholders continually on our [water kuleana](#).
6. Foster self-sufficiency of beneficiaries by promoting the adequate supply of [water](#) for homesteading when developing or managing [water](#).
7. Foster the self-determination of beneficiaries by seeking ways for beneficiaries to participate in the management of [water](#) by delegating authority related to [water](#) subject to the discretion of the HHC as described in the [HHCA](#).
8. Make [water](#) decisions that incorporate traditional and place-based knowledge of our people and are clear and methodical in their reasoning.
9. Make efforts to understand, maintain, and improve the quality of [water](#) as it moves into and through our lands and is used by beneficiaries.
10. Affirmatively consider the development and use of [alternative sources](#) of [water](#) and [efficiency measures](#) in [water](#) decision-making.
11. Ensure that [water](#) decisions are consistent with other Departmental [policies](#), programs, and plans including but not limited to the [Energy Policy](#) and Agricultural Program.
12. 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.

Goals

To make progress on achieving our Mission and complying with our Policies, the Priority Goals of the HHC and the DHHL are to:

1. Affirmatively communicate with beneficiaries regarding [water](#) decisions, performance, and [water](#) rights on a regional and annual basis.
2. Aggressively, proactively, consistently and comprehensively advocate for the [kuleana](#) of the beneficiaries, the DHHL, and the HHC to [water](#) before all relevant agencies and entities.
3. Develop and manage a [Water Assets Inventory \(WAI\)](#).
4. Support watershed protection and restoration on DHHL lands and source areas for DHHL [water](#).

Additional goals that DHHL and the HHC shall seek to achieve, based on the availability of resources, organized by Mission activities, are:

Part I. Understand our trust water assets

1. Revise the DHHL submittal template to the HHC for [water](#) related decisions.
2. Revise budgets to show the total costs of a) [water](#) system management b) all spending on [water](#) issues.
3. Staff and organize the DHHL consistent with importance of [water](#) to the trust.

Part II. Plan for our water needs

4. Determine current and foreseeable future needs based upon periodic reviews of [water](#) availability projections that incorporate climate change, projected beneficiary demand, [alternative sources](#) and [efficiency measures](#).
5. Design homesteads and manage lands to create and enhance [water](#) availability, optimizing costs, use of [alternative sources](#) and [efficiency measures](#).

Part III. Aggressively understand, exercise and assert our water rights

6. Secure adequate and enforceable reservations of [water](#) for current and foreseeable future needs for all of its lands across the islands.
7. Partner with trust beneficiaries in [water](#) advocacy efforts.
8. Engage in updates to all [Hawai'i Water Plan](#) elements to ensure DHHL [water](#) needs and rights are addressed.
9. Advocate that all [Water Use Permit Applications](#) properly address the [water](#) rights of DHHL and other Hawaiian [water](#) rights.
10. Advocate that County Boards of Water Supply and other County agencies that affect [water](#) have the spirit of the [HHCA](#) faithfully carried out to protect DHHL

water uses as a [Public Trust](#) use of [water](#) and manage rates so they are affordable by beneficiaries.

11. Ensure that all legal provisions for the licensing of state [water](#) are followed.

Part IV. Develop and protect water sources

12. Carefully weigh alternatives regarding the dedication or DHHL management of new [water](#) systems.
13. Methodically and consistently manage and allocate water credits.
14. Support the drilling of wells by beneficiaries for their own use on lots where appropriate.
15. Partner with Department of Health and others on [water](#) quality education and outreach.
16. Continue to pursue development of agricultural [water](#) systems.

Part V. Manage water systems

17. Secure revenue and reduce operation costs so DHHL [water](#) systems break even financially over the long term.
18. Increase security and reliability for DHHL [water](#) users.
19. Pursue resolution by the Department of Agriculture of prior audit findings in the management of the Moloka'i Irrigation System and full repair of the System

Delegation of Authorities, Reporting, and Consultation

1. Delegation
 - a. The HHC delegates authority to the Chairperson to prepare an Implementation Program for this Water Policy Plan, which shall be subject to the approval by HHC. The Program shall identify tasks to implement each goal, and shall specify tasks that apply statewide as well as tasks that apply to different islands or regions under each goal.
2. Reporting
 - a. The Chairperson shall submit the proposed Implementation Program to the HHC annually in conjunction with the Department's budget request.
 - b. The Chairperson shall annually report on progress on execution of the approved Implementation Program and overall progress towards achieving the goals of and maintaining compliance with the Water Policy Plan.
3. Consultation
 - a. The Chairperson shall consult with the HHC on any major water issues not contained in the Implementation Program.

Legal Authorities

1. [Hawai'i State Constitution](#)
2. [Hawaiian Homes Commission Act of 1921, as amended](#)
3. [Hawai'i State Water Code, HRS 174C](#)
4. [In the Matter of Water Use Permit Applications \(Waiāhole I case\)](#)
5. [Wai'ola o Moloka'i](#)
6. [Kauai Springs, Inc. v. Planning Commission of the County of Kauai](#)

Related Plans and Policies

1. [DHHL General Plan](#)
2. [DHHL Energy Policy](#)
3. [Hawaiian Homes Commission Beneficiary Consultation Policy](#)

References

1. 1983. Pūku'i, Mary Kawena. **'Ōlelo No'eau: Hawaiian Proverbs & Poetical Sayings**. Honolulu: Bernice Pauahi Bishop Museum.
2. **Aia i hea ka wai a Kāne?** (Traditional chant, "Where is the water of Kāne?")

Definitions

Alternative sources: Alternative sources include but are not limited to the water developed through reuse and recycling technologies and best practices, capture of flood waters, desalinated waters, and other sources as may be appropriate for proposed uses.

Hawai'i Water Plan: The Hawai'i Water Plan and its parts, as detailed in Part III of the Hawai'i State Water Code (HRS 174C), is the state's "program of comprehensive water resources planning to address the problems of supply and conservation of water" (HRS 174C-2(b)).

Efficiency Measures: Efficiency measures include optimal design and development, alternative energy utilization, changing in behavioral practices and technologies that support onsite distributed wastewater systems.

Kuleana: Kuleana encompasses both rights and responsibilities. DHHL's water kuleana includes its responsibilities under its mission and the legal rights to water enshrined in the HHCA and state Constitutional and statutory provisions. Kuleana exists within the genealogical and spiritual relationship between water and the lāhui `ōiwi.

Public Trust: As delineated in the Hawai'i Supreme Court [Waiāhole I](#) and [Wai`ola O Moloka`i](#) cases, public trust uses of water include domestic uses, traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and reservations of water for the DHHL.

Water: In this policy, water includes mists, fog, rain, and other precipitation; water as it flows above or below ground, and into the ocean; water used for homesteading; alternative sources including waste, brackish, and salt water; water used in the exercise of traditional and customary practices; infrastructure used to produce, store and transmit water; and water we use as well as water to which we have rights.

Water Assets Inventory (WAI): A comprehensive geographically referenced database of the water assets of the DHHL, including traditional knowledge related to water, DHHL owned water infrastructure, current and future water demand, water agreements, water credits, and potential water sources.

Approval Date

Policy approved by the Hawaiian Homes Commission on July 22, 2014.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION

May 14 & 15, 2018
Kamuela-Kawaihae, Hawaii

J-ITEMS
GENERAL AGENDA

Subject: FW: May 14, 2018 Hawaiian Homes Commission Meeting

From: Maluhia O'Donnell [REDACTED]
Sent: Thursday, May 03, 2018 1:37 PM
To: Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov>
Subject: Re: May 14, 2018 Hawaiian Homes Commission Meeting

Aloha e Leah,

Mahalo for your response. Our request is to expand the current lease of Pūnana Leo o Waimea to include the adjacent vacant property. We have sent a request to inquire about this to Kahana Albinio as well. I will send a brief letter to explain further early next week in order to provide to the commissioners prior to the meeting.

'O au me ka mahalo,
na Maluhia

On Thu, Apr 26, 2018 at 4:12 PM, Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov> wrote:

Aloha e Maluhia,

Mahalo for your voicemail. I can definitely add you to the J Agenda list for Monday, May 14, 2018. Please note, our business meetings are being held at the Hapuna Beach Prince Hotel. Parking in the structure is validated.

Can you please respond to this email with a brief summary about your J Agenda topic.

Mahalo,



Hawaiian Homes Commission
Department of Hawaiian Home Lands
91-5420 Kapolei Parkway
Kapolei, HI 96707

May 8, 2018

RE: Site Expansion of License Agreement 488
‘Aha Pūnana Leo
Waimea, Island of Hawai‘i

Aloha mai kākou,

The Pūnana Leo o Waimea was established in 1995 and is the sole provider of Hawaiian medium early learning in the Waimea district. Since its inception, we have educated 433 Waimea ‘ohana who choose Hawaiian medium education (HME) for their keiki. The Pūnana Leo o Waimea is very fortunate to be located on property that has provided a space in order for us to implement the renormalization of the Hawaiian language, an official state language. In 2011, the Pūnana Leo o Waimea established a K – 8th grade charter school, ‘Alo Kēhau o ka ‘Āina Mauna, a satellite school of Ke Kula ‘o Nāwahīokalani‘ōpu‘u. This allowed our preschool keiki the continuum needed to further their education through the medium of Hawaiian.

Our long-range strategic plan includes expansion of our existing program in order for us to accommodate the educational needs of our community e.g., increased enrollment, P-12th HME program. We humbly request an extension of our current license to include the adjacent property on the Hāmākua side. This will allot us the space needed to establish a trailer classroom with portable bathrooms. Due to the amount of existing buildings and septic capacity on our current licensed DHHL property, we will reach maximum capacity at the end of school year 2018-2019. We would also like to take this opportunity to start discussion about any other DHHL property in the Waimea district that we could possibly lease in the near future as we expand the only existing HME program here in Waimea.

The Pūnana Leo o Waimea and ‘ohana highly values the continued collaboration with DHHL. I look forward to further discussion regarding this request at the Commissioner’s Meeting on May 14, 2018. If you should have any questions prior to the meeting, I can be reached at (808) 885-7166.

Me ka ‘oia‘i‘o,
Maluhia O'Donnell, Site Coordinator
Pūnana Leo o Waimea

cc: ‘Ekekela Aiona
Executive Director, ‘APL

Georgette Anne Yaindl

Attorney and Counselor at Law

P.O. Box 307 Kailua-Kona, Hawai'i 96745-0307

(808) 224-0219 v/txt (877) 300-8869 fax

gyaindl@gmail.com

April 30, 2018

Ms. Jobie Masagatani
Chairman, Hawaiian Homes Commission
Department of Hawaiian Homelands
State of Hawai'i
91-5420 Kapolei Parkway
Kapolei, HI 96707

via: U.S. Mail, Priority with Return Receipt
Email to: leatrice.w.burrows-nuuanu@hawaii.gov

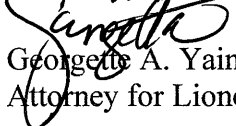
Dear Commissioner Masagatani,

RE: Requesting Opportunity to Present Oral Testimony at the Commission's Regular Monthly Meeting Scheduled for May 14, 2018 and May 15, 2018 in Kailua-Kona Re: Lionel A. Avilla's Petition For Reconsideration of Decision Denying His Request for a Contested Case Hearing Re: Transfer Through Successorship (Lease No. 9303), recorded April 29, 2016, Filed November 21, 2017

As authorized by HAR § 10-2-11 (10/26/98), Lionel A. Avilla requests an opportunity for himself an/or his undersigned counsel to present oral testimony before the Commission at its regular monthly meeting scheduled for May 14, 2018 and/or May 15, 2018 in Kailua-Kona. Mr. Avilla and/or counsel request to address the Commission in the matter of the petition captioned above.

As a reminder, Mr. Avilla is Native Hawaiian as defined by the Hawaiian Homes Commission Act of 1920. He was born in North Kohala and is 82 years old. Mr. Avilla paid for the construction of the residence located on Lot No. 9303 as well as subsequent improvements thereupon. Mr. Avilla has resided, maintained, and paid property taxes and association dues on the subject property since the time construction was completed in 1999 until the recordation of the challenged transfer in 2016.

Sincerely,



Georgette A. Yaindl, HSBA #8940

Attorney for Lionel A. Avilla

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Subject: FW: Request to on the J Agenda April & May

From: Bo Kahui [mailto: [REDACTED]]
Sent: Monday, April 09, 2018 10:52 AM
To: Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov>
Subject: Request to on the J Agenda April & May

Aloha Lea,
Laiopua 2020 and Villages of Laiopua wish to be place on the J agenda to provide updates on projects.
Pleas advise.
Mahalo Nui
Craig "Bo" Kahui
Executive Director
Laiopua 2020
[REDACTED]

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Subject: Agenda for May 15th West Hawaii DHHL mtg @Hapuna Prince

-----Original Message-----

From: Wanneta Wilson [mailto:noweokala@yahoo.com]

Sent: Thursday, May 03, 2018 9:38 AM

To: Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov>

Subject: Agenda for May 15th West Hawaii DHHL mtg @Hapuna Prince

As the DHHL Commision Secretary the "BENEFICIARY TRUST COUNCIL" who have met with William Aila & referred to you by Bo Kahui is requesting time (to go over updates needed) on the agenda held on May 15, 2018 West Hawaii DHHL mtg being held at Hapuna Prince Hotel. Time needed 15 minutes.

Thank you, Wanneta Wilson (
lessee in La'i'Opua Village 4, since 1999

Contact person for BeneficiaryTrust Council Kalaniakea Wilson
Cell:

Sent from my iPad