



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

**Briefing on United States Department of Agriculture (USDA)  
Federal Funds for Water**

**Item G-1**

**Hawaiian Homes Commission meeting**

**January 17 – 18, 2023**

# HHC Water Policy Plan - 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, and the preservation of our values, traditions, and culture.

*Refer to Exhibit G*



# HHC and DHHL kuleana

- Water is an important Trust asset.
- Water utility system owners are responsible to provide access to clean, safe drinking water for the purpose of public health and safety



# Agenda

- Purpose of Briefing
- US Department of Agriculture federal funds for water
- Basics of a Water Utility System
  - What is Technical, Managerial, Financial Capacity or “TMF”?
- Next steps

TABLE 3  
Summary of USDA federal funds  
2005 - 2018

PROJECT	DHHL Funds	USDA GRANT	USDA LOAN	TOTAL
<b>DHHL</b>				
Ho'olehua Water System 530 homestead lots	\$14,073,250	\$11,634,083	\$7,455,000	33,162,333
Anahola water system 75 homestead lots	3,770,723	5,085,083	4,100,000	12,955,806
Lai Opua Village 4 Hema water/sewer/ storm water 125 homestead lots	3,409,150*	2,789,304	0	6,198,454
<b>TOTAL</b>	<b>\$21,253,123</b>	<b>\$19,508,470</b>	<b>\$11,555,000</b>	<b>\$52,316,593</b>
			<b>TOTAL Lots</b>	<b>730</b>

Nā Kupa'a o Kūhiō	DHHL FUNDS	USDA GRANT	USDA LOAN	TOTAL
East Kapolei IIB water/sewer 160 homestead lots	\$160,000*	\$1,513,000	\$2,188,000	\$3,701,000
Kaka'ina/Waimānalo water/sewer 50 homestead lots	25,000*	377,800	541,000	943,800
Pi'ilani Mai Ke Kai water 56 homestead lots	25,500*	339,000	471,000	835,500
La'i 'Opua Village 4 water/sewer 245 homestead lots	251,650*	917,350	2,134,000	3,303,000
Waiohuli Kēōkea 3 & 4 water 157 homestead lots	216,800*	855,655	1,913,000	2,985,455
Maku'u off-site water well 900 homestead lots	309,000*	2,100,000	3,148,000	5,557,000
Ho'olehua water system improvements phase IV 530 homestead lots	98,500	1,163,475	1,323,525	2,585,500
<b>TOTAL</b>	<b>\$1,086,450</b>	<b>\$7,266,280</b>	<b>\$11,718,525</b>	<b>\$20,071,255</b>
			<b>TOTAL Lots</b>	<b>2,098</b>

Note: figures with (\*) do not include additional DHHL funds for non-water infrastructure - roads, street lights, etc.

# Over \$45M Summary of USDA federal funds for water

(Refer to Table 3 on page 5)



# Summary of Accomplishments

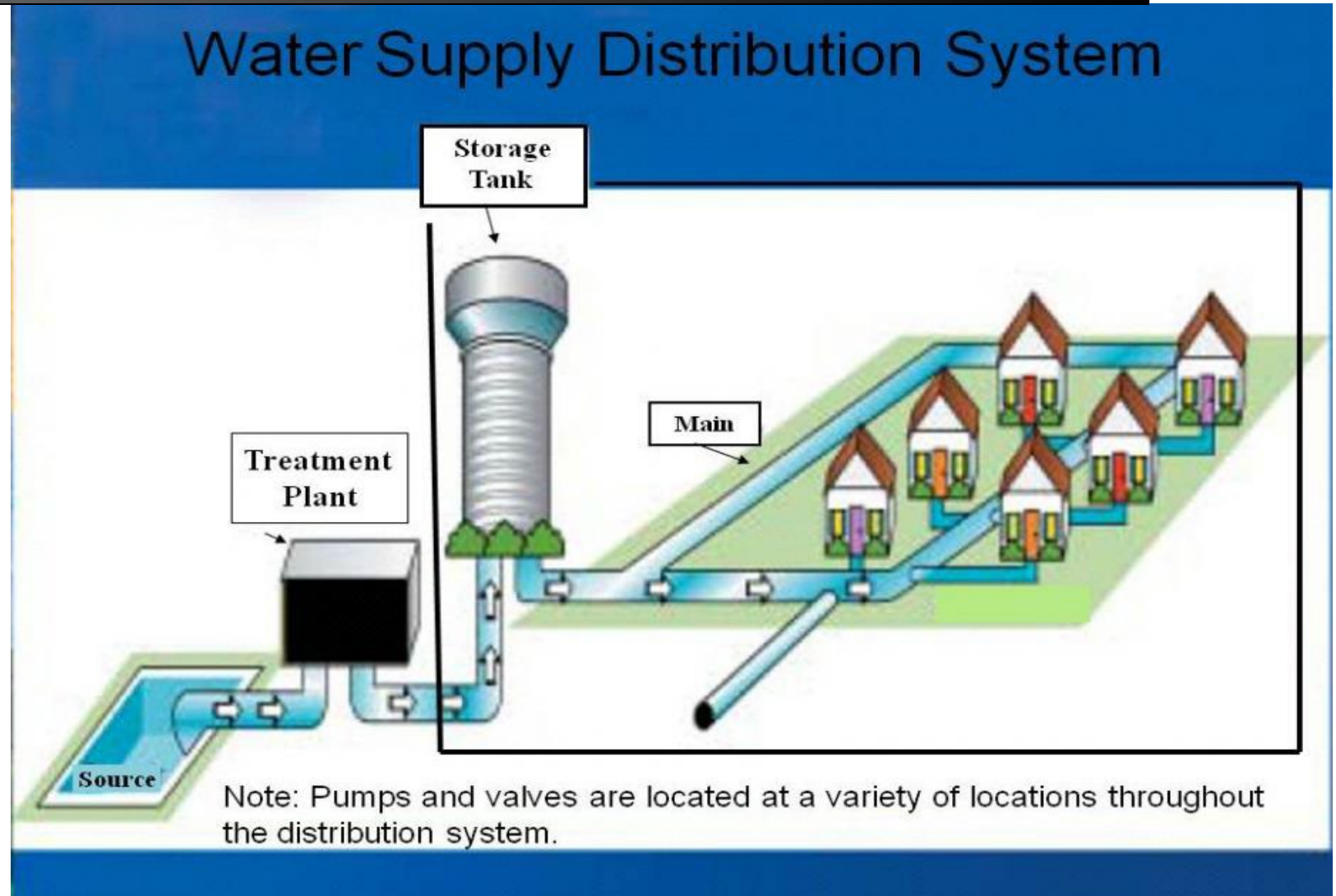
## Total of over \$45 million in USDA federal funds for DHHL projects

- 2016 – 2018 DHHL
  - Results: \$30 million in USDA federal funds and 725 lots (total)
  - Major capital improvements to DHHL existing water systems
  - New construction for infrastructure for 125 new residential lots in La'i 'Opua Village 4 Hema phase, Kona
- 2005 – 2011 DHHL-Nā Kupa'a o Kūhiō partnership
  - Results: \$15 million in USDA federal funds
  - Construction of water/sewer infrastructure for 266 new residential lots in Kaka'ina (Waimānalo), Pi'ilani Mai Ke Kai (Anahola), Ka'uluokaha'i (Kapolei)



# What is a Water System?

- Water may be **BASIC.**
- But it sure isn't **SIMPLE.**
  - Source
  - Treatment
  - Storage
  - Distribution





# DHHL Water Systems

DHHL owns and operates four (4) water utility systems statewide.

- Ho'olehua Public Water System (PWS) No. 230, Moloka'i
- Anahola Farm Lots PWS No. 432, Kaua'i
- Kawaihae Unit #1 PWS No. 164, Hawai'i
- Pu'ukapu Water System (PWS N/A), Hawai'i





# DHHL Source Water for Ho'olehua & Anahola

**EXCELLENT** water  
quality!

However, water *quantity* can be  
an issue





# Ho'olehua Source Water

- Two Wells
  - Kauluwai Well No. 1 (USGS No. 0801-01) @ elevation 1,005 feet with a pump capacity of 600 gpm
  - Kauluwai Well No. 2 (USGS No. 0801-02) @ elevation 1,011 feet with a pump capacity of 750 gpm
  - Generally protected







# Storage Tank – 2 x 3.5 MG Concrete Tanks



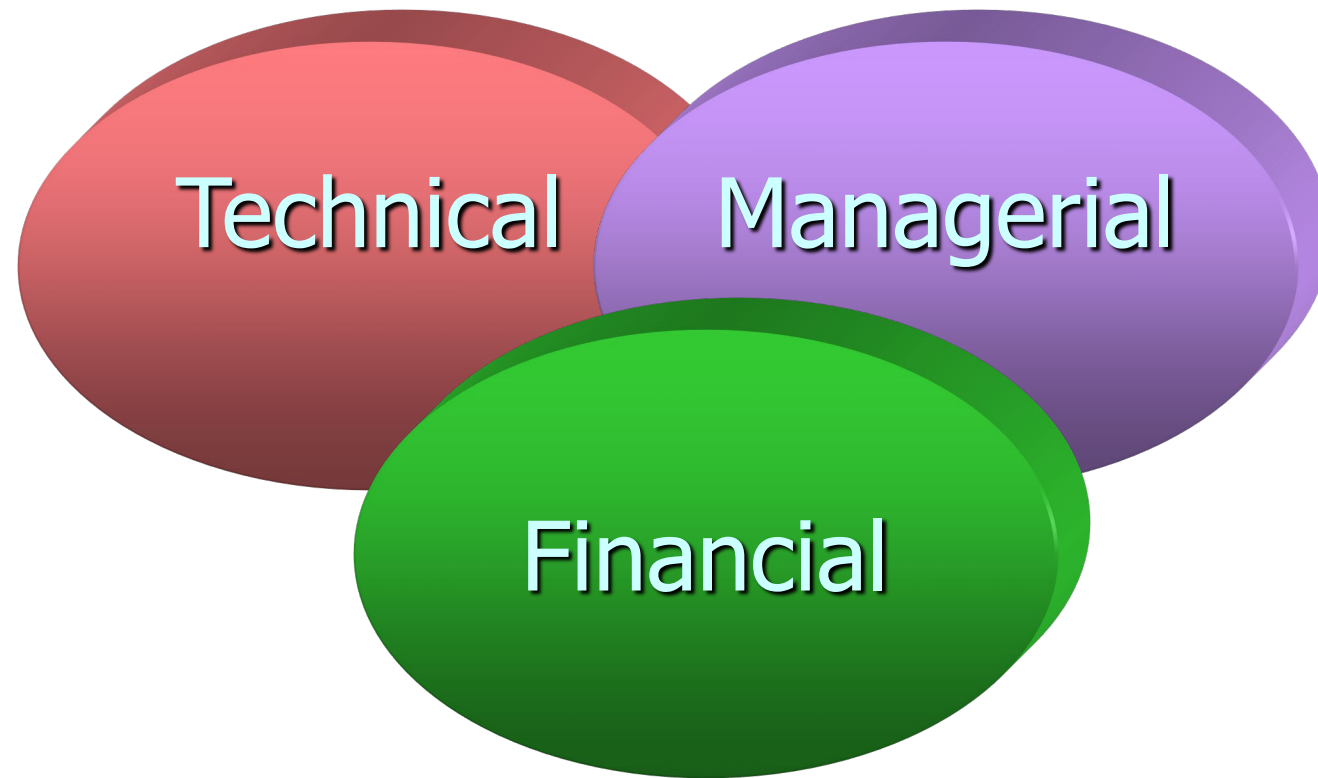
- Remarkable shape given their age
- The majority of the valves, safety railings, ladders, etc. are rusted or non-operational.
- Existing flow control valves are non-operational.
- USDA is funding improvements to the above items and security improvements



# The Good news

- DHHL water source wells for Ho'olehua and Anahola produce QUALITY water. Quantity is an issue.
- All DHHL water systems meet federal and state water quality standards. No Department of Health violations (and we want to keep it that way)
- DHHL has incredibly dedicated staff who want to do the right thing
- Ho'olehua water operators are beneficiaries. Skill building/ local jobs
- Obtained over \$45 million in. USDA federal funds
- Water Admin Rules, 2021, including increased water rates
- Cost of Water Service Study

# Water System TMF Capacity



# ► Technical Capacity



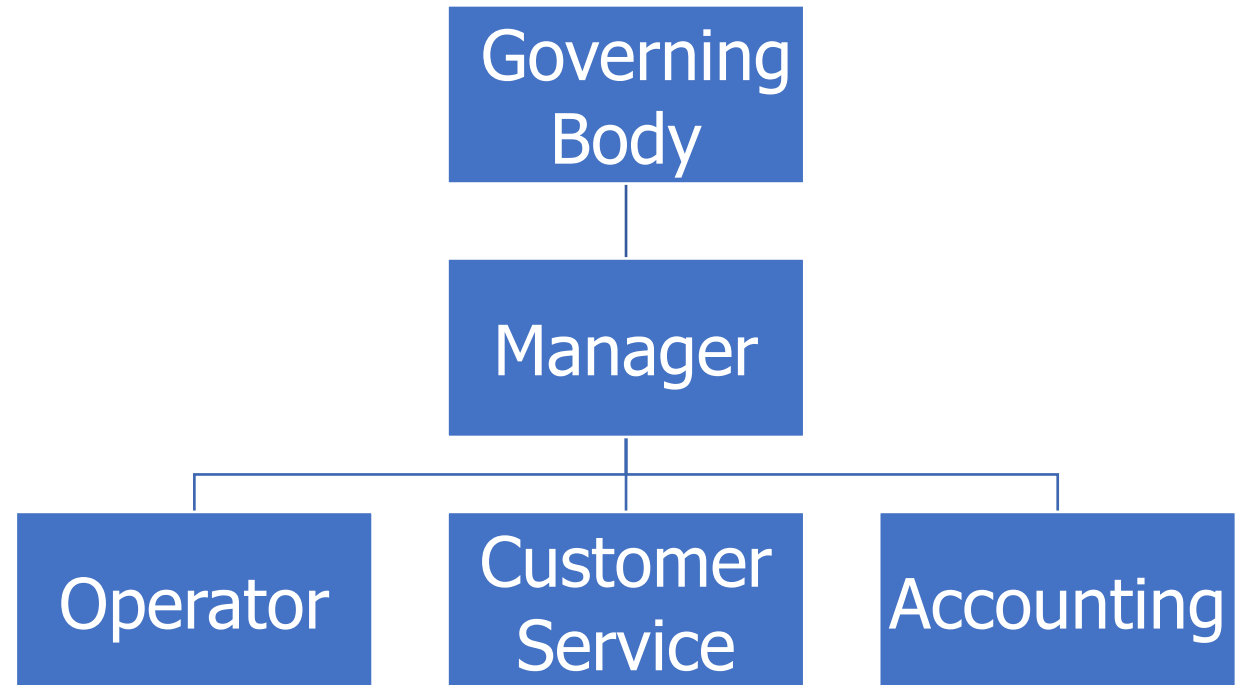
Technical

## OPERATIONS

- ✓ Certified operators
- ✓ Treatment and Distribution
- ✓ Dept. of Health Water sampling
- ✓ Repairs, Equipment Maintenance and Replacement
- ✓ Preventive Maintenance
- ✓ Emergency Response Plan
- ✓ Consumer Confidence Reports to the Public

# Managerial

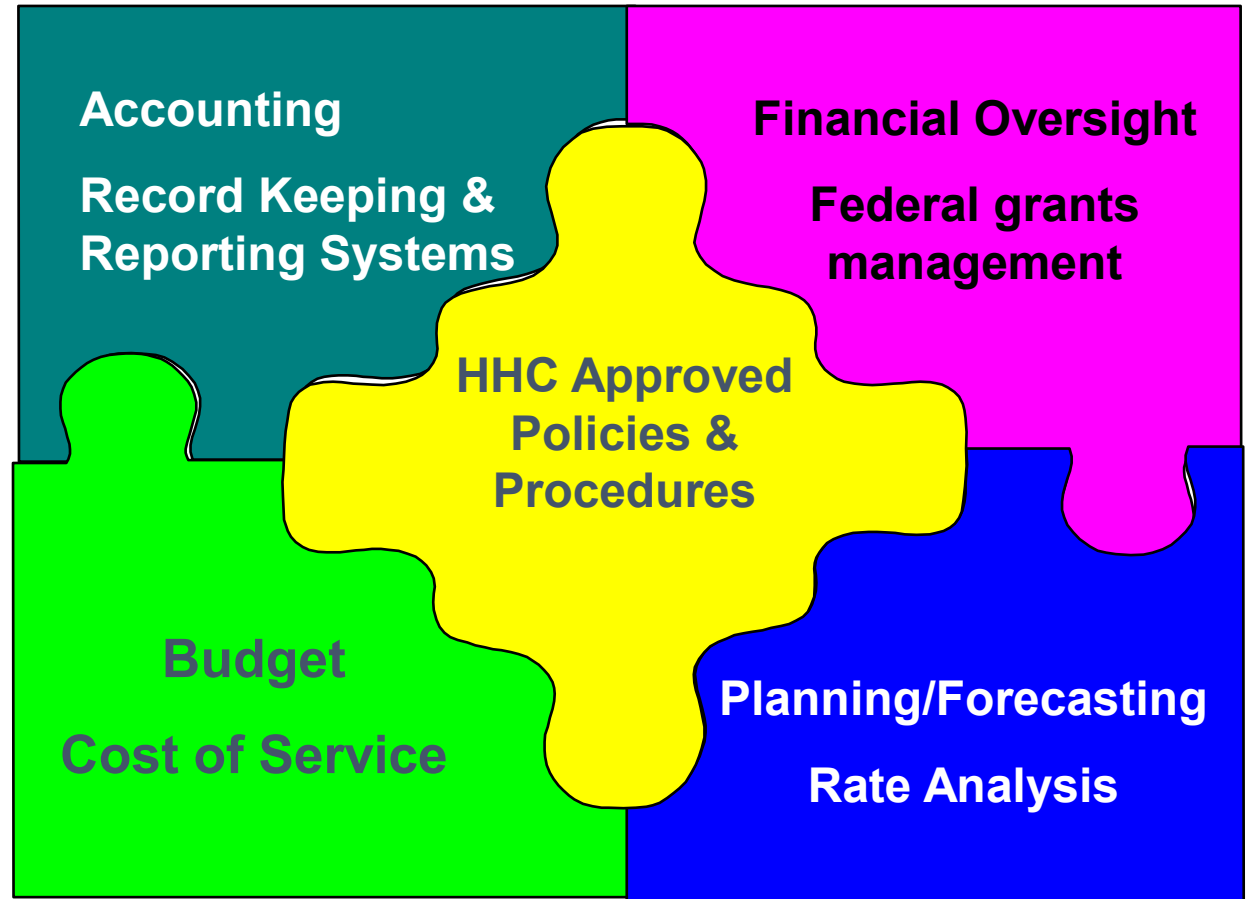
- Staffing and Organization
- Internal operations
- Effective External Relationships
- Customer Awareness
- Communication







# Small Water System Financial Elements







# Typical Water System Expenses

## ADMINISTRATION

## OPERATIONS

- Certified Operator
- Well Pumps
- Electricity
- Storage tank
- Booster pumps
- Pipes, fire hydrants
- Security
- Purchase water supply

## RESERVE FUNDS

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



# Next steps: critical improvements

## Challenge

- Highly de-centralized organizational structure leads to unclear lines of authority, inefficiencies, lack of transparency and accountability.
- Financial sustainability

## Suggested improvement

- Establish Central Water Division
  - Recruit more operators and professionals with water expertise
- Implement HHC Policy on Enterprise Accounting
  - Establish water budgets
  - Improve water billing and collections
- Improve water data integrity



# Questions?

## Mahalo!



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