



June 23, 2015

UID #682

Mr. Peter T. Young  
Ho`okuleana LLC.  
1539 Kanapu`u Drive  
Kailua, HI 96734

Dear Mr. Young:

Subject: Draft Environmental Impact Statement for the Hokua Project (Formerly Referred to as Kapaa Highlands), TMK: 4-3-03:001 por, Kapaa, Kauai

This is in regard to your letter received on May 7, 2015. We have no objections to the proposed Draft Environmental Impact Statement. The following are our comments to the subject Draft Environmental Impact Statement for the Hokua Project (formerly referred to as Kapaa Highlands).

Any actual subdivision or development of this area will be dependent on the adequacy of the source, storage, and transmission facilities existing at that time. At the present time, the existing source, storage, and transmission facilities are not adequate for the proposed project which includes 86 single family lots, 683 multifamily residential units, a 3.1 acre park, and 1.4 acres for commercial use.

Prior to the Department of Water (DOW) recommending building permit or water service approval, the applicant will be required to:

1. Be made aware that the Water Master Plan for the subject project has **not** been approved by the DOW. The DOW recommends that the following statement on Page 77 of the DEIS: "*A Water Master Plan for Hokua Place and Hokua Farm Lots (formerly known as Kapa'a Highlands), has been approved, in concept, by the County Department of Water (DOW),*" be changed or corrected in the Final Environmental Impact Statement.
2. Prepare and receive DOW's approval of a Water Master Plan for full development of the area.
3. Submit a formal request for water service. The applicant shall describe the proposed water meter use. For non-residential use, the applicant shall submit detailed water demand calculations, along with the proposed water meter size, to the DOW for review and approval. DOW conditions for approval may change based on the approved water demands and use.
4. Prepare and receive DOW's approval of construction drawings for the necessary water system facilities and construct said facilities as required in the approved water master plan for the proposed project.

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5. Pay the applicable charges in effect at the time of payment to the DOW. At the present time, these charges include the Facilities Reserve Charge (FRC) which is based on \$4,600 per 5/8-inch water meter/unit or the FRC based on the approved water meter size, whichever amount is greater. FRC offsets may apply for source, storage, and transmission facilities that qualify for offsets, in accordance with the DOW's Rules and Regulations.
6. Receive a "Certification of Completion" notice for the construction of necessary water system facilities from the DOW.

All conditions stated above are subject to the Rules and Regulations of the DOW as amended or as will be amended.

If you have any questions concerning the construction drawings, please contact Mr. Roman Silvestre at (808) 245-5412. For questions concerning the Certification of Completion, please contact Mr. Dustin Moises at (808) 245-5459. For other questions, please contact Mr. Joel Bautista at (808) 245-5441.

Sincerely,



Edward Doi  
Chief of Water Resources and Planning Division

c: Ken Taylor (taylorko21@hawaii.rr.com)

4-3-03-001por, T-17058, Hokua Project DEIS, Young/JB:lou