

ANNUAL COMPLIANCE REPORT

Makakilo Quarry, Ewa, Oahu, Hawaii

Prepared By
GRACE PACIFIC LLC
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CONTENTS

List of Appendices	4
1.0 Introduction	5
2.0 Annual Compliance Report for the Special Use Permit	6
2.1 SUP Condition #1	6
2.1.1 Grace Pacific’s Response to SUP Condition #1.a.....	6
2.1.2 Grace Pacific’s Response to SUP Condition #1.b	6
2.2 SUP Condition #2	6
2.2.1 Grace Pacific’s Response to SUP Condition #2.....	7
2.3 SUP Condition #3	7
2.3.1 Grace Pacific’s Response to SUP Condition #3.....	7
2.4 SUP Condition #4	7
2.4.1 Grace Pacific’s Response to SUP Condition #4.....	7
2.5 SUP Condition #5	7
2.5.1 Grace Pacific’s Response to SUP Condition #5.....	8
2.6 SUP Condition #6	8
2.6.1 Grace Pacific’s Response to SUP Condition #6.....	8
2.7 SUP Condition #7	8
2.7.1 Grace Pacific’s Response to SUP Condition #7	8
2.8 SUP Condition #8	8
2.8.1 Grace Pacific’s Response to SUP Condition #8.....	8
2.9 SUP Condition #9	9
2.9.1 Grace Pacific’s Response to SUP Condition #9.....	9
2.9.2 Grace Pacific’s Response to SUP Condition #9.a.....	9
2.9.3 Grace Pacific’s Response to SUP Condition #9.b	9
2.9.4 Grace Pacific’s Response to SUP Condition #9.c.....	9
2.10 SUP Condition #10.....	10
2.10.1 Grace Pacific’s Response to SUP Condition #10	10
2.11 SUP Condition #11.....	10
2.11.1 Grace Pacific’s Response to SUP Condition #11	11
2.12 SUP Condition #12.....	11
2.12.1 Grace Pacific’s Response to SUP Condition #12	11
2.13 SUP Condition #13.....	11

2.13.1	Grace Pacific’s Response to SUP Condition #13	11
2.14	SUP Condition #14.....	11
2.14.1	Grace Pacific’s Response to SUP Condition #14	11
2.15	SUP Condition #15.....	12
2.15.1	Grace Pacific’s Response to SUP Condition #15	12
2.16	SUP Condition #16.....	12
2.16.1	Grace Pacific’s Response to SUP Condition #16	12
3.0	Annual Compliance Report for the Conditional Use Permit.....	13
3.1	CUP Condition #1	13
3.1.1	Grace Pacific’s Response to CUP Condition #1.....	13
3.2	CUP Condition #2	13
3.2.1	Grace Pacific’s Response to CUP Condition #2.....	13
3.3	CUP Condition #3	13
3.3.1	Grace Pacific’s Response to CUP Condition #3.....	14
3.4	CUP Condition #4	14
3.4.1	Grace Pacific’s Response to CUP Condition #4. A, B, and C.....	14
3.5	CUP Condition #5	14
3.5.1	Grace Pacific’s Response to CUP Condition #5.....	14
3.6	CUP Condition #6.....	15
3.6.1	Grace Pacific’s Response to CUP Condition #6.....	15
3.7	CUP Condition #7	15
3.7.1	Grace Pacific’s Response to CUP Condition #7.....	15
3.8	CUP Condition #8.....	15
3.8.1	Grace Pacific’s Response to CUP Condition #8.....	16
3.9	CUP Condition #9	16
3.9.1	Grace Pacific’s Response to CUP Condition #9.....	16

LIST OF APPENDICES

Appendix A – Table of Approved Plans (1 page)

Appendix B - Correspondence from State of Hawaii Clean Air Branch dated November 21, 2017. (2 pages)

Appendix C - Makakilo Quarry Hotline Phone Log October 1, 2016 through September 30, 2017. (1 page)

Appendix D – Low resolution copies of Aerial Photos and Topographic Map. Index of attached DVD. (5 pages)

Appendix E – Renaturalization History and Status Report (SUP Condition #2) (2 pages)

Appendix F – VRP History and Status Report for Lower Quarry. Letter from Environmental Science International, dated November 16, 2017. (SUP Condition #4) (3 pages)

Appendix G – UXO History and Status Report for Open Space Buffer Area. Email from Lori Lum dated November 29, 2017 (SUP Condition # 6) [2 pages]

Appendix H – Beneficial Re-use Plan History and Status Report. (SUP Condition #10 and CUP Condition #3) (2 pages)

Appendix I – Sanitary Landfill Maintenance History and Status Report. (SUP Condition #16) (1 page)

Appendix J – March 2008 Engineering Report (SUP Condition #8) (16 pages)

1.0 INTRODUCTION

This Annual Compliance Report has been prepared in compliance with Condition No. 9 of the State Land Use Commission's Findings of Fact, Conclusions of Law, and Decision and Order, Special Use Permit, Docket No. SP73-147, filed and effective on November 7, 2008 (the "Special Use Permit" or "SUP"), and certain conditions of the Decision and Order for the Conditional Use Permit No. 2007/CUP-91, dated July 17, 2009 (the "Conditional Use Permit" or "CUP").

This is Grace Pacific's ninth annual report demonstrating the status of compliance with the conditions of the SUP and the CUP. This report covers the period from October 1, 2016 through September 30, 2017. However, where appropriate, additional information regarding subsequent activities and correspondence are included to provide a more complete understanding regarding the status of certain items.

The reports for the years 2009 through 2016 contained a chronological history of responses to the SUP and CUP Conditions. For the 2017 and future reports, the current year activity will be reported, and ongoing matters will be supported by the appendices.

The appendices to this report are organized as follows:

- a) Appendix A – Table of Approved Land Use Plans
- b) Appendices B through D - documents relevant to the 2017 report
- c) Appendices E through I – History and Status Reports for ongoing compliance matters.
- d) Appendix J – March 2008 Engineering Report which contains the Drainage Plan referred to in SUP Condition #8.

2.0 ANNUAL COMPLIANCE REPORT FOR THE SPECIAL USE PERMIT (Special Use Permit, Docket No. SP73-147, adopted and approved on November 6, 2008, filed and effective on November 7, 2008)

2.1 SUP CONDITION #1

1. *Within six (6) months of the Land Use Commission's Decision and Order approving the Special Use Permit, the Applicant shall submit:*
 - a. *A new site plan with metes and bounds map and description delineating the approximately 541-acre Property, including the boundaries of the quarry excavation and berming areas, the processing site and conveyor tunnel, and the buffer area to the Director of Planning and Permitting for review and approval. The site plan shall also be submitted to the Land Use Commission.*
 - b. *A fire protection and control plan to Honolulu Fire Department for review and approval. A copy of the approved plan shall be submitted to the Director of Planning and Permitting within 30 days of approval.*

2.1.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #1.A

2017. The Site Plan referenced in this condition was submitted July 8, 2011. The Fire Protection and Control Plan was initially submitted on February 17, 2010. See Appendix A to this Report for a Table of Approved Plans.

DPP, in an email dated March 23, 2016 requested that the Site Plan be updated to reflect new and removed structures (Appendix B to the 2016 Report). Grace Pacific engaged Wilson Okamoto to assist in revising the Site Plan (Appendix D to the 2013 Report). The revised Site Plan is being prepared and will be submitted as soon as it is completed.

2.1.2 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #1.B

2017. The fire protection and control plan referenced in this plan was prepared. See Appendix A to this Report for a Table of Approved Plans.

2.2 SUP CONDITION #2

2. *Within one (1) year of the Land Use Commission's Decision and Order approving the Special Use Permit, the Applicant shall submit to the Director of Planning and Permitting for review and approval a renaturalization plan in coordination with the proposed Closure Grading Plan for the quarry site and buffer area mauka of the H-1 Freeway showing landscaping details including plant types, sizing and spacing, irrigation facilities and distribution systems.*

2.2.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #2

2017. A Renaturalization Plan was initially submitted on November 6, 2009. See Appendices A and E to this report for the Approved Plans and History and Status Report.

2.3 SUP CONDITION #3

3. *All resource extraction, related aggregate processing and concrete and asphalt production activities, including recycling activities shall cease by December 31, 2032. Final beneficial re-use plans as approved by the Department of Planning and Permitting shall be implemented immediately upon the cessation of said resource extraction and related quarrying activities.*

2.3.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #3

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.4 SUP CONDITION #4

4. *The Applicant shall close the processing site on Parcel 4 by relocating all uses on the site into the quarry pit or Campbell Industrial Park by December 31, 2012, and Parcel 4 shall be returned to landscaped open space use within six (6) years of the date of the Land Use Commission's Decision and Order. A landscape plan shall be submitted to the Director of Planning and Permitting for review and approval on the second anniversary date of the Land Use Commission's Decision and Order and the approved landscape plan shall be implemented within one (1) year of its approval. Landscaping shall be maintained in a natural state for the life of the Special Use Permit.*

2.4.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #4

2017. Grace Pacific acknowledges this condition of the Special Use Permit. As previously noted, the site has been returned to landscaped open space as required by this condition.

A History of the Voluntary Response Program (VRP), and a Status Report prepared by Environmental Science International, are attached to this report as Appendix F.

2.5 SUP CONDITION #5

5. *Beginning January 1, 2012, quarry operations shall be limited to the following days/hours:*

- a. *Quarry excavation, crushing, stockpiling, equipment maintenance, and recycling facility - 6:00 a.m. to 6:00 p.m., Monday to Saturday.*
- b. *Hot-mix asphalt plant - 6:00 a.m. to 6:00 p.m., Monday to Friday.*

c. *Unloading of cold-planed asphaltic concrete during re-paving jobs - 6:00 p.m. to 10:00 p.m., Sunday to Friday.*

2.5.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #5

2017. Grace Pacific acknowledges this Condition of the Special Use Permit.

2.6 SUP CONDITION #6

6. *Except for quarry, recycling activities in the quarry, and renaturalization activities, the remainder of Tax Map Key: 9-2-03: 74 shall remain in open space buffer for the life of the quarry and related activities. Minor accessory uses or structure may be permitted on Parcel 74 with the express written consent of the Director of Planning and Permitting. Any other uses shall be processed pursuant to Section 205-6. Hawai'i Revised Statutes.*

2.6.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #6

2017. Grace Pacific acknowledges this condition of the Special Use Permit. See Appendix G for the UXO History and Status Report.

2.7 SUP CONDITION #7

7. *As may be required by the State Department of Health, the Applicant shall place in service additional dust control measures to control dust generation at the project such that no visible fugitive dust shall cross the combined property boundaries of Tax Map Key: 9-2-03: 74 and 82.*

2.7.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #7

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.8 SUP CONDITION #8

8. *The Applicant shall, as a result of modifications to the final grading and beneficial reuse plans, submit an update of the drainage plan, prepared by a qualified civil engineer, as may be required by the Director of Planning and Permitting for review and approval.*

2.8.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #8

2017. Grace Pacific acknowledges this condition of the Special Use Permit and will submit a revised drainage plan if there are any modifications to the final grading and beneficial reuse plans.

2.9 SUP CONDITION #9

9. *On each anniversary date of the Land Use Commission's Decision and Order, the Applicant or its successor shall file with the Department of Planning and Permitting and the Land Use Commission a report and supporting documentation demonstrating the status of compliance with each of the conditions of the Special Use Permit approval. Included in the supporting documentation shall be an updated rectified aerial imagery of the quarry, buffer area and processing site and dust control management plan. The following items shall also be a part of the supporting documentation:*
- a. Observations of fugitive dust.*
 - b. A report on replanting activities, including the areas replanted, and the type of vegetation planted.*
 - c. A report of any citizen's complaints relating to the operation along with the actions taken to ameliorate those complaints.*

The Director may present its analysis and recommendations on the annual report to the Planning Commission and the State Department of Health for further action pursuant to the Rules of the Planning Commission.

2.9.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9

2017. This annual report is being submitted in compliance with this condition. Grace Pacific is providing the September 14, 2017 Makakilo Quarry Digital Orthography, depicted in three areas (Upper Quarry, Lower Quarry and Overall), and a Topographic Map with this report on a separate DVD. The index and copies of the prints on the DVD are attached as Appendix D to this report. A DVD copy of the 2017 report and Appendices is also being submitted.

2.9.2 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.A

2017. No observations of fugitive dust were reported to Grace Pacific or to the State Department of Health, Clean Air Branch for the period October 1, 2016 through September 30, 2017. Correspondence from the Clean Air Branch dated November 21, 2017 is attached to this Report as Appendix B.

2.9.3 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.B

2017. A History and Status Report of the replanting activities is provided in Appendix E to this Report. No new renaturalization projects were undertaken in the current reporting period.

2.9.4 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #9.C

2017. No complaints were received during the 2016-2017 reporting period. See also Appendices B and C to this Report for Clean Air Branch correspondence and the Community Hotline Phone log.

2.10 SUP CONDITION #10

10. *The Applicant shall provide a beneficial re-use plan for lands disturbed by its quarry operations. The plan shall include planning and preparation of the design and implementation scenarios for the beneficial re-use of the pit area consistent with established land use policies for the site and surrounding area. The re-use planning document and accompanying scenarios and drawings shall be submitted to the Department of Planning and Permitting, for review and approval within the fifth (5th) year after the date of the Land Use Commission's Decision and Order approving this expansion. An updated re-use plan shall be submitted to the DPP for review and approval every five (5) years thereafter. The beneficial re-use planning and design document shall be an ongoing document prepared by a professional qualified in re-use planning and contain objectives, implementation and funding strategies for reclamation of the pit area for the purpose of achieving the area's long term land use policies. The Applicant will update the plan, as may be required by the Director of Planning and Permitting, to respond appropriately to any changes in the surrounding area's land use policies.*

The beneficial re-use plan shall include at least one public access across Tax Map Key: 9-2-03: 74, connecting Tax Map Key: 9-2-03:81 and the extension of Makakilo Drive, across the project in which safe pedestrian/bicycling passage can be established. Access requirements, such as but not limited to, subdivision, nature of improvements, routing, hours accessible, shall be established as part of the final beneficial re-use plan. Suggested routing of the public access is shown on Exhibit A.

2.10.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #10

2017. See Appendix H to this Report for the History and Status Report of the Beneficial Re-use Report.

2.11 SUP CONDITION #11

11. *Approval of this Special Use Permit does not constitute compliance with other land use ordinances or governmental agencies' requirements. They are subject to separate review and approval. The Applicant shall be responsible for insuring that the final plans for the project approved under this permit comply with all applicable provisions of the Land Use Ordinance and other governmental agencies' provisions and requirements.*

2.11.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #11

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.12 SUP CONDITION #12

12. *The Applicant and/or landowner shall notify the Director of Planning and Permitting and the Land Use Commission of any changes in uses on the Property; termination of any uses on the Property; and/or transfer in ownership of the Property or any uses on the Property. The Planning Commission shall then, in consultation with the Director of Planning and Permitting, determine the appropriate disposition of this Special Use Permit and facilities.*

2.12.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #12

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.13 SUP CONDITION #13

13. *In the event of noncompliance with any of the conditions set forth herein, the Director of Planning and Permitting may terminate all uses approved under this Special Use Permit or the Director may declare this Special Use Permit null and void or seek available civil procedures to enforce compliance.*

2.13.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #13

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.14 SUP CONDITION #14

14. *The Applicant shall, for the life of the Special Use Permit, establish and disclose to the community, a telephone number dedicated to receiving and recording complaints relating to quarry and recycling operations. A continuous volume of complaints shall warrant reconsideration of the Special Use Permit by the Planning Commission.*

2.14.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #14

2009-2017. Grace Pacific has posted the Makakilo Quarry Hotline phone number 671-GRACE (671-4722) on its website, www.gracepacific.com, for disclosure to the public.

2017. No calls were received on the Hotline during the 2016-2017 reporting period. The hotline is periodically tested for service and response. Several calls were received directly by Quarry operations and are reported in Appendix C to this Report.

2.15 SUP CONDITION #15

15. *The uses in the quarry excavation area shall be limited to rock excavation, crushing, stockpiling, a new hot-mix asphalt plant, recycling of concrete rubble, glass, and asphaltic concrete pavement, equipment maintenance, employee support, parking, administration, and a water well and pump. No other uses shall be permitted without the approval of the Land Use Commission.*

2.15.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #15

2017. Grace Pacific acknowledges this condition of the Special Use Permit.

2.16 SUP CONDITION #16

16. *The Applicant shall establish the quarry expansion in substantial compliance with the representations made to the Land Use Commission in obtaining the Land Use Commission Special Use Permit. Failure to do so may result in the revocation of the permit.*

IT IS FURTHER ORDERED that the conditions imposed by the LUC on March 23, 1973, in this docket that are applicable to the sanitary landfill operations shall remain in full force and effect.

2.16.1 GRACE PACIFIC'S RESPONSE TO SUP CONDITION #16

2017. Grace Pacific acknowledges this condition of the Special Use Permit. See Appendix I to this Report for a History and Status Report of the Sanitary Landfill (Palailai) maintenance project.

3.0 ANNUAL COMPLIANCE REPORT FOR THE CONDITIONAL USE PERMIT

(Conditional Use Permit, No. 2007/CUP-91, dated July 17, 2009)

3.1 CUP CONDITION #1

1. *Blasting shall be restricted to the hours of 8:00 am to 12:00 noon, Mondays through Fridays.*

3.1.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #1

2017. Grace Pacific acknowledges this condition of the Conditional Use Permit.

3.2 CUP CONDITION #2

2. *Within one year of this Decision and Order, the applicant shall submit to the Director of the DPP for review and approval, final grading plans with contour intervals of five feet in areas where the slope is greater than ten percent; two feet in areas where the slope is ten percent or less.*

3.2.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #2

2017. The final grading plan was submitted on November 7, 2009. See Appendix A to this Report for a Table of Approved Plans.

3.3 CUP CONDITION #3

3. *On the fifth anniversary date of this Decision and Order, and an updated every fifth year thereafter, as may be required by the Director, the applicant shall submit a beneficial reuse plan which shall show how the property is to be left in a form suitable for reuse for purposes permissible in the district, relating such reuses to existing or proposed uses of surrounding properties. Among items to be included in the plan are feasible circulation patterns in and around the site, the treatment of exposed soil or subsoil, including measures to be taken to replace topsoil or establish vegetation in excavated areas in order to make the property suitable for the proposed reuse, treatment of slopes to prevent erosion and delineation of floodways and floodplains (if any) to be maintained in open usage. Submittal of the beneficial reuse plan under Condition 12 of the Land Use Commission Decision and Order, dated November 7, 2008, may satisfy the requirements of this condition (providing the reuse plan complies with Land Use Ordinance Section 5.520, Specific Use Development Standards, for Resource Extraction).*

3.3.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #3

2017. The first five-year Beneficial Re-use Plan was submitted to DPP and the SLUC on November 14, 2013. See Appendix H to this Report for the History and Status Report of the Beneficial Re-use Plan.

3.4 CUP CONDITION #4

4. *Prior to the issuance of a building permit for any structures within and/or the relocation of any structures to the Project Site, the applicant shall submit to the Director for review and approval:*
- a. *A site plan showing compliance with all development standards of the Land Use Ordinance, including but not limited to, parking and loading, structure heights and setbacks, and building coverage.*
 - b. *A water source and distribution plan approved by the Board of Water Supply. The plan shall include the disposition of the existing water source in the processing site.*
 - c. *An outdoor lighting plan showing all existing and proposed outdoor lighting fixtures. All exterior lighting shall be fully shielded to prevent glare and light spillage on surrounding lots and public rights-of-way. Lighting for unloading of cold-planed asphalt shall be directed away from adjoining residential uses and be turned off upon completion of unloading operations.*

3.4.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #4. A, B, AND C

2017. The Site Plan, Water Source and Distribution Plan, and Outdoor Lighting Plan were initially submitted to DPP on July 8, 2011. See Appendix A to this Report for a Table of Approved Plans.

3.5 CUP CONDITION #5

5. *The applicant shall stabilize exposed soils during the construction of any berms to minimize runoff impacts to the area's natural drainage features. Landscaping of any berms shall commence within 30 days of completion of berm construction.*

3.5.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #5

2017. Grace Pacific acknowledges this condition of the Conditional Use Permit.

2016-2017. Grace Pacific is planning to install a storm water interceptor ditch on the east side of the quarry, as explained in Section 2.12.1 of this report. The primary purpose of the storm water interceptor ditch is to minimize runoff impacts associated with the planned construction of the screening berm on the east side of the property (the "Kunia Berm"). A minor modification to the SUP was originally planned to be submitted in the first quarter of 2017, but was postponed due to a temporary shortage of material needed to

construct the Kunia Berm while the Palailai Landfill Cover Restoration Project is underway (see Appendix I of this report for status of the Palailai Landfill Cover Restoration Project). Grace Pacific plans to submit the minor modification application for the storm water interceptor ditch in 2018.

3.6 CUP CONDITION #6

6. *Operation of the resource extraction facility and accessory uses shall be in general conformance with the approved project, as described herein and shown on plans on file with the DPP. Any modification to the project and/or plans shall be subject to the prior review and approval by the Director. Major modifications shall require a new Conditional Use Permit.*

3.6.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #6

2017 Grace Pacific acknowledges this condition of the Conditional Use Permit.

3.7 CUP CONDITION #7

7. *This application has only been reviewed and approved pursuant to the provisions of Section 21-5.520 (Resource Extraction), and its approval shall not constitute compliance with the requirements of other governmental agencies. These are subject to separate review and approval. The application shall be responsible for insuring that the final plans for the project approved under this permit comply with all applicable government agencies' provisions and requirements, including compliance with all other provisions of the Land Use Ordinance.*

3.7.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #7

2017. Grace Pacific acknowledges this condition of the Conditional Use Permit.

3.8 CUP CONDITION #8

8. *The applicant and/or landowner shall submit written notification to the Director of DPP of any changes in use, including the addition of any accessory uses and/or structure, termination of any use on the property; and/or transfer in ownership of the property or of any use on the property. In the case of any addition and/or change in use, the Director shall determine if the proposed change requires a minor or major modification of the Conditional Use Permit. In the event of a change in ownership, the Director shall notify the new owner (by copy of this report) that the site and/or facility is permitted and/or governed by the Conditional Use Permit, and that compliance with all conditions of approval is required.*

3.8.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #8

2017. Grace Pacific acknowledges this condition of the Conditional Use Permit.

2016-2017. Grace Pacific is planning to install a storm water interceptor ditch on the east side of the quarry, as explained in Section 2.12.1 of this report. A portion of the storm water interceptor ditch is located in the designated buffer area, which is considered a minor accessory use or structure. A minor modification to the SUP was originally planned to be submitted in the first quarter of 2017, but was postponed due to a temporary shortage of material needed to construct the Kunia Berm while the Palailai Landfill Cover Restoration Project is underway (see Appendix I of this report for status of the Palailai Landfill Cover Restoration Project). Grace Pacific plans to submit the minor modification application for the storm water interceptor ditch in 2018.

3.9 CUP CONDITION #9

9. *The Director may modify the conditions of this permit by imposing additional conditions, modifying existing conditions, or deleting conditions deemed satisfied upon a finding that circumstances related to the approved project have significantly changed so as to warrant a modification to the conditions of approval. In the event of the noncompliance with any of the conditions set forth herein, the Director may terminate all uses approved under this permit or halt their operation until all conditions are met or may declare this Conditional Use Permit null and void or seek civil enforcement.*

3.9.1 GRACE PACIFIC'S RESPONSE TO CUP CONDITION #9

2017. Grace Pacific acknowledges this condition of the Conditional Use Permit.

----- End of 2017 Annual Report -----