1	LAND USE COMMISSION
2	STATE OF HAWAI'I Hearing held on May 13, 2021
3	Commencing at 9:00 a.m
4	Held via ZOOM by Interactive Conference Technology
5	
6	VI. Call to Order
7	VII. CONTINUED HEARING AND ACTION A11-791 HG Kaua'i Joint Venture LLC-HoKua Place (Kaua'i)
8	Petition to Amend the Land Use District Boundary of Certain Lands Situated at Kapa'a,
9	Island of Kaua'i, State of Hawai'i, Consisting of 97 Acres from the Agriculture District, to
10	the Urban District, Tax Map Key No. (4)4-3-003:POR 001
11	VIII. LUC LEGISLATIVE UPDATE
12	Report by Staff on bills passed in the Legislature that impact the Land Use Commission
13	degistature that impact the dand ose commission
14	VI. ADJOURNMENT
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23	Before: Jean Marie McManus, Hawaii CSR #156
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     APPEARANCES:
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      JONATHAN LIKEKE SCHEUER, Chair (Oahu)
3
      NANCY CABRAL, Vice Chair (Big Island - present Oahu)
      EDMUND ACZON, Vice Chair (Oahu)
4
      GARY OKUDA (Oahu)
      LEE OHIGASHI (Maui)
5
      ARNOLD WONG (Oahu)
      DAWN CHANG (Oahu)
6
      DAN GIOVANNI (Kauai)
7
      STAFF:
      LINDA CHOW, ESQ.
8
      Deputy Attorneys General
9
      DANIEL ORODENKER, Executive Officer
      RILEY K. HAKODA, Chief Clerk
10
      SCOTT DERRICKSON, Chief Planner
      NATASHA A. QUINONES, Program Specialist
11
     BRYAN YEE, ESQ.
12
      ALISON KATO, ESQ.
      Deputy Attorney General
13
      RODNEY FUNAKOSHI, Planning Program Administrator
      State Office of Planning
14
      State of Hawaii
15
      CHRIS DONOHOE, ESQ.
      Kaua'i Corporation Counsel
16
      JODI HIGUCHI SAYEGUSA, Kaua'i Planning Dept.
      County of Kaua'i
17
      WILLIAM YUEN, ESQ.
18
      JANNA AHU, ESQ.
      For Petitioner A11-791
19
     HG Kaua'i Joint Venture LLC
20
      BIANCA ISAKI, ESQ.
      LANCE COLLINS, ESQ.
21
      For Intervenor
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CHAIRPERSON SCHEUER: Aloha mai kakou and good morning.

This is the May 13th, 2021 Land Use

Commission meeting which is being held using

interactive conference technology linking video

conference participants and other individuals of the

public via the ZOOM internet conferencing program to

comply with State and County official operational

directives during the COVID-19 pandemic. Members of

the public are able to view the meeting via the ZOOM

webinar platform.

For all meeting participants, I would like to stress to everyone the importance of speaking slowly, clearly, and directly into your microphone. Before speaking, please state your name and identify yourself for the record. Please also be aware that for all meeting participants that this meeting is being recorded on the digital record of the ZOOM meeting. Your continued participation is your implied consent to be part of the public record of the event. If you do not wish to be part of the public record, you should exit the meeting now.

This ZOOM conferencing technology allows
the Parties and each participating Commissioner
individual remote access to the meeting proceedings

via our own personal digital devices.

Also please note that due to matters entirely outside of our control, occasional disruptions to connectivity may occur for one or more members of the meeting at any given time. If such disruptions occur, please let us know and be patient as we try to restore the audiovisual signals to effectively conduct business during the pandemic.

There's one agenda item on today's agenda where public testimony will be allowed regarding legislative updates. If you are calling into the meeting via telephone function rather than via software, and you wish to testify at that time, you would use the key sequence *9 to raise your hand and *6 to ask to be unmuted. I will repeat those directions when the time comes.

I will note for everyone at this time that we will attempt to take breaks about ten minutes every hour.

My name is Jonathan Likeke Scheuer and I currently have the pleasure and honor as serving as the Land Use Commission Chair. Along with me Commissioners Edmund Aczon, who despite his zoom background is on Oahu rather than in Lahaina; Commissioner Dawn Chang, who appears to be on either

Haleakala or Mauna Kea, is also on the Island of
Oahu, Gary Okuda, Arnold Wong, our Hawaii Island
Commissioner Nancy Cabral and our Executive Officer
Dan Orodenker, Chief Planner, Scott Derrickson, Chief
Clerk Riley Hakoda, our Deputy Attorney General Linda
Chow, our Program Specialist Natasha Quinones, and
our Court Reporter, Jean McManus are all on the
Island of Oahu. Commissioner Lee Ohigashi is on Maui
and Commissioner Dan Giovanni is holding it up on
Kauai. We currently have eight seated Commissioners
of a possible nine.

I want to address a little bit of scheduling for today. Commissioner Lee Ohigashi, you have a court appearance that you have to make today?

COMMISSIONER OHIGASHI: Yes, I'll be gone from 9:30, I think, thereabouts, until probably 10:15 at the latest.

CHAIRPERSON SCHEUER: Okay. So what I would like to ask for -- also Commissioner Giovanni, you need to leave the meeting at what time today?

COMMISSIONER GIOVANNI: 12 noon until approximately 2:00 P.M., maybe less.

CHAIRPERSON SCHEUER: What I would like to ask for the Commissioners to consider is that for the purposes of the efficiency of our proceedings, I

1	would like to have somebody consider making a motion
2	that we move our agenda item VIII LUC Legislative
3	Update to 9:30, to the point of which Commissioner
4	Ohigashi has to leave, so that we can conduct that
5	business and then he will not have to go back and
6	review any record.
7	COMMISSIONER GIOVANNI: I so move.
8	CHAIRPERSON SCHEUER: Moved by Commissioner
9	Giovanni and seconded by Commissioner Arnold Wong.
10	Any discussion on the motion? Seeing none, Mr.
11	Orodenker, would you roll call the Commission?
12	EXECUTIVE OFFICER: Thank you, Mr. Chair.
13	CHAIRPERSON SCHEUER: Commissioner Giovanni
14	made the motion, Commissioner Wong seconded it.
15	EXECUTIVE OFFICER: To address the agenda.
16	Commissioner Giovanni?
17	COMMISSIONER GIOVANNI: Aye.
18	EXECUTIVE OFFICER: Commissioner Wong?
19	COMMISSIONER WONG: Aye.
20	EXECUTIVE OFFICER: Commissioner Aczon?
21	VICE CHAIR ACZON: Aye.
22	EXECUTIVE OFFICER: Commissioner Cabral.
23	COMMISSIONER CABRAL: Yes.
24	EXECUTIVE OFFICER: Commissioner Chang?
25	COMMISSIONER CHANG: Aye.

1	EXECUTIVE OFFICER: Commissioner Ohigashi?
2	COMMISSIONER OHIGASHI: Aye.
3	EXECUTIVE OFFICER: Commissioner Okuda?
4	COMMISSIONER OKUDA: Yes.
5	EXECUTIVE OFFICER: And Chair Wong Chair
6	Scheuer?
7	CHAIRPERSON SCHEUER: Aye.
8	EXECUTIVE OFFICER: Thank you, Chair. The
9	motion passes unanimously.
10	COMMISSIONER OHIGASHI: Mr. Chair, I do
11	have a disclosure that I have reviewed the last, I
12	believe it was 15 minutes of the hearing that I
13	missed yesterday, I reviewed it.
14	CHAIRPERSON SCHEUER: Thank you,
15	Commissioner Ohigashi.
16	Are there other Commissioners with other
17	similar statements? Commissioner Wong and
18	Commissioner Chang.
19	COMMISSIONER WONG: I reviewed the portions
20	that I missed, especially Commissioner Chang's
21	discussion with the witnesses yesterday. It was very
22	informative. Thank you, Commissioner Chang.
23	CHAIRPERSON SCHEUER: Commissioner Chang?
24	COMMISSIONER CHANG: Yes, I too reviewed
25	the recordings of the portion of the meeting that I

- 1 missed. Thank you very much.
- 2 CHAIRPERSON SCHEUER: Anyone else?
- 4 Agenda item related to Docket All-791 HG Kaua'i Joint

With that we are on continued hearing on

- 5 Venture, LLC-HoKua Place (Kaua'i) Petition to Amend
- 6 | the Land Use District Boundary of Certain Lands
- 7 | Situated at Kapa'a, Island of Kaua'i, State of
- 8 Hawai'i, consisting of 97 Acres from the Agriculture
- 9 District to the Urban District, Tax Map Key No. (4)
- 10 4-3-003: a portion of Lot 1.
- 11 Will the parties please identify yourselves
- 12 | for the record?

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- MR. YUEN: Good morning, Mr. Chairman and
- Commissioners, William Yuen and Janna Ahu on behalf
- of HG Kauai Joint Venture, LLC.
- 16 CHAIRPERSON SCHEUER: Thank you, Mr. Yuen.
- MR. DONOHOE: Good morning, Chair,
- 18 | Commissioners, Deputy County Attorney Chris Donohoe
- on behalf of the County of Kaua'i. Also present as
- 20 representative is Deputy Director of Planning Jodi
- 21 Higuchi Sayegusa.
- MS. KATO: Good morning, Deputy Attorney
- General, Alison Kato. Also here is Rodney Funakoshi
- 24 from the Office of Planning. Thank you.
- 25 CHAIRPERSON SCHEUER: Thank you, Ms. Kato.

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MS. ISAKI: Good morning, Bianca Isaki with
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     Lance Collins here for Intervenor Liko-O-Kalani
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     Martin who is also here. Thank you.
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                CHAIRPERSON SCHEUER: Thank you very much.
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                So where we left off was we are hopefully
      concluding the evidentiary presentations by the
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      Petitioner, two witnesses left.
                Mr. Tom Nance and Mr. Ron Agor; is that
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9
     correct, Mr. Yuen?
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                MR. YUEN: Yes. Mr. Nance is here.
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                CHAIRPERSON SCHEUER: Commissioner
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     Giovanni.
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                COMMISSIONER GIOVANNI: I'm trying to
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      recall exactly -- I can look it up -- but my
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     understanding was that the first witness, Mr.
     Bruckner (sic) was going to come back as well for
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     followup examination. Is that the case?
               CHAIRPERSON SCHEUER: I believe we reserved
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     the right to recall the witness if we needed him.
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                Is that the same understanding the rest of
     the parties have, Petitioner?
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22
                MR. YUEN: Yes.
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                MR. DONOHOE: Yes, Chair.
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                COMMISSIONER GIOVANNI: SO in term of
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      logistics, would the timing of that be at the
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- 1 conclusion of the two witnesses that are coming
 2 before us today? Do we have to make the call at that
 3 point in time?
 - CHAIRPERSON SCHEUER: We can certainly assess the proceedings at that time to see if we want to recall the witness, as was offered by the Petitioner.
- 8 COMMISSIONER GIOVANNI: Very good.
- 9 CHAIRPERSON SCHEUER: Just to check, Ms.
- 10 Kato, do you share that understanding?
- MS. KATO: Yes.

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- 12 CHAIRPERSON SCHEUER: Intervenor?
- MR. COLLINS: Our understanding was that
 there are certain exhibits that will only be
 considered if those individuals are available for
 further examination.
- 17 CHAIRPERSON SCHEUER: Can you expand on 18 that?
- 19 MR. COLLINS: Let me see if I can pull up
 20 the exhibit numbers. There were a couple of exhibits
 21 that were submitted after the individual finished
 22 testifying, and my understanding was that we were in
 23 agreement that those could come in subject to the
 24 witness' being available for further examination as
 25 to those exhibits.

CHAIRPERSON SCHEUER: Commissioner Okuda?

COMMISSIONER OKUDA: Thank you, Mr. Chair.

Speaking for myself only, and I request that the Petitioner be sure that at the close of his case he has put on all evidence that he intends to put on regarding the case; or to put it differently, I make a request that at the end of the Petitioner's case, the Petitioner is sure that the Petitioner is not going to come back later and say, oh, by the way, I've got something else I'm going to raise.

My statement is not to indicate any prejudgment of anything, but I just want to be sure that when the Petitioner finishes his case, and he calls all his witnesses, those are all his witnesses with respect to his case in chief.

Thank you, Mr. Chair.

CHAIRPERSON SCHEUER: Commissioner Giovanni.

COMMISSIONER GIOVANNI: Yeah, it's in the testimony that Mr. Bruckner (sic) had been in the process of preparing a financial pro forma for the project, subsequent to his testimony, and that, at least my understanding was that that would be presented, that would be completed and made available to the Commission before the evidentiary case from

- 13 the Petitioner is concluded. 1 2 That's my understanding. I don't know if 3 we have an update from Mr. Yuen on that. CHAIRPERSON SCHEUER: Mr. Yuen, ask you to 4 5 respond to Commissioner Giovanni's question first. 6 MR. YUEN: Mr. Chairman, we have 7 prepared -- and there's a stipulation to submit Exhibits 44 and 46. Exhibit 46 is the contract 8 9 between the Petitioner that the Commission requested. 10 We are prepared to move that into evidence. 11 Exhibit 44 is the financial pro forma for 12 the project. We are prepared to have Ron Agor 13 testify to the pro forma. 14 COMMISSIONER GIOVANNI: Thank you. 15 CHAIRPERSON SCHEUER: Mr. Donohoe. 16 MR. DONOHOE: From a logistical standpoint, 17 I had thought I heard yesterday it was the intent for 18 the hearing this morning to go to 2:30. Just working 19 out logistics with my witnesses. Is that still the 20 timeline? 21 CHAIRPERSON SCHEUER: That is still the
 - timeline.
- 23 MR. DONOHOE: Okay, thank you, Chair.

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- 24 CHAIRPERSON SCHEUER: To go back to the
- 25 main questions raised by Commissioners Okuda and

14 Ohigashi -- excuse me -- and Commissioner Giovanni. 1 2 So my understanding was this, and I will 3 ask the Petitioner to respond first. Unless the Commission chose to ask 4 5 affirmatively for the recall of Mr. Bruckner (sic), 6 you were going to be done presenting witnesses today, 7 and done presenting any additional evidence today. Is that correct? 8 9 MR. YUEN: It appears that it's going to be 10 necessary to recall Mr. Bracken. I could do it maybe 11 today or the next time we appear. CHAIRPERSON SCHEUER: And you want to 12 13 recall Mr. Bracken for what reason? 14 MR. YUEN: Well, it appears that there are 15 questions, certainly from Mr. Okuda's remarks, and I 16 think that it's going to be necessary to have Mr. 17 Bracken answer questions that the Commissioners have. 18 CHAIRPERSON SCHEUER: Okay. I'm sorry, 19 when I said Bruckner earlier, I meant Bracken. Commissioner Giovanni? 20

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COMMISSIONER GIOVANNI: I also said Bruckner when I meant Bracken. Let the record correct that.

I believe that the request we made when Mr. Bracken was about to conclude his testimony in the

midst of cross-examination by the Commissioners, we said we might like to recall him for further cross-examination after we heard the other parties' presentations.

Is that still possible? So that wouldn't be today, that would be after we heard from the County, the State and the Intervenor?

CHAIRPERSON SCHEUER: So this is my inclination as the Chair. Sorry, let me -- Commissioner Okuda first.

COMMISSIONER OKUDA: Yes, my suggestion, and it's only suggestion, is that the Petitioner put on all his evidence, or all its evidence, all its evidence before Petitioner closes their case.

And let me state the reason why, so that no one thinks there's a hide the ball here.

I believe that there may -- and I'm just saying may -- I make no pre-judgements about this, but there may be a motion that is brought about the sufficiency of the evidence and sufficiency of the record. So at least for me personally, I'm giving notice to all parties that if a party has evidence that it intends to present, it's got to present all the evidence before such time that type of issue, for example, some type of dispositive motion is made, and

1 it is going to be too late to say, oh, wow, let me
2 have more time, I'll go fix it.

Now is the time for parties who are presenting their case to present their evidence, and when the evidence is closed, that's it.

And that's my suggestion and position.

Thank you, Mr. Chair

CHAIRPERSON SCHEUER: Thank you,

Commissioner Okuda. I might have a followup. I'll
recognize Mr. Collins first.

MR. COLLINS: Thank you, Mr. Chair.

Our position under HRS 91-105, the

Petitioner who has initiated these proceedings has

the burden of proof and the burden of persuasion, and
so before any other parties are required to put on
any evidence, they have to meet their initial burden.

So we would strongly agree with the position that the Petitioner must put on all evidence that it wishes the Commission to consider before any other party is required to produce any evidence.

Thank you.

CHAIRPERSON SCHEUER: Mr. Collins, while you deal with citations, you took the point that I was going to raise out of my mouth in questioning of Mr. Okuda. Just because -- well, Commissioner Okuda

directed this to all parties.

I want to highlight that there is a particular burden for Petitioner in this kind of proceeding, is that not correct, Commissioner Okuda?

COMMISSIONER OKUDA: Mr. Chair, that is correct, that the Petitioner bears not only the burden of proof pursuant to the statute, but also the burden of coming forward with the evidence, and the burden of persuasion. And if anyone disagrees with that, I'm willing to be educated.

But, yes, that is the burden that the

Petitioner faces. And, again, I don't believe any of

us are prejudging the outcome, but just to make the

process clear, if any Petitioner fails to meet that

burden, then it very well may be that the decision

can be made at that point in time.

But, again, I'm not prejudging anything; I'm not prejudging anything.

Thank you, Mr. Chair.

CHAIRPERSON SCHEUER: Thank you,

Commissioner Okuda.

So there are two issues I want to take up. First issue, and actually sort of clarify my response to Mr. Donohoe regarding 2:30.

If the way our proceedings go today is that

- 1 the Petitioner concludes their evidentiary portion
- 2 | with or without the Commission choosing to recall Mr.
- 3 Bracken, I had said that we would conclude by 2:30 to
- 4 allow an hour of discussion on our legislative
- 5 | matter. So we actually would end at 3:30 today, not
- 6 2:30.
- 7 Does that clarify my response to you
- 8 | earlier, Mr. Donohoe?
- 9 MR. DONOHOE: Yes, Chair, it does. Thank
- 10 you.
- 11 COMMISSIONER GIOVANNI: I thought that was
- 12 to allow time for the agenda item that we have now
- 13 moved to 9:30.
- 14 CHAIRPERSON SCHEUER: That's correct. We
- were going to end at 2:30 to allow 2:30 to 3:30 that
- we are now moving to 9:30. So that clarification of
- 17 | my earlier confusing response out of the way.
- Now, to the main subject of discussion that
- 19 we are doing.
- It is my intention, and I'm directing the
- 21 Petitioner right now, that after these two witnesses,
- 22 | if the Commission does not choose to recall Mr.
- 23 | Bracken at that time, we're going to consider that
- 24 you have concluded the evidentiary presentation, your
- 25 presentation at that time. Mr. Yuen?

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MR. YUEN: I may need to recall Mr. Bracken
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      if the Commission chooses not to recall him.
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                CHAIRPERSON SCHEUER: Is he available
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     today? Can you ensure that he is available today?
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                MR. YUEN: I have to double check.
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                CHAIRPERSON SCHEUER: Okay, sometime this
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     morning, hopefully in the next hour while we are
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     hearing from Mr. Nance, I expect to have an answer
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      from you on that, please.
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               MR. YUEN: Yes.
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                CHAIRPERSON SCHEUER: Thank you.
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                Commissioner Okuda, your hand is still up,
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     but that might be leftover.
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                COMMISSIONER OKUDA: Yes, Mr. Chair, I'm
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      sorry. I will lower the hand.
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                CHAIRPERSON SCHEUER: With that, Mr. Nance,
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     thank you for your patience.
                Good morning. Can you say something so I
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     can ensure that I can hear you?
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                THE WITNESS: Good morning. Can you hear
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     me?
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                CHAIRPERSON SCHEUER: I can hear you, Tom.
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                Do you swear or affirm that the testimony
24
     you're about to give is the truth?
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                THE WITNESS: I do.
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1 CHAIRPERSON SCHEUER: Please proceed with 2 your direct, Mr. Yuen. 3 MS. AHU: Mr. Chair, may I share my screen? CHAIRPERSON SCHEUER: Yes, you may. Thank 4 5 you, Ms. Ahu. 6 TOM NANCE 7 Was called as a witness by and on behalf of the Petitioner, was sworn to tell the truth, was examined 8 and testified as follows: 9 10 DIRECT EXAMINATION 11 BY MR. YUEN: 12 Please state your name and address for the 13 record. 14 My name is Tom Nance. My business address 15 is 560 North Nimitz Highway, Suite 213 in Honolulu. CHAIRPERSON SCHEUER: One moment. Two 16 17 issues. We now have the presentation correct. We're picking up some echo. You need to mute all but one 18 19 microphone in the office that you're in. Try say 20 something else. MR. YUEN: Yes, I'm having -- we are on the 21 22 same --23 CHAIRPERSON SCHEUER: I'm still picking up 24 some echo. 25 MR. YUEN: That's about as well as I can do

1 it. 2 CHAIRPERSON SCHEUER: Tom, can you say 3 something? 4 THE WITNESS: Something. 5 CHAIRPERSON SCHEUER: Ms. McManus, is this 6 acceptable? 7 COURT REPORTER: Now it is, thank you. CHAIRPERSON SCHEUER: Please proceed. 8 9 (By Mr, Yuen): Mr. Nance, what is your Q 10 profession and your business affiliation? 11 I'm a civil engineer with specialty in hydrology. I'm president of a company doing business 12 13 as Tom Nance Water Resource Engineering. 14 Can you please describe your background in Q 15 hydrology? Well, I have a master's in civil 16 17 engineering with a specialty in hydrology, and I've been working in that field since 1972. 18 19 And over that period of time, if you 20 include wells that I've done internationally as well 21 as here in Hawaii, that probably covers somewhere 22 between 450 and 500 wells developed under my 23 supervision. 24 MR. YUEN: I introduced into evidence

Exhibit No. 21, which is Mr. Nance's resume.

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Q Mr. Nance, did you prepare an assessment of on-site well to provide potable water for HoKua Place?

A Yes, it's in a memo I prepared earlier this year in February.

Q Please describe the testing process used to evaluate the well site proposed at the water source for HoKua Place?

A In 2006 a well was drilled in the southwest corner of the project site, at about a ground elevation of 25 feet. I don't believe it was ever surveyed more accurately than that.

That well passed through overlying overly permeable alluvial formation, then through a series of clay layers, and essentially impermeable volcanics and at a depth of about 210 feet below the ground. It entered into permeable Koloa volcanic formation. The well was configured to draw exclusively from this lower formation.

We tested it for 12 hours. The last ten-and-a-half hours of which at a rate of about 530 gallons a minute to demonstrate that if the well were properly developed, properly designed and developed, it could be a viable source of supply for this project.

Also earlier this year I had a drilling contractor on Kauai, Barry Simmons of Oasis, he grabbed a sample. We sent it off to the mainland lab qualified to do testing for all regulated drinking water contaminants, and that testing also demonstrated that the well can produce potable water quality.

This well has a small eight-inch casing.

Its alignment is relatively poor. There's other construction issues with it.

Might want to say for my own benefit that it was not my design or construction. I got involved during the pump testing. But it needs to be sealed with cement, according to the regulations of the State Water Commission, and a new well with proper diameter and proper construction should be installed in place to provide that source of supply.

The Bow Engineering has projected the maximum base requirement for the project at about 610,000 gallons per day.

The Kaua'i Department of Water sizes wells to provide the maximum day supply in a 24-hour pumping day, that would translate to a little more than 400 gallons a minute.

The testing that we have done in the poorly

constructed well without proper development suggest that at least 500-gallons per minute is possible. So it's my opinion that, again, if the well were properly designed, properly constructed, developed by surging with a line shaft pump that it would be able to provide that supply.

I didn't mention in my earlier memo on the well, the finding of this moderate permeability,

Koloa volcanic formation at substantial depth below sea level is not a unique one.

There are actually three other wells that have been developed with similar depth and similar configuration, two of which are about 4,000 feet to the northeast of the well that was drilled on the site.

And one of them is the Kaua'i Department of Water Wells, called the Kapa'a Homestead Well 3. I was involved in it's pump test, and it is established that this aquifer that's existing in this formation can be viably pumped.

- Q Please summarize the test well results.
- A Well, as I said, we pumped it at 530 -- I think I went over that part.
 - Q Please summarize your conclusions.
 - A Okay, there are several.

One is what I just stated, is that if the well is properly designed, properly constructed, properly developed by surging with a line shaft turbine pump, it will be able to provide the required supply for this project.

Because of the well's depth, it is going to be deeper than the current way that the State Water Commission regulates how far you can drill a well into the aquifer. Because of that, we will have to get a variance to go beyond their current limitations to drill only to one quarter of the depth of the basal lens, and we would be drilling to at least half of that basal lens.

So we would need to get a permit for that and that would have to be issued by State Commission on Water Resource Management.

The other thing is that the well is actually located on the makai side of what is called the UIC line. The UIC line establishes that injection wells can be installed on the makai of this UIC line, but not on mauka side.

Typically, most drinking water wells are located on the mauka side of the UIC line.

CHAIRPERSON SCHEUER: Mr. Nance, one moment. Commissioner Ohigashi is recognized. Do

you have to leave right now?

COMMISSIONER OHIGASHI: I was going to say I can stay to 9:40 if -- so I'm just curious.

CHAIRPERSON SCHEUER: So, Tom, if we can finish the response to this question, then we'll break from this agenda item and move to legislative agenda item and come back to you.

THE WITNESS: The final point I needed to make was describing on the UIC line. This well is located on the makai side of the UIC line.

When we had started to develop drinking wells on Kahului on Maui, we were putting wells on the makai side of UIC line, and up to that period of time, the Department of Health had not developed guidelines for what would be needed to certify a well for drinking water use that was on the makai side of that line.

They have that process in place. It's relatively recent, and it's for the drinking water wells that actually I was involved in developing on the makai side of the UIC line in Kahului aquifer on Maui.

So we would also, in order to get

Department of Health certification of the well for

drinking water use, we would have to go through that

process as well. It's a matter of informing other landowners around what the restrictions would be on their installation of individual wastewater treatment plants or injection wells due to the presence of a drinking water well.

So that concludes my testimony.

MR. YUEN: I just had one follow-up question if I could.

Q Do you expect that there would be any issue in getting a variance from the Commission on Water Resources?

A I don't. But what we would lay out is the process of how we would do it. Essentially, when we drill to that depth, I think we've got sufficient yield. We do what's called a CTD profile, which would be essentially a running profile of salinity and temperature with the depth through the water column.

That would be one piece of information that we would provide to the Water Commission to support the variance to go to this depth.

The other thing is that in the pilot bore hole, we would run an open pilot or pump test with an inflatable packer so that the pump test would only draw water below the packer in the freshwater zone,

1 and present that information.

Basically, they would be looking at, is there going to be a salinity issue if we drill to the depth that we need to get the yield?

So basically a satisfactory result of both CTD profile and the open bore hole pump test would be our way of demonstrating to the Water Commission that it would be viable at that depth.

And the reality is, there's a working history of the Kaua'i Department of Water's well at similar depth that has proved to be a viable source of water.

I hope that answers your question.

MR. YUEN: I have no further questions.

CHAIRPERSON SCHEUER: Thank you. We will take a break right now. We're going to move onto Agenda item regarding Legislative Updates from 9:30 until 10:15.

Thank you, Commissioner Ohigashi, for sticking around a little past, then we will return back to our Agenda item and for the cross-examination of Mr. Nance.

MR. YUEN: What time do you anticipate returning?

CHAIRPERSON SCHEUER: Well, it depends in

part on how long it takes us to go through our
legislative discussion.

Mr. Orodenker, do you know how long your direct presentation is going to take?

EXECUTIVE OFFICER: It's only going to take about 15, 20 minutes, and then questions by the Commissioners.

CHAIRPERSON SCHEUER: So what I think might happen, Mr. Yuen -- thank you for your question -- is that we might spend about a half hour to 35 minutes on this right now, take a ten-minute break and reconvene at 10:15. That's my anticipation at this time.

MR. YUEN: Thank you very much.

LUC Legislative Update

CHAIRPERSON SCHEUER: With that, we're going to take up Agenda item VIII, LUC Legislative Update, a report by Staff on bills passed in the legislature that impact the Land Use Commission.

Before we move to that Agenda item, let me confirm with Mr. Hakoda and Mr. Derrickson if there has been any written public testimony on this matter?

CHIEF CLERK: Mr. Chair, this is Riley. No public testimony on Agenda item VIII.

CHAIRPERSON SCHEUER: Are there any

attendees in the audience who wish to testify on our Agenda item VIII, LUC Legislative Update? If so, if you are accessing this meeting via ZOOM software, use the raise-your-hand function; or if accessing by telephone, press *9 to raise your hand.

Anyone who wishes to testify on legislative matters? Seeing none. There's no testimony on this. Mr. Orodenker.

EXECUTIVE OFFICER: Thank you, Mr. Chair.

What I would like to do very briefly is talk about a few matters that impact the Commission and one matter that is, what I recall, a somewhat significant change in structure, but not in operation.

There were several bills that passed that sort of memorialize what we have been doing, and that's Senate Bill 873 and Senate Bill 1034.

SB873, contested case hearings allows contested case hearings to be held using interactive technology. And it also can be done as audio only, if necessary.

This measure takes effect on October 1st,

2021. You'll see the gap here which may raise some
issues and may cause us to have to go back to the old
way of doing things for a little bit before these

measures kick in.

Senate Bill 1034 relating to Sunshine law boards, allows boards and commissions the option to use interactive technology for meetings. We managed -- we submitted some testimony when this was going through, because originally they were going to require the location of each commissioner be noticed, would have been a little bit difficult if Commissioners were going to come during the meeting from their homes or whatever.

So in the end, they allowed interactive conference technology be used, and without having to notice where each one of the Commissioners are. In other words, you can continue to take the meetings from your home without worry of the public coming to your house and banging on the door.

 $$\operatorname{\mathtt{The}}$$ format has to be visible and audible to the public.

Basically it memorializes what we are already doing. Cutting to the chase, the only difference is that it provides that we will have to have at least one meeting location open to the public that has audio/visual connection.

This means from a practical standpoint that it will become more and more difficult to hold these

multi-island meetings, because my interpretation of this would be that if a petition is on Maui, for instance, there has to be a meeting room available there. If there is a petition on the Big Island, there has to be a room available there. So while --

CHAIRPERSON SCHEUER: You're referring to agenda's, Dan, where we take up matters that consider multiple islands?

possible to take up, from a logistical standpoint, to take up a matter on Oahu, and one on one of the neighbor islands, but mixing various neighbor islands would require staff spread too thin because we can't operate without staff being present in case there is an audio/visual problem.

So that means that the staff, at least, will have to travel. This bill doesn't come into effect until January 1st, 2022.

So if the Governor's Executive Order expires, we will have to go back to holding meetings on the islands where they are located, until at a minimum, October 1st, 2021.

So it was helpful, and in the long run we will be able to do more interactive technology. But it may be, as I mentioned before, because of the

effective date of these bills, that we have to start holding hearings on neighbor islands, or our hearings in person. It depends on what the Governor decides to do.

A couple other measures that are -- one other measure that's kind of minor HB247 relating to agricultural lands. And what it does is it amends 205-4.5(a)(4) to require farm dwellings to be accessory to a farm rather than used in connection with.

There was some efforts in the last legislative session to tighten up the definition of a farm dwelling, so we get these gentlemen farms, which are then turned into TVRs and all the rest of that stuff.

But that's a constant battle and that's really at the County level, that's not our issues.

The big change was with, HB1149, and what that bill did was that it extracted Land Use Commission from being its attachment to the Department of Business and Economic Development, and now attaches us to a renamed Office of Planning and Sustainability.

This is very technical in nature. It is a reconfiguration or restructuring of government that

is consistent with what the legislature has been doing in a lot of other areas. It wasn't just us that they picked on, although, we were kind of the flagship.

From an operational standpoint, it's not going to change much as far as the Commissioners are concerned. From Staff standpoint we are going to have to erect some safeguards to make sure that we don't violate any legal issue, legal requirements with regard to ex-party communication with OP.

I don't think that's going to be a big deal. The bigger problem is one that the Commissioners I don't think really need to concern themselves with at this time, and that is that one of the things that the legislature did is that it removed our budget line item, and put our budget into OP's budget, which is of concern from a fiscal firewall standpoint.

We've been in conversation with both Linda, our AG's and with the AG who was in charge of the budget, who used to work with the Land Use Commission, Randall Nishiyama, and we are going to have to enter into some kind of memorandum of understanding with regard to that to protect that fiscal firewall.

It's our hope in the next legislative session that we manage to reinstate our budget line item, so that we don't have to deal with that problem.

The legislators felt that in order to ensure that HB1149 passed that they needed to make that budget change. So even if it HB1149 didn't pass, we were in effect going to be in the Office of Planning.

That's pretty much what resulted from what I would call a very tumultuous legislative session.

One of the other things that happened was that -- one of the other things that happened was that the Office of Environmental Quality Control has also moved into the Office of Planning. And there is sort of an agreement between the Director of the Office of Planning and ourselves as to how that will operate as well, that we will have to memorialize.

There was one other measure related to training and native Hawaiian rights that requires all newly appointed or reappointed members who have not already done so, to take the training in native Hawaiian rights from OHA, the UH Law School.

You have one year to do that. If you don't, the Governor's office will be told, and you'll

be -- if you haven't taken the course within one year, you'll be prohibited from serving or voting, and may be removed from the board or commission at the end of the regular legislative session.

Sort of as a recognition that all the Commissioners are volunteers, and their schedules have not always been conducive to their attending the hearings. OHA will record and make available the digital course, and viewing the online version requirement.

That's all I have, Mr. Chair.

CHAIRPERSON SCHEUER: Thank you, Dan, for the overview, as you said, the tumultuous sessions, the matters that came out that particularly affect the Land Use Commission.

Members, questions for Dan or comments?

Commissioner Okuda.

COMMISSIONER OKUDA: Thank you, Mr. Chair.

Just a suggestion. I think interactive video like ZOOM has been a real plus. It's allowed, as we have seen in some other dockets, people to testify while they're going fishing at the dock, pulled over to the side of the road, and people can follow along what's going on, even when they're fishing or doing other things or just being at home.

So I think this is really good for government transparency and involvement. However, at the same time, if it's at all possible, I think it's really important, as long as it's safe for the community, and safe for the participants, that where there are issues that are significant -- and maybe not that significant -- we go out into the community and hold meetings in the same fashion or similar fashion as we've done in the past, because sometimes you really get additional information from people by just being around them.

So if it's possible in the future to combine the best that we can from interactive technology, but also if we can try to get back out into the community. I know it's a burden waking up in the morning. That's the great thing about interactive technology.

But I've always learned things just by being in the community, having the interactions. I think one very educational thing that I learned, and it was the only way I could learn it, was actually being there, was the interaction we had with everyone at the Mauna Kea Petition that was held before us shortly before the pandemic.

That's just my comment. Little bit of food

1 for thought. Thank you.

EXECUTIVE OFFICER: Thank you, Commissioner Okuda.

We have been working very hard during the course of this pandemic to utilize funds saved as a result of not traveling to develop a portable system so that when we do go to neighbor islands -- and I agree with you with regard to the value of going into the communities -- that we will also be able to broadcast over ZOOM at the same time.

So we will have sort of a hybridized situation that will allow continued public participation from their boats and homes and their cars, while also being in the community.

CHAIRPERSON SCHEUER: Thank you, Commissioner Okuda and Dan.

Other comments or questions, Commissioners?

Commissioner Giovanni.

COMMISSIONER GIOVANNI: I agree with

Commissioner Okuda. I think there is great value,

depending on the matter at hand, whether we have a

ZOOM meeting or we have an in-person meeting or we

have a hybrid meeting following both. Just a

comment.

I hope that we can make those decisions of

1 how we'll conduct meetings in an optimal sense and 2 not just try to do what costs the least.

Sometimes these process sessions are driven just to save money, and that doesn't give us an optimal result in my view.

And then the one quick question I had about the required course. When I took that course, I did not take it for credit, meaning college credits, which was an option. I just kind of participated in the course. Is that sufficient?

EXECUTIVE OFFICER: Yes, it is. That is sufficient. Your participation is all that's required.

I have to go back and look at the measure,

I think that -- I don't know what Commissioners it

would apply to. I think that the effective date may
be after your appointment, so it may not apply.

I'll have to defer to the AG on that to a certain extent.

EXECUTIVE OFFICER: Yeah. So I'm not sure whether if you were reappointed and reconfirmed in this last legislative session, whether you would have

1 to take the course again. Scott says no.

2 CHAIRPERSON SCHEUER: Well, if Scott says 3 no then.

Commissioners, are there further comments or questions on this matter?

Commissioner Cabral.

COMMISSIONER CABRAL: Aloha, I agree with both Gary and Dan, because we are on a casual situation here. But I would like to think that -- I absolutely see with all my -- even my professional meetings and condominium and subdivision management that we are going to be hybrids forever.

so I would think our staff should look at each of our islands and location, find a location that is going to be a meeting room or something fully equipped with ZOOM, and not just a wi-fi, but a solid connection to the internet, because when I do go, doing hybrid meetings already, and if I don't have a good internet connection, it can become very problematic.

So you've got to understand, it's based on how many people are coming in, and all kinds of problems.

So the better the staff can get at finding -- and I would assume, State buildings that

we go to would hopefully come up to -- this is a great room right here, because it's so solid. So whatever. We should be proactive in finding a location.

And then the next question would be, can those locations be something like -- okay, my office in downtown Hilo, I'm setting up a new conference room, can probably have, during non-social distancing time, probably 20 people can sit in it, close, but 20. And I'm going to have like a good ZOOM system.

So are those things allowed or permitted or not, because I'm a Commissioner, it shouldn't be at my office, but I think we should find good locations.

And I also agree that there are beneficial times to us as Commissioners being together with the people that are coming to testify, both the petitioners and their witnesses, as well as the general public and their testimony.

I think that I have to agree there's been a lot of different occasions when hearing them, and it gives you a more full sense of what's going on than just distance with the screen.

And then I would assume too that -- I'm not too worried that between now and October, I don't see our State or Governor releasing us from COVID, before

October. But it might happen before January, so we need to kind of be prepared for whatever happens.

And then I think too -- I wouldn't mind -- I took that cultural training class a long time ago. So when they do the new one, even in those five or six years, I would think that it would be -- I would like to see especially if I can do it on ZOOM, that way it would really update me.

That's all my things. Thank you.

CHAIRPERSON SCHEUER: Thank you,

Commissioner Cabral.

Commissioners Chang, followed by Commissioner Aczon, followed by Commissioner Giovanni.

COMMISSIONER CHANG: Just two points. Thank you, Mr. Chair.

I really appreciate the fact that you and staff, one, your heroic job on getting us on ZOOM and actually I suspect that LUC, our hearings are probably one of the best with other agencies, but thank you for creating a hybrid opportunity, because I too agree it's really helpful to be where the properties are located.

But the ZOOM has provided us, you know -- people have been able to participate that they

otherwise wouldn't have. So I appreciate this hybrid as I think it provides us the best of both world's.

Although I will tell you that I will miss this ZOOM, if I don't have to travel. This has been so convenient and permitted me to do so much other work, so I guess, you know, we all have to make adjustments.

The other question I have is in relationship to the ag legislation. I would like a little bit of further explanation as to, you know, who proposed on the legislation, what kind of testimony did you receive -- I'm sorry, I did not participate in monitoring the legislation, but if you could just provide a little bit more insight into that as clearly this Commission is taking some strong positions on the definition of farm dwelling on ag lots.

So I would like to have a better understanding of what occurred in this legislative session on that matter.

CHAIRPERSON SCHEUER: Mr. Orodenker.

EXECUTIVE OFFICER: HB247 was initiated by the Farm Bureau. It was based on a study done by OP with regard to the issue. OP commented -- it originated with regard to concerns over CPR projects.

The problem originally was that no one was taking responsibility for CPRs.

In other words, if somebody wanted to CPR farm land, like we saw at Kuliouou Ridge or something like that. They would apply to the DCCA for condominium property regime, which the DCCA, their only analysis is are the documents correct, is there a homeowners association; does it legally meet the requirements for CPR, not looking at zoning or land use issues at all.

And then they would send it over to the County, and the County was taking the position that -- and I disagree with this -- but taking the position that, oh, well, the State approved it, so we have to accept it.

And there was nobody looking at these things from a land use planning perspective.

CHAIRPERSON SCHEUER: I'm going to ask you to you summarize the status of the legislation.

EXECUTIVE OFFICER: Okay. So that was basically where the legislative came from. Farm Bureau was actively involved, and we did not get involved in the discussion, primarily because we felt that we had input into the original OP study, and the original conversations with regard to CPRs, and that

this was pretty much of a policy call on the part of 1 2 the legislature, and when it comes to things like 3 this, we allow the legislature to tell us what to do 4 rather than us tell them. And that's kind of the 5 genesis of that bill. 6 CHAIRPERSON SCHEUER: Any followup, 7 Commissioner Chang? COMMISSIONER CHANG: No, thank you very 8 9 much for the explanation. 10 CHAIRPERSON SCHEUER: Commissioner Aczon 11 followed by Commissioner Giovanni. VICE CHAIR ACZON: Thank you, Mr. Chair. I 12 13 agree with my fellow Commissioners about this hybrid 14 or whatever, and you know, technology is here and it's not going to go away. So it's going to be upon 15 16 us to change with the times. 17 So my only question is, this technology 18 comes with a price. You can get expensive, 19 especially if you have to, you know, set up on each 20 island. 21 So my question, with this legislation, is 22 there a probation connected to this legislation?

EXECUTIVE OFFICER: Well, there were no

constraints, so what happens?

if we cannot perform our duty because of budget

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appropriations directly associated with the legislation. However, because of our cooperation with the legislators, we were one of the agencies who benefitted from having our full budget reinstated.

So we have all of the travel money that we need if we need to go back to the old system which was travel on a regular basis.

As I said, we managed to use money saved from this current fiscal year that we would have used in our travel, to create the systems and purchase the hardware and software that's necessary to make it happen.

CHAIRPERSON SCHEUER: So to summarize, Dan,
I think you're saying we have dealt with it, and come
out okay. But to go to Commissioner Aczon's point as
it might -- there wasn't an appropriation made, and
that issue remains unresolved?

EXECUTIVE OFFICER: What I was going to say -- I can't speak to that. I did not go into detail in the budget with regard to other boards and commissions.

CHAIRPERSON SCHEUER: Any followup, Ed?

VICE CHAIR ACZON: My question now is, if whether LUC or other board, because of budget constraints, that, you know, we cannot -- well, the

boards cannot afford or doesn't have the budget to follow this legislation, so what happens?

EXECUTIVE OFFICER: Well, as I said, I can't speak for other boards and commissions, because we manage to find our way to do it and we were actually ahead of the curve on this. We actually started into this process three or four years ago before the pandemic even hit. But I'm not sure if -- we are somewhat unique in the fact that we are required by law to hold hearings on neighbor islands.

Not all boards and commissions have that mandate. Or not just neighbor islands, on the island where the land is located, not all boards and commissions have that mandate.

I don't know how they would react. I think in a situation like Board of Land and Natural Resources or Commission on Water Resource Management where they're dealing with property rights and things that impact on development and farming, in the case of the Commission on Water Resource Management, there may be some issues that they have to deal with. I don't know.

I mean, I don't know what their situation is. I do know that several years ago, going back before these came on, was calling on the commission,

looking at budgetary restraints and shortages. And the then director for Business and Economic

Development assured us that they would find the money within the Department of Business and Economic

Development to allow us to hold meetings if we got to that point. We never did, but it was an issue.

CHAIRPERSON SCHEUER: I do want to manage this discussion so we can take a break before 10:15.

Commissioner Giovanni.

COMMISSIONER GIOVANNI: Thank you, Chair.

I too want to commend the Staff for the job they have done using ZOOM for our hearings. I point to it with -- I live on ZOOM these days, and nobody does it better, so congratulations.

But I do have kind of one nitpicky question that maybe could be looked at. There's a huge difference viewing my ZOOM screen when I can see any of the other Commissioners up close and personal versus the room that the six of you sit in, which is useless, it's just about as good as audio mic only.

CHAIRPERSON SCHEUER: Even Arnold is hard

COMMISSIONER GIOVANNI: I can't tell who's speaking, I can't read anything into their emotion.

It's just purely audio. So if there's anything that

to see.

can be done, take it a step further to ZOOM in on who's talking or whatever, that would be helpful.

Just a comment. Thank you.

EXECUTIVE OFFICER: Thank you.

Commissioners, we will take that into consideration.

That's really true, Commissioner Giovanni.

And I think sometimes the Counties, which have been in group rooms, I think we've not gotten as much out of their presentations, because people are this big (indicating) when they're talking to us.

Nancy, you have something?

VICE CHAIR CABRAL: I do have that solution. Like in my hybrids I take my small computer with me, so I'm in the big room, like I am right now, but I can turn on here, and you would see me, as long as I totally moot, and we don't have that reverberation.

So if each person in this room had their own screen in front of them, they would be on that camera. That combination is very, very, very doable.

CHAIRPERSON SCHEUER: Commissioner Aczon.

VICE CHAIR ACZON: Just a comment on Commissioner Giovanni.

What I do really is there's a function,

"speaker view" that you can enlarge the person that's speaking. So that's what I use. That's a comment.

CHAIRPERSON SCHEUER: Thank you.

The one thing I would like to share on this is that -- and this goes to what the comments about being in person -- one thing you cannot do in ZOOM is really look into someone's eyes, which is a very particular kind of human emotional exchange whether it's a witness or whether it's a Petitioner. I have found sometimes in my six-plus years of service on LUC that somebody looking directly at me when testifying has a particular kind of impact that's not available in this virtual word.

So I do err on the side of what

Commissioner Okuda has said that there are certain

matters where we really should be in person, if at

all possible. At least having that option available
on the island on which an important matter is being

discussed.

Is there anything more on this right now from the Commissioners or from Mr. Orodenker? If not, let's go into recess until 10:15 when we will resume discussion of the HoKua Place matter.

(Recess taken.)

CHAIRPERSON SCHEUER: Mr. Yuen, were you

able to reach Mr. Bracken? 1 2 MR. YUEN: Yes, I did, and he would be 3 available later this afternoon, if we finish with Mr. 4 Nance and Mr. Agor. 5 CHAIRPERSON SCHEUER: It's 10:20. I'm 6 going to suggest to the Commissioners that we start 7 up, and we are also going to lose Commissioner Dan 8 Giovanni at noon, from noon to 2:00, so it is 10:20. 9 Perhaps what we will try to do is go about 10 an hour, ten minutes to 11:30, around 11:30, take a break for lunch from 11:30 to 12:15, resume after 11 that if needed, and proceed on our day. 12 13 Does that sound acceptable to parties? I 14 see nodding heads. Thank you. 15 Mr. Yuen, were you raising your hand? 16 gesturing. Okay. 17 So you were done with your direct. We will now start with Mr. Donohoe's questioning of Mr. 18 19 Nance. 20 MR. DONOHOE: Thank you, Chair, Deputy 21 County Attorney, Chris Donohoe. 22 CROSS-EXAMINATION BY MR. DONOHOE: 23

Good morning, Mr. Nance.

Good morning.

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Q You raise a lot of scientific points in your presentation, so I wanted to ask you some nonscientific questions, break it down so that I can better understand some of the issues.

So regarding water resource, does the County of Kauai have different issues with regard to water than say Oahu or other islands?

A Well, to some extent Kaua'i is different hydrogeologically as being the oldest with two major volcanic series eruptions. So in that respect, it's different.

And the reality is this second formation called the Koloa volcanics is very heterogenious, unpredictable, and so in comparison to example,

Kaua'i versus any of the other islands, typically

Kaua'i about 60 percent or so of the rainfall runs

off as surface water, whereas other islands only

20 percent, so hydrogeologically Kauai is different.

CHAIRPERSON SCHEUER: One second. I want to note for the record, right as you were starting your questioning, Commissioner Ohigashi joined us.

COMMISSIONER OHIGASHI: Did I miss anything?

CHAIRPERSON SCHEUER: Nothing substantive other than our schedule.

MR. DONOHOE: May I continue, Chair?

CHAIRPERSON SCHEUER: Please.

Q (By Mr. Donohoe): Some of the concerns being raised with the Petitioner's proposed project are productivity, namely, the water supply and how much will be needed for the project and the availability of a new well source.

Is that fair to say?

A Yes.

Q And so the three main issues to consider when looking at water source, storage and transmission; correct?

A Yes.

Q So with regard to the proposed development, the analysis would be to see if the current water system on Kauai has enough source, storage and transmission capacity to be able to serve the additional water needs of this proposed development; correct?

A Well, first I don't believe that's the case, but that's not exactly what I've been prepared to testify on. I'm testifying on the viability of the on-site well to provide the adequate supply. So its potential connection to the Kaua'i Department Of Water system is not something that I've looked at for

the project.

Q So regarding the water supply, you testified that the project's maximum day supply requirement is estimated to be 610,383 gallons per day.

A Yeah, that's a calculation made by Bow Engineering.

Q And then -- so applying to Kaua'i DOW design requirements, the project supply requirements, that would translate to the well pumping capacity of 424 gallons per minute?

A Yes.

Q And so in order to meet this demand, what you're recommending is that a 500-gallon per minute well pump capacity be installed; correct?

A That's one possibility, if it's -- my understanding is that both a private water system and a system dedicated to the Kaua'i Department of Water still -- I'm not sure that a decision has been made about that, but 500 gpm pump would certainly supply it if it were a private water system. If it's connected with the County Kaua'i Department of Water may want a certain amount of its capacity of the well reserved for themselves rather than the project.

Q But is it your position though that

properly designed and on-site well will be able to produce the necessary water supply for HoKua Place?

A Yes, that's my conclusion.

Q And then the proposed well, as you testified, would be 300 feet?

A Well, the actual depth would depend on conditions encountered. I don't imagine that would go beyond that, might go short of that if we got sufficient yield penetrating to a shallower depth than that, based on the information being provided as we're drilling.

Q And then have the Petitioners been attempting to locate the proper new well source to service the water needs?

A I don't understand the question. Could you try to repeat it?

Q Is it your understanding that there have been attempts made by the Petitioners, the developers to locate a proper new well source to service the water needs of the project?

A It would be in the very near vicinity of the well that was drilled on the site.

Q And then do you recall recently having conversation with Michael Hinazumi from the County regarding the status of the well source?

- 1 If you're referring to a phone conversation 2 two days ago, yes. 3 Perfect. Yes, that's what I'm referring 4 to. 5 My understanding is that originally a well source was located, like you just testified to; 6 7 correct? Well, an exploratory well was drilled, yes. 8 So the drilling commenced on that well 9 Q 10 source? That's well back in 2006. 11 Α Is it true that the Commission on Water 12 13 Resource Management or CWRM, did not approve of the 14 well? 15 That's my understanding, yeah. They asked 16 that it be backfilled according to their standards. 17
 - Q But backfill, is that another way of saying that the well is required to be abandoned?
 - A Sealed and abandoned, yes.

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- Q What's the process for doing that?
- A You apply for a permit with the Water

 Commission to seal the well, and in this case, then

 you fill it with cement by a licensed drilling

 contractor, and then he files a well abandonment

 report and submits it to the Water Commission. You

have to have prior approval to do the sealing, and then an abandonment report after.

- Q To date, are you aware that the Petitioners or the developer has not completed the original well abandonment?
 - A That has not been abandoned, correct.
- Q And so it's my understanding, correct me if
 I am wrong, is it true that the abandonment of the
 original well is required to be completed prior to
 drilling another well?
- A I'm not sure that that is the case. You know, I might recommend to the Commission that we leave it in place until we do the new one so we can actually monitor from the existing well as well as the new well.
- But if the Commission says seal that one first, then we would do that.
- Q And if CRWM required that, then that would have to be done first before the drilling of any additional wells?
- A I'm not sure that's the case. It may be, but I'm not sure.
 - Q Fair enough.
- And to date, has there been another proposed well source to service HoKua Place, has it

been located yet?

- A Well, not with exact precision. But as I say, it would be very near to the well that had already been drilled.
 - Q But no specific location?
 - A Well, if you're talking about metes and bounds description, that's correct, it wouldn't have that.
 - Q And then after completion of the abandonment of the other well, is it your understanding that it's the owner's responsibility then to locate, design and drill the new well source, so it's on the developer to do that?
 - A That's correct, yes.
 - Q And then since there hasn't been a new well source formally located, designed and approved for drilling, this could potentially extend the proposed timeline for completion of HoKua Place; correct, with respect to water?
 - A If the well is not done, sure, absolutely.
- Q And did you access the cost for locating and constructing a new well source?
 - A I have not done that, no.
- Q Are you -- in your experience, are you able to testify and talk about how much it may cost to

1 develop a new well?

- 2 A Not sure I understood that question. Could 3 you try repeat it?
 - Q Can you talk about how much it may cost to develop a new well, if you know, if it's in your realm of expertise?
 - A It's on the order of a half million dollars.
 - Q And with that additional cost, could that increase in cost in coming up with the funding to do that, could that also increase the development timeline in overall cost of the project?
 - A I don't know about the timeline, because I don't know the project's timeline, but certainly it would be part of the cost.
 - Q And will you be involved in monitoring the well drilling to ensure that the State laws are complied with?
 - A If asked to, yes.
 - Q And then would you also be, if asked to, be responsible for the testing, the capacity, and quality of the well source to ensure compliance with the DOH standards?
- A Again, if asked to, yes. I mean, typically
 I would design overseeing construction, direct the

pump testing, file all the results. That would be my typical involvement in developing a new well.

- Q What are some available options if, for instance, the current new well source doesn't have the capacity, or other issues come up in permitting and development of it?
- A Have to seek another source somewhere else. Whether we try that as a second well on the same property is one proposition.
- County is currently involved in developing sources, such as Kapa'a Homestead Well 4, which I'm involved in.
- It would be one or the other of those are ways to provide sufficient supply.
- Q Are you aware if there is a plan to use the two County Department of Water Reservoirs?
 - A I have not been involved in that.
- Q Is it your understanding that also, talking about transmission lines now, that the developer would be responsible for installing the transmission lines for service to the development?
- A Typically, that is the case. But I want to emphasize, I have not been involved in that part of this project.
 - Q Are you familiar -- did you analyze the

1 cost at all for installing the transmission lines, or 2 can you speak to that in any capacity?

A No, I cannot.

- Q Do you know if the developer included -- did you get a chance to review the overall cost prediction for the infrastructure budget in this case?
- A I have not seen it, and have obviously not reviewed it.
- Q Are you aware if there was any agreement, if you know, between the Petitioners in this case and County of Kaua'i DOW regarding water source, storage or transmission reached by the parties?
 - A I do not know that.
- Q However the water is sourced, the proposed development, it's going to result in a new water use or an increase to existing water use in the area; correct?
- A Correct.
- Q How would you describe the end use of the water be it private, commercial or domestic?
- A It's municipal. It's drinking water. There would be some landscape irrigation, but primarily for drinking water use.
- Q And then -- and you understand that for

- other uses of water are not protected as public trust purposes, correct?

 A I'm not sure I understand the question.
 - Q I'll ask you another question.

Could you try again?

Have you analyzed the various uses of water and how the uses may affect other public uses?

- A In this particular case, no.
- Q Have you done that in other cases?
- A Probably other islands. I can't recall specifically at the moment.
- Q When you analyzed in the other cases, what was the reason that you were asked to analyze various proposed uses of water and how they could affect other public uses?

A It was primarily whether, in drawing groundwater from a well, we were going to impact streamflow.

- Q Is there a reason why, or if you know why you weren't asked to do that in this case?
 - A I have no knowledge; don't know; can't say.
- Q And then have you analyzed the various proposed uses of water and how they could affect other private uses in this case?
 - A Not specifically. But I don't believe any

- 1 | other private uses would actually be impacted.
 - Q And, again, you've analyzed how it would affect other private uses in other cases, though?
 - A In the manner that I just indicated.
 - Q Perfect, perfect.

Did you study the effects that any future well source may have to other water systems and sources on Kaua'i?

A Not sure I understand the question. Could you try again?

- Q If there is a well source, it may or may not affect other water systems and other sources of water on Kaua'i; correct?
 - A Potentially.
- Q Did you study the effects that that may have on those other water systems?
 - A Not specifically, no.
- Q Do you feel it would have been important to have been asked if somebody asked you to study that?
- A To be honest, because we're drawing water from the deep aquifer that's confined by overlying formations, the reality of pumping from this aquifer is not likely to impact even surface water, much less other groundwater uses.
 - Q Have you consulted or discussed any of

1 these potential water issues with the CWRM?

A I did have a conversation with Ray Hardy at Water Commission, specifically, on the status of the well that's makai of this property.

I think it's a four-inch case well that's relatively shallow, limited yield, just to find out if it was still being used and what the status was.

And Roy told me that it wasn't in use, and they have asked the owner to seal it, similar to the request for the on-site well.

Q Did you study the effect of any of the possible well source locations and well sources may have on any downstream uses?

A Not specifically. But as I say, if we put a well in this project, it's relatively close to the shoreline. It's not likely to affect any downstream, based on the source that we are drawing the water from.

Q But to your knowledge, you weren't asked to study that, and it potentially could have an effect, you just don't know because no study was done?

A I was not asked to study it.

Q Are you familiar with Kaua'i's Water Use and Development Plan?

A To be honest, not really.

1 Q Fair enough.

In your opinion, is the proposed use of water, what's being proposed for the project, reasonable and beneficial in relation to other public uses?

- A I believe it is.
- Q Same question regarding private uses.

Is the proposed use of water for the project reasonable and beneficial in relation to other private uses?

- A I believe it is.
- Q Will the proposed uses harm any protected uses under the public trust?

For instance, will the proposed use harm the maintenance of waters in their natural state?

- A I don't believe it will.
- Q Will the proposed use harm the protection of domestic water use?
- 19 A I don't believe it will.
 - Q Will the proposed use harm the protection of water and exercise of native Hawaiian traditional and customary rights?

A I don't believe it will. But I have to sort of say that in a very cautionary manner. I'm not aware of any downstream traditional or cultural

1 practices using water.

But as I say, this is a very deep aquifer that discharges into the ocean at depth offshore, not likely to affect anything in the nearshore area.

- Q But specifically with that, the exercise of native Hawaiian traditional and customary rights, you didn't particularly, specifically, study that?
 - A That's correct.
- Q And would the proposed use harm the reservation of water set forth in the State Water Code?
 - A As far as I'm aware, it will not.
- Q And then, what is the proposal to accommodate the public's use, access, enjoyment and resource protection?
 - A Not aware of any.
- Q What actions are proposed to mitigate any cumulative impacts to public trust purposes that may occur if the proposed use is to be approved?
 - A I'm not aware of any.
- Q You weren't asked to do an analysis or come up with potential mitigations if there's an issue?
 - A I was not.
- Q So in addition to the State Land Use Commission, are you aware -- isn't it true that a

public trust analysis will also have to be conducted 1 2 at the County level before there's approval? 3 I'm not aware of that. Are you aware that -- actually that's all 4 5 the questions I have. 6 Thank you so much, Mr. Nance. 7 Thank you, Chair; thank you Commission. 8 CHAIRPERSON SCHEUER: Thank you, Mr. 9 Donohoe. 10 Ms. Kato. 11 CROSS-EXAMINATION BY MS. KATO: 12 13 Hello, Mr. Nance. 14 So for the existing well on the property, 15 my understanding is that you came on to the project 16 after that was already constructed; is that correct? 17 That's correct, just to oversee and direct 18 pump testing of it, correct. 19 Do you know if that -- was that well done 20 solely for test purposes intending to be sealed? 21 It was a contract by Greg Allen to the 22 driller Marcus Frandsen, and I don't know any of those details. I can't really speak to that. 23 24 But you testified earlier that that Q 25 existing well is unusable for this project; is that

1 | correct?

- 2 A Yes, absolutely.
 - Q So my understanding is that there are two alternatives for the water supply being considered, and that both involve the construction of a new up-to-standards well constructed by the Petitioner; is that correct?
- 8 A Yes.
 - Q For my understanding, what triggers the need for construction of a new well versus using the existing public water system?
 - A My under -- well, I haven't had those discussions with the Department of Water, but I assume we're doing that because the Department of Water does not have a source to supply this project.
 - Q So your understanding is it's likely due to lack of capacity?
 - A In the Kaua'i Department of Water system, yes.
 - Q Are you aware of any planned water system improvements by the County?
 - A I'm working right now on Kapa'a Homestead well. I'm aware of that's going on.
- Q Do you think those -- I guess any improvements, do you think the situation has changed

where the County may be able to provide water without the new well at all?

A I can't speak to that. I haven't had conversations with Department of Water.

- Q So the pump test for the existing well, exploratory well, that was done in 2006; correct?
 - A Yes.

Q Was there any more recent test done since that time?

A Earlier this year I had the drilling contractor Barry Simmons from Oasis put a small submersible pump in the well, pumped it for a while so it was clean, took samples. We had those FedEx'd overnight to the mainland lab, and analyzed for all the regulated drinking water contaminants.

Q And the results of that test were that the water was sufficient, right?

A It will meet the water quality requirements to be certified for drinking water use.

Q Regarding the new well that you're recommending be constructed according to standards, that's going to be very close to the existing well; is that correct?

- A It will be in the near proximity, yes.
- Q Do you foresee -- are there any foreseeable

issues with the fact that it is in a different location?

A In a what location?

Q That it's going to be in a different location because it hasn't been started yet, that process. Are there any foreseeable issues with the fact that, you know, a new well is going to be drilled in a different location from the existing well, will there be any changes, do you think?

A Well, it is true that Koloa volcanics change from location to location, but we will be so close to the existing one that I'm pretty comfortable that what we see as the potential yield from the originally drilled well will be applicable to the new well.

Q So it's unlikely to be different from what you've seen with the existing well; is that correct?

A Right.

The other thing is that, as I indicated earlier, there are three other wells that were drilled previously, first in 1986, then 2004, 2005, they all hit the same source, same piezometric at water level, and all were, in terms of yield, were successful.

Q So you said that the test well was drilled

to 260-foot depth, and your recommendation for a new well is 300 feet; is that correct?

A We would -- when we apply for permit, we would indicate potential depth of 300.

If during the process of drilling, when you hit formations that are yielding water, you are actually airlifting pumping out of the hole.

So if we got to a point short of 300, where we thought we had the yield, we would stop at that point rather than continue on.

Q Are there any foreseeable issues with the fact that you may have to drill deeper?

In case if you drill down and you don't hit it for awhile, would you need to keep going down?

A I can't eliminate that possibility, but we would have to go back to the Water Commission to get permission to do that.

Q So I want to clarify about the requirements for the project. Are you going -- you mentioned that the requirements for the project, for the daily supply, is 610,000 approximately?

A It's what we refer to as the max day use. The average use is that number divided by 1.5, around 407,000, that's a year-long average.

Q When you say the project, is that

specifically the requirement for HoKua Place, or was that intended -- is that well intended to supply HoKua Place plus the ag lots that are to the west of the property of the Petition Area?

A I wasn't involved in that calculation.

It's a question for Bow Engineering rather than me.

I assume it's for both, but I don't know that.

Q Is it your understanding that the well is intended to supply both locations?

A Again, I really haven't been involved in that part. I'm just sort of focusing on the viability of a drilling well in this location to provide that kind of supply.

Q So your opinion that the 500 gallons per minute pump will be sufficient for HoKua Place, that is specific to HoKua Place?

A If HoKua Place was supplied by a private water system, yes.

If it's connected to the County system, the capacity pump would be subject to negotiations between the parties.

Q In determining whether this -- whether a new well would be sufficient for HoKua Place, you do not consider whether that well would be required to supply the ag lots that are outside of the Petition

- 1 Area; is that correct?
- 2 A I'm just talking about the viability of the
- 3 | source to provide that quantity of supply. That's
- 4 | what I am here to discuss.
- 5 Q For HoKua Place?
- 6 A Yes.
- 7 Q So just to be clear then, so it's your
- 8 opinion that a properly designed new well would
- 9 produce enough water supply for HoKua Place at full
- 10 build?
- 11 A Yes.
- 12 Q Okay. Thank you. I have no more
- 13 questions. Thank you.
- 14 CHAIRPERSON SCHEUER: Thank you, Ms. Kato.
- 15 When you lean forward, by the way, we lose about half
- 16 of you.
- MS. KATO: I tend to hunch.
- 18 CHAIRPERSON SCHEUER: Intervenor, give me a
- 19 | sense -- Ms. Isaki, will it be you? How long do
- 20 you --
- MS. ISAKI: My questions are all yes or no.
- 22 | I think I could probably do it in half hour, maybe a
- 23 little less.
- 24 CHAIRPERSON SCHEUER: Let's give it a shot.
- 25 Please go ahead.

CROSS-EXAMINATION

- 2 BY MS. ISAKI:
- 3 Q Thank you so much for being here, Mr.
- 4 Nance.

- 5 So your testing was done recently, so it's
- 6 not in the EIS, which was approved, I think, in 2019;
- 7 | is that correct?
- 8 A The water quality testing, that's correct,
- 9 it was done earlier this year.

 10 Q And you clarified, I think, that the
- 11 500 gallons per minute might be enough for private
- 12 system, but not County. Is it common practice for
- County to require a third of water reserved for
- 14 credit so it can be used for other developments?
- 15 A I can't speak to the Kaua'i Department of 16 Water criteria.
- 16 Water criteria.
- Other municipalities have different
- 18 percentages. One of them being one-third, that's the
- 19 Big Island. But I don't know what the Kaua'i
- Department of Water requirement would be.
- 21 Q And you mentioned that the County may lack
- 22 a volume of water resources in response to OP's
- question about hooking up to the County system;
- 24 correct?
- 25 A That's my understanding. But, as I say, I

haven't really been involved in that part of this 1 2 project, so I can't really speak to it. 3 Q Was the test bore hole and the proposed well for HoKua Place in the Lihue Basin? 4 5 Did I lose you? Hello? 6 CHAIRPERSON SCHEUER: We're still hearing 7 you. MS. ISAKI: Okay, yeah, that was the end of 8 9 my question. 10 CHAIRPERSON SCHEUER: Can the witness hear 11 the questions? Mr. Yuen, can you hear us? MR. YUEN: I think we did not hear the 12 13 entire question. CHAIRPERSON SCHEUER: If you could repeat 14 15 the question. Q (By Ms. Isaki): Is the test bore hole and 16 17 the proposed well in the Lihue Basin, considered the Lihue Basin, if you're familiar with the term? 18 19 It might be the northern part of Lihue 20 Basin. 21 Q Are you aware of where all the wells in 22 the --23 No, I'm not really specific to it. Α 24 Are you aware of wells in the Lihue Basin Q

that have had reduced productivity in recent years?

- 1 A Yes.
- 2 Q Is Nonou Well B one of those wells?
- 3 A It may be.
- 4 Q Is Kilohana-Puhi Well one of those wells?
- 5 A I wouldn't be familiar with that.
- Q Are you familiar with Kalepa Well's falling water level?
- 8 A Yes.

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- Q To clarify I was referring to Kalepa Well
- 10 | 10. Is your answer still yes to that?
 - A Yeah. Both Kalepa and Nonou actually are drilled into a different formation. They're drilled into exposures of the Waimea volcanics. And the compartments that are drilled into are very small and essentially they have been overpumped relative to what can be supplied in that very small specific area.
 - Q Thank you.
 - Is it your understanding that there is a possibility that the HoKua Place well could be connected to the KDOW, the County water system?
 - A I assume that's one of the possibilities being considered.
- Q And the County water system, if it's connected to other water sources, correct?

1 A Yes.

- Q So if the HoKua Place, for some reason, ran dry, it would have access to the County water systems' other sources?
 - A Be up to the County Department of Water.
 - Q Thank you.

And are you familiar with the Water Commission's 2004 well construction and pump installation standards?

- A Generally, yes.
- Q You would agree that those standards require 48 hours of testing for a 500-gallon per minute nonpublic supply well?
 - A Yes.
- Q But there was not a 48-hour pump test done on the test bore hole, correct?

A That's correct, because there was, from my perspective, anyway, no intention of actually using it. We just wanted to evaluate what the capacity would be, but there was no, from my perspective, given what I knew of how the well was constructed, there was, from my perspective, there was no way that that was going to actually be put into use.

Q Okay. But did you recommend a 48-hour constant rate on test pump for that test bore hole?

- 1 For the purpose that I was seeking to 2 establish the viability of the source, it was not 3 needed. Did you recommend a 48-hour constant rate 4 pump test? 5 6 No, we ran for 12 hours. 7 Did you recommend 48 hours? Q 8 Α No. 9 CHAIRPERSON SCHEUER: I think you've asked 10 him that three times, and he's answered no twice. 11 MS. ISAKI: Can I share my screen? I want to show Intervenors 97. Is that permitted? 12 13 CHAIRPERSON SCHEUER: Yes. 14 MS. ISAKI: I hope that we are all looking 15 at Intervenor's Exhibit 97. This is from PDF No. 47 16 or PDF page. 17 Could you read, if you can see it, from 12:00 o'clock on August 9th, Wednesday. 18 19 I can read part of it. Α 20 Q Please do. 21 What's the question? Α
 - Q Could you please read on August 9th the Wednesday from left-hand side of the page starting at 12:00 o'clock: Tom wants to ream well -- just finish out what the rest of it says. I'm just asking you to

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- 1 read the exhibit.
- 2 A To ream up to 12-inches, put 12-inch pipe,
- 3 | 170, and test 48 hours. They didn't do that.
- 4 Q Oh, okay.

- And there's also a note underneath says, TM recommendation. Is that correct?
- A That's what it says. I didn't write that.

 That's Marcus Frandsen, I assume. They didn't do it.
 - Q Correct.
 - So you did not recommend it or did you recommend 48 hours?
 - A We are talking about 2006, so I can't really recall, but the realities are if they were to develop it as a viable source, the casing would need to be 12-inches, bore hole would need to be reamed to 19 inches and a 48-hour test done.
 - That's not what they did.
- Q Correct, and --
 - A (Indecipherable) -- inch facing. When I put my entrance down as crooked as a dog's hind lane, there was no way this thing was going to be a viable source of supply.
 - Q Okay. And you said that there is a possibility the well could become linked to the County's water system, right?

1 A Not this well.

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- 2 Q Sorry, the new well?
- A The new well, yes. That's my understanding anyway.
 - Q Do you know how many hours of constant rate pumping are required for a public supply well?
 - A If it's going to be conveyed to the Department of Water, you need to go 96 hours.
 - Q Thank you.
 - And, sorry, I do have one more that I want to share if it is okay. This is actually from --
- 12 CHAIRPERSON SCHEUER: What is it?
- MS. ISAKI: Petitioner's Exhibit 23, the
 water PowerPoint that Nance just showed, would it be
 okay to show a page from that?
- 16 CHAIRPERSON SCHEUER: Please go ahead.
- Q (By Ms. Isaki): This is from your presentation. And is it correct that you're proposing to put the well in the springs?
 - A In the -- I can't really -- I think I have a copy of that here.
 - Q Page five.
 - A That shows the location of the well that was drilled, and we would put the new well very close to that location.

1 Q Thank you.

- 2 And it does say that those are springs in 3 this area, correct?
 - A Yes, USGS quad map says that.
 - Q Great. Okay. I'll stop my share.

And you -- and I know you told the County you were not asked to evaluate if there was interference with the stream or spring, correct?

A I haven't been asked to do that, but the realities are, it's likely to be a requirement of approval of a permit to drill a new well, I would assume.

Q Would it also be likely a requirement to test if there is interference with other wells in the area?

A Well, there is -- the closest well is about 4,000 feet away. You're not likely to see much of anything.

Q Okay.

And is it correct that -- or did you know that the Water Commission noted that there was a lack of evaluation of potential interference with wells and streams in assessing the test bore hole?

- A I'm not aware of that.
- 25 Q I want to move onto your aquiclude

conclusions.

Your presentation asserted that at 80 to 210 feet of depth there's an impermeable volcanic rock and clay which functions as an aquiclude in regard to the 2006 well?

A Yes.

Q Were you aware that the Water Commission reviewed the well drilling laws for that well, and concluded there was not an aquiclude, at that depth at least?

A I'm aware of that, and I absolutely disagree. And we just went through a similar analysis for Mililani.

It's unfortunate that the Water Commission staff just hasn't had the experience of drilling through the Koloa volcanic, and you've got layers of poorly permeable lava, layers of mud, and the realities are that you get small little freshwater bodies on some of these impermeable layers, and the assumption that there's collective permeability vertically through it is absolutely incorrect.

Q Are you aware that the Water Commission believed it's possible that recharge during your 10.5 hour constant rate pump test may be from the strata between 86 to 210 feet?

A I'm not aware of that, and I would call that assertion without value.

- Q And you're aware that the Petitioner, or one of the Petitioner's other consultants poured 212 bags of cement into that bore hole?
- A I didn't quite get the question. Could you try again?
- Q Were you -- are you aware that the Petitioner poured 212 bags of cement into this test bore hole?
 - A No, I'm not aware of that.
- Q Are you aware of whether the integral between 180 and 210 feet below ground was encased to prevent mixing between deep and shallow waters?
 - A It's only cased for a portion of that.
- Q Are you aware that the Water Commission was concerned that there is currently, because it's not properly constructed and not properly field, that may allow for wasting and mixing of deep and shallow waters?
- A They may be of that opinion, and -- I mean, the amount of possible leakage from up above is pretty insignificant if it occurs at all in that well.
- Certainly when we construct the new one, it

- would be done properly. It's one of the reasons why
 this thing is absolutely not usable.
- Q And although it's not usable and not used,

 the Water Commission -- are you aware that they

 thought it -- that it posed a significant potential

 for leakage to occur into commingling between

 groundwater of different formation?
- 8 A That could be their opinion. I would 9 disagree.
 - Q And to your knowledge, the entire integral has not been cased, only a part of it, correct?
 - A That's correct, yes.
 - Q And you testified earlier that it had not been, the test bore hole had not been abandoned, correct?
 - A It has not been yet, that's correct.
 - Q And the test bore hole, was it plugged?
 You said it was not plugged.
 - Was there a UIC permit obtained for that test bore hole?
- A A UIC permit, is that what you're asking, underground injection -- for that well?
 - O Yes.

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A No, that would be -- that's for disposal wells. That's not for supply wells.

Q Okay. Thank you. I just wanted to get your opinion on that one.

So you're not aware of Department of
Health's requirement for UIC permits for any bore
hole if they are not plugged?

A I'm sort of (indecipherable) -- what you're asking. A UIC permit only applies to a disposal well. It does not apply to any supply well. The disposal wells are regulated by Department of Health. UIC program, supply wells are regulated by the State Water Commission.

So applying, or having any relevance of an UIC permit in this case is nonexistent.

Q Is the test bore hole a supply well?

A It was intended to be a supply well, not a disposal well.

Q Okay. Thank you.

And you -- just clarifying, none of my questions about the water master plan can directed toward you. I should ask another consultant, perhaps Agor. You don't know anything about the water master plan?

A Not the current plan. I mean back in 2012

I did several versions of a master plan. But I don't
think they're relevant for what's being proposed

1 currently.

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- Q Is it because that water master plan was
 for 50 farm dwelling units, and goat grazing
- 4 operation and not HoKua Place?
 - A I can't speak to that. I don't know what the current master plan is, haven't been involved in it.
- 8 Q One more question.
 - Your water master plan that you said you worked on before, was that for the 50 farm dwelling units and a goat grazing operation?
 - A 2012, I can't recall exactly. There were several versions. One was just for an agriculture use. Another was for potable and agricultural use. So there was more than one version of a master plan at that point in time.
 - COMMISSIONER WONG: Can you hold on, please. I think we lost the Chair. Hold on, please.
- CHAIRPERSON SCHEUER: Sorry, I got dropped off briefly during the question. I have no idea why.
- MS. ISAKI: I asked my last question about the water master plan.
- 23 CHAIRPERSON SCHEUER: I heard that 24 question.
- MS. ISAKI: And I was asking, I asked about

- goat grazing operation and that was actually my last question.
- 3 CHAIRPERSON SCHEUER: Okay. I believe I 4 heard it. Thank you. Okay.
 - Commissioners, who would like to ask questions of Mr. Nance?
- 7 Commissioner Giovanni.

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- 8 COMMISSIONER GIOVANNI: Thank you, Chair.
- 9 Mr. Nance, I only have one question, and it
 10 has to do with your testimony about this -- your
 11 expectation is to drill the new well makai of the UIC
 12 line?
- THE WITNESS: Yes.
- 14 COMMISSIONER GIOVANNI: And that you would
 15 need to obtain a variance or an exemption to allow
 16 that to happen; is that correct?
 - THE WITNESS: Yeah. The well, whether it's for a private system or for a County Department of Water, needs to be certified for drinking water use by the State Department of Health.
 - Because it is makai of the UIC line, the underground injection control line, it has an added procedure to alert landowners in the near proximity of the well, that once the well is certified for drinking water use, there are prohibitions for

installing either an independent wastewater disposal
system or an actual disposal well within certain
radiuses around the well.

So you have to go through a public notification process alerting landowners that this is what's going to happen, and this is the implications of it becoming a drinking water well.

COMMISSIONER GIOVANNI: And I believe you also mentioned there were two tests that had to be a company and approved for that exemption; is that correct?

THE WITNESS: I don't know what you're referring to.

COMMISSIONER GIOVANNI: You said there were two tests that had to be submitted with the request for the variance.

THE WITNESS: Okay, that variance is for the depth of the well, not related to the UIC permit. Did you want me to go over that?

COMMISSIONER GIOVANNI: No. I'm particularly interested in it being on the wrong side of the UIC line.

THE WITNESS: The two tests I was referring to in getting a variance were for the depth of the well drilled, not for its location makai of the UIC.

COMMISSIONER GIOVANNI: Thank for clarifying that.

Do the neighboring landowners have the option to protest or to request a contested case or whatever if they disagree?

THE WITNESS: My understanding is that they do, yes. They need to be notified personally by letter contacting them as well as publications in the newspaper, and that kind of thing. And they are asked to raise an objection because this, that or the other thing makes an unreasonable imposition on whatever they had wanted to do with their property.

COMMISSIONER GIOVANNI: And I understand your opinion that that is very, very likely, if not almost assured, that that process well work out to the favor of the Petitioner, and they will be allowed to drill the new source well below the UIC line; that's your opinion.

THE WITNESS: I can't predict that. I think you're sort of confusing that with whether we get permission from the State Water Commission to drill deeper.

I don't know what neighboring landowners, how they would respond in this notification process.

COMMISSIONER GIOVANNI: Okay. That leads

1 | me to my real question.

In the event, in the whatever event, that the Petitioner is not allowed to drill a well on the wrong side of the UIC line, meaning on the makai side of the UIC line, is there another option for a source well for this property on this side of the UIC line?

THE WITNESS: Let me check. It's pretty much the whole property is on the makai side of the UIC line, so they would have to -- if that were a problem, they would have to find an adjacent piece of property that they could drill a well on that would be on the mauka side of the UIC line.

COMMISSIONER GIOVANNI: How far away is that?

THE WITNESS: It's not too far. I mean, it's probably within a couple thousand feet at the most from the property.

COMMISSIONER GIOVANNI: Okay, thank you.

19 That's all I have.

Thank you, Chair.

CHAIRPERSON SCHEUER: Thank you,

Commissioner Giovanni.

Commissioner Okuda.

COMMISSIONER OKUDA: Thank you very much,

Mr. Chair.

1 Just a couple questions, Mr. Nance, and the 2 reason why I'm asking these questions is to determine 3 whether or not we have a problem under what's 4 commonly called the Kuilima case. That's Unite Here! 5 exclamation mark, Local 5 versus City and County of 6 Honolulu 123 Hawaii Reports at 150, that deals with 7 the issue of the need of supplementation of environmental impact statements, and frankly, whether 8 9 or not the initial environmental impact statement 10 might be adequate enough to even allow an agency to move forward. 11 12 My first question is, were you involved in 13 the preparation of the Final Environmental Impact 14 Statement? 15 THE WITNESS: No, not at all. 16 COMMISSIONER OKUDA: Have you reviewed the 17 Final Environmental Impact Statement? 18 THE WITNESS: I've looked briefly at some 19 of the sections. 20 COMMISSIONER OKUDA: Were you looking at 2.1 sections that dealt with water, water resources and 22 impact of the development on water or water 23 resources? 24 THE WITNESS: I think I briefly looked at 25 that, yes.

1 COMMISSIONER OKUDA: In your review, 2 however brief it was of the Final Environmental 3 Impact Statement, did you see anything in the Final 4 Environmental Impact Statement which you can 5 specifically point out to us so that the record is 6 clear which would included the matters that were 7 discussed in your questioning by County of Hawaii's 8 -- excuse me, the County of Kauai's attorney today, 9 the Office of Planning's attorney today, or the 10 Intervenor's attorney today, can you point to where 11 in the Final Environmental Impact Statement those 12 issues were discussed?

THE WITNESS: I can't. I don't have the EIS here, and my review was very brief. I was not involved in its preparation.

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COMMISSIONER OKUDA: Can you recall, to the best of your knowledge, any such discussion of those water or water resource or water impact issues that the three counsels questioned you about, can you recall any such discussion in the Final Environmental Impact Statement?

THE WITNESS: I think a number of those things that have been raised were not addressed in the EIS.

COMMISSIONER OKUDA: You have been involved

previously in your professional career, which is amply documented in the resume made part of the record, you have been involved in the preparation of Draft EISs and Final EISs; correct?

THE WITNESS: Yes.

COMMISSIONER OKUDA: Given your experience, are you troubled in any way, no matter how manini or small you might be troubled, but are you troubled in any way that these water issues were not discussed in the Final Environmental Impact Statement?

THE WITNESS: Troubled is a kind of a strange word, because I haven't been involved in that part of the progress but, you know, had I been the author of this section, I would have written it in a different and far more detailed way.

COMMISSIONER OKUDA: My last question deals with the process of decision-making and the duties which the law imposes on us as Commissioners of the Land Use Commission.

You do agree we're not like the legislature? We can't just make decisions based on our personal preferences. We're required to follow the law strictly as the legislature has passed the law; do you agree with that?

THE WITNESS: I really can't speak to that,

I'm a hydrologist. I deal with water and wells and so forth.

COMMISSIONER OKUDA: If we were to just look at the Final Environmental Impact Statement, do you believe there is sufficient information in the Final Environmental Impact Statement for us on the Land Use Commission to make a reasoned decision with respect to the impact and effect and availability of water for this project, or is there not sufficient information?

THE WITNESS: I didn't review the EIS for that purpose. I was really just reviewing it to see if they had in some way or other misrepresented both the existing well that was drilled, and the proposal to drill a new one.

But I didn't review it to see if it was complete or whatever. So I really sort of don't feel comfortable responding to that.

Whether you feel comfortable or not, based on your experience as documented in your resume, which is part of the record, can you point to anything in the Final Environmental Impact Statement which, for example, I, or we as Commissioners can

believe that there is sufficient discussion in the 1 2 Final Environmental Impact Statement with respect to 3 the topics that you testified on today? THE WITNESS: As I said, I didn't review 4 5 the EIS from that perspective. I think what I 6 presented in the testimony today represents my 7 opinion about the viability of the well being successful onsite. 8 9 COMMISSIONER OKUDA: And your opinion, as 10 you testified today, is not stated in writing in the 11 Final Environmental Impact Statement, correct? 12 THE WITNESS: I think that is correct, yes. 13 COMMISSIONER OKUDA: Thank you, Mr. Chair; 14 and thank you very much, Mr. Nance. 15 No further questions. 16 CHAIRPERSON SCHEUER: Thank you, 17 Commissioner Okuda. Commissioners? I, of course, have 18 19 questions for Mr. Nance, but don't want to jump in 20 line. Commissioners? 2.1 Hi, Tom, and forgive me if some of my 22 questions are a little bit repetitive of some of the

VICE CHAIR ACZON: Sorry about that. I wasn't going ask. I just have a simple question to

questions -- oh, Commissioner Aczon.

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1 Mr. Nance.

You know, I value everybody's expert's recommendations. My question is as you have said there's not going to be enough supply of water just through the County, and it will need a well to accommodate this project.

So is it your testimony that, given the County or -- whether the County or private well, there will be sufficient amount of water to supply this project?

And, in addition, would there be any adverse affect to the environment if the Petitioner proceeded without -- (indecipherable).

Also -- let me let you answer that question first, then I'll ask the next question.

THE WITNESS: Are you asking if it's my opinion that the well will be able to provide sufficient supply for the project; is that your question?

VICE CHAIR ACZON: Yeah, I want to kind of confirm that your testimony is -- you are testifying that there would be sufficient amount of water to supply the project, whether it's County or in addition to the private well?

THE WITNESS: Yeah. My testimony is that,

you know, by developing a new well on this site properly, there will be sufficient supply.

VICE CHAIR ACZON: In doing the additional well, or drilling another well, would there be an adverse affect to the environment?

THE WITNESS: I don't believe so. Drawing water from more than 200 feet below sea level, and that water is hydrologically connected to the ocean at depth offshore, so it's not going to affect anything in the nearshore area or anything that is above this aquifer. So I think it can be developed without adverse impacts.

VICE CHAIR ACZON: That's what your testimony is. I just wanted to confirm.

The second one, the next question is, would there be any problem or issue that would prevent the drilling of this well?

Do you think any problem issue come out to prevent drilling this well, and in return not enough water for this project?

I'm just trying to figure out, what would stop the supply of this water to the project?

THE WITNESS: I'm pretty sure that when we -- which stopped the case when the original application went in in 2005 or 2006, but times have

changed.

it --

above.

I would expect, given its location, that during the pump testing, we would, as a condition of approving the permit, have to prove that we are not impacting the spring and the surface water nearby.

So I'm pretty sure, or would be confident that in approving the permit to drill the well, the conditions apply that would include that kind of monitoring to demonstrate that the impact to the surface water, and even the shallow groundwater is negligible.

We could do that in the well design because in the annular space we can put something that can measure impact in the strata above the zone that we are pumping from, and we put water level recorders in there to demonstrate that when we get a drawdown in this lower formation, the upper water levels have no impact, no affect. So we do that, plus any kind of surface water monitoring to demonstrate that --

CHAIRPERSON SCHEUER: Hold on, hold on.

THE WITNESS: -- pump from depth without impacting the groundwater and the surface water

1 VICE CHAIR ACZON: I just want to make sure 2 that you don't see any really problem later on, 3 whether its government regulation or environmental thing that would be a problem in the supply into the 4 5 water. 6 You don't have to answer that. I just want 7 to kind of confirm your testimony, because I just want to kind of make sure you catch everything. 8 9 You mentioned that drilling a well might 10 cost maybe half million dollars? THE WITNESS: To drill case and do the 11 12 final pump testing and including all of the required monitoring, so forth, it's a very round number 13 14 because I haven't made any specific estimate, but it's in that range. 15 16 VICE CHAIR ACZON: Do you think that cost 17 would be kind of cost prohibitive for the project to move on? 18 19 THE WITNESS: I can't answer that. 20 no idea about the finances of the project itself. 21 VICE CHAIR ACZON: Thank you, Mr. Nance. 22 Thank you, Mr. Chair. That's all I wanted. 23 CHAIRPERSON SCHEUER: Commissioner Ohiqashi, then we might be running up against a need

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to take a break.

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                COMMISSIONER OHIGASHI: Just had a couple
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     questions.
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                Referring you back to Exhibit 97 that was
     placed -- Ms. Isaki, Intervenor's exhibit. Is that
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5
     your notes?
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                THE WITNESS: No.
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                COMMISSIONER OHIGASHI: Do you know whose
     notes they are?
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                THE WITNESS: I'm pretty sure, can't say
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      for sure, but Marcus Frandsen, who was the well
     driller.
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                COMMISSIONER OHIGASHI: So I just wanted to
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      know, because I didn't know whose notes those were.
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                The other question that I had is, regarding
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      impacts to other wells or impacts downstream, is it
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      your position is that that really cannot be measured
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     until the well is drilled and the tests are
     conducted?
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                THE WITNESS: Yes, yeah.
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                COMMISSIONER OHIGASHI: And is that -- is
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     there any test that can be done prior to the drilling
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      that would indicate any of these impacts that may
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     occur or may not occur, rule out?
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                THE WITNESS: There wouldn't be any that
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      I'm aware of. You would have to get the perturbation
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of pump testing to create any impacts that might occur to see if you can monitor to pick up any impacts.

4 COMMISSIONER OHIGASHI: That's all I wanted 5 to know. Thank you.

been going an hour and 13 minutes, which is longer than I typically like to go. I had suggested we take a break for lunch right now until 12:15. This is going to disadvantage Commissioner Giovanni who needs to take leave of our meeting between 12:00 and approximately 2:00 o'clock, so we could do one of two things, take a brief break right now, and continue until noon; take a break from noon to 1:00; or we could do as planned.

Is there a preference among the Commissioners? Commissioner Aczon.

VICE CHAIR ACZON: Go up to noon, then break.

CHAIRPERSON SCHEUER: I do need to give people at least a chance to go to the restroom. So we'll break, it's 11:29, we'll break for six minutes until 11:35, come back, go take a break from noon to 1:00.

COMMISSIONER GIOVANNI: Thank you, Chair.

1 CHAIRPERSON SCHEUER: Commissioners, 2 continue cross-examination by Commissioners of Mr. 3 Nance. Further questions from the Commissioners? Ιf 4 not --5 MS. AHU: Mr. Chair, I don't believe Mr. 6 Yuen is back. 7 MR. YUEN: He's here. CHAIRPERSON SCHEUER: Thank you, Ms. Ahu. 8 Any questions for Mr. Nance from the other 9 10 Commissioners? 11 If not, I started to say before 12 Commissioner Aczon asked his questions, forgive me if 13 some of these questions appear to be repetitive, but 14 similar questions have been asked in slightly 15 different ways by various parties and Commissioners. I want to make sure I understand the 16 17 responses. Can I start out with the UIC line 18 19 discussion. UIC stands for underground injection 20 control line. Can you help us understand what the 21 purpose of that line is by the Department of Health? 22 THE WITNESS: The purpose of that is to --23 there is, on the makai side of the line, we are 24 considered at the point in time the line was drawn to

be not potential sources for drinking water. And so

disposal wells were allowed makai of the line in the assumption that it wasn't going to be impacting a potential potable water source.

On the mauka side of the line, the presumption was, groundwater there was potential source of drinking water supply into which disposal wells were not allowed to be drilled.

CHAIRPERSON SCHEUER: Can you tell me how large an area the Department of Health requires for neighboring property owners to be notified of a potential drinking water source if there is a proposed drinking water source makai of the UIC line?

THE WITNESS: I would have to look that up.

I'm not sure. It's either -- I think it's a quarter

mile radius, but I'm not positive about that.

CHAIRPERSON SCHEUER: And is this -- would you know if this is the way the -- is it a Department of Health rule, or is there a procedure that allows for this certification?

THE WITNESS: It's not a rule. It's a procedure that they created. I actually had drilled and got certified maybe four or five wells in the Kahului aquifer makai of the UIC line that I hadn't picked up, and that the Department of Health had not picked up.

1 When I went to get two more wells certified
2 for drinking water, it's makai of the line, and I've
3 got all these other wells certified makai, so I
4 talked to the Safe Drinking Water Branch, and they
5 created these guidelines for potential drinking water
6 wells on the makai side of the line.
7 CHAIRPERSON SCHEUER: So we're trying to

CHAIRPERSON SCHEUER: So we're trying to protect drinking water sources from contamination, is that the basis of it?

THE WITNESS: That's the basis.

CHAIRPERSON SCHEUER: And it ultimately relates to the Safe Drinking Water Act on federal law; is that correct?

THE WITNESS: Could you try repeating that?

CHAIRPERSON SCHEUER: The purpose of drawing the UIC line is part of the State's compliance with the Federal State Water Drinking Act?

THE WITNESS: I assume, but I'm not positive about that.

CHAIRPERSON SCHEUER: Is the -- if you are locating a potential drinking water source makai of the UIC line, do landowners -- does it only restrict their activities going forward, or would they also be required to remove any potential sources of contamination to the drinking water source for that

water source to be allowed as a drinking water source?

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THE WITNESS: The pre-existing, either disposal wells or individual wastewater disposal systems, they would be grandfathered in. They wouldn't have to be removed. And it would be up to us to prove to the Department of Health that those pre-existing potential sources of contamination will not be an issue for the drinking water well.

CHAIRPERSON SCHEUER: Thank you.

Is there anything in your work in the record that indicates how many potential existing contamination sources there were in the area that the Department of Health would require notification on?

THE WITNESS: I think there's little or none at the moment.

CHAIRPERSON SCHEUER: In the record there is little or none, just to clarify?

THE WITNESS: A quarter mile radius within where the new well would go. Not in terms of manmade things. I'm not aware of any potential source of contamination.

CHAIRPERSON SCHEUER: Just to be really -- I want your answer to my question to be clearly responsive to my question.

In the record, or in your research, was

there work done to identify any of these potential

sources? Do we have documentation in the record that

a survey was done to see whether there is potential

contaminating sources existing within this area?

THE WITNESS: No such survey was conducted.

CHAIRPERSON SCHEUER: Thank you.

Now, I want to go to the other permit, or the variance that you mentioned regarding the constructing the well below a recommended depth and seeking a variance to the well construction and pump installation permit standards from the Water Commission.

Can you explain for those of us who don't know why there is an existing limit that you would have to exceed, why the well construction pump installation standards have those limits in them?

THE WITNESS: Let's say what the limit is.

The limit is that without prior approval from the

Commission with a variance, that you can't drill more

than one quarter of the thickness of what is assumed

to be a basal groundwater condition. And if it's

actually basal groundwater with saline groundwater

beneath it, if you drill too deep, and pump at a rate

that creates up-coning of a saltwater into the

freshwater zone, you have a problem with increasing salinity going forward, not only a problem for the well, but a problem for the aquifer.

And a very large percentage of all the wells in the State are basal groundwater in which that's an applicable kind of limit to apply.

But in areas where you've got lava layers at and below sea level that are essentially impermeable on West Hawaii, for example, we have in Kapolei area, we have to exceed the quarter lens thickness to get any yield at all.

And in that case, we have to demonstrate to the Water Commission that we cannot have this salinity issue drilling to that depth.

On Kaua'i it's a very different situation for the Koloa volcanics, or even the Waimea volcanics overlaying by the Koloa volcanics, because we can put wells far closer to the shoreline on Kaua'i because of the Koloa, than basically anywhere else in the State without running into a salinity problem.

So a very large percentage of the wells drilled into the Koloa volcanics, because of its permeability layering, has to exceed what is assumed to be a basal groundwater condition.

But it's very questionable that that

actually is an accurate description of the groundwater that's existing in that formation.

So we are basically required to stick to a depth based on the assumption of a free basal groundwater with saltwater beneath it, even though in this particular case, and in numerous others that we have done on Kaua'i, which, you know, if we stuck to the quarter lens thickness, we would have no yield at all.

CHAIRPERSON SCHEUER: Thank you. That's a very good description of why those standards are there, and how you believe they might not apply here.

I want to go from that to something that was mentioned by the Intervenor's counsel in questioning.

There appears to be a disagreement between you and Water Commission staff over the presence of an aquiclude in this area.

Could you explain that difference of opinion from your perspective?

THE WITNESS: Well, as I say, we just went through this virtually identical argument with the Water Commission on a well that was recently completed little north of the area we are talking about now. And they look at what the driller

presents, and it's a layering that has layers of poorly permeable volcanics and clay and so forth, and so the driller's report says, oh, found this water at depth, and this water at this depth, and they're assuming that this basically has, in the vertical thing, a hydraulic connection.

We went through the exercise on the Molowa (phonetic), this is within the last year, to demonstrate that that wasn't the case. And its pretty similar argument that if we go through that same thing with the new well, we would have to establish that with them.

The realities are that what you're dealing with in Koloa volcanics is very heterogenious, very difficult to predict, varies from one location, but generally speaking, when you get a series of poorly permeable volcanics clay layers, which is the case, basically in total it functions as an aquiclude.

CHAIRPERSON SCHEUER: So why did the Water Commission staff disagree with you?

THE WITNESS: You would have to ask them.

But the realities are they're not privy to -- they're limited by what the well completion report says, versus my experience in the field of drilling wells and running into these small little perch water

bodies separated. And they just didn't have that.

So that's kind of why we went through this long argument on the Molowa within the last year, and they finally agreed with us.

CHAIRPERSON SCHEUER: Is it the staff or Water Commission that needs to approve the variances?

THE WITNESS: It's the staff. In the case of the Molowa 1 Well, Roy Hardy, Patrick Case, Bob Schmidt (phonetic), those guys on staff.

CHAIRPERSON SCHEUER: Again, since we are limited to the record, what we have right now based on the oral testimony and the written record is that the Water Commission staff believes there is not an aquiclude, you believe there is. And that its the Water Commission staff that has to be convinced that there is an aquiclude in order to grant the variance that's needed?

THE WITNESS: Well, the aquiclude isn't needed, because its basically the variance is to drill deeper. But, you know, let's say that they refer back to the original assumption of not an aquiclude, we can easily demonstrate to them that it is, because we can install solid casing to a depth, louver casing below that, but in the annular space we can put multiple sounding tubes to various depths in

- what I'm referring to as an aquiclude, pump the well, 1 2 and demonstrate that the small little perch water 3 bodies in the aquiclude have no response to pumping
- the well. 4
- 5 I can prove that at that point in time with 6 the annular space sounding tubes at varying depths. 7
- CHAIRPERSON SCHEUER: Sorry to interrupt 8 9 you, Tom. Please continue.
- 10 THE WITNESS: Is there a question? 11 didn't hear you.

So the overlying --

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- 12 CHAIRPERSON SCHEUER: I think I interrupted 13 the conclusion of your statement.
 - THE WITNESS: I think I said it all. the Water Commission makes it an issue in approving the permit, we would be prepared to say, here's how I'm going to prove to you with these annular space sounding tubes that it is in fact functioning as an aquiclude.
 - CHAIRPERSON SCHEUER: My third set, and hopefully this won't take too long, just summarize some of the testimony that you've given.
 - If the well is dedicated to the Department of Water Supply, they require an unknown percentage of the well to be dedicated to their use?

1 THE WITNESS: I would assume so.

2 CHAIRPERSON SCHEUER: Is that standard

3 | practice in Hawaii?

THE WITNESS: Generally speaking for municipal departments of water supply, yes.

CHAIRPERSON SCHEUER: So if the well with its proposed 500-gallon per minute capacity is dedicated to the County, there may not be sufficient production from the well to satisfy this development; is that correct?

THE WITNESS: That would be correct, if we install the 500 gpm pump. That's not necessarily the limit of the capacity of the well. The test rate of 532 feet for the existing well, that was the capacity of the contractor's pump, so we couldn't pump more in that instance.

But I would have to know before we even apply for the permit if it's going to be for ultimate dedication to the Kaua'i Department of Water what percentage do they need, therefore, what capacity are we shooting for the well. And we would have to go out and prove that in fact we can produce that capacity.

CHAIRPERSON SCHEUER: But I've been relying on the statements from Mr. Bow that attribute to you

the statement that you believe the 500-gallon per minute pump was -- could be used with that and produce water.

THE WITNESS: 500 gpm would work for private water system. I'm assuming based on negotiations between the parties, some portion of the well's capacity would be for Department of Water's use, and we would need to know what that was, so we would have to know what capacity we need to be shooting for in the well.

CHAIRPERSON SCHEUER: We have no evidence in the record right now that a larger pump capacity well would necessarily be -- that the aquifer that you're targeting would necessarily be capable of producing water for a larger pump.

THE WITNESS: We don't have any physical evidence on the record. It's my belief that we can do that. But we -- (indecipherable).

 $\label{eq:CHAIRPERSON SCHEUER:} \mbox{ It's on the record}$ that (indecipherable).

And the brief pump test that you did, you didn't assess that, correct?

THE WITNESS: Yeah, we pumped it up to 530 gallons a minute, ten-and-a-half hours at that rate.

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                CHAIRPERSON SCHEUER: Thank you.
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                Last question. I'm sorry, I know I should
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      know this from the record, but I can't find it
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      immediately.
                When was the well that will be abandoned
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 6
     drilled?
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                THE WITNESS: I didn't get the last part.
                CHAIRPERSON SCHEUER: The well that you
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     tested but that needs to be abandoned, when was that
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     drilled?
                THE WITNESS: I still couldn't hear the
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12
      last part of your question.
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                CHAIRPERSON SCHEUER: The well which you
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     tested which needs to be abandoned, when was that
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     drilled?
                THE WITNESS: In 2006.
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                CHAIRPERSON SCHEUER: But the landowner --
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      I understood from the testimony, it is not a well
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     that was ever authorized by the Water Commission.
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                THE WITNESS: I think they did get a well
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      construction permit, and then they filed a well
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      completion report, I believe, and that's where the
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      response from the Water Commission emanated from.
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                CHAIRPERSON SCHEUER: That indicated that
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     the well needed to be plugged and abandoned?
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1 THE WITNESS: Yeah. It's the right call on 2 their part for sure. 3 CHAIRPERSON SCHEUER: Is there a timeline that's required on that plugging and abandonment, 4 under the law, do you know? 5 THE WITNESS: I don't know. I'm sure that 6 7 15 years is longer than would be, because it hasn't 8 been plugged yet. 9 CHAIRPERSON SCHEUER: So did this 10 notification, to your knowledge, occur during the 11 time in which Mr. Peter Young was consultant for the early version of the proposed project? 12 13 THE WITNESS: I don't know. I was aware 14 that Peter Young got involved in some point after I stopped, but I don't -- I can't recall. 15 CHAIRPERSON SCHEUER: But it is true that 16 17 this is the same Peter Young who was once the Chair of the Water Commission, correct? 18 19 THE WITNESS: Yes. 20 CHAIRPERSON SCHEUER: Okay, that's it for That's all I had. 21 me. 22 Is there anything further, Commissioners? 23 Otherwise, it's any redirect by Mr. Yuen. 24 Commissioner Wong.

COMMISSIONER WONG: Just one question.

you define what aquiclude is? 1 2 THE WITNESS: Okay. An aquiclude is a 3 layer or formation that hydrologically separates 4 groundwater above it from the groundwater below it, 5 so that you get two distinct and separate groundwater 6 bodies above and below the aquiclude. 7 COMMISSIONER WONG: That's all I needed to know, because I didn't know what aquiclude means. 8 Thank you. 9 10 COMMISSIONER GIOVANNI: Mr. Nance, what is 11 the ballpark cost to plug this well that should be 12 plugged by now? 13 THE WITNESS: It's probably between 15 and 20,000. 14 15 COMMISSIONER GIOVANNI: Thank you. 16 CHAIRPERSON SCHEUER: Anything further, 17 Commissioners? If not, any redirect, Mr. Yuen? 18 MR. YUEN: Yes. 19 20 REDIRECT EXAMINATION 21 BY MR. YUEN: 22 Mr. Nance, you were asked whether your 23 report that was part of the Environmental Impact 24 Statement was complete or not. And I wanted to

direct your attention to a portion of Petitioner's

Exhibit 4, Volume 2A, there is an Exhibit E in the report, I believe. And I'm referring to a memo that is included in the EIS that you drafted dated September 10th, 2012.

A Yes.

Q Can you take a look at that, please. In that report -- and you subsequently prepared a report that we have marked as Exhibit Number 22, which is your analysis prepared earlier this year; correct?

A Yes.

Q Did your basic conclusion that the water source would be sufficient for this development, did you make that conclusion in your 2012 report?

A Yes.

Q And you made essentially the same conclusion this year, correct?

A Yes.

Q And what is the difference? Can you refer the work (indecipherable).

A Not really. The memo that you're referring to, the 2012, was sizing criteria for what was going to be a private water system, with this new well to be developed properly as a source of supply, and that's the same conclusion I've come to in my February 2021 memo.

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                MR. YUEN: Thank you. No further
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     questions.
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                CHAIRPERSON SCHEUER: Any recross?
                MR. DONOHOE: No, thank you.
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                MS. KATO: No, thank you.
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                CHAIRPERSON SCHEUER: Intervenor?
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                MS. ISAKI: Just a clarifying question.
                       RECROSS-EXAMINATION
8
     BY MS. ISAKI:
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                So that -- when you say your conclusion
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     hasn't changed, you're speaking about this project,
     your conclusion that there's enough supply for
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      759 units, plus the commercial and everything, that
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      still applies; is that what you're saying?
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          Α
                Yes.
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           Q
                Thank you.
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                CHAIRPERSON SCHEUER: With that, we have
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     made it through yet another witness in this
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     proceeding.
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                Thank you, Mr. Nance. I think you got off
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     easiest actually of anybody who's appeared so far.
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                It is 11:57. We will reconvene at
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      1:00 p.m.
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                (Noon recess taken.)
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                CHAIRPERSON SCHEUER: It's 1:00, we're back
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1 on the record. 2 And Petitioner's final listed witness, Ron 3 Agor. Do you swear or affirm that the testimony 4 5 you're about to give is the truth? 6 THE WITNESS: I do. 7 CHAIRPERSON SCHEUER: Please proceed, Mr. Yuen or Ms. Ahu. 8 MR. YUEN: I think Ms. Ahu would like to 9 share her screen. 10 11 CHAIRPERSON SCHEUER: Please go ahead. 12 MS. AHU: My PowerPoint is pulling up, but 13 a little slow. I think it's good right now. 14 RON AGOR 15 Was called as a witness by and on behalf of the 16 Petitioner, was sworn to tell the truth, was examined 17 and testified as follows: 18 DIRECT EXAMINATION 19 BY MR. YUEN: 20 Q Will you please state your name and address 21 for the record? 22 A Good afternoon, Commissioners. For the 23 record, my name is Ron Agor, and I reside in Lihue,

Kaua'i, 3728 Nawiliwili Road. I was raised in

Kekaha, in a plantation environment since I was an

24

1 infant.

Q What is your business affiliation?

A I first started my career in Cal Poly -not San Luis -- but in San Luis Obispo County.

In 1982, after leaving University of Cal Poly San Luis Obispo where I studied architecture and some planning.

And my first encounter in development planning was to work with a civil engineer who was commissioned to do four senior housing projects in the San Joaquin Valley. And my primary function was to do the site planning, and drive out two-and-a-half hours and meet with government agencies and continually keep in contact with them to make sure we were on the right track.

I then worked with the Corps of Engineers, toured the projects that were near wetland areas. I practiced there for four years.

In 1986 I decided to return home to my home island, Kaua'i. And since 1986, I've been practicing architecture, engineering, development, planning, land use and environmental assessment work for projects in Kaua'i. And so my total years is about 35, 40 years of experience.

One of my first encounters in development

planning on Kaua'i was working with Fox of Fox Hawaii in master planning the Waimea Plantation Cottages on the west side.

And throughout the 35 years I have done a lot of pro bono work for most of the major non-profit organizations in helping them plan and get use permits and some attachments on a pro pono basis for the projects.

And I mention that because working with this non-profit organization have helped me immensely in my development planning work. I've learned so much from them in terms of the problems of the community. The problems that develop, and then miraculously always come up with solutions to help people.

In all of my projects and planning and in architecture I try to do everything I can to implement what I learned from this non-profit organizations.

So to bring me up to current situations, I have just completed the draft master plan 455-acre parcel for Kikiaola Land Company in Waimea, Kaua'i. And the master plan was focused on the best use of the property according to the needs of the community and according to the newly developed General Plan.

Also recently we completed the development planning and designs for a 100-unit cottage-style housing project in Koloa, called Koloa South Town.

Across the street from Koloa South Town we completed the planning and design use permit work for Koloa Estates, which involved some single-family dwellings, and a 72-unit condominium project.

So that really sums up my background as a developer, planner and architect.

Q Mr. Agor, is the HoKua Place property appropriate for this development?

A I certainly -- I certainly believe so.

HoKua Place is a large undeveloped parcel close to

Kapa'a Town. HoKua Place is reasonably close to

government services. The project will provide

housing close to where people work, and should

eliminate traffic coming from the north.

As part of being classified as agriculture land, HoKua property is subject to trade winds, lack of irrigation water, and inappropriate for intensive cultivation here in the proximity of Kapa'a Middle School.

The County does not propose to include HoKua Place in its designation of IAL lands.

Q Please describe how HoKua Place complies

with the Kaua'i County General Plan.

A Kaua'i General Plan now designates HoKua land in the category of neighborhood general zoning. Neighborhood general zoning applies to property developments that are within the ten-foot radius of walking distance.

And purpose of that is to, one, minimize traffic, and to integrate residential developments with the town.

HoKua Place would accommodate residential growth in central Kapa'a, and is comprised with the goals and objectives and policies set forth in the Kaua'i General Plan.

Q Given the concerns expressed by some testimony regarding the location of new housing closer to employment center of Lihue, do you believe that the HoKua Place project site is an inappropriate location for a large new housing project in Kaua'i?

A I think it is appropriate location for a housing project to address the housing needs of Wailua and Kapa'a area.

Now, I belong to the (indecipherable) -- and I hear chatter on the internet for the last ten years about shifting, how to where the workplace are.

My belief is that sometimes plans, even architects

like to come up with one solution for all, and try to push their idealistic ideas into play. And sometimes we don't look at the needs in the ones of the people that we're trying to help.

Now, the idea of putting housing where the workplace is, works really, really well the that metropolitan areas. You can drive miles and miles and compared to Wailua and Kapa'a, drive miles and miles and you see the same, so it doesn't matter where the people live. In fact, it's a bonus if there homes are placed where they were raised.

Kaua'i is different. The Kapa'a and Wailua area it's suggested in an analysis that there are many families that are doubling up with siblings; are many families doubling up with parents, and choose to live up in Kapa'a for a reason. The needs are that they grew up in that area. They went to the elementary school. They went to intermediate school and the high school. They were -- the place in Kapa'a town. They went to the beach, and now an element of having to work back there is a big draw for people to want to continually live where they grew up.

And besides that, anything mauka of the Bypass Road or town, and even in the Wailua

Homestead, it's an unbelievable place to live. It's a beautiful place to live, and it's got ocean view, coastal views, majestic views, views of the mountains with trees. And, you know, they want to live there.

And who are we to say that if you want housing, you got to move to Lihue. You know, they don't want to move to Lihue. They don't want to go there and live and listen to the airplanes up to 11:30 at night.

So we have to treat people and communities individually, and not use a cookie cutter solution.

So I think it's appropriate to have this housing project in Kapa'a.

The General Plan states, the old and new General Plan states that need to address housing in Wailua and Kapa'a. Didn't say we need to address housing in Wailua and Kapa'a by moving the population to Lihue.

So I think we need to treat Kapa'a and Wailua rather than for people who are looking to buy their first home, cookie cutter.

Q Turning to the next area of questioning, are you aware of any wetlands on the HoKua Place property; and if so, how does the Petitioner intend to develop this area?

A Okay. I have experience with Fish and Wildlife, Corps of Engineers, USDA, and I know that the entity that's responsible for delineating wetlands in our communities is the USDA, U.S. Department of Agriculture along with their agencies, the NRCS and the National Wetland Team.

These people would go to communities, and they had tools and scientific knowledge to be able to demark where wetlands should be.

And once they demarked wetlands in a community, it's then turned over to the Corps of Engineers' jurisdiction for enforcement, for entertaining permits to work with -- if any wishes of property owners to develop close to wetlands.

And the Draft EIS for this by my predecessor, spoke about a .3-acre of wetlands that are on the property, but not necessarily within the boundary of the Petition Area.

And it dependent on a map, that's on page 16, volume 2C, I believe, generated by the USDA, and keep in mind the USDA is the entity that delineates wetland communities. And in that map dated May 5th, 2018, the 3.8 acres that suddenly appeared to be wetlands, were not on that map.

And since OP brought up the findings, I

went on-site and searched had for U.S. Fish and
Wildlife's map. And the only map I could find was a
map developed in 2019 that shows the 3.8 -
3.3 acres.

So I believe, I strongly believe that Fish and Wildlife acted on developing their own map. And going back historically, once the wetlands are delineated in a community, U.S. Fish and Wildlife, who is objectively to protect fish and wildlife, have a tendency to develop their own map and expand the wetlands, and give it a certain category, certain type of wetland. And it identified on their map.

CHAIRPERSON SCHEUER: One moment. One moment, Mr. Collins.

MR. COLLINS: Mr. Chair, we have an objection to this testimony. Is the party permitted to have its own witnesses impeach its previous witnesses?

CHAIRPERSON SCHEUER: To the degree that that is the case, which I'm not saying it is, it certainly wouldn't be in the interest of the Petitioner, but I wouldn't see why we would bar Petitioner from having their witness state what they wanted their different witnesses to state.

I'm not understanding the nature of your objection, Mr. Collins.

MR. COLLINS: Sorry, I thought it was like it related to the efficiency of the proceedings, but if that's not custom here, I'll withdraw the question.

CHAIRPERSON SCHEUER: If that is the case, that would be unusual.

MR. COLLINS: Sorry, I'll withdraw.

THE WITNESS: So my feeling is that when we sent out the Draft EIS to all of the agencies, including Fish and Wildlife, it was then that Fish and Wildlife decided to address the area; and it was then that they developed their own map, and labeled 30.3 (sic) acre part of kula lands as wetlands.

And so this is the fun part. I'm going to ramble on, but it's important.

Fish and Wildlife -- and I'm okay with them developing their own map. They have a mission to protect fish and wildlife, so that's okay.

They categorize that 3.3 acres as a certain type of wetland. And the nomenclature for this 3.3 acre wetland is PFS3C. And this nomenclature, each

- letter and number has characteristics of a land that qualifies it for this type of wetland. P stands for post (indecipherable) environment where the property is under 20 acres, and yes, it's 3.3 acres, so it
 - Q Mr. Agor, could you double check, is it 3.8 or 3.3 acres?
 - A I'm sorry, 3.3 acres sorry.

qualifies. And that --

And then the next category is having lands where there is water that's less than 2.5 meters.

And there is no chance of this 3.3 acres having a body of water. The land flows a minimum of

15 percent in one area, for the most port it's 30 to
40 percent, but there is no way water can accumulate in a pond-like situation there.

And another aspect of P is ultimately and divides water. (Indecipherable.)

And then the last is having a strata of earth similar to that on the coastline, and this property is predominantly silted clay and a mixture silt and sandy clay.

- Q Mr. Agor, did you physically inspect this area?
 - A Yeah, I'll get into that.
- 25 Q I would like to, before you go further, I

would like to have a slide put up, exhibit -- I'm sorry, Exhibit 37, which has been admitted into evidence.

- CHAIRPERSON SCHEUER: Go ahead. I will say, Mr. Yuen, while I'm not commenting on Mr.

 Collins' objection that he withdrew, but it would be good to keep these proceedings as efficient as possible. It's going a bit slow.
 - MR. YUEN: Janna, would you put up -
 MS. AHU: One second. Mr. Chair, can I

 share my screen, please?
- 12 CHAIRPERSON SCHEUER: Please go ahead.
 - Q (By Mr. Yuen): Mr. Agor, did you take this photograph?
 - A Yes, I did. I took it in the morning after heavy rain for a couple days and nights in the area.
 - Q Is this in the 3.3 acre area that has been classified wetland?
 - A Yes, this is on the western boundary of this 3.3 acres. And really what you see in front of you is an old cane-haul road. And you can see -- I mean, the condition of the land there is free of any flooding or any saturated land.
 - And if you look to the right, you see the slope of the land towards the bulk of HoKua property.

1 And it ranges from 15 to 40 percent slope.

And on the right side, it's where we have growth of java plums. It's only java plums growing up in there, except for a few weeds.

To the left there is a lot of hau bush.

- Q Is there any native species there?
- A No, no.

- Q What is the Petitioner's plan for this area?
- A This area has always been in the green zone of site planning. There were absolutely no intentions of going vertical in this area at all.
- Q Notwithstanding its designation as a wetland, is it appropriate to include this 3.3 acre area of land to be reclassified to the Urban District?
- A I need it to be included in the Petition

 Area. When we start out planning, on the County map,

 if we end up with a density of 410, that's ten units

 per acre, 3.3 acres converts into 33 units. And then

 it converts into nine affordable housing units. And

 I cannot lose 30 units.
- Q From a regulatory perspective, is it appropriate to reclassify the land into the Urban District --

1 A Well --

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- Q -- from the perspective of zoning controls and other regulations?
 - A Yes, it's appropriate to have it be part of the boundary amendment.
 - Q Next, can you please describe the work of your botanical consultant Kenneth Wood and Megan Kirkpatrick, your biological consultant Reginald David, and your invertebrate consultant Steven Montgomery?
- 11 A Well, most studies found that that there
 12 were no --
- 13 CHAIRPERSON SCHEUER: Who is shuffling
 14 papers?
- 15 MR. YUEN: I believe that was the witness.
- 16 Q Go ahead.
 - A No endangered or threatened plants, fish -- plant, bird, mammals was on the property and no endangered invertebrates were found on the property.
 - Q What measures will HoKua Place implement to minimize noise pollution?
 - A The increase in traffic related noise to HoKua Place operation are not expected to cause a significant noise impact. No mitigation measures beyond the compliance with applicable regulations.

Contractors must consult with DOH. That's Chapter 46 on Community Noise Control, construction noise levels are expected at any time to exceed DOH maximum permissible property-line noise levels.

Other sound measures can be incorporated into the project plan to help buffer the project traffic noise, as well as minimize impacts of noise from the project on nearby residences.

Q Next, Mr. Agor, turning to air quality, what measures will HoKua Place implement to minimize adverse impacts to the air quality?

A Short-term impacts to air quality during construction can be expected from fugitive dust.

Mitigation measures include watering and installation of construction screens.

Following construction, any change in air quality during HoKua Place expected to be well within the Federal and State ambient air quality standards.

HoKua Place will participate in any air quality monitoring programs required by DOH.

Q Could you please discuss the availability of government services and utility services to HoKua Place?

A The Kaua'i Police Department provides police protection for the Kapa'a area from a

substation in Kapa'a Town approximately half a mile from the property.

Kaua'i Fire Department provides fire protection for Kapa'a area from a new County fire station at the north end of Kapa'a Town approximately two miles from the property.

On the hospital --

CHAIRPERSON SCHEUER: One moment, one moment. Mr. Collins.

MR. COLLINS: I'm very sorry. It sounds like somebody is dragging something somewhere, and I've having a very difficult time hearing the witness at certain points.

Is it possible, whoever is dragging something near a microphone, if they could stop doing that, or could I ask the Chair to ask whoever is doing that to stop doing that?

CHAIRPERSON SCHEUER: I think it might be coming from Mr. Yuen's office.

MR. YUEN: I have just moved the witness' microphone. That might solve the problem.

CHAIRPERSON SCHEUER: Just if we could, we all can read the PowerPoint, so let's, you know, take the great advantage of the expertise of the witness being with us to his direct testimony, please.

1 MR. YUEN: I'll go to the next question.

Q Are public school facilities available to HoKua Place?

A Yes.

Kapa'a Elementary School and Kapa'a Middle school have capacity beyond the proposed or projected enrollment.

The Kapa'a High School capacity is less than what is expected in enrollment in the area.

HoKua Place is not a designated School Impact Fee District. No contributions are required.

Q Would you please describe HoKua Place's compliance with the Hawaii State Plan and the State Functional Plans?

A HoKua Place's compliance with many goals and objectives and policies set forth by the State Plan and State Functional Plans, particularly plans for affordable housing, socio-cultural advancement, employment, population growth, transportation, and recreation.

Q Have you had any conversations with the County Housing Agency regarding compliance with affordable housing requirements and continued enforcement of affordable housing guidelines?

A I have had discussions with the County

Housing Agency, and we just briefly spoke about the housing project. We didn't really get into that.

But I've had extensive discussions with the founders of the Affordable Housing Law, and I would like to address an issue that came up yesterday with regard to the idea that affordable housing for this project should be kept in perpetuated. The project intends to provide 233 affordable units.

The founders of the housing law knew that it wasn't reasonable to put limits on the equity, or when people who buy affordable homes in private developments be restricted.

And I have to say, I believe in American way, and I believe in (indecipherable) and having family buy their first home and use their equity at their discretion to advance themselves in our community for a better life, a huge part of life, huge part of great pursuit of happiness.

I believe when government restricts a use of land, say putting a ten-year time limit, all they're doing is keeping the poor poorer.

And I would like to see that, with help,
231 families to advance, with their effort at their
discretion, and if we all feel that we need more
affordable housing, then we will go through the

process of approving another project with another 1 231.

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And anyway, that's my belief in trying to restrict affordable unit buyers in exercising their rights.

Would you next turn to the -- describe the compliance of this project with Coastal Zone Management criteria?

HoKua Place is one-half mile inland from the shoreline.

HoKua Place will mitigate storm and surface water runoff concerns by retaining excess storm water in onsite detention basins.

No known historic sites or burial sites or customary and traditional native Hawaiian subsistence, cultural or religious practices exercised on property.

Satisfies the Ka Pa'akai o Ka Aina test.

Now, I heard Tom talk about just because an archeologist did not find any historic sites, doesn't mean they may not exist; or just because we didn't find traditional native Hawaiian practices, that that too doesn't come into play.

And I sat on the State Land Board for eight years prior to the current members, and I know that

there are sometimes, on projects, inadvertent
findings of historic sites and burial sites, and
there is a mechanism to take care of that.

If you find something, you shut it up, call SHPD, and they deal with it, continue on construction.

As far as the traditional native Hawaiian practice exercising on property, I always emphasize to property owners that one day someone may approach you and say that may grandfather exercised and I would like to do the same practices here. And if that happens, be smart and compensate them. And I think, I know, that the development -- developers of HoKua property will honor that situation.

CHAIRPERSON SCHEUER: Sorry, Mr. Yuen, how much longer?

 $$\operatorname{MR.}$$ YUEN: I have about probably ten minutes.

CHAIRPERSON SCHEUER: Okay.

Q (By Mr. Yuen): Would you please -- you've heard testimony that no one has discussed the HoKua Place project with them, or other people may have said nobody has solicited their input on this project.

Can you describe your personal community

outreach efforts and community meetings you have attended where the HoKua Place project has been discussed?

A You know, this is a really important section, because every project, every project should engage in as much community contact as possible.

I was disappointed to hear that the Sierra Club member that spoke said that we never contacted them or never discussed HoKua Place with them.

And evidence shows in the Draft EIS and the Final EIS that documents were sent to them. They made comment. We responded to the comment. And I even personally delivered the Final Draft EIS and the Final EIS to one of their board members at the Kapa'a Library.

We have done a lot of outreach for this community, for this community on this project.

Presented the project to the Kaua'i Business

Association; presented the project to the Rotary

Club. We had a conference on the General Plan

Update. At that conference we managed to have a separate meeting to present HoKua project to representatives of Kapa'a and Wailua, should they choose to attend. We had a pretty good meeting, pretty good dialogue.

We also testified in front of the Planning
Commission and the County Council twice in the public
setting held so everybody could see, and we talked
about the HoKua lands in those meetings.

And I personally, on all of my projects, I made contact with the community. And I walked around Kapa'a Town and stopping people and introducing HoKua lands to them, and got input from them.

And Kaua'i is a small town, so it's needed to do that, because you recognize everybody, easy to approach them. I even put a little site plan on a cardboard and stood in front of Safeway and tried to talk to people.

So there was a lot of community outreach, and I don't want the Commission to think that we never reached out to the community about the project, because we did.

Q Before I turn to the next -- let me finish this line of questioning.

Could you describe HoKua Place's compliance to the Urban District Standards?

Janna, the last, Urban District Standards.

A HoKua Place site is bordered by Kapa'a Town lands either used or planned for residential and other urban development, and characterized by

city-like concentrations of people, structures,
streets, urban services and related land uses.

The project implements policies of 2018

Kaua'i General Plan by developing lands designated -
CHAIRPERSON SCHEUER: Sorry, I need to

Mr. Collins.

interrupt.

MR. COLLINS: I'm sorry. We have an objection. We believe that reading this entire slide, which is much lengthier than other slides, is cumulative and inefficient of time.

CHAIRPERSON SCHEUER: I have tried to suggest to the Petitioner, maybe too indirectly, that this is going very slowly. I don't want the Petitioner at all to feel prejudiced in presenting their case, but I would observe, based on body language, I think the attention of my fellow Commissioners may be lagging.

MR. YUEN: We will waive the reading of the rest of the standards, and assume that it is entered into evidence.

I do have one other area that I want to examine Mr. Agor on, and that concerns Petitioner's Exhibits 44, together with 46, those two are the subject of a stipulation. They have not been entered

into evidence yet. And at this time, I would like to 1 2 move Exhibits 44 and 46 into evidence so that I can 3 examine Mr. Agor regarding this exhibit. 4 CHAIRPERSON SCHEUER: Once again, 44 and 46 5 are? MR. YUEN: 46 is the contract with the 6 7 developer and Randall Okaneku that the Commission requested; and 44 is an estimate of development cost 8 that --9 10 CHAIRPERSON SCHEUER: Was requested by the 11 Commission. Thank you. Are there any objections from any of the 12 13 parties from entering these into the record, starting 14 with County? 15 MR. DONOHOE: No objection by the County, 16 Chair. Thank you. 17 CHAIRPERSON SCHEUER: Ms. Kato for Office 18 of Planning? 19 MS. KATO: No objection, thank you. 20 CHAIRPERSON SCHEUER: Intervenor? 21 MR. COLLINS: Mr. Chair, we just want some 22 clarity that Architect Agor is able to answer 23 questions related to these exhibits on 24 cross-examination.

CHAIRPERSON SCHEUER: Mr. Yuen, is that

1 expectation --2 MR. YUEN: He's going to answer questions 3 on 44, but not on 46. The only reason we are putting 4 in 46, is one of the Commissioners requested it. 5 MR. COLLINS: Mr. Chair, could we ask that 6 46 be taken up after Architect Agor's testimony? 7 CHAIRPERSON SCHEUER: Yeah, if and when I think we choose to recall Mr. Bracken, perhaps would 8 be the best time for 46, Mr. Yuen. 9 10 MR. YUEN: Okay. What about 44? 11 CHAIRPERSON SCHEUER: 44 is the agreement with Mr. Okaneku? 12 13 MR. YUEN: Development cost estimate. 14 CHAIRPERSON SCHEUER: So that's, I think 15 what we are saying is, let's -- we only -- I'm 16 suggesting we only try to admit the one that Mr. Agor 17 is speaking to. Which one is that, 44? MR. YUEN: 44. 18 19 CHAIRPERSON SCHEUER: Are you -- is the 20 Petitioner okay with that, just admitting 44 at this 21 time? 22 MR. YUEN: Yes. 23 CHAIRPERSON SCHEUER: Mr. Aczon, 24 Commissioner Aczon, you have your hand raised.

VICE CHAIR ACZON: Going back to the last

PowerPoint, I just want to make sure that the witness, are they at a point were that was properly conveyed on that PowerPoint? Perhaps not reading the PowerPoint, but point by point.

CHAIRPERSON SCHEUER: Hold on. I thought you were speaking directly about the admission of evidence. I will take that up in a second.

No objections to admitting the one additional piece of evidence into the record, is that correct? Nothing from the County; nothing from Office of Planning. Mr. Collins?

MR. COLLINS: Yes, we don't have an objection to admitting at this time the exhibit that Architect Agor is able to speak to.

CHAIRPERSON SCHEUER: Commissioners, any objections? Seeing none, it's admitted.

Taking up the concern of Mr. Aczon, he just wants to ensure, which I've tried to also convey in my statements to the Petitioner, we are not trying to in any manner restrict your ability to have your witness present information, we just want to maintain efficiency of the proceedings.

Is that understood, Mr. Yuen?

MR. YUEN: Yes.

CHAIRPERSON SCHEUER: Please continue.

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1 (By Mr. Yuen): Directing your attention to 2 Exhibit Number 44, which is a summary of the 3 projected development cost for HoKua Place, can you 4 please describe how you arrived at these cost 5 estimates starting with the estimates for 6 construction cost? 7 MS. AHU: Mr. Chair, can I share my screen? 8 CHAIRPERSON SCHEUER: I wish you would. 9 MS. AHU: Let me know where you want to go, 10 Bill. 11 (By Mr. Yuen): Ron, what page do want to Q 12 start on? 13 Well, you know, I had lengthy discussions 14 with Mr. Cassiday. He and I and information that I gathered from current contractors in the area, came 15 16 up with quantities, square footage cost based on the 17 projected size of the units, and that's how we came up with the vertical cost. 18 19 And it speaks for itself really. Just a 20 little over \$211 million dollars for the vertical 21 construction cost. 22 And total projected development cost

included the site infrastructure cost to develop by Bow Engineering, and then we added 15 percent soft cost for the total comes up to just under

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146 \$400 million. 1 2 Under \$400 million or under \$340 million? 3 Α \$340 million. For the Commission, can you explain what 4 5 you consider to be soft cost? 6 Fees, loan fees, permit fees, land use. 7 So the total development cost including 8 land would be approximately \$340 million? 9 Correct. Α 10 And because this project is going to be 11 developed over a series of years, what do you 12 estimate to be the potential amount of cost that the 13 Petitioner would be exposed to at any one time 14 maximum? 15 Go to some of the projects that we have 16 done, the percentage I interject was 25 percent of 17 the development cost at any one time. What would that figure be? 18 Q 19 \$85 million. 20 I have no further questions for this 21 witness. 22 CHAIRPERSON SCHEUER: Thank you.

It's 1:51. Let's begin with the cross by

Commissioner Ohigashi?

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County.

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                COMMISSIONER OHIGASHI: Before we go
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      further, is it -- I'm trying to look it up so I have
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     a copy of it. Do we have one in our -- that has been
     provided to us? I'm just trying to find it in my
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     exhibits, Exhibit 44.
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               CHAIRPERSON SCHEUER: Yes. Mr. Hakoda, is
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     it posted?
                CHIEF CLERK: I don't believe it is, Chair.
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     We're checking on the website posting. Just a
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     moment, Mr. Chair.
               MR. YUEN: We did submit it last week.
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                CHIEF CLERK: It wasn't admitted until
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     about two minutes ago.
                CHAIRPERSON SCHEUER: If it could be
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     emailed to the Commissioners and parties, please.
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               While we are waiting, Mr. Donohoe, how long
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     do you think you have?
               MR. DONOHOE: Chair, I have about
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     25 minutes to half hour. I'll try to speak fast, but
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     I don't want to underestimate.
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                CHAIRPERSON SCHEUER: Ms. Kato.
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               MS. KATO: Sorry, maybe 20 minutes.
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               CHAIRPERSON SCHEUER: Ms. Isaki.
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               MR. COLLINS: I'll be doing the
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     cross-examination of this witness. I'm hoping five
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or ten, maybe less if the County and Office of 1 2 Planning ask questions that are on our list. 3 CHAIRPERSON SCHEUER: Does anybody have a concern with us proceeding with County's cross while 4 the Commission is emailing the newly admitted 5 6 exhibits to the parties and Commissioners? 7 Any objection from anyone, County? MR. DONOHOE: Thank you, Chair. 8 9 CHAIRPERSON SCHEUER: County, any 10 objection? 11 MR. DONOHOE: I have no objection. CHAIRPERSON SCHEUER: OP? 12 13 MS. KATO: No objection. 14 CHAIRPERSON SCHEUER: Intervenors? 15 MR. COLLINS: No objection. 16 CHAIRPERSON SCHEUER: Commissioners, okay. 17 Please proceed, Mr. Donohoe, and we will go at least like ten minutes or so and see where you're at and 18 19 assess the need for a break. 20 CROSS-EXAMINATION 21 BY MR. DONOHOE: 22 Thank you for being here. I just have a 23 couple questions to start about your background. 24 I notice that you list -- so you're the 25 main architectural firm that was responsible for the

- 1 design of HoKua Place?
- A HoKua Place?
- 3 Q Yes.
- A Yes. The project hasn't been designed yet.

 We are not going to break into design until the
- 6 process with the County.
- 7 Q Yes, but there are site plans, correct?
- 8 A Yes.
- 9 Q Were you the designer of those?
- 10 A Yes.

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- 11 Q You list several colleges that you
 12 attended, but I was curious what specific degrees do
 13 you have and in what fields?
 - A My schooling was at Cal Poly San Luis
 Obispo in architecture and planning.
 - Q Okay. So on page three of your PowerPoint presentation you stated that HoKua Place is subject to trade winds, lacks irrigation water, and is inappropriate for intensive cultivation given proximity to Kapa'a Middle School, correct?
 - A Right.
 - Q So specifically if your educational background is in architecture and planning, who's opinion did you rely on for that statement?
 - A My consultants.

1 Q So you didn't conduct a study yourself?

- A No. I'm the manager of the Final EIS. My

 job is to pull together the studies from my

 consultants, put together in a form to present to be

 published for your approval.
 - Q So the opinions that you've given on the traffic issues, and the -- on the traffic issue, that was based upon what you were told; that's it?
 - A Exactly, exactly. From what I read.
 - Q And then your presentation, you also made statements about the wetland area in the Petition Area. And you stated that you made a reference to discussions that you had with U.S. Fish and Wildlife, correct?
 - A Not U.S. Fish and Wildlife. I met with the Wildlife Division DAR of DLNR.
 - Q And then maybe I misunderstood your testimony, you stated that the maps that the Fish and Wildlife had about this wetland area was not accurate?
 - A The designation, the physical aspects of the 3.3 acres do not match the category designated wetland. It doesn't match. It appeared somebody just drew the 3.3 acres and designation without going to the site.

I mean, part of a dozen qualifications for the property to be that type of wetland PFS3C, only one characteristic applied for the 3.3 acres in that land being less than 20 acres. All the other characteristics --

Q Let me stop you there.

But you don't know what they did to make their map, correct? That's just your opinion that it is inaccurate?

A Yeah. I said it was my opinion, sir. I was trying to figure out why the map suddenly appeared in 2019.

Q Again, the statements that you made about the endangered threatened species of plant life, birds, mammals, that was just based on studies not that you did, but that's just the opinions that you were given?

A Exactly.

Q So on page five of your PowerPoint, and you touched upon it briefly, you state that HoKua Place complies with the goals, objectives and policies set forth in the 2018 Kaua'i General Plan, correct?

A Correct.

Q And you're familiar with the General Plan?

A Yes.

So in your analysis, did you specifically 1 2 analyze each of the proposed visioning goals and 3 policies to guide growth listed in the 2018 General 4 Plan in your analysis of HoKua Place? 5 Α Correct. 6 So specifically regarding the four visions 7 and goals, is there any information that you 8 contained for meeting goal number one, a sustainable island? How the HoKua Place would lead to 9 10 sustainable island? 11 Α Yes, let me get my notes. Would that information be contained in the 12 13 FEIS? 14 Yes, it would be. 15 And then is that your same answer for goals 16 two, three and four? 17 What was the question again? 18 For goal No. 2 in the General Plan, a 19 unique and beautiful place. Is it your testimony 20 that evidence of that is your findings and 21 conclusions and your opinions is contained in the 22 FEIS? 23 No, I didn't mention that in the EIS. Ιt

was just -- I mean, I know the area very well.

Q Okay.

24

- A There are four goals in the General Plan and I don't (indecipherable).
 - Q Did you include that information in your analysis in the EIS?
 - A The vision as set forth in the General Plan has four goals, sustainable island, unique and beautiful place, healthy and resilient people, and equitable place with opportunity for all.
 - Q Correct. And in your analysis of HoKua

 Place, did you submit your findings and conclusions,

 or your opinion as to how the General Plan for those

 four goals were met? Is that listed anywhere in the

 record such as the FEIS, and where is that?
 - A Pages 154 to 156.
 - Q Are you also familiar with the 19 policies to guide growth?
 - A Yes. There is everything that pages I told you.
 - Q 154 to 156?
- 20 A Yes.

- 21 Q So I want to talk to you about a couple 22 policies. Policy No. 1 is to manage growth to 23 preserve rural character.
 - So how specifically does the 769-unit development preserve the rural character of Hawaii?

- A HoKua Place is strategically placed -you're talking about Policy No. 1, yeah?
 - Q Correct.

- A -- in a neighborhood general designation.

 It is substantially within a ten minute walk to

 Kapa'a Town. The project will include smart street

 designs, smart residential blocks, walking and

 bicycle path integrated to the Kapa'a Town path. The

 project is intended to help preserve the rural

 character of the town, therefore, Policy 1.
 - Q And then for Policy 2 you testified about affordable housing. The development is proposed 30 percent affordable units, correct?
 - A Correct.
 - Q So that would leave 70 percent not affordable under that definition, 70 percent would not qualify as affordable?
- 18 A Correct.
 - Q Thank you. You answered it.
- 20 A Not in terms of lower income, yeah.
- 21 Q Correct.
 - In Policy No. 10, help business thrive. Is there any particular study that you did, or that you can point to that shows that HoKua Place -- development of HoKua Place will help business in the

area thrive? What was the study that was done?

A No study. Only logical that when you have a housing project integrated with the town, the housing project will provide a workforce for the businesses in the area, and vice versa. People are looking for jobs and integrate with downtown and find jobs downtown.

Q Is there any study other than -- any study that demonstrates Policy 6 that the HoKua Place will specifically reduce the cost of living?

A Policy 6 enterprises to reduce cost of living. HoKua Place will help reduce cost of living minimally by reducing the need for driving to Kapa'a Town, and increase in population created by this project in the area, more businesses will develop, thus creating jobs where residents can live and work without the use of motor vehicles, yes.

Q That's not based on any study, just a guess as to what's going to happen?

A Yes. Yes, and in fact, the General Plan makes up what they want, and this just respond to how we're living up to the policy.

Q Thank you.

Chair, I was going to switch to just talk about the design of HoKua Place. If this is the time

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for a break.
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2
                CHAIRPERSON SCHEUER: Yeah, if we are at a
 3
     breaking point, I am. So it is 2:06. Let's
 4
     reconvene at 2:16.
                And I'm also going to ask for Commissioners
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 6
     and the parties an estimate of how long we can go
7
     after we reconvene.
                (Recess taken.)
8
                CHAIRPERSON SCHEUER: Reconvene at 2:16.
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                We spent a lot of time on this docket.
     Let's move ahead. Please continue, Mr. Donohoe.
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                MR. DONOHOE: Thank you, Chair.
                Permission to -- I was going to go over the
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     design, the conceptual site plan.
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                Permission to share screen?
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                CHAIRPERSON SCHEUER: Please. What would
17
     you like to share?
               MR. DONOHOE: Page 15 of the FEIS.
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19
                CHAIRPERSON SCHEUER: Why don't you start
     your questioning, see whether or not I can pull that
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21
     up.
22
               EXECUTIVE OFFICER: If I can interrupt for
23
     a moment.
24
                I just want to note for the record Exhibits
25
      44 and 46 are posted on the website, part of a
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stipulation that was sent to us, and as a result that
caused some confusion as to what exactly is being
posted.

CHAIRPERSON SCHEUER: Thank you.

- Q (By Mr. Donohoe): Mr. Agor, you're familiar with the conceptual site plan that you designed in the FEIS?
 - A Correct.

Q It's dated March of 2015.

To your knowledge, does this continue to represent the conceptual site plan layout of the proposed development as of March -- or as of today?

- A Yes.
- Q So focusing on the entire proposed site plan that's on page 15 of the FEIS, the entire development ares is separated into two phases, Phase I and Phase II; correct?
- A Yes, yes. Page one is the HoKua ag lands and page two is the 97 acres.
- Q And 97 acres of Phase II HoKua Place, that's the highlighted, that's the subject of this reclassification petition; correct?
 - A Correct, sir.
- Q And the project is proposing segregated areas for multi-family units and single-family units,

1 | correct?

A Yes, divided by Road A. But we do have multi-family next to the Kapa'a Middle School.

Q Would you agree that there is a market for mixed housing types, instead of just clustered high end developments?

A In this project, what I intend to do when entitlement process starts, is to integrate affordable homes with the market homes. Each building I want to have an element of affordable homes in it, so that there's no stigma, so to speak, and people can socially get along.

Q Thank you, Chair.

CHAIRPERSON SCHEUER: Is this the figure that you were looking for?

MR. DONOHOE: It is, thank you.

Q And separately Phase I, the large ag lots from HoKua Phase II, there is a single road going through the entire complex that would separate the ag lots from HoKua Place, correct?

A Yes.

Q And then how you just testified about the multi-family, single family, the proposed site shows the multi-family units in the southern portion and then just east of it would be the single-family

1 residences, correct?

A Right.

- Q And then there would be a greenbelt north
 of that, and then another single-family residence and
 another greenbelt?
 - A Yes.
 - Q And then the last section of multi-family units would be located right next to the Kapa'a Middle School?
 - A Correct.
 - Q Where specifically, if you know, in the proposed site would the location of the workforce or affordable housing units be?
 - A I don't -- like I said, in the entitlement process, I'm not looking forward to --
 - CHAIRPERSON SCHEUER: Is the answer it's not located yet?
- THE WITNESS: No, it's not located yet.
 - Q (By Mr. Donohoe): If you know the intent of the developer to integrate multi-family units, the affordable housing units with the market rate units?
 - A I mentioned it to them, and one of -- one of the conditions you need to understand that I took on this project with -- was basically I wanted to 231 affordable units in there. And I had mentioned that

1 | I wanted to integrate that with the market housing.

I don't want people to drive through the subdivision and, say, oh, wow, there is affordable units, and on the right, oh -- I don't want condition of separation there. So I'm hoping to integrate them.

CHAIRPERSON SCHEUER: Mr. Donohoe, do you still need this pulled up?

MR. DONOHOE: No, that's it. Thank you, Chair.

Q Have you discussed with the developer, and would it be your recommendation to possibly have a phased development that requires -- that a percentage of workforce housing be constructed on pace with the higher end development?

For instance, like a schedule that certain amount of workforce housing has to be done on par with the market rate units?

- A In terms of its location?
- 20 Q Yes.

- 21 A Yes. I discussed it with them.
- Q And is that something the developer is open to?
- 24 A Yes.
- Q Are you familiar with smart code or form

based code? 1

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- Say that again.
- 3 Are you familiar with a form based code?
- I think you can describe it, then I would 4 5 be able to say I'm familiar with it. I'm not too 6 familiar with that terminology.
- 7 It's a land development regulation that's -- foster predictable build results by using 8 physical forms of buildings to create a matching 10 looking feel of a place to match the surrounding 11 areas.

Are you familiar with that process of form based code?

- Yes. As an architect that's what we do.
- How about, are you familiar with the process of -- I believe smart code is referred to in the FEIS. What is smart code?
- No, I'm not. I mean, again, if you describe it, then I can tell you if I'm familiar with that process or not.
- So you don't know if something similar to form base would be applied to HoKua Place?
- 23 Α Yes.
- 24 Yes, it would be; or yes, you're not? Q
- 25 Yes, it would be. Α

And then do you understand that should the 1 2 State Land Use Commission grant the Amended Petition 3 for Boundary Amendment, the proposed development will 4 still have to be reassessed at the County level? 5 think you testified you understood that. 6 Yes, I understand that. 7 And that the County may recommend a master plan to be required before a zoning amendment? 8 9 Α Absolutely. 10 Will you agree that the master plan will 11 increase the cost and timeline for the project? Cost and timeline -- I think in my proposal 12 13 to the developers, that's always, yes 14 (indecipherable). 15 As a result of the master planning process, 16 do you understand the County may require that form 17 base code may be included in the zoning amendment if that's what is recommended? 18 19 Oh, oh, I'm well-aware that that process is 20 expected in developments like this, yes. 21 Q Thank you. 22 Thank you Chair. Thank you, Commission. 23 have no further questions. 24 Thank you, Mr. Agor.

CHAIRPERSON SCHEUER:

Thank you, Mr.

1 Donohoe. 2 Ms. Kato. 3 CROSS-EXAMINATION 4 BY MS. KATO: 5 Q Hello, Mr. Agor. 6 Initially it was mentioned by the County, but there are a number of witness subject matters 7 8 that are listed that you're testifying on. So I just 9 want to clarify, or could you clarify what your role 10 and responsibility is for this project exactly? Well, I would have to continue the 11 Α completion of the EIS as the manager for the EIS 12 13 process, and I've been retained to be the planner, 14 development planner when the entitlement process, 15 which the county begins, where we actually really start the planning on the subdivision. 16 17 Are you thoroughly responsible for Q overseeing all the consultants? 18 19 Α Yes. 20 With respect to your responses on the 21 location of the wetlands and the U.S. Fish and 22 Wildlife designation of the wetlands, do you have any 23 specific expertise regarding this matter? 24 Do I have any --Α

Expertise regarding the wetlands?

25

Q

- 1 A Expertise?
- 2 Q Yes.

- A Well, as far as the designation of the wetlands of the 3.3 acre, I am now.
 - Q Can you please describe your qualifications for that?
 - A When we were notified of the discovery of 3.3 acre -- I'm an educated architect, and I have experience in engineering. And it doesn't take a lot to do research, and find out what the designation was and what the qualifications of the lands to qualify for that category of wetland.

I have diagrams all over the mirror in my bathroom. I studied it. And I know it.

Q Okay, so this is --

A And besides, I will be putting together my findings and sending it to DLNR and asking them to confirm or deny my findings. And it's so black and white so.

- Q Okay, so my understanding is this is based on your self study then regarding this issue?
- A Yes.
- Q And it's your opinion that the U.S. Fish and Wildlife designation of that area as wetlands is not correct?

A It's not correct. But I'm recommending to my clients to respect and accept the designation for two reasons, yeah.

One, 3.3 acres has always been in the -- I keep forgetting -- the green zone. And we have no intention, absolutely no intention of going vertical in that area.

And the second reason is that I feel confident we can change the designation, but it will probably take three years to do it, and every year goes by, the cost of construction goes up. Every year goes by the cost of affordable housing goes up. So I'm recommending to my clients not to go there, just accept it and move forward, because we're not going to do anything there anyway.

Q You previously mentioned that -- sorry, I'm not sure if I got this right. You previously mentioned you are aware of there being a possibility of .3 wetlands in the area, but you said it wasn't in the Petition Area; is that correct?

A Not necessarily in the Petition Area. And as I look at the map, it's really close. It's really hard. You have to survey it to find out if it is or not.

Q So you know there was a possibility of

there being wetlands, but you thought it wasn't in
the Petition Area?

A Correct. And if it is, it's just a small portion of it.

Q Okay. Prior to the 3.3 area of being an issue, did you do anything else to investigate the existence of wetlands in that area?

A Only to the extent that I walked the site and felt comfortable with what we're doing at HoKua Place wasn't going to negatively impact the wetland areas in the adjacent land to the Petition Area.

Q When you say your walk through, you mean before the 3.3 area was raised?

A Yes. I walked the site early on, two years ago. And then a later point of extensively walking the site after the 3.3 acres were discovered.

Q Okay. So you went -- after the 3.3 acres were discovered, you said you went to the actual area and took a look to see if there were wetlands; is that correct?

- A Yes.
- Q Around what date was that?
- 23 A Excuse me?

- Q When was that?
- 25 A That was in mid January, February.

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Again, I went there approximately five
1
2
     times. And I stayed there one evening to see if any
3
     birds would try to and rest there.
 4
                I even went there one night with my
5
      flashlight to see if I could find any bat or any bird
 6
     threatened at night. I didn't see anything.
7
                CHAIRPERSON SCHEUER: Ms. Kato, is that you
     typing, perhaps?
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9
                No. Someone is typing. We're picking it
10
     up.
         Please continue.
11
                MS. KATO: I have -- actually, Chair,
     there's something else that I wanted to mention.
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                I'm not sure if there will be an issue or
14
     not, but regarding the scheduling, Rodney Funakoshi
15
     will not be available from 3:45 p.m.
                CHAIRPERSON SCHEUER: Okay.
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                MS. KATO: I wasn't aware of that before.
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                CHAIRPERSON SCHEUER: I think we can
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     proceed with just his counsel.
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                (By Ms. Kato) so there's an Exhibit 37
21
      which was a picture that you took of the wetlands; is
22
     that correct?
23
                Right.
          Α
24
                When was that picture taken approximately?
          Q
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I think I took it in late January, I think.

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Α

- 1 Q January.
- 2 So when you went to look at the wetlands,
- 3 | did you go with any other person?
- 4 A Yes. I met State Fish and Wildlife
- 5 Division, and I met with DAR from DLNR.
- Q Have you seen the Office of Planning's
 Texhibit 15?
- 8 A What's Exhibit 15?
 - Q It's a series of pictures.
- 10 A I'm not really familiar with Exhibit 15.
- 11 | Can you describe it?

- 12 Q I guess I tried to share my screen but I'm
- not too sure how to. I'm going to try and share my
- 14 screen with the exhibit.
- 15 CHAIRPERSON SCHEUER: Please go ahead.
- 16 Q (By Ms. Kato): Do you see it?
- 17 A Yes, photographs.
- Q So these are -- this is Exhibit 15 from the
 Office of Planning, and these are pictures that were
- 20 taken of the wetland area. And so --
- 21 A Yeah, that's looking out of the haul-cane 22 road. The body of water you see over there is 23 outside of the Petition Area, mostly outside of the
- 24 property, actually.
- 25 Q Are you saying that the pond is outside of

1 the Petition Area?

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- A Yeah.
- Q It was my understanding that it was within the Petition Area. So that's not your understanding?
 - A Right.

6 MS. KATO: Does that work?

CHAIRPERSON SCHEUER: Yes, you stopped.

MS. KATO: I have not done that before.

CHAIRPERSON SCHEUER: You passed with

flying colors, counselor.

- Q (By Ms. Kato): So the wetland areas, you're saying that you first became aware of there being wetland areas on the Petition Area only after you heard about the 3.3 acres?
- 15 A Yes.
 - Q So after you learned about the wetland, I understand you went to the property to take a look and met some other people.

Did you have a qualified engineer or a biologist examine the wetland area?

A No. But I will put together my findings and my intentions is to send it over to the experts at DLNR, because nobody is going to listen to me. I sent it to the a government agency. I asked fish -- not fish and wildlife, I asked extensively couple

- times for an extensive report from the Division of
 Wildlife, who joined me, to give me a report of what
 he saw up there. And they're not going to do it.
 - Q So with regarding the location of the boundary of the Petition Area, you're saying that the pond in the exhibit was outside of the boundary. How do you know exactly where the boundary is on the land?
 - A It parallels the haul-cane road that we were walking on.
 - Q So it's just by your visual, there's no GPS?
- 13 A Yes.

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- 14 Q No property line staked out?
- 15 A No.
 - Q So would you say it's a little unclear exactly where the boundary is on the ground?
- A While I was walking it? Yeah, it was just supposition, knowing where the cane-haul road was in relationship to the maps.
 - Q So is it possible that you may have been mistaken as to whether some of that water was within the Petition Area?
 - A Of course, always a possibility.
- 25 Q Okay, and --

1 A Always a possibility.

Q Regarding the exact location of the wetlands in the Petition Area, do you intend to conduct a wetland delineation survey?

A One would do that if one wants to challenge the designation, and we're not challenging the designation. We're respecting it and accept it. So there is no need for it.

Q Do you intend to do anything to determine where the exact boundaries of the wetlands are?

Are you relying on the U.S. Fish and Wildlife map?

A I'm relying on the USDA map. You mean about the 3.8 (sic) acres? I rely on Fish and Wildlife map. And it's okay.

Q So with respect to mitigation measures, if you're not having a qualified engineer or biologist examine the area, how do you intend to determine what mitigation measures would be necessary with respect to the wetland area?

A I recommended, and I think I've gotten a go-ahead on it to work with Fish and Wildlife in the habitat restoration program.

That area -- are you familiar with the restoration habitat restoration program where we have

the use of Fish and Wildlife experts to help identify 1 2 invasive plants, and any contamination on the lot, 3 and come up with a plan to clean the area if need be, 4 or remove invasive species. 5 And that's part of the restoration plan that Fish and Wildlife offers. 6 7 Okay. So any mitigation measures that are suggested, you think Petitioner will agree to follow 8 9 those? 10 Α Yes. 11 So have you seen the Office of Planning's Exhibit 16, which is a map showing the proposed 12 buffer area around the wetlands? 13 14 Α Yes. 15 You have seen it? Yes, I have seen it. But I'm going to be 16 17 negotiating that with Fish and Wildlife and State Wildlife Division. 18 19 CHAIRPERSON SCHEUER: Ms. Kato, about how

20 much longer?

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MS. KATO: 15 minutes. I added questions in, it took a little longer.

COMMISSIONER OKUDA: Chair, can I ask for an offer of proof?

25 CHAIRPERSON SCHEUER: Can you expand on 1 that, Mr. Okuda, Commissioner Okuda?

COMMISSIONER OKUDA: In other words, what are the points counsel are trying to make? At this point in time it might be cumulative.

CHAIRPERSON SCHEUER: It would -- my concern is, without prejudicing the Office of Planning's points, but I'm not -- I am trying to understand where you're going, and how that's getting us to really the first hurdle we must overcome, which is whether or not the Petitioner has at a minimum met their burden.

MS. KATO: Our concern is just that, you know, we did not know about these wetlands. We have not been able to receive comments on it. And we just want to know where the wetlands are and if it's being appropriately addressed.

CHAIRPERSON SCHEUER: So I have gathered, at least from your cross of Mr. Agor so far, that he -- while he has visited the site, he cannot definitively state where they are, and most of his addressing of these matters will be in the future, but he has nothing currently to describe his mitigation or his counteracting disagreement with the previous determinations of the existence of wetlands.

MS. KATO: My current questioning regarding

the proposed buffer area is to see if the Petitioner 1 2 will be willing to agree to a buffer area adjacent to 3 the wetlands that Office of Planning has proposed. CHAIRPERSON SCHEUER: If you can go there 4 5 as directly as possible. 6 THE WITNESS: You want me to answer that 7 question? (By Mr. Kato): Yes, please. 8 9 Yes, I'm going to agree to a buffer. But 10 the exact location may not be there, yeah? Because 11 nationally in non-wetland areas, average buffer distance is between approximately 50 feet. And on 12 13 your sensitive wetlands, they range anywhere from 14 75 feet to 150 feet. So I would like to negotiate like a 25-foot 15 16 buffer. After I get a response from DLNR, I'll 17 refine my findings of the wetland. And I'm confident that they going to find my research on it and be --18 19 CHAIRPERSON SCHEUER: For the efficiency of these proceedings --20 21 THE WITNESS: Sorry, I ramble on. 22 MS. KATO: We can move on.

Q So during construction, I understand that there will be -- there's going to be mitigation measures such as you will be putting up a

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construction fence to prevent seabirds from moving into the construction?

A Yes, yes. In my discussion with wildlife representatives from the State, we talked about reinforcing the wire fence on the left-hand side of the road, haul-cane road to keep any species from going up to the construction site.

And we also talked about providing fencing to keep animals and people from going down to the wetlands of the area -- (indecipherable).

CHAIRPERSON SCHEUER: I'm going to ask the witness to really answer as simply as possible the question that's asked to him.

Repeat the question, Ms. Kato.

Q (By Ms. Kato): Sorry, I just wanted to confirm that they are willing to put up sufficient construction fencing to keep seabirds from moving into the construction area.

CHAIRPERSON SCHEUER: Yes, no, or I don't know is a sufficient answer.

THE WITNESS: Yes.

Q (By Ms. Kato): Thank you.

Also you mentioned it too, but you will also be putting up a permanent fence to keep animals such as dogs, I guess, feral cats from entering and

1 attacking seabirds? 2 Α Yes. 3 Q Thank you. This will also include proper signage, 4 5 correct? 6 Α Yes. 7 With respect to the developing a plan preventing feral cats and other predators from 8 9 entering the wetlands, will this include a 10 prohibition of feeding feral cats and establish and maintaining feral cat colonies within the Petition 11 12 Area at HoKua Place? 13 Α Yes. We have already discussed that --14 I've already discussed that with the clients and 15 we're going to have that in there. 16 CHAIRPERSON SCHEUER: Again, yes, no, or I 17 don't know, unless it really requires some expansion. 18 THE WITNESS: Yes, yes. 19 Q (By Ms. Kato): Thank you. 20 I will try to move on more quickly. 21 So I didn't see this in the statements 22 regarding petitions, but regarding invasive species, 23 will you -- will the Petitioner contact and consult

with the Kaua'i Invasive Species Committee to

minimize the risk of spreading invasive species?

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- 1 A Yes.
- Q So does your Habitat Restoration Plan
 include any establishment and continued maintenance
 of native wetland vegetation?
- 5 A Yes.

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- 6 Q Thank you.
 - So one of your areas listed is flora. So regarding the vegetation and plants in the Petition Area, I understand that botanical survey was performed on the Petition Area in May 2012; is that correct?
- 12 A I believe so.
- 13 Q The survey states that several transects
 14 were done. Approximately do you know how far apart
 15 those transects were?
- A No, I don't.
- 17 Q The conclusion that no certain or invasive 18 species plants were found though, correct?
- 19 A Repeat the question.
- 20 Q I'm going to move on.
- 21 With respect to the indigenous plants, 22 three indigenous plants were identified.
- 23 Is that correct?
- A By experts, yes.
- 25 Q This is during cross-examination of Nancy

McMahon, she stated that there are -- she did see 1 2 some of those indigenous plants and that there are 3 native Hawaiian cultural uses for the plants, one of them she mentioned had medicinal uses. 4 5 Were there any efforts made to identify 6 cultural or traditional uses for these plants? 7 Α No. Were there any efforts made to determine 8 9 the availability of these indigenous plants outside 10 the Petition Area? 11 Α Not yet. 12 Thank you. That's all the questions I 13 have. Thank you very much. 14 CHAIRPERSON SCHEUER: Thank you very much, 15 Ms. Kato. 16 Intervenor. And, again, I would like to 17 keep these proceedings as efficient as possible. Mr. Collins. 18 19 MR. COLLINS: Thank you, Mr. Chair. 20 CROSS-EXAMINATION 21 BY MR. COLLINS: 22 Good afternoon, Mr. Agor. 23 Good afternoon. Α 24 I just want to say just before we begin Q

that I wanted to thank you for being part of the

group that picked the centennial logo. I thought it was beautiful and represented it very well. I never had the opportunity to thank you.

I'm going to be asking you mostly yes or no questions, and I've had an opportunity to refine my questions so we can try to get through the questions sooner than later. So I apologize if I seem impolite. I just would like to get through the questions in response to the Chair's desire.

The first question is, did you tell William Bow not to include his revised drainage detention plan, the one submitted as Exhibit P27 this February as part of the Final EIS; yes or no?

A No.

Q You discuss the County General Plan in your presentation, your direct examination.

Did you examine the consistency of this project with the applicable community development plan; yes or no?

A No.

Q Will the developer have a declaration of covenants, conditions and restrictions or some other instrument to ensure representations about uses of the homes are enforced?

A It will be, yes.

- 1 Q Does the EIS or Petition address uses of 2 homes as transient vacation rentals?
 - A No.

- Q What about the addition of accessory dwelling units on single-family unit lots?
 - A I can't answer that.
 - Q Does the EIS concede that there are unmitigatible traffic impacts, such that the community would have to stay home during peak traffic hours or sit in heavy traffic?
- A Most certainly.
 - Q Does the Petitioner have an agreement or letter from the County Public Works Department agreeing to provide capacity to HoKua Place with respect to wastewater?
 - A No agreement.
- Q Did you respond to comments on infrastructure in the EIS by stating, quote, "HoKua Place will not have a major impact on infrastructure as stated in the second Draft EIS an the Final EIS. The County wastewater department have accepted the project with the developer assisting in the maintenance of the sewage treatment plant." End quote.
- 25 A Yes.

1 Q Did you also respond to public comments
2 stating, quote, "infrastructure is adequate for this
3 project as DOW have been offered to take over the
4 potable water well, which will provide all of HoKua
5 the County Wastewater Treatment Plant for the area

A Yes.

Q Isn't it also the case that the County
Wastewater's comment on the EIS was, quote, "there
may need to be improvements at the WWTP prior to the
County having adequate capacity for full build out of
the project," end quote?

has the capacity to handle the project." End quote.

A Yes.

Q Is it still the Petitioner's position that the County wastewater treatment plant will have capacity for the project?

A Yes.

Q Did you respond to commentor's concerns about overdevelopment by saying the developer wants to help the housing crisis, and walked away from, quote, "big bucks" specifically referencing rich people ag subdivision?

A Can't remember.

Q Do you remember saying, quote, "you need to know that the developer originally had an ag

subdivision about to be approved and ready to go to market --

A Yes.

Q In your response to public comments, did you state, quote, "it is anticipated that many of the homes in HoKua will be filled with families currently doubling up, so the people are already in the area. Many of them will have the opportunity to be relocated in well-designed housing complex, thus, the island's solid waste facilities will be minimally impacted," end quote?

A Yes.

Q But doesn't it also say in the economic opportunities portion of the sustainability plan, quote, "development of facilities would generate employment and consequent income and taxes in addition by providing the opportunities for new residents to the Island of Kaua'i and generating additional real estate activity. The project is expected to support long-term impacts including additional consumer expenditures, employment opportunities, personal income, and government revenue enhancements," end quote?

A Yes.

Q So the project isn't to be sold to doubled

- up local families exclusively, but also to new
 residents that would impact infrastructural services,
 correct?
 A Most likely.
 - Q Substantially, all of your responses to comments cited, quote, 23 of -- 231 affordable units in the range of 175,000 to 275,000 with respect to affordable housing; is that correct?
 - A That's correct.
 - Q But doesn't Cassiday's market study say that affordables -- (cell phone disturbance) -- will be 225,000 to 325,000?
 - Would you like me to repeat the question?

 CHAIRPERSON SCHEUER: Please.
 - Q (By Mr. Collins): But didn't Cassiday's market study say that affordables will be from 225,000 to \$325,000?
 - A Hard to answer yes or no without -- but, yes.
 - Q Your attorney is totally free to reexamine you on any of these if you feel that the yes or no somehow needs further explanation.
- And so Cassiday's market study information is not in the FEIS; is it?
- 25 A No.

- 1 Q But this is a substantive change, correct?
- 2 A Yes.
- Q Has HoKua Place planned or considered providing a performance bond for LUC approval?
 - A No.

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- Q Your engineer, Mr. Bow, said infrastructure cost are based on the per acre infrastructure costs from two Kaua'i developments he worked on Koa'e Makana, and Huakahi; is that right?
 - A Yes.
- Q Isn't it true that these workforce housing developments are on land without any significant slope?
 - A Yes.
- 15 Q Are you aware that there is available

 16 utility sewer and water service hookups for these two

 17 other projects already?
- 18 A No.
- 19 Q Were you responsible for -- you were
 20 responsible for preparing the EIS documents, correct?
 21 That was your testimony during direct examination.
 - A No.
- 23 Q No?
- 24 A I'm the manager.
- 25 Q Do the documents discuss wetlands or native

- wetland birds, including any the botanical or biological surveys?
- 3 A Yes.
- Q Did the U.S. Fish and Wildlife Service comment on the existence of native wetlands in response to the EIS?
- 7 A No.

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- Q So they did not specifically say that the detention basin would be an attractive nuisance for listed wetland birds in the area?
- 11 A No.
- 12 Q Ms. McMahon stated that her trenching map
 13 is in an archaeological assessment in the EIS. Are
 14 you familiar with that at all?
- 15 A No.
- 16 Q The FEIS discussed the availability of
 17 health care services by pointing to the Mahelona
 18 Medical center.
- How many ICU beds does that medical center have?
- 21 A I don't know.
- Q Do you know how many ICU beds are on Kaua'i total?
- A No, I don't.
- 25 Q The FEIS states that, quote, "subdivision

- 1 improvements including roads, water system,
- 2 | wastewater, utilities, and other improvements,"
- quote, "are estimated at 22 million"; is that
- 4 correct?
- 5 A I need to verify that.
- 6 Q Okay. Could you take a look at
- 7 Petitioner's Exhibit 4 at page 20.
- 8 A Yes.
- 9 Q But does the FEIS also refer to Road A as
- 10 the new connector road between Olohena Road and the
- 11 Kapa'a Bypass Road," end quote, and states that,
- 12 quote, "construction coast at the connector road was
- estimated at \$25,824,000," end quote? That's at page
- 14 | 128.
- 15 A Correct, it stated that.
- 16 Q In Cassiday's report he refers to
- infrastructure being \$82,931,400, not including
- vertical construction, which would be an additional
- 19 \$218,000,000?
- Do you agree that \$22 million that is
- 21 | stated in the 2019 FEIS is nowhere near the 83
- 22 million that's in the Cassiday report?
- 23 A Yes.
- Q Did you indicate at any time that homeowner
- 25 association fees for multi-family units would be

between 800 and \$1200 per month? 1 2 Α No. 3 Is the HoKua Place Water Master Plan in the 4 FEIS? 5 Α Yes. 6 Does the Water Master Plan include plans 7 for storage? 8 Α Yes. 9 Does the Water Master Plan include Q 10 contingency plans if the well is not productive? I can't answer that. 11 Α 12 Was the discussion with KDOW regarding the 13 Water Master Plan for 50 farm dwelling units and goat 14 raising operations? 15 I can't answer that. I'll skip over these. 16 Q 17 Are you able to answer questions about financing? 18 19 Α No. 20 I'm skipping over all of those. 21 Are the wetland buffer protective fencing 22 for wetland birds, feral cat plan or habitat 23 restoration plan in the EIS. 24 Α No. 25 Are you aware that the County Code allows

- the County to exempt a developer from affordable housing requirements if the land is zoned R10 or
- 4 A Yes, I'm aware of that.

greater density?

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- Q In your PowerPoint you read the statement that the project satisfies the Ka Pa'akai O Ka Aina test.
- What are the elements of the Ka Pa'akai O

 Ka Aina test?
- 10 A I don't know that offhand.
- 11 Q But are you sure that the project satisfies 12 the Ka Pa'akai O Ka Aina test?
- 13 A Yes, from my consultant, yes.
- 14 O Which consultant is that?
- 15 A Nancy McMahon for one.

ocean. Something like that.

- 16 Q Are there others?
- 17 A Not that I know.
- 18 Q How did you folks get the name HoKua Place?
- A HoKua Place, we came up with, Mr. Allen and myself, and really it refers to looking out and seeing the horizon meeting the sky, and certainly from HoKua looking out you will see the horizon of the ocean and integration with the sky, and sometimes you don't know the difference between the sky and the

And you said Michelle. Which Michelle is 1 2 that? 3 Α I didn't say Michelle. You said you discussed this with somebody 4 5 else? 6 Oh, oh, with the Allen family. 7 Sorry, I misunderstood. Q At the time they were the sole owners. I 8 spoke with them about it. 9 10 Q And you're talking about the Allen family that's like Greg Allen and his family? 11 12 Α Yes. Thank you very much, Mr. Agor, for allowing 13 14 us to move through this quickly. I appreciate it 15 very much. 16 Mr. Chair, we have no further questions for 17 this witness. Thank you. 18 CHAIRPERSON SCHEUER: Thank you, I 19 appreciate it very much as well to both the witness and to the Intervenor. 20 21 Commissioners, can I get a show of hands of 22 how many people might have questions for the witness? Commissioner Chang, Commissioner Giovanni. 23 24 About how long do you think you have? 25 COMMISSIONER GIOVANNI: Five minutes.

CHAIRPERSON SCHEUER: Commissioner Chang.

COMMISSIONER CHANG: Likewise, and I might

not even have a question after I hear Commissioner

Giovanni.

CHAIRPERSON SCHEUER: Let's continue on.

CHAIRPERSON SCHEUER: Let's continue on.

See whether we can finish at least with the

Commissioners questions.

Commissioner Giovanni.

COMMISSIONER GIOVANNI: Thank you.

Thank you, Mr. Agor, for being here today.

In view of the time constraints on us today, and our interest to move efficiently, I'm going to confine my questions to one narrow area. It has to do with your remarks regarding the General Plan.

So can you give me your familiarity, involvement and understanding of the General Plan, 18, you referred to that as the new General Plan?

THE WITNESS: Yes, I kept track of the update of the General Plan and the outcome of the General Plan, four visions and 19 policies to reflect what the General Plan and the community has said that Kaua'i would be like.

COMMISSIONER GIOVANNI: I'm going to quote from the General Plan and you tell me if you agree with your understanding.

"The vision and goals are aspirational in 1 2 nature. They describe Kaua'i's ideal and desired 3 state by the year 2035." End of quote. 4 Does that sound familiar from your 5 understanding? 6 THE WITNESS: Yes. 7 COMMISSIONER GIOVANNI: I'm going to quote again. It says: "The General Plan covers six 8 9 planning districts on the Island of Kaua'i, North 10 Shore, East Kaua'i, Lihue, South Kaua'i, Hanapepe, 11 Ele'ele, and Waimea, Kekaha." End quote. 12 Does that sound familiar? 13 THE WITNESS: Yes. 14 COMMISSIONER GIOVANNI: The General Plan goes on to refer to a community plan, also referred 15 16 to as developmental plans. 17 Does that ring a bell with you? Do you 18 know what I'm talking about when I refer to a 19 community plan? THE WITNESS: Correct. I don't believe 20 21 they completed that plan yet. 22 COMMISSIONER GIOVANNI: So let me quote: 23 "Community plans means a public document 24 that provides specific proposals for future land 25 uses, developments, public improvements, given

1 | community within the County of Kaua'i."

2 Does that sound familiar with what the

3 intent of the community plan is?

THE WITNESS: Correct. But -- gosh, I'll just say correct.

COMMISSIONER GIOVANNI: Fair enough.

And community plans are intended to be region specific and capture the community's vision for the area.

Does that sound familiar?

THE WITNESS: Right, right.

COMMISSIONER GIOVANNI: Has a Community plan been produced and made public for the East Kaua'i community based on the General Plan?

THE WITNESS: At the time of the submittals of the Final EIS, the County and the community had not finalized the community plan. And right now I don't know if they have completed yet or not. They may have, but I'm not aware of it.

COMMISSIONER GIOVANNI: I'm aware that they have not. It's not been done. It's been completed for other districts, but not East Kaua'i. And one of my concerns is that's really the step in the planning process where a general plan goes from aspirational to specific. And where the community gets an

opportunity to really share its vision for the plans for the area in which they live, which has not occurred as of yet for East Kaua'i.

Would that surprise you or would you disagree with me?

THE WITNESS: Oh, I agree with you. And hopefully it's done before we go to the entitlement process with the County.

is that there are representations in the testimony of the Petitioner that this should move forward before the LUC, because it's consistent with the aspirational -- my words, not the Petitioners -- in terms of the General Plan, and yet we don't have a community plan, and instead what we have heard from an unbelievable, in my view, number of community participants in this docket, is that they never really had an opportunity to participate in the planning process and to weigh in on this specific project, despite your representations of outreach.

Would you disagree with me or would you want to describe it differently?

THE WITNESS: I do agree with you, but there is a mechanism where the community can have their input during the entitlement process, and it

could have the possibility of shutting the project down, depending on how well their concerns are. And I'm hoping that Wailua Community Plan is done by that time.

COMMISSIONER GIOVANNI: Here we are today. The community plan has not been developed, and yet you're asking the Land Use Commission to grant a redistricting of this area, largely based on the aspirational perspective expressed in the General Plan.

Would you agree that we would be in a far better position today at the Land Use Commission to take up a matter such as this if we had the benefit of a community plan that had the input of the residents and a lot of community input to that plan?

THE WITNESS: We certainly would be, but that doesn't prohibit -- saying that we don't have it, that doesn't prohibit us to move forward, because like I said, there is another mechanism for the community to have their input.

COMMISSIONER GIOVANNI: My question was not whether we are prohibited from moving forward. I don't think we are prohibited, I would agree with you on that.

My question was, wouldn't we be far better

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off if we had a community plan to rely on for the
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     decision-making that's being asked of this Commission
 3
     today relative to this project?
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                THE WITNESS: Absolutely, sure.
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                COMMISSIONER GIOVANNI: Thank you. Nothing
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      further, Chair.
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                CHAIRPERSON SCHEUER: Thank you very much,
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     Commissioner Giovanni.
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                Commissioner Chang?
                COMMISSIONER CHANG: Thank you.
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                Thank you very much, Mr. Agor. Nice to see
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     you here today, and I appreciate your testimony. I
13
      just have one question for you.
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                I want to just confirm that the consultant
     who has the knowledge and expertise regarding the Ka
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16
      Pa'akai analysis is Nancy McMahon and not yourself?
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                THE WITNESS: Yes, Nancy McMahon.
                COMMISSIONER CHANG: That's all the
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     questions I have. Thank you so very much.
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                CHAIRPERSON SCHEUER: Anything further,
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     Commissioners?
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                Mr. Yuen, is there any redirect of Mr.
23
     Agor?
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                MR. YUEN: No redirect.
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                CHAIRPERSON SCHEUER: It is 3:15.
                                                   I want
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- 1 to take a ten-minute break.
- 2 Are there any Commissioners who intend to 3 ask for Mr. Bracken's appearance?
- Do you intend to recall Mr. Bracken, Mr.
- 5 Yuen?
- 6 MR. YUEN: Yes, I do.
- 7 CHAIRPERSON SCHEUER: He's available in ten
- 8 minutes?
- 9 MR. YUEN: I would have to give him a call to see, to verify. I did speak to him earlier today.
- 11 CHAIRPERSON SCHEUER: I thought you had
- assured me he was available in the afternoon.
- MR. YUEN: He did say he was available. I have to call and confirm.
- Can you see if he's a participant. I know he was on.
- 17 CHAIRPERSON SCHEUER: Mr. Collins.
- 18 MR. COLLINS: I was just going to note that
 19 he's listed as an attendee presently.
- CHAIRPERSON SCHEUER: He's raised his hand.
- 21 I'm promoting him to be a panelist.
- It's 3:16, we will reconvene for the recall
- 23 of Mr. Bracken at 3:26, and that should be the
- 24 | conclusion of the Petitioner's witnesses and
- 25 evidentiary presentations.

1	Recess until 3:26.
2	(Recess taken.)
3	CHAIRPERSON SCHEUER: I'm going to note the
4	presence of the Deputy Attorney General Bryan Yee as
5	well.
6	Mr. Yuen, you recalled Mr. Bracken. Mr.
7	Bracken, you remain under oath.
8	JAKE BRACKEN
9	Was recalled as a witness by and on behalf of the
10	Petitioner, was previously sworn to tell the truth,
11	was examined and testified as follows:
12	REBUTTAL EXAMINATION
13	BY MR. YUEN:
14	Q Mr. Bracken, can you hear me?
15	A Yes, I can hear you.
16	Q Mr. Bracken, first, we had put into
17	evidence and marked as Exhibit 46
18	CHAIRPERSON SCHEUER: Mr. Yuen.
19	MR. YUEN: I know, I got a okay.
20	Q We had marked as Exhibit Number 46 your
21	contract with Randell Okaneku to perform a traffic
22	study for this project.
23	Did you see this exhibit, Mr. Bracken?
24	A Yes, I did.
25	Q And is this your contract with Mr. Okaneku?

1 Α Yes, that is. 2 MR. YUEN: Mr. Chairman, we would like to 3 introduce it into evidence at this time. 4 CHAIRPERSON SCHEUER: Any objection from 5 the County? 6 MR. DONOHOE: No, Chair, thank you. 7 CHAIRPERSON SCHEUER: OP? 8 MS. KATO: No. Thank you. 9 CHAIRPERSON SCHEUER: Intervenor? 10 MR. COLLINS: No, thank you. CHAIRPERSON SCHEUER: Commissioners? 11 12 So admitted. 13 (By Mr. Yuen): Thank you. 0 14 Mr. Bracken, have you seen Exhibit No. 44 15 which is the development cost estimate prepared by 16 Mr. Agor? 17 Yes, I have. 18 Could you explain to the Commission how you 19 intend to finance the development of this project? 20 Well, as we have already stated, we have 21 secured some significant lines of credit already. We 22 have expended some significant funds to date. So we 23 have approximate \$30 million available for the

We have spent in excess of 10 million to

24

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project to get going.

date in acquiring the land and, you know, getting us to this point.

In addition to that, we do plan on getting as much traditional financing as we can, as we are aware. We are involved in other real estate projects that are currently profitable and are cash flowing.

And, in fact, you know, we do have the ability from existing operations at sister projects to cover those cash flows as well. But our goal, our plan would be to utilize as much traditional financing as possible at that point.

Q Now, the exhibit prepared by Mr. Agor shows approximately total project cost of \$320 million, but 25 percent of that, or approximately 85 million would be utilized at any one time at a maximum.

Could you explain how you would see your particular cash flow issues with that portion, and whether you would enlist other development partners or contractors?

A We are not a licensed contractor in Hawaii, so we certainly would be, you know, relying on and looking to either partner or to sell some of those lots to local contractors for the vertical construction.

That's typically how we do much of our

- development, is we do the land development, and then we partner or sell the lots for contractors on the vertical construction, and that would be consistent with how we've worked in the past.
- Q So a good portion of the \$85 million at any one time outstanding would consist of the actual improvements to the property, and the multi-family homes to be built; is that your understanding?
 - A Yes, that's my understanding.
- Q But you would not be financing that portion directly yourself; is that true?
 - A That is true.

- Q I would like to turn to another area, and that is -- there has been some discussion about the -- having you as the master developer post a bond for completion of this project.
- Can you explain to the Commission whether that kind of thing would be possible or desirable from your perspective?
- A We have, you know, looked into that as much as we can. The problem we have, or the concern that I see with that is that we are just not at that point yet.
- For a performance bond, usually we need to have designs; we need to have cost breakdowns; we

need to have more firm numbers to take that to the person who would be issuing that bond.

And we just -- we haven't gotten to that point yet, because we don't know the constraints, you know, from both the Land Use Commission and the County level that we need to do that planning around.

We've got a general concept, but once we kind of know what the constraints are and where our boundaries are going to be, and what the number of units we really is appropriate, then we can design with those constraints in mind, and that would be a more appropriate time for something like that is when we had those construction drawings in hand and we were working with this at the County level.

Q And you have posted bonds in the past in other developers, have you not?

A Yeah, I would say it is very common. Any time we're building infrastructure, roads, utilities, we've almost always had to post a bond, not only a performance bond, but oftentimes some form of a hold back or warranty bond for a period of time for those municipalities.

Q And so the appropriate time when a bond like this is posted would be at the subdivision level; is that your understanding?

- A That's my experience.

 Q And not at a preliminary stage where the

 County has not imposed any design requirements on you
 - A Yes.

to date?

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- Q I have no further questions.
- 7 CHAIRPERSON SCHEUER: Thank you.
- 8 County?
- 9 MR. DONOHOE: Thank you, Chair.
- 10 REBUTTAL CROSS-EXAMINATION
- 11 BY MR. DONOHOE:
- 12 Q Mr. Bracken, just --
- 13 CHAIRPERSON SCHEUER: Sorry, give me a
- 14 | sense of how long you think --
- MR. DONOHOE: I just want to cover one
- 16 thing on the Exhibit 44, one item based on the
- 17 testimony of Mr. Nance.
- 18 Q (By Mr. Donohoe): Mr. Bracken on page 1 of
- 19 Exhibit 44, which is the concept cost estimate,
- 20 there's primary infrastructure well development. And
- 21 | it says unit cost, \$1 million.
- 22 Are you familiar with that?
- A I don't have it in front of me but that
- 24 sounds appropriate.
- 25 Q So if Mr. Nance testified earlier that the

current -- the initial well was not approved, and so abandonment has to be done and has to be completed and then another well approved and drilled, which would increase the cost potentially of, he said, at the very least \$500,000.

Would that throw off this cost, or would that be covered in where it says 20 percent contingency of 1.1991300?

A My understanding is it would come off this cost.

Q It would come off the \$1 million. So that includes the already unimproved well?

A Yes, I believe, if I'm understanding right, we were suggesting a half million dollars as a rough cost for drilling the new well, and I believe it was \$250,000 to take care of the old well.

And, again, we are still preliminary. We are adding a contingency there, but I believe the million dollars is covered under that.

Q So that covers both wells. Okay, thank you. I have nothing further.

Thank you, Mr. Bracken. Thank you, Chair. CHAIRPERSON SCHEUER: Thank you, Mr.

Donohoe.

Office of Planning, will this be Ms. Kato

- 1 or Mr. Yee?
- MS. KATO: Ms. Kato. No questions. Thank
- 3 you.
- 4 CHAIRPERSON SCHEUER: Intervenor, Mr.
- 5 | Collins or Ms. Isaki?
- 6 MR. COLLINS: Mr. Chair we have a few
- 7 questions on cross-examination for this witness.
- 8 CHAIRPERSON SCHEUER: About how long do you
- 9 think?
- 10 MR. COLLINS: Hopefully not more than five
- 11 minutes.
- 12 REBUTTAL CROSS-EXAMINATION
- 13 BY MR. COLLINS:
- 14 Q Good afternoon, Mr. Bracken.
- 15 A Good afternoon.
- 16 Q I have a few questions.
- 17 You previously represented that Petitioner
- has access to a \$5 million revolving loan shared
- 19 between Roche Enterprises, Hurricane Hills, and HG
- 20 Joint Venture.
- 21 A Correct.
- 22 Q Ane Hurricane Hills is developing a project
- 23 | called Sand Hollow Resort in Hurricane, Utah?
- 24 A Yes.
- 25 Q And it has basically access to that same

- 1 | \$5 million of the revolving loan; right?
- 2 A We have not been using it. We used Sand 3 Hollow --
 - Q Sorry, my question is, but it has access to that same \$5 million, correct?
 - A I guess, yes, it could. From an entity level, no; but yes, I will give you that.
 - Q You just said that the \$5 million loan is shared between Roche Enterprises, Hurricane Hills and HG Joint Venture.
 - A Those are the quarantors on the loan.
- 12 Q Got it.

- So the Commissioner's Deed indicates that the property was paid for at \$4 million dollars at the foreclosure sale, but that you valued the property on the balance sheet at 10.6 million; is that correct?
 - A I believe that is correct.
- Q And then you had said that, I guess, 6 million was because of a second position that was a \$6 million note; is that correct?
- A I don't remember the details, but it came from a second position note that we acquired at the time.
- 25 Q Do you recall what the face value of that

1 | note was?

- A I don't know that offhand, no.
- Q But for bidding purposes, you were allowed to bid 6 million, that note was allowed to include 6 million in the credit bid?
 - A I don't remember. That was 2013. I don't remember where we were on that.
 - Q And the Commissioner's Deed indicates that the conveyance tax was \$28,000 paid, and I guess computing that, it shows that conveyance tax was paid; on \$4 million dollars, that the transaction value is \$4 million; is that correct?
 - A That sounds about correct. I don't believe there was much bidding after the first position note.
 - Q And how was this other note extinguished?

 How was the extinguishing of it characterized to the

 IRS, was there a net gain or a net loss?
 - A I don't remember what that was at the time.

 It was contributed as part of equity into HG Kaua'i

 Joint Venture, but I don't remember the tax

 treatment.
 - Q Okay.

Are you aware of HRS 247-2 that says the conveyance taxes, quote, "based on the actual and full consideration whether cash or otherwise

including any promise, act, forbearance, property interest, value gained, advantage, benefit or profit paid or to be paid for all transfers of conveyance of realty, or any interest therein".

- A Okay. I understand what you're saying.
- Q And so if the conveyance tax was paid on \$4 million, that means that the value, this other \$6 million value was not reported to the Department of Taxation for conveyance tax purposes?
- A I don't know what was -- how it was done. Again, this was 2013, but I believe that the value for conveyance tax purposes was the auction value that it was sold at.
 - Q Even though HRS 247 --
- 15 CHAIRPERSON SCHEUER: Is that your phone,
 16 Mr. Yuen.
- 17 MR. YUEN: Yes. I shut it off.
- 18 CHAIRPERSON SCHEUER: Please.
 - Q (By Mr. Collins): Even though HRS 247-2 says that conveyance tax is supposed to be computed on the total value of the transfer?
 - A Again, that's going back in time quite a bit. I would say that our transfer value was the auction value. We acquired the second position note at an earlier time.

CHAIRPERSON SCHEUER: Mr. Collins, can I ask? I'm not saying that these are not interesting issues, but I'm trying to get to how it relates to our proceedings.

MR. COLLINS: I have one last question and I'm done. But this does relate because -- my last question will indicate the relationship of all of this.

CHAIRPERSON SCHEUER: Please proceed.

Q (By Mr. Lance): So that was in 2013.

Presently you testified previously that the value of this property is being valued on the balance sheet as \$10 million because of something that happened in 2013, but you are not able to explain how this other \$6 million was reported to any tax authority as actually existing in 2013?

A Well, all I can say is we reported it, and we structured the transaction according to our legal and tax advice at the time. I can't tell you the details here, eight years later. I don't know that offhand.

- Q But it is on your balance sheet presently?
- A It is on our balance sheet presently, yes.

 I don't have the history though.
 - Q Thank you very much. We have no further

- 1 questions. Thank you.
- 2 CHAIRPERSON SCHEUER: Are there any
- 3 questions from the Commissioners for Mr. Bracken?
- 4 Commissioner Chang.
- 5 COMMISSIONER CHANG: Thank you, Mr. Chair.
- 6 I'm going to try to keep my questions
- 7 really short, Mr. Bracken. I want to ask you about
- 8 Exhibit 44.
- 9 The \$83 million for infrastructure cost,
- does that include any traffic upgrades if they're
- 11 required?
- 12 THE WITNESS: I don't know offhand. I
- don't know. It was our engineer's best guess at the
- 14 total. So I assume that it does, but I can't say for
- 15 sure.
- 16 COMMISSIONER CHANG: I'm looking at the
- 17 exhibit right now, and it doesn't appear to, but
- 18 okay.
- Does your \$83 million include any wetland
- 20 mitigations, since Mr. Agor said he will accept the
- 21 | wetland designation?
- 22 THE WITNESS: I believe that the intent was
- 23 all of the cost that we were expecting based on their
- 24 experience. So I couldn't tell you specifics, but
- other than these are the best estimates at this time

1 | from my professionals that are advising me.

COMMISSIONER CHANG: The last question is about the performance bond.

What I understand, your testimony is that it's premature, because it's not -- you don't have development plans at this point in time, and it's too early to tell; is that what you're saying?

bonding agent, somebody who would be issuing a bond would want something to bond, specific plans for what they would be bonding for. Right now we've got guesses, back of the napkin, our best guess of what things are going to look like, and we don't have a specific plan to bond against.

COMMISSIONER CHANG: This is a pretty nice napkin that you gave to us on Exhibit 44. You've given us vertical construction cost of 200 -- almost \$212,000,000. What is that based on?

THE WITNESS: That was based on, I think, a lot of -- Cassiday and Ron Agor got together and they were basing that on your average vertical construction cost.

Making assumptions based on the number of units and their best guess of square footage.

COMMISSIONER CHANG: But you must have --

- all you have is just numbers. You're telling me you
 don't have any designs, you just have total number of
 units?
 - THE WITNESS: Yeah. I believe they took

 total number of units and their best guess on average

 unit size, and used average square foot cost to come

 to that, which is typically how I would do this sort

 of assessment myself.
- 9 COMMISSIONER CHANG: Thank you very much.
 10 I have no further questions.
- 11 CHAIRPERSON SCHEUER: Commissioners, any
 12 further questions for Mr. Bracken? Seeing none.
- Any redirect, Mr. Yuen?

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- MR. YUEN: I have none.
- 15 CHAIRPERSON SCHEUER: Thank you very much,
 16 Mr. Bracken.
- THE WITNESS: Thank you, Chair. Thank you,

 Commissioners.
 - CHAIRPERSON SCHEUER: The Petitioner, now having admitted all their exhibits and called all witnesses, and recalled Mr. Bracken, we would next normally proceed to the presentation of the case by the County.
- Mr. Collins?
- MR. COLLINS: Mr. Chair, at the appropriate

time before the County begins its thing, we would
like to make a motion.

CHAIRPERSON SCHEUER: Let me finish at this point, Mr. Collins, with what I was going to say.

A number of Commissioners, before we take on the County's presentation, a number of the Commissioners have already, during the presentation of the Petitioner's case, have expressed some significant concerns, and I would like to give the Commission a moment to discuss these matters.

Commissioner Okuda?

12 COMMISSIONER OKUDA: Thank you very much,
13 Mr. Chair.

First, if I can ask Mr. Yuen, so the record is clear.

Has the Petitioner rested its case?

MR. YUEN: Yes.

COMMISSIONER OKUDA: Mr. Chair, that being the case, that the Petitioner has rested its case, I make a motion to dismiss or deny this Petition. If my motion is seconded, I will spell out in detail the reasons in support of my motion.

 $\label{eq:CHAIRPERSON SCHEUER: Commissioners, there is a motion before us. \\$

Commissioner Giovanni.

COMMISSIONER GIOVANNI: I second the motion.

CHAIRPERSON SCHEUER: Commissioner Okuda, please speak to, and I hope in great detail, explain the reasons for your motion, and I'll give a chance for the seconder to speak to the motion, and then we will move into discussion.

COMMISSIONER OKUDA: As we all know, the Land Use Commission is a quasi-judicial body that is required by statute, specifically the Hawaii version of Administrative Procedures Act, to make its decisions based on the law and the evidence which is adduced properly under the statute.

What that basically means in plain English is we as individuals are to put aside whatever prejudices or biases, or whatever we have, look at the law and apply the law fairly without favor or prejudice based on the evidence adduced.

And the guiding point of our actions in a boundary amendment case comes from HRS Section 205-4, subparen (h), and what that says is basically this, and I quote, paren (h) close paren:

"No amendment of a land use district boundary shall be approved unless the Commission finds upon the clear preponderance of the evidence

that the proposed boundary is reasonable, not violative of Section 205-2 and Part III of this chapter, and consistent with the policies and criteria established pursuant to Sections 205-16 and 205-17."

Now, with respect to the process or procedure that we are to follow here, both the Administrative Procedures Act is enacted in Hawaii Chapter 91, and also the Hawaii Administrative Rules set forth the process in the conduct of the hearing.

And that's specifically HAR Section 15-15-59 which states the following, and I quote:

"(a) the hearing shall be conducted in accordance with this subchapter. Unless otherwise provided by law, the party initiating the proceeding shall have the burden of proof, including the burden of producing evidence, and the burden of persuasion."

That basically means that the Petitioner seeking the boundary amendment has the burden of proof, the burden of persuasion, and the burden of coming forth with the evidence.

I would also note that section HAR 15-15-41 allows parties or the Land Use Commission to bring a motion to dismiss a petition if such petition or document is insufficient, but that is not the only

basis upon which such a motion to dismiss can be brought.

In this case here, I believe, even taking a very easy -- or looking the other way and trying to view things somewhat in the light most favorable to the Petitioner, the Petitioner simply has not met its burden of proof.

And these are some of the bases, and I hesitate on giving the entire laundry list, which is documented in the transcripts, because frankly, I think we'd be here a long time.

One of the major defects is the fact that the Final Environmental Impact Statement simply does not satisfy the standards under the law. And one of the standards we have to look at is HAR, Hawaii Administrative Rules Section 11-200.1-30.

That's the section of the administrative rules that deal with when a supplemental environmental impact statement is required. And I quote from subparagraph (a) in that section. It says this, quote:

"If there is any change in any of these characteristics which may have a significant effect, the original EIS that was changed shall no longer be valid, because an essentially different action would

be under consideration, and a supplemental EIS shall be prepared and reviewed as provided by this chapter."

And it goes on that if you don't have these types of substantial changes, you don't have to file a supplemental Environmental Impact Statement.

The Hawaii Supreme Court has made clear that these requirements under the statute governing environmental impact statements and the administrative rules, they really mean something.

And, for example, I believe the Kuilima Development Company found that out in the case which I have quoted before, cited before, Unite Here! Local 5 versus City and County of Honolulu, which is found at 123 Hawaii Reports 150, specifically page 181, and the Pacific 3d citation is 231 Pacific 3d, 423 at 454, which is a 20010 -- or 2010 rather.

Hawaii Supreme Court case, makes clear that where the environmental impact statement no longer reflects what really is going on, the agency cannot go forward, and in fact the agency's decision will be reversed unless there's a supplemental environmental impact statement filed, or unless remedial matters regarding environmental impact statement are submitted.

And, you know, the record is replete with the fact that this environmental impact statement is either insufficient as a matter of law, or requires supplementation as a matter of law.

And I went back, and I assure everyone I have gone back and I've read the transcripts just to be sure that my recollection is not wrong, so I'm not relying on my recollection, I'm relying on the transcript.

And, for example, this was a question, and I'm not going to read the whole section of the transcript, but from my questioning of Mr. Bow, and this is the March 25th, 2021 transcript at page 193. The section really starts at line two through page 194, line eight. But at the ending of my questions I asked Mr. Bow, and this is regarding the fact that the environmental impact statement did not have certain information about the wetlands.

"Do you believe, based on your experience and your profession, including your experience with environmental impact statements, that this is the type of information that should be included in an

environmental impact statement?" Question mark.

And his answer was: "Yes. Yes. I would

My question to him was this, and I quote:

say so."

Mr. Bow at the March 25, 2021 transcript page 183 lines 3 through 18 admitted that rainfall data really needed to be updated, because that is -- the increase in rainfall is relevant, and affects his drainage calculations. That's basically one ground.

There are other --

CHAIRPERSON SCHEUER: Commissioner Okuda, I do want to -- given our time constraints, I want to have you speak to your motion and also give time for deliberation.

COMMISSIONER OKUDA: Okay. Very quickly, the Chair asked Mr. Winchester about whether or not his report satisfied HAR 15-15-50, part 24. He admitted -- that's the March 25th transcript at page 159, lines 5 through 15, that his report simply did not comply with that statute.

You know, I'm not going to go and repeat the Ka Pa'akai analysis, or Ka Pa'akai issues, let me just say this. I believe the colloquy and answers to Commissioner Chang's questions about Ka Pa'akai demonstrate that there simply was not compliance with the Ka Pa'akai standards. And as the Mauna Kea two case made clear, that's 143 Hawaii 379 at 397. It's not -- the Ka Pa'akai standards are not simply

regarding a traditional and customary native Hawaiian rights or impact on it, it deals with to the extent which cultural resources in general are impacted.

And there's simply failure to comply with that.

My final point is this: Compliance with Ka Pa'akai is not simply a Hawaiian matter, that's part of the 1978 Constitutional Convention where native Hawaiians did not comprise very many of the delegates. The provisions in the constitution, which we are trying to implement here or comply with here in these hearings, these are statements of the broad rainbow of people in the community who believe that protection of these cultural rights, protection of resources, and frankly, following these procedures that are set forth by law, these are common goals and aspirations.

So, Mr. Chair, for those reasons -- and by the way, let me just say one last thing here.

I find really a problem with the Final Environmental Impact Statement. Mr. Bow's testimony, that he had brought up a number of these facts before the Final EIS was sent to the Commission, and he was basically told that, and I can quote the section from the transcript:

"We are basically too far in", close quote,

to include his comments, his updated drainage plan in the Final Environmental Impact Statement.

I think there is an issue here about whether we have a material omission of fact under the case AIG versus Batman, B-a-t-m-a-n.

So that's some of the basis, Mr. Chair, in support of my motion. Thank you.

CHAIRPERSON SCHEUER: Commissioner Giovanni, you seconded the motion.

COMMISSIONER GIOVANNI: Thank you, Chair.

I did second the motion, and I also agree with

Commissioner Okuda in his motion to dismiss this

petition before the LUC.

I'm not going to go into all the detail that Mr. Okuda did, but let me just say, I'm a student of Mr. Okuda's teachings, and I understand and appreciate and concur with the perspective that he's brought forth in support of this motion.

My areas of concern are three general categories. One is the FEIS that we accepted in late 2019. At the time the Chair remarked that we were approving that FEIS recognizing that it was a very low bar, and they had just barely creeped over the edge of it.

What I have learned in this, in the

evidence that's been brought forth in this docket has convinced me that they did not meet that bar at the time. And that we -- if I knew then what I know now, I would have argued strenuously not to accept the FEIS at that time.

Secondly, I think the proposed project is in conflict with the will of the community at large, and it would be most directly affected by this project on Kaua'i.

And thirdly, has to do with whether or not they have met the burden of persuasion at this point in this juncture, in this docket, and I feel they have not.

And my concerns are in many different areas, and the more I learned -- and we haven't even gotten to the case from Intervenors and others whether it be traffic, wastewater, storm water, infrastructure, the wetlands, and whether or not this really does constitute affordable housing that would be taken up by the residents of Kaua'i at this time at this place. These are all big areas in which I have not been persuaded that this project is in the best interest of our community, and therefore, I urge my fellow Commissioners to join with Mr. Okuda and myself and vote in favor of this motion. Thank you.

CHAIRPERSON SCHEUER: Before I call on Commissioner Chang, I just want to acknowledge that I indicated to the Intervenor that I was wanting to provide time for the Commissioners to discuss. The Intervenor suggested they wished to make a motion.

I'm going to just offer the opportunity very briefly for the Intervenor to say anything at this time if they wish to.

MR. COLLINS: Mr. Chair, we were going to make a motion to do exactly what is now before the Commission. We just wanted to note procedurally that we believe under the case of <u>Kim v State</u> 62 Hawaii 483 that the Commission has the authority to do this procedure at the close of the Petitioner's case where no right to relief has been demonstrated.

And also that for the other procedural proposition that you folks may weigh and evaluate the evidence without special inferences favoring the Petitioner, resolve conflicts therein, and determine whether the clear preponderance of the evidence has been met.

CHAIRPERSON SCHEUER: Thank you.

Indicating you wanted to make a motion, I wanted
to -- I didn't want to cut you off. I wanted to make
sure you had an opportunity to speak.

1 Commissioner Chang.

COMMISSIONER CHANG: Thank you, Mr. Chair.

I will try to keep my comments very brief as I know others would like to speak.

I too will be joining and supporting the motion. I will tell you it is with heavy heart, because this project potentially did provide housing to the community.

However, we have heard -- I mean, days of testimony. And I too do not feel that they have met their burden of proof of satisfying the boundary amendment.

For me it is the constitutional obligation that we have under the Ka Pa'akai. I do not believe that there's sufficient evidence. I know for me personally there's not sufficient evidence in the record for me, as a Commissioner, to make that determination.

So I do believe that the record is incomplete on that. And then I support all the other basis that Commissioners Okuda talked about, and I realized that there are many others, but my primary concern is Ka Pa'akai analysis. And I do not believe -- I think their own witness admits to the inadequacy, so it's not just our conclusion.

1 But thank you very much, Mr. Chair. 2 CHAIRPERSON SCHEUER: Thank you, 3 Commissioner Chang. Commissioner Aczon. 4 VICE CHAIR ACZON: Thank you, Mr. Chair. 5 I'm not a lawyer, and I cannot really dispute what 6 Commissioner Okuda analysis are, but without 7 discussing the full process like we normally do, and without hearing the rest of the parties, their 8 9 presentations, I'm really uncomfortable supporting 10 this motion. 11 Who knows, probably if the whole process 12 13 Commissioners going to be voting.

taken place, I might vote the same way as my fellow

But, again, I'm very uncomfortable supporting this motion without going through the normal process that we normally do without hearing the rest of the parties. So I will be voting against the motion.

CHAIRPERSON SCHEUER: Thank you, Commissioner Aczon.

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Commissioners, I'm noting that Mr. Yee has raised his hand, and because he previously started to speak, I allowed the Intervenor to speak.

Does the Commission wish to allow for some brief statements from the parties? If so, I'm going

1 to call on -- sorry, Commissioner Ohigashi?

COMMISSIONER OHIGASHI: Sorry, but I think that if we allow the Intervenors to speak, all parties should be allowed to make an argument in this case. I'm concerned about procedurally, to permit process -- I'm requesting that we should give an opportunity to all parties.

CHAIRPERSON SCHEUER: Thank you,

Commissioner Ohigashi. And I'm willing to grant that

motion, grant that request now, but let me be clear.

The intervenor -- I cut the Intervenor off when they were making a motion during the regular portion of the proceedings. Then a motion was made by the Commissioners. Normally parties are not called on once the Commission has ventured into deliberation. I do believe the Petitioner has had many, many hearing dates with the known standard to make their case, but I am more than willing to provide additional opportunity right now to hear from all the parties.

I'll hear from Mr. Yuen, then the County, then from Mr. Yee, Office are Planning, and we have already heard from the Intervenor.

Mr. Yuen.

MR. YUEN: Mr. Chair, I would like the

opportunity to respond in writing before the Commission acts.

CHAIRPERSON SCHEUER: This would be highly unusual.

Commissioner Okuda?

COMMISSIONER OKUDA: Thank you, Mr. Chair.

Since I brought the motion, in the interest of letting everyone put their arguments down in writing, I would have no problem, personally anyway, even though I know it's up to the Chair to manage this, to allow Mr. Yuen and all parties to submit something in writing, although if the Chair decides to do that, I think there should be a clear deadline made as far as when that would be submitted and clarity on whether or not there will be a hearing where there's going to be oral arguments, and what the schedule is.

In other words, whether each party gets to file something in writing and each party thereafter has certain amount of days to file reply.

CHAIRPERSON SCHEUER: I may need -- Commissioner Ohigashi.

COMMISSIONER OHIGASHI: I would like to move for an executive session for purposes of consulting our attorney, determining process, duties

- 1 and responsibilities of this Commission.
- 2 CHAIRPERSON SCHEUER: Is there a second for
- 3 that motion? I see no second.
- 4 COMMISSIONER ACZON: Chair, second.
- 5 CHAIRPERSON SCHEUER: There is a second for
- 6 the motion.
- 7 So procedurally, if we go into executive
- 8 session with our attorney general right now, we will
- 9 need to briefly reemerge from executive session to
- 10 public session at 4:30 to end today's proceedings.
- 11 We are out of time.
- So we would leave today's proceedings
- 13 | without any clear action of any of the parties.
- 14 Before we move onto further discussion, would it be
- possible, I ask of our attorney general, that the
- 16 Commission could issue, the Chair could issue an
- order giving a schedule and written responses if
- 18 that's the Chair's inclination?
- MS. CHOW: Yes. As the presiding officer
- 20 you could do that.
- 21 CHAIRPERSON SCHEUER: Mr. Yee, you're
- 22 | speaking about going into executive session briefly,
- 23 please.
- MR. YEE: My comments will involve issues
- of procedure in which I would ask basically the LUC

to correct matters that I think need correcting.

I won't get into it because if you go straight into executive session, and then out and not hear from the parties, my concern is there is a procedural issue that I think could be fixed today, otherwise, it would have to be fixed later. I can get into the reasons if you --

CHAIRPERSON SCHEUER: I'm socially minded here.

MR. YEE: I believe that the motion from the Land Use Commission needs to be specific in explaining the specific bases, so I don't think it could be sufficient to simply say you failed to comply with Ka Pa'akai. You have to identify what part of Ka Pa'akai and what is missing from their facts.

Similarly, I think there was a variety of reasons why you would be dismissing this matter. In order to allow the parties or the Petitioner to reply (indecipherable) -- must testify bases by which you're proposing to dismiss at this stage of the process.

I think you have some, but only some bases by which you would want to make a decision, consequently, you're going to be restricted to these

1 issues the next time you come back.

Also, Mr. Collins, I'm guessing, would have other bases by which he would argue, specific bases by which he could argue and could lay out, and that could be done by way of a written motion as well, and I think he should be allowed to file that to also be answered by the parties.

I'll stop there. Thank you.

CHAIRPERSON SCHEUER: Ms. Chow, without violating any particular privileges, I could use a bit of procedural guidance here.

We have two motions here, I certainly want to -- let me frame this.

Yes, it is unusual that a Commissioner would make, concluding only portions of the proceedings, a motion to dismiss. However, this has been a very unusual docket. And I believe there is certainly, as evidenced by the second and the comments of Commissioner Chang, certainly at least some belief in the merit of such a motion.

How might you suggest that we, without unduly prejudicing any of the parties, move forward with this matter?

MS. CHOW: So you know, if this -- it's difficult to do it in open session, but my standard

advice would be that if this matter were to go up on appeal, a fuller record would be better than one that does not have as much information in it.

And so I'm not saying that it should go through the entire hearing, but if the LUC or the Commission wants to make a decision on this motion, they should provide as much opportunity for the parties to address this particular basis of this motion, and to have an opportunity to respond before the Commission makes its decision, so that the basis for the Commission's decision has been fully vetted.

CHAIRPERSON SCHEUER: Thank you, Ms. Chow.

Commissioner Okuda.

COMMISSIONER OKUDA: Thank you, Mr. Chair.

I did not make a motion just simply to save time. So that wasn't the intention. But since we are out of time anyway, I'm willing to withdraw my motion. We can come back for further days of hearings, that's not a problem.

So, I mean, if we're now going to have questions about a full record -- and I don't intend to just create more paperwork for everyone -- maybe it's more efficient since we are really out of time anyway, I withdraw my motion, and we just proceed now with the other parties' cases since the Petitioner

has rested?

2 CHAIRPERSON SCHEUER: Ms. Chow.

MS. CHOW: Just to clarify, Commissioner Okuda. I was not suggesting that the Commission should go through the entire hearing, but that the basis for the motion itself, the motion to dismiss should be more fully set forth than, you know, in sort of an eye towards the fact that we want to close the meeting at a certain time.

So, you know, if Commissioner Okuda would want to more fully flesh out his reasons for the motion in sort of written form, that might actually help the parties and the Commissioners to review it and some to respond to it.

COMMISSIONER OKUDA: If I can respond, I'm happy to put things in writing, and, in fact, as you can tell, I was trying not to just talk off the top of my head.

However, if that's going to be the case, my suggestion is I withdraw my motion, and let's just go forward with maybe one or two more days of hearing.

CHAIRPERSON SCHEUER: Commissioner Ohigashi followed by Commissioner Chang.

COMMISSIONER OHIGASHI: Given the advice that Linda Chow has given that hopefully we would

- elicit in executive session, I withdraw my request
 for executive session at this time.
- 3 CHAIRPERSON SCHEUER: So Commissioner 4 Chang.

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5 COMMISSIONER CHANG: Thank you, Mr. Chair.

My only recommendation is following Deputy
Attorney General Linda Chow, I think the parties
recognize what the motion is that's been made by Mr.
Okuda. And I would accept Mr. Yuen's request to put
it in writing, to give all the parties an opportunity
to put -- to respond.

And then I don't know when this is scheduled again, but I would like a full record. I don't want to do this again, don't want to do these hearings again. So let's get it right the first time.

I think Mr. Yuen has asked for an opportunity to respond in writing, and I would just urge that we provide him that opportunity as well as the other parties.

CHAIRPERSON SCHEUER: Thank you, Commissioner Chang.

Commissioner Giovanni.

COMMISSIONER GIOVANNI: I concur with Commissioner Chang, and I respect Mr. Yuen's request.

I think it's a reasonable request, and I for one would like to hear and see in writing positions of all the parties on this matter.

I would encourage Mr. Okuda not to withdraw his motion, however. I think it might move these whole proceedings further if we can give this particular motion the attention it deserves and in the end it might save time, it might not, but we will have a full hearing on the matter.

CHAIRPERSON SCHEUER: So the movants of the two motions have suggested they wish to remove their motions. I haven't formally acknowledged that yet.

We also have on the record that had the Commission not made its motion, that Intervenor was planning to make a motion substantively regarding the same matters.

Commissioner Okuda.

COMMISSIONER OKUDA: Thank you, Mr. Chair.

Based on comments of Commissioner Giovanni,

I withdraw my suggestion that I withdraw my motion.

CHAIRPERSON SCHEUER: Okay. You all making this challenging. Let me summarize how I feel right now.

Here's what I would like to do. I would like to first clarify with Commissioners Ohigashi and

Aczon that the motion to go into executive session is withdrawn. Ohigashi? The second is withdrawn? Yes, okay.

We now still have a motion before us made by Commissioner Okuda and seconded by Commissioner Giovanni.

There has been a request from the

Petitioner to do written briefing on, I believe,

particularly the issue of whether or not the

Petitioner has met the statutory requirements of

their burden of proof under the law and rules in this

case as well as case law.

And I am willing, and think it would give us a full record in these proceedings to have written briefings on this followed by oral argument.

Mr. Orodenker, do you have a suggested schedule for this matter?

EXECUTIVE OFFICER: Yes, Mr. Chair. I would suggest, given the heavy schedule coming up, that we allow the parties two weeks to file briefs, and that we'll schedule oral argument on this matter and decision-making for June 10th.

CHAIRPERSON SCHEUER: So can you be more detailed in the order of briefs, and if you would suggest that there is any responses, written

1 responsive briefs.

EXECUTIVE OFFICER: Briefs would be due by the 27th, and then rebuttals would be due, if the Chair is to allow rebuttal briefs, they would be due on the 2nd of June.

CHAIRPERSON SCHEUER: And oral arguments schedule for June 10th?

EXECUTIVE OFFICER: Yes, that's correct.

CHAIRPERSON SCHEUER: I believe, as the Chair, I can order this to occur, but I'm just going to ask the parties whether they have any concerns with the schedule. Mr. Yuen?

MR. YUEN: Will we get a written statement of the grounds for dismissal?

CHAIRPERSON SCHEUER: You will rely right now on the transcripts of today's hearing, and the recording, which will be available within a couple hours after the close of this hearing for the statements that have already been made by Commissioner Okuda, Giovanni and Chang.

If a motion is withdrawn and remade there might be additional detailed reasons for Commissioner's inclinations.

Do you have further questions, Mr. Yuen?

MR. YUEN: No. I guess we would agree with

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- 2 CHAIRPERSON SCHEUER: Thank you.
- Mr. Donohoe.
- MR. DONOHOE: Thank you, Chair, the County

 is agreeable to the schedule as well.
- 6 CHAIRPERSON SCHEUER: Ms. Kato.
- 7 MR. YEE: Chair.
- 8 CHAIRPERSON SCHEUER: Mr. Yee, who is also 9 on ZOOM.
 - MR. YEE: So sorry, the schedule itself we have no objection to. We do think Intervenor should be allowed to file a motion in particular, because we believe that the Land Use Commission will be restricted to the specific matters identified, not the more general questions it has as to the adequacy of the proof, and I believe Intervenors may have an ability to present it with better specificity.
 - CHAIRPERSON SCHEUER: If I'm correct, the Intervenor at any time can file a written motion on this matter.
 - MR. YEE: Right. I think that should be worked into the schedule so that we can all file, you know, all know when to file.
- 24 CHAIRPERSON SCHEUER: Which would be also pendent along with Commissioner Okuda's motion.

When could the Intervenor file the motion that they orally discussed in written form, and could it comply with the proposed schedule that we discussed?

MR. COLLINS: I was going to ask if we would be allowed to file basically a motion at the same time as the first briefs are due on the 27th, and then, of course, allow all parties to respond to that. I think that's more generous than what the default rules permit in terms of filing motions and responding.

And I think most of our brief in support of Commissioner Okuda's motion is going to be duplicative of what is in our motion, there probably will be additional things, but --

CHAIRPERSON SCHEUER: Thank you. I'm going to -- we have five minutes.

Commissioner Ohigashi.

COMMISSIONER OHIGASHI: I just have one question.

Mr. Collins, does than mean that you'll be filing a combination memorandum as well as a motion at the same time, and that the rebuttal schedule will be set at the same time, and no additional time is necessary?

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1 MR. COLLINS: Yes, Commissioner Ohigashi, 2 we are suggesting that. It won't be a combination, 3 we will separate it so the record is clear, but it will be all at same time. 4 5 CHAIRPERSON SCHEUER: Mr. Donohoe. 6 MR. DONOHOE: For logistic purposes for the 7 June 10th, is the County dependent on the outcome of the motion to have its witnesses ready? 8 9 CHAIRPERSON SCHEUER: No. No, if either 10 Commissioner Okuda or the Intervenor's motion fails, 11 the next step would be to then schedule further 12 proceedings for the County to proceed with their 13 case. 14 MR. DONOHOE: Thank you, Chair. CHAIRPERSON SCHEUER: I'm going to circle 15 16 back. Commissioner Cabral. 17 VICE CHAIR CABRAL: Yes, thank you. I know 18 we are in a hurry, but I got to get my two cents in. 19 I want to say, although I think the 20 writings on the wall, so to speak, but I would want 21 to tell the Petitioner how desperately clearly the 22 island and community appears to need housing, and to 23 look at where the questions --24 CHAIRPERSON SCHEUER: Commissioner Cabral,

I'm going to just focus this purely on procedure

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      right now.
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                VICE CHAIR CABRAL: Okay, thank you.
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                EXECUTIVE OFFICER: Chair, if I may.
                CHAIRPERSON SCHEUER: Mr. Orodenker.
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                EXECUTIVE OFFICER: I just want to point
     out that we have -- there is some concern about this,
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     and I would point out that this motion may have to
     be -- we will have to see how the scheduling goes.
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     We have two SPs on the 9th and 10th that have to be
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     heard, because of time constraints on those days.
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                So if we cannot finish those, this motion
     will have to be deferred.
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                CHAIRPERSON SCHEUER: The oral arguments on
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     this motion?
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                EXECUTIVE OFFICER: Yes, that is correct.
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                CHAIRPERSON SCHEUER: Okay, but that does
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     not necessarily change the briefing schedule at this
     point, correct?
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                EXECUTIVE OFFICER: No, it does not.
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                CHAIRPERSON SCHEUER: Thank you.
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                I'm going to circle back with Mr. Yuen, the
22
      Petitioner. We have discussed slightly different
      revised schedule that would also have the Intervenor
23
24
      file a motion along with their briefing on the
25
      Commission's motion on the first date of deadline,
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1
      and the scheduling going on as further. Do you have
2
     any problems with this procedure?
 3
                MR. YUEN: So essentially if the Intervenor
 4
      files a motion by May 27th, our opportunity to
5
      respond to the Intervenor's motion is June 2nd; is
     that correct?
 6
7
                CHAIRPERSON SCHEUER: That is correct,
     under this proposed schedule.
8
9
                MR. YUEN: I guess if that's the schedule
10
      that you're going to impose, that's the schedule we
      follow.
11
12
                CHAIRPERSON SCHEUER: County?
13
                MR. DONOHOE: Sorry, Chair. I'm okay with
14
     that.
15
                CHAIRPERSON SCHEUER: OP?
16
                MR. YEE: No objection.
17
                CHAIRPERSON SCHEUER: Commissioners?
18
     Having resolved the scheduling matters and set this
19
     matter for further proceedings, there being no other
20
     business on our schedule, I'm going to adjourn our
21
     meeting for today.
22
                (The proceedings were adjourned at 4:29
23
     p.m.)
24
25
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1	CERTIFICATE
2	STATE OF HAWAII)) SS.
3	COUNTY OF HONOLULU)
4	I, JEAN MARIE McMANUS, do hereby certify:
5	That on May 13, 2021, at 9:00 a.m., the
6	proceedings contained herein was taken down by me in
7	machine shorthand and was thereafter reduced to
8	typewriting under my supervision; that the foregoing
9	represents, to the best of my ability, a true and
10	correct copy of the proceedings had in the foregoing
11	matter.
12	I further certify that I am not of counsel for
13	any of the parties hereto, nor in any way interested
14	in the outcome of the cause named in this caption.
15	Dated this 13th day of May, 2021, in Honolulu,
16	Hawaii.
17	
18	
19	/s/ Jean Marie McManus
20	JEAN MARIE McMANUS, CSR #156
21	
22	
23	
24	
25	