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FINAL

**STATE OF HAWAII
LAND USE COMMISSION**

Meeting held on November 16, 2022

Commencing at 9:04 a.m.

Held at

Maui Arts & Cultural Center

Haynes Meeting Room

1 Cameron Way

Kahului, Hawaii 96732

I. CALL TO ORDER

II. ADOPTION OF MINUTES

November 2, 2022

III. TENTATIVE MEETING SCHEDULE

IV. A19-809 PULAMA LANAI - MIKI BASIN (MAUI)

Petition to Amend the Land Use District Boundaries from the Agricultural District to the Urban District for an industrial park and other uses at Miki Basin. Approximately 200 acres lands situated at Lanai City, Island of Lanai, Tax Map Key No. (2)4-9-002:061

V. ADJOURNMENT

BEFORE :

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APPEARANCES

COMMISSIONERS PRESENT:

- Dan Giovanni, Chair
- Dawn Chang
- Gary Okuda
- George Atta
- Kuikeokalani Kamakea-Ohelo
- Lee Ohigashi
- Mel Kahele

COMMISSIONERS EXCUSED:

- Nancy Cabral
- Michael Yamane

STAFF PRESENT:

- Daniel Orodener, Executive Officer
- Scott Derrickson, Chief Planner
- Riley Hakoda, Staff Planner (via Zoom)
- Martina Segura, Staff Planner
- Ariana Kwan, Chief Clerk
- Daniel Morris, Esq., Deputy Attorney General (via Zoom)

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APPEARANCES (CONTINUED)

OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT:

Bryan Yee, Esq., Deputy Attorney General

Aaron Setogawa, Planner

Katia Balassiano, Land Use Administrator

COUNTY OF MAUI:

Michael Hopper, Esq., Deputy Corporation Counsel

Michele McLean, Planning Department

PETITIONER'S COUNSEL:

Calvert Chipchase

Stacey Gray

Christopher Goodin

Molly Olds

PETITIONER'S WITNESSES:

Kurt Matsumoto

Trisha Kehaulani Watson

Keiki-Pua Dancil

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FINAL

CHAIR GIOVANNI: It's 9:04, and we will commence with the meeting. Aloha mai kakou. Good morning. This is the November 16th, 2022, Land Use Commission meeting. This is an in-person meeting which is being held at the Maui Arts & Cultural Center, Haynes Meeting Room, 1 Cameron Way, Kahului, Maui 96732, and it's open to the public.

Court reporting transcriptions are being done from this Zoom recording. For all meeting participants, I'd like to stress the importance of speaking slowly, clearly, and directly into your microphone. Before speaking each time, please state your name and identify yourself for the record.

Even though this is an in-person meeting, please be aware that all meeting participants are being recorded on the digital record of this Zoom meeting, and that's being done for court reporting purposes. Your continued participation is your implied consent to be part of the public record of this event. If you do not wish to be part of the public record, you should exit the meeting now.

I will share with all participants that we will take breaks from time to time, typically about five or ten minutes every hour, and we will also

1 take a lunch break.

2 My name is Dan Giovanni, and I have the
3 pleasure to serve as the LUC chair. We currently
4 have nine seated commissioners. Along with me today
5 are six other commissioners. Lee Ohigashi, to my
6 left, is from Maui. Commissioner Dawn Chang,
7 Commissioner Gary Okuda, Commissioner Kamakea-
8 'Ohelo, Commissioner George Atta, Commissioner Mel
9 Kahele are all from O'ahu. Commissioner Michael
10 Yamane from Kaua'i and Commissioner Nancy Cabral
11 from Hilo are excused today.

12 Also in attendance are the LUC Executive
13 Officer to my right, Daniel Orodener, LUC Chief
14 Planner Derrick Erickson (sic), LUC Staff Planner
15 Martina Segura, LUC Chief Clerk Ariana Kwan. And
16 joining us today by Zoom from O'ahu is LUC Attorney
17 General Dan Morris.

18 Again, court reporting transcriptions are
19 being done from Zoom.

20 Our first order of business is the
21 adoption of the minutes from our meeting of November
22 2nd, 2022. Ms. Kwan, has there been any written
23 testimony submitted on the November 2nd, 2022,
24 minutes?

25 **MS. KWAN:** No, Mr. Chair.

1 **CHAIR GIOVANNI:** You don't have a
2 microphone over there? Okay. Speak loud. Are there
3 any members of the public who have signed up to
4 testify on the adoption of the minutes?

5 **MS. KWAN:** No, Mr. Chair.

6 **CHAIR GIOVANNI:** Thank you.

7 Commissioners, are there any corrections
8 or comments on the minutes from November 22nd?

9 **COMMISSIONER OKUDA:** Chair?

10 **CHAIR GIOVANNI:** Commissioner Okuda?

11 **COMMISSIONER OKUDA:** Chair, because I was
12 not present at the meeting, I plan to abstain.

13 **CHAIR GIOVANNI:** So noted. Thank you.

14 Is there a motion to adopt the minutes of
15 November 22nd?

16 **COMMISSIONER OHIGASHI:** Chair.

17 **CHAIR GIOVANNI:** Commissioner Ohigashi
18 moves to adopt. Is there a second?

19 **COMMISSIONER ATTA:** Second.

20 **CHAIR GIOVANNI:** Commissioner Atta
21 seconds.

22 All in favor of adoption of the minutes,
23 please say aye.

24 **(A chorus of ayes.)**

25 **CHAIR GIOVANNI:** Any opposed? The minutes

1 are adopted. Thank you.

2 The next agenda item is the tentative
3 meeting schedule. Mr. Orodenger, would you share
4 that with us, please?

5 **MR. ORODENKER:** Thank you, Mr. Chair.

6 December 2nd we will be on O'ahu at the
7 Foreign Trade Zone for A89-651, the Haseko matter.
8 On December 21st, we will be on the Big Island Kona
9 for the Y-O Limited Partnership matter.

10 On January 11th, we are planning on
11 completion of this matter, the matter before us
12 today, which is the Pulama Lana'i Miki Basin matter.

13 At the moment, we do not have anything
14 firm enough to schedule, but we would caution the
15 commissioners to keep those dates open, because you
16 do have a number of things pending.

17 **CHAIR GIOVANNI:** Thank you. Did you say
18 December 2nd or 7th?

19 **MR. ORODENKER:** The 7th.

20 **CHAIR GIOVANNI:** 7th?

21 **MR. ORODENKER:** Yes.

22 **CHAIR GIOVANNI:** Okay. I heard the 2nd, so
23 that's why I wanted to clarify. So it is December
24 7th is our next meeting.

25 Commissioners, do you have any other

1 questions on the schedule for Mr. Orodenerker?

2 Seeing none, we'll move forward.

3 Our fourth order of business is the
4 petition for a District Boundary Amendment for A19-
5 809 Pulama Lana'i Miki Basin. This is a petition to
6 amend the land use district boundaries from
7 agricultural district to urban district for an
8 industrial park and for other uses at Miki Basin,
9 approximately 200 acres of land situated in Lana'i
10 City.

11 Let me briefly explain our procedure for
12 today. First, I will ask if there are any
13 disclosures from the commissioners. Then I will
14 update the record, and I will also ask the parties
15 to identify themselves.

16 Next, I will give opportunity for the
17 petitioner to comment on the commission's policy
18 governing reimbursement of hearing expense.

19 Then I will recognize the written public
20 testimony that has been submitted in this matter,
21 identifying the person or organization who has
22 submitted the testimony.

23 Next, I will call for members of the
24 public who wish to testify on the DBA for A19-809
25 Pulama Lana'i Miki Basin. Members of the public will

1 each have two minutes to provide their testimony and
2 should stand by after their testimony to respond to
3 any questions by the parties or commissioners. When
4 all the questions have been completed, the chair
5 will excuse the witness and call the next witness to
6 enter to provide public testimony.

7 After completion of the public testimony
8 portion of the proceedings, I will give an
9 opportunity for the parties to admit their
10 additional exhibits and witness list into the record
11 after completion of the public testimony portion of
12 the proceedings, and the chair would like the
13 petitioner to provide its case in support of the
14 petition.

15 The chair will then call on the County of
16 Maui Department of Planning to make their case. The
17 chair will then call on the Office of Planning and
18 Sustainable Development to make their case. After
19 the presentation of each witness by the party, other
20 parties will be given an opportunity to cross-
21 examine the witness.

22 After cross-examination, the commissioners
23 will be given the opportunity to question the
24 witness. After that, the presenting party will be
25 given an opportunity for redirect examination of the

1 witness.

2 Petitioner will then be allowed to present
3 its rebuttal evidence. Commissioners will ask
4 questions of the parties at the conclusion of each
5 of their witnesses and again at the end of their
6 individual presentations.

7 At the conclusion of the parties'
8 presentations of evidence and commissioners'
9 questions, the public will again be granted a second
10 opportunity to provide public testimony in the same
11 manner that was set forth previously.

12 The chair will also note for the parties
13 and the public that from time to time I'll be
14 calling those short breaks, normally five to ten
15 minutes per hour, as well as a longer one for lunch.
16 Are there any questions on the procedures today?

17 I'm going to ask the parties to identify
18 themselves at this time, starting with the
19 petitioner.

20 **MR. CHIPCHASE:** Good morning, chair,
21 members. Cal Chipchase and Stacey Gray for the
22 petitioner. With me at table is Kurt Matsumoto. He
23 is the president of Pulama Lana'i.

24 **CHAIR GIOVANNI:** Thank you, Mr. Chipchase.
25 County?

1 **MR. HOPPER:** Good morning, Mr. Chair and
2 commissioners. Michael Hopper, Deputy Corporation
3 Counsel representing Maui County Department of
4 Planning. With me are Planning Director Michele
5 McLean and Planner Kurt Wollenhaupt.

6 **CHAIR GIOVANNI:** Thank you.
7 Office of Planning and Sustainable
8 Development?

9 **MR. YEE:** Good morning. Deputy Attorney
10 General Brian Yee on behalf of the Office of
11 Planning and Sustainable Development. With me is the
12 LUD Chief Katia Balassiano and Aaron Setogawa,
13 planner.

14 **CHAIR GIOVANNI:** Thank you.
15 At this time we will entertain any
16 disclosures that the commissioners have to make at
17 this time. So, commissioners, so you have any
18 disclosures that you'd like to make?

19 **COMMISSIONER CHANG:** I do.

20 **CHAIR GIOVANNI:** Commissioner Chang?

21 **COMMISSIONER CHANG:** Thank you, Mr. Chair.
22 Many years ago, I think in 2015, I did have a small
23 consulting contract with Pulama Lana'i with respect
24 to assisting them on Lana'i Cemetery. And since
25 then, I have had no other financial involvement with

1 Pulama Lana'i. I do not believe that that previous
2 work will affect my ability to be fair and objective
3 in reviewing this petition.

4 **CHAIR GIOVANNI:** Thank you, Commissioner
5 Chang.

6 Any objection by the parties, starting
7 with the petitioner?

8 **MR. CHIPCHASE:** No, chair.

9 **CHAIR GIOVANNI:** County?

10 **MR. HOPPER:** No objection, chair.

11 **CHAIR GIOVANNI:** State?

12 **MR. YEE:** No objection.

13 **CHAIR GIOVANNI:** Thank you.

14 Any other disclosures by commissioners?

15 Seeing none, we'll proceed. Let me update
16 the record.

17 On December 13th, 2019, the commission
18 agreed to be the accepting authority pursuant to
19 Chapter 343 HRS and determined that the LUC
20 anticipates a finding of no significant impact on
21 the environment, a FONSI.

22 On February 4th, 2022, petitioner filed a
23 Motion to Issue Notice of a Finding of No
24 Significant Impact Final EA, an FEA. On February
25 16th, 2022, the LUC voted to find the proposed

1 action will not likely have significant impacts on
2 the environment and that the Finding of No
3 Significant Impact, a FONSI, is warranted for the
4 proposed action.

5 On June 7th, 2022, the petitioner filed a
6 Petition for Land Use District Boundary Amendment.
7 On June 21st, 2022, the Land Use Commission deemed
8 the petition complete and accepted for processing.

9 On July 20th, 2022, the LUC received an
10 updated map for the Miki Basin District Boundary
11 Amendment.

12 On October 13th, the LUC received the
13 Department of Land and Natural Resources Chapter 6E-
14 42 Historic Preservation Review. On October 19th,
15 2022, OPSD filed testimony in support with
16 conditions and Exhibits 2 through 8.

17 On October 21st, 2022, LUC received the
18 petitioner's Notice of Hearing. On October 24th,
19 2022, the petitioner filed their exhibit list,
20 witness list, and Exhibits 13 through 19. On October
21 31st, 2022, the county of Maui filed their witness
22 list and petition statement.

23 On November 3rd, 2022, the county of Maui
24 filed their corrected version of recipient list. On
25 November 4th, 2022, the Land Use Commission mailed,

1 emailed the agenda for today's meeting to all
2 parties statewide and the Maui list. And on November
3 7th, 2022, the petitioner filed an Affidavit and
4 mailing of Notice of Hearing.

5 So the parties have already identified
6 themselves. I'd like to move now to the
7 reimbursement policy.

8 So, Mr. Chipchase, have you received HAR
9 15-15- 45.1 regarding reimbursement of hearing
10 expenses?

11 **MR. CHIPCHASE:** Received and accepted,
12 chair.

13 **CHAIR GIOVANNI:** Thank you so much.

14 Public testimony. I'll now recognize
15 written public testimony submitted in this matter,
16 identifying the portion and organizations submitting
17 the testimony.

18 Ms. Kwan, has there been any written
19 testimony submitted on this matter?

20 **MS. KWAN:** No, Mr. Chair.

21 **CHAIR GIOVANNI:** Thank you again.

22 Now I will call for members of the public
23 to provide testimony on this agenda item.

24 Ms. Kwan, are there any members of the
25 public present who would like to testify in person?

1 **MS. KWAN:** No, Mr. Chair.

2 **CHAIR GIOVANNI:** Thank you very much.

3 That concludes our first round of public
4 testimony. We will give the public a second round
5 later.

6 Admission of exhibits. Mr. Chipchase,
7 please describe the exhibits which you wish to have
8 admitted to the record at this time.

9 **MR. CHIPCHASE:** Chair, we filed an exhibit
10 list denominating each exhibit that we intend to
11 admit. That exhibit list is comprehensive. I'd be
12 happy to read it, if necessary, but I believe it's
13 in the record.

14 The only document that I'd like to add to
15 that exhibit is we filed yesterday, and it was
16 formally received and stamped today and distributed
17 to the parties and to the commission, an additional
18 exhibit, which is a Special Permit that covers a
19 portion of the petition area. That Special Permit is
20 in place today, and that area is in use.

21 It will obviously be subsumed by the DBA
22 if the DBA is approved and then the rezoning by the
23 county is approved. The Office of Planning and
24 Sustainable Development brought to my attention that
25 that particular SP was not in the LUC's record

1 because it had been issued by the county. And I
2 wanted to make sure that the commissioners had it
3 for today's hearing.

4 **CHAIR GIOVANNI:** Okay, Mr. Chipchase, two
5 points. Number one, I'd like you clarify the numbers
6 of the exhibits. You don't have to read all the
7 names of them, but from what number to what number
8 will be the exhibits of record?

9 **MR. CHIPCHASE:** Understood, chair. It's
10 Exhibits 1 through 20.

11 **CHAIR GIOVANNI:** And then this additional
12 one is number 20, or it's number 21?

13 **MR. CHIPCHASE:** 21, chair. Oh, I'm sorry.
14 Ms. Gray corrected me. It's number 20, chair.

15 **CHAIR GIOVANNI:** Okay. So there were 19,
16 and you filed another one yesterday, and it's number
17 20.

18 **MR. CHIPCHASE:** Yes, chair.

19 **CHAIR GIOVANNI:** Okay.
20 County, any objection to admission of
21 number 20?

22 **MR. HOPPER:** No, chair.

23 **CHAIR GIOVANNI:** Thank you.
24 State?

25 **MR. YEE:** No objection.

1 **CHAIR GIOVANNI:** Thank you.

2 So we will accept the Exhibit 20 as part
3 of the record.

4 **MR. CHIPCHASE:** Thank you, chair.

5 **CHAIR GIOVANNI:** Okay. County, do you have
6 any objection to Exhibits 1 through 19?

7 **MR. HOPPER:** No, chair.

8 **CHAIR GIOVANNI:** State, do you have any
9 objection to Exhibits 1 through 19?

10 **MR. YEE:** No objection.

11 **CHAIR GIOVANNI:** Thank you.

12 They're all accepted.

13 **MR. CHIPCHASE:** County, do you have any
14 exhibits which you wish to have admitted to the
15 record?

16 **MR. HOPPER:** No, chair.

17 **CHAIR GIOVANNI:** Thank you.

18 Mr. Yee, do you have any exhibits from
19 OPSD you wish to have admitted to the record?

20 **MR. YEE:** Yes, chair. OPSD has Exhibits 1
21 through 8, with the notice that Exhibit 8 is the
22 resume of Katia Balassiano.

23 **CHAIR GIOVANNI:** Petitioner, any objection
24 to the admission of Exhibits 1 through 8 from the
25 state?

1 **MR. CHIPCHASE:** No, chair.

2 **CHAIR GIOVANNI:** County?

3 **MR. HOPPER:** No, chair.

4 **CHAIR GIOVANNI:** So admitted. Thank you
5 very much.

6 We'll now proceed. Commissioners, do you
7 have any objections to any of the exhibits from the
8 petitioners, county, or state?

9 Seeing none, I'm just reaffirming all of
10 those exhibits are admitted.

11 Presentations. Mr. Chipchase, for planning
12 purposes, would you describe how you will be
13 presenting your case today, including how many
14 witnesses and the approximate time?

15 **MR. CHIPCHASE:** Yes, chair. I plan to
16 present three witnesses as part of my case. The
17 first will be Dr. Kehau Watson. She will address
18 archaeological and historical as well as cultural
19 matters. Dr. Watson has a flight to catch, and so
20 I'd like to present her early in the hearing in case
21 the commission has any questions related to those
22 matters.

23 I'll then call Kurt Matsumoto, who will
24 provide an overview of the proposed project.

25 Finally, I'll call Dr. Keiki-Pua Dancil, who will

1 discuss the project in more detail and summarize
2 some of the technical studies that have been
3 submitted and now entered into the record that
4 support the project.

5 That will conclude my presentation unless
6 the commission has questions that require me to call
7 the subject matter experts who prepared the studies
8 and reports. They are available in person today to
9 address those questions should the commission have
10 them. If the commission doesn't have questions, I'm
11 content to stand on the record that we have
12 submitted. I think in total my presentation should
13 take less than two hours.

14 **CHAIR GIOVANNI:** Thank you very much. I
15 hope your forecast is accurate.

16 **MR. CHIPCHASE:** You and me both, chair.

17 **CHAIR GIOVANNI:** I have -- since Ms.
18 Dancil will be a witness of yours, I have a
19 disclosure to make of my own. Ms. Dancil and I were
20 colleagues for several years, working together at
21 Hawaiian Electric Company. But our relationship will
22 have no bearing on my ability to be fair in this
23 matter.

24 Does anybody have any objections to my
25 continuation? Parties?

1 **MR. CHIPCHASE:** No, chair.

2 **CHAIR GIOVANNI:** County?

3 **MR. HOPPER:** No, chair.

4 **CHAIR GIOVANNI:** State?

5 **MR. YEE:** No objection.

6 **CHAIR GIOVANNI:** Fellow commissioners?

7 Seeing none, I will proceed and stay on
8 board.

9 Nice to see you, Ms. Dancil.

10 **CHAIR GIOVANNI:** You may begin, Mr.
11 Chipchase.

12 **MR. CHIPCHASE:** Very good, chair.

13 Commissioners, we're here for
14 consideration of the Miki Basin Industrial Park
15 District Boundary Amendment. This proceeding follows
16 the commission's acceptance of the Final
17 Environmental Assessment for that project.

18 This petition for DBA, our petition, is
19 consistent with the FEA. It's also consistent with
20 the community plan, the county community plan for
21 the area, which supports the location of an
22 industrial park in this area.

23 The Office of Planning and Sustainable
24 Development, OPSD, supports the petition. The county
25 supports the petition. And we have worked out the

1 proposed conditions to be attached to the District
2 Boundary Amendment with the county and OPSD. So all
3 parties to this proceeding are in agreement on those
4 conditions. And at the conclusion of my
5 presentation, I'll put them up on the screen for the
6 commission to review.

7 With that, chair, I'm ready to proceed to
8 my witnesses.

9 **CHAIR GIOVANNI:** Proceed.

10 **MR. CHIPCHASE:** All right. My first
11 witness is Dr. Kehau Watson.

12 Good morning, Dr. Watson. Would you mind
13 introducing yourself for me? Are you fixed?

14 **DR. WATSON:** Sorry. Am I good? Okay. Good
15 morning, everyone. My name is Dr. Trisha Kehaulani
16 Watson. I am the founder and owner of Honua
17 Consulting.

18 **MR. CHIPCHASE:** And, Dr. Watson, could you
19 just briefly describe for us your educational
20 background and experience?

21 **DR. WATSON:** I have bachelor's degrees in
22 American Studies and sociology, a master's in
23 American Studies, a law degree, an environmental law
24 certificate, and a PhD in American Studies. I'm
25 secretary of interior- qualified, and I've done -- I

1 founded Honua in 2003, so we'll be 20 years next
2 year.

3 **MR. CHIPCHASE:** And over that 20 years,
4 can you estimate for us the number of cultural
5 research projects that you've overseen?

6 **DR. WATSON:** At least over 100.

7 **MR. CHIPCHASE:** And would you describe for
8 us your work with Pulama Lana'i?

9 **DR. WATSON:** So we currently hold the
10 master contract for all of Pulama Lana'i's cultural
11 resource work. We inherited that from Tom Dye, who
12 was an archaeologist who retired a few years ago.

13 My mentor is Kepa Maly. Kepa served as the
14 vice president of cultural and historic preservation
15 for Pulama Lana'i, so we've basically continued both
16 Tom and Kepa's work on Lana'i.

17 One of Tom's -- Tom's lead field
18 technician, we hired him onboard to have continuity
19 throughout the projects over the years.

20 **MR. CHIPCHASE:** And in your experience,
21 have you had an opportunity to testify before any
22 board or commission?

23 **DR. WATSON:** Yes. I have. I've testified
24 before boards and commissions, including the LUC, a
25 few times.

1 **MR. CHIPCHASE:** And in those times, were
2 you recognized as an expert witness?

3 **DR. WATSON:** Yes.

4 **MR. CHIPCHASE:** In what field?

5 **DR. WATSON:** Environmental law and
6 cultural resource management.

7 **MR. CHIPCHASE:** And are you familiar with
8 the Miki Basin Industrial Park project?

9 **DR. WATSON:** Yes. I am.

10 **MR. CHIPCHASE:** And is it accurate to say
11 that you submitted the AIS to SHPD for this project?

12 **DR. WATSON:** Yes. Again, after Tom Dye
13 retired, we took over the project and led it through
14 a 6D compliance.

15 **MR. CHIPCHASE:** Chair, I'd ask that Dr.
16 Watson be recognized as an expert in the fields of
17 cultural research management, including archaeology
18 and environmental law.

19 **CHAIR GIOVANNI:** County, any objection?

20 **MR. HOPPER:** No objection, chair.

21 **CHAIR GIOVANNI:** State?

22 **MR. YEE:** Will Ms. Watson be testifying
23 regarding environmental law?

24 **DR. WATSON:** Only insofar as to compliance
25 with HRS 6E and Ka Pa'akai.

1 **MR. YEE:** I've no objection to her
2 expertise in the area of Chapter 6E or
3 archaeological and cultural issues. I think the
4 larger issue of environmental law is not relevant to
5 her testimony, and we would not be comfortable
6 stipulating to that.

7 **MR. CHIPCHASE:** Chair, I accept that
8 limitation.

9 **CHAIR GIOVANNI:** I think that was Mr.
10 Chipchase that echoed in there at the end?

11 **MR. CHIPCHASE:** Yes, chair.

12 **CHAIR GIOVANNI:** Let the record show that.

13 Yeah, just because we are doing this
14 transcript by Zoom, please try to restate your name
15 every time you re- enter.

16 Commissioners, any comment or objection?

17 So she will be admitted as an expert,
18 subject to the constraint that you -- was proposed
19 by Mr. Yee and agreed to by the petitioner.

20 **MR. CHIPCHASE:** Very good, chair. Cal
21 Chipchase continuing.

22 Commissioners, Exhibit D1 to the FEA, the
23 Final Environmental Assessment, is the
24 Archaeological Inventory Survey. Exhibit D2 is the
25 SHPD, S-H-P-D, concurrence letter. D3 is the

1 archaeological data recovery plan and report, and D4
2 is supporting documentation on Cultural Impact
3 Assessment requirement. Exhibit 13 to the DBA is the
4 SHPD acceptance letter for the data recovery plan
5 and the data recovery report.

6 Dr. Watson, I'd like you to talk briefly
7 about the methodology for the AIS.

8 **DR. WATSON:** Yes. So Tom Dye -- there was
9 two primary types of methodology. He conducted a 100
10 percent pedestrian survey. The field technician on
11 that was Nathan DiVito, who does work with us now.

12 He then conducted 31 trenches across the
13 property that you can see on the slide there. Over
14 the course of that, he did identify one subsurface
15 pit, and then in the pedestrian survey just
16 identified another. It was a very comprehensive
17 study. It was accepted by the State Historic
18 Preservation Division. That was the methodology
19 used.

20 **MR. CHIPCHASE:** All right. And you
21 testified on some of this anticipating my next
22 question, but is there anything to the findings as a
23 result of that AIS or the 6E determination?

24 **DR. WATSON:** No. We stand on the record,
25 but we just do point out that there were two

1 historic sites identified. Both were remnant fire
2 pits. Those were fully investigated. There was
3 surface scatter. Both are historic, so older than 50
4 years old, but not pre-contact, of a historic nature
5 associated with Miki Camp, and then traditional
6 scatter, which is pre-contact scatter. And those
7 were all documented and properly catalogued as well.

8 **MR. CHIPCHASE:** And in addition to the
9 archaeological work, was ethnographic data
10 collected?

11 **DR. WATSON:** Yes. So when Mr. Maly was
12 still with Pulama Lana'i, their -- he and Tom worked
13 out a methodology where all of the ethnographic
14 fishery would be included in the Archaeological
15 Inventory Survey. So he did a very, very robust
16 study that was included in the AIS, so not as a
17 separate CIA.

18 And so he did all of that work, and then
19 just to supplement it to make sure we were in
20 compliance with ACT 50 and Ka Pa'akai, we did
21 additional interviews with two kumu hula from the
22 area. And that sort of comprised all the
23 ethnographic work.

24 **MR. CHIPCHASE:** We'll put up on the screen
25 the SHPD acceptance letter. That's the letter

1 related to the AIS. And to confirm, did SHPD concur
2 in the assessment and mitigation recommendations?

3 **DR. WATSON:** Yes.

4 **MR. CHIPCHASE:** We'll put up on the screen
5 the next SHPD acceptance letter. And can you confirm
6 for us that the data recovery plan and report for
7 the sites that you identified were also accepted by
8 SHPD?

9 **DR. WATSON:** Yes. The work was completed
10 and accepted by the State Historic Preservation
11 Division.

12 **MR. CHIPCHASE:** Is there any further work
13 needed for those sites?

14 **DR. WATSON:** No. There is not.

15 **MR. CHIPCHASE:** Was the county notified as
16 part of SHPD's acceptance that the issuance of the
17 permit process may continue?

18 **DR. WATSON:** Yes.

19 **MR. CHIPCHASE:** Dr. Watson, based on the
20 historic and ethnographic research that was
21 conducted as part of the Miki Basin project, will
22 the project affect or impair Native Hawaiian
23 customary or traditional rights?

24 **DR. WATSON:** No. It will not.

25 **MR. CHIPCHASE:** Thank you for your time,

1 Dr. Watson. I have no further questions.

2 **DR. WATSON:** Thank you.

3 **CHAIR GIOVANNI:** Thank you, Dr. Watson.

4 Mr. Chipchase, is this the slide deck that
5 you're using one of your exhibits?

6 **MR. CHIPCHASE:** It is not, chair. It has
7 been my practice to submit the slide deck as an
8 exhibit at the conclusion of my presentation, and I
9 will do that today.

10 **CHAIR GIOVANNI:** Yeah, we would appreciate
11 that you make that available to our LUC staff.

12 **MR. CHIPCHASE:** Will do, chair.

13 **CHAIR GIOVANNI:** Thank you.

14 So are there any cross-examination of the
15 witness by the county?

16 **MR. HOPPER:** No questions for this
17 witness. Thank you, chair.

18 **CHAIR GIOVANNI:** Thank you, Mr. Hopper.

19 Mr. Yee?

20 **MR. YEE:** For my information, were you the
21 archaeologist in 2020?

22 **DR. WATSON:** In 2020, we were the firm,
23 but we were not the PI at that point, and we would
24 not have been the PI of record because the fieldwork
25 was conducted under Tom Dye prior to his retirement.

1 **MR. YEE:** So if you can't answer the
2 question, feel free. But my reference -- my question
3 is with respect to the SHPD letter dated August 4,
4 2020.

5 **DR. WATSON:** Okay.

6 **MR. YEE:** Just for my information, the
7 letter talks about notifying the county of Maui that
8 the office -- that SHPD has not yet received a
9 county permit submittal. Do you know if that matter
10 was ever resolved?

11 **DR. WATSON:** So LUC hearings are a little
12 unique in that they are their own trigger and
13 separate from the subsequent 6E-43 trigger that will
14 come from the permitting.

15 So this is a trigger, and because it has
16 been the practice of the LUC in recent years to make
17 sure that the archaeological work is fully completed
18 ahead of time, just as best practice, I don't -- I
19 think permits are still coming after this DBA, so I
20 think to the extent that permits were currently
21 available and provided, they have been done so.

22 Additionally, it is proper practice under
23 6E that any additional permits will be submitted
24 under HICRIS to the State Historic Preservation
25 Division for their review to make sure that they are

1 consistent with the previous SHPD decision, if that
2 makes sense.

3 **MR. YEE:** Do you know if the application
4 for this DBA was submitted to SHPD yet?

5 **DR. WATSON:** I believe it was. Yes. And I
6 can doublecheck on that.

7 **MR. YEE:** Do you know if SHPD specifically
8 responded to the application for the DBA?

9 **DR. WATSON:** I do not believe they did.
10 No. In practice it's been sufficient that they have
11 reviewed the archaeological 6E documentation for the
12 project, and it was accepted in this case, as
13 indicated by both SHPD letters.

14 **MR. YEE:** It was -- was this
15 Archaeological Inventory Survey submitted with
16 respect to a Special Permit application?

17 **DR. WATSON:** No. It was practice at the
18 time -- so SHPD has shifted their practices a bit.
19 So again, it was so comprehensive I don't think it
20 would have been done the same today as why he did a
21 full sampling of the entire parcel, whereas today it
22 might have been a smaller sampling of exactly where
23 ground disturbing activities would have been. But
24 because it was done in anticipation of this and
25 other permits, he did a comprehensive look of the

1 entire parcel.

2 **MR. YEE:** So the AIS was done
3 comprehensively for any anticipated permits before
4 the permits were submitted; is that correct?

5 **DR. WATSON:** That's correct.

6 **MR. YEE:** Okay. Thank you. I'm sorry. One
7 quick question. Is there going to be a submittal of
8 this DBA to SHPD in the future?

9 **DR. WATSON:** Yes. It would be required
10 under law. So all of the -- any permits
11 additionally, grading, building, anything, and we
12 submit it under the same HICRIS number. So again,
13 it's a project determination by SHPD, so that
14 project determination, as long as all subsequent
15 activities are consistent with their prior
16 determinations, would be approved under the existing
17 approval that SHPD has already provided.

18 **MR. YEE:** And given the prior SHPD
19 determination in August of 2020, would you
20 anticipate, then, a fairly simple SHPD approval of
21 the DBA in this case?

22 **DR. WATSON:** Yes. Absolutely. And in
23 particular, because the data recovery and the
24 mitigation has already been completed. So likely, it
25 would be just a turnaround, and it is consistent

1 with the prior decision, and no additional work is
2 needed.

3 **MR. YEE:** Thank you. Nothing further.

4 **CHAIR GIOVANNI:** Thank you, Mr. Yee.

5 Thank you, Dr. Johnson.

6 Commissioners, questions for Dr. Johnson?

7 **DR. WATSON:** Dr. Watson.

8 **CHAIR GIOVANNI:** Pardon me.

9 **DR. WATSON:** That's okay.

10 **CHAIR GIOVANNI:** Where did I get Johnson?

11 **DR. WATSON:** I'll be whoever you need me,
12 chair. That's okay.

13 **CHAIR GIOVANNI:** Watson. You didn't state
14 your name each time you spoke, and I had no idea --

15 **DR. WATSON:** I'm sorry.

16 **CHAIR GIOVANNI:** No. I'm just kidding.

17 That's my --

18 **DR. WATSON:** No, no, no. That's fine.

19 **CHAIR GIOVANNI:** I apologize.

20 **DR. WATSON:** It is the most -- yes.

21 **CHAIR GIOVANNI:** Commissioners, any

22 questions for Dr. Watson?

23 **COMMISSIONER OKUDA:** Chair?

24 **CHAIR GIOVANNI:** Commissioner Okuda?

25 **COMMISSIONER OKUDA:** Thank you very much,

1 Mr. Chair.

2 Dr. Watson, I'm just going to ask some
3 background, kind of like foundational questions,
4 which is often directed to an expert witness. In
5 prior times that you've testified as an expert
6 witness, have you been asked questions about the
7 terms and conditions of your retention by whomever
8 you're providing services for?

9 **DR. WATSON:** I don't believe I have.

10 **COMMISSIONER OKUDA:** Oh, okay. Well, just
11 so that we have a complete here to evaluate the
12 witness --

13 **DR. WATSON:** Mm-hmm. Sure.

14 **COMMISSIONER OKUDA:** -- if you don't mind
15 me asking that, are you -- you and your company are
16 retained by Pulama Lana'i; correct?

17 **DR. WATSON:** That's correct.

18 **COMMISSIONER OKUDA:** Can you please
19 describe what the terms and conditions of your
20 compensation is with Pulama Lana'i?

21 **DR. WATSON:** Honestly, I don't do the
22 business administration of my company, so I don't
23 have specifics as to terms and conditions off the
24 top of my head. I didn't come prepared to speak to
25 that. I'm sorry.

1 **COMMISSIONER OKUDA:** Oh. Are you able to
2 tell us whether you're compensated -- you or your
3 company are compensated on an hourly basis or by the
4 amount of the project, like a flat rate?

5 **DR. WATSON:** I believe it's a flat rate
6 per -- like, per project. So for LRFIs, I believe --
7 and again, I'm speaking off the cuff -- based on the
8 size and the acreage of the parcel, and then we
9 would go by just the pedestrian survey as necessary.
10 If we need additional subsurface testing, we would
11 have a calculation for that. But it's something like
12 that.

13 **COMMISSIONER OKUDA:** Can you tell us, as
14 you sit here today, what your compensation has been
15 for the services that you have provided regarding
16 this matter that you are testifying here today?

17 **DR. WATSON:** I'll be honest. I don't think
18 we've charged on this yet. I mean, we inherited it,
19 so I'm really -- we're bad at billing. I should be
20 better at it. But I don't believe we have charged on
21 Miki Basin. No, I haven't.

22 **COMMISSIONER OKUDA:** What is the
23 anticipated amount, if you can tell us -- ballpark
24 would be fine -- that you intend to charge or bill
25 Pulama Lana'i?

1 **DR. WATSON:** I think probably 2500, I
2 would say. That's about standard for moving through
3 the 6E process. So that would be about my guess.

4 **COMMISSIONER OKUDA:** Okay.

5 **DR. WATSON:** I'm sorry. I don't have a
6 better answer.

7 **COMMISSIONER OKUDA:** No, no, no, no.
8 That's fine. That's fine.

9 **CHAIR GIOVANNI:** Commissioner Okuda, may I
10 suggest that those are probably contracts, and you
11 might get the information you're looking for from
12 Pulama Lana'i.

13 **COMMISSIONER OKUDA:** Yeah. And my final --
14 my final question to you, Dr. Watson, is have you
15 ever testified, you or our company testified, for
16 anyone in opposition to a petition for a boundary
17 amendment or a petition for granting of any type of
18 entitlement from the Land Use Commission or a
19 government agency?

20 **DR. WATSON:** Have I ever testified in
21 opposite to any entitlement? I'm sure I have. I
22 couldn't give you specifics, but I'm sure I have
23 over the years.

24 **COMMISSIONER OKUDA:** Are you able to give
25 a percentage of what percentage of your practice has

1 been involved in testifying in favor of entitlements
2 as opposed to against entitlements?

3 **DR. WATSON:** I would say probably 50-50. I
4 have a colorful background as a Native Hawaiian, so
5 I think we -- we land on the side of integrity and
6 truth, so I don't ever testify if I don't believe in
7 it, one way or another.

8 **COMMISSIONER OKUDA:** Okay. Thanks very
9 much for your answers.

10 **DR. WATSON:** You're welcome.

11 **COMMISSIONER OKUDA:** Thank you.

12 **CHAIR GIOVANNI:** Thank you, commissioner.

13 Commissioner Chang?

14 **COMMISSIONER CHANG:** Yes. Thank you.

15 Good morning, Dr. Watson.

16 **DR. WATSON:** Good morning.

17 **COMMISSIONER CHANG:** How'd he forget that
18 name?

19 **CHAIR GIOVANNI:** I know.

20 **DR. WATSON:** I'm going to call myself Dr.
21 Johnson now. It's more pronounceable.

22 **COMMISSIONER CHANG:** I just want to go
23 back to some of the culture researches. Could you
24 briefly describe what was the use of the area prior
25 to the plantation?

1 **DR. WATSON:** So what we believe from the
2 subsurface, the two firepits, is that it was likely
3 travel and temporary habitation. So what is clear
4 from the discarded adze flakes is that there was
5 probably quarrying further mauka or in the region.
6 So this is an area people would pass through. The
7 firepits indicate that people would have stopped,
8 camped, slept.

9 And again, we've seen this on other
10 islands for sure, that people will quarry in a
11 place, then travel through, so almost like a
12 traditional economic route where people will travel
13 as they fashion adzes, and then just stop to --

14 **COMMISSIONER CHANG:** Did you find any
15 evidence of any adze in this area?

16 **DR. WATSON:** Yes. If you look at the
17 lithic scatter, there were multiple -- there were at
18 least two isolated finds that were discarded adze
19 flakes, basalt. And I believe another -- there were
20 some others found in the traditional context. I
21 think that was context 19.

22 **COMMISSIONER CHANG:** Are you aware of any
23 other adze quarry on Lana'i?

24 **DR. WATSON:** I am not. But again, just to
25 clarify, this wouldn't have been the quarry area

1 itself. It would have been -- Hawai'i Island is
2 similar. So, like, they would quarry up mauka, and
3 then you will find discarded flakes and basalt in
4 the -- as they head makai.

5 **COMMISSIONER CHANG:** Okay. So did you find
6 any evidence of a traditional trail system that may
7 have gone through this property?

8 **DR. WATSON:** No. Not a trail per se. I'd
9 definitely say people traversed through this area.
10 That's abundantly clear. We didn't find, like, an
11 alaloa or anything that indicated there was a
12 constructed path or carved, you know, sort of worn
13 singular path as you see in other places, likely due
14 to what is more hospitable terrain than perhaps
15 somewhere like Hawai'i Island. People would have
16 just traversed through.

17 **COMMISSIONER CHANG:** And I have great
18 mahalo for Tom's work. And knowing him, he did
19 extensive research there. Is there any evidence of
20 mauka-makai connection that went through this area?

21 **DR. WATSON:** Not per se. But again, this -
22 - I would call it an economic route; right? These
23 are our economic highways. People would quarry and
24 utilize mauka resources -- in this case, the basalt
25 -- and then absolutely take it to trade. We see that

1 throughout the islands. So I would say absolutely
2 there's a connection, even if not a specific one. I
3 mean, I think we knew people traveled and lived
4 mauka to makai.

5 **COMMISSIONER CHANG:** And I'm trying to --
6 it doesn't appear that there's any evidence of a
7 trail system that connects mauka-makai. But again,
8 what I'm hearing you say is that there is -- this
9 was an area that was traversed. Is this -- are there
10 alternate routes? Are there --

11 **DR. WATSON:** Huh-uh.

12 **COMMISSIONER CHANG:** Okay. So this is just
13 -- there is no -- can you confirm that there's no
14 evidence that this was a recognized pathway mauka-
15 makai connection?

16 **DR. WATSON:** As far as I know, there is no
17 evidence in either the archaeological data or the
18 ethnographic data that there was a recognized trail
19 here, but.

20 And to answer the other part of your
21 question, yes, there are -- as you saw from the
22 interviews, people also hunt through here, so there
23 are alternative paths that would not in any way
24 inhibit what would have been traditional uses of the
25 area or modern hunting uses, which is why we don't

1 believe there's an adverse effect to traditional or
2 customary practices.

3 Fortunately for Lana'i, they're not as
4 urbanized as the rest of us, so they do have
5 opportunities to still widely use this region.

6 **COMMISSIONER CHANG:** Okay. Thank you. And
7 you did anticipate my question, because I found the
8 finding to be very conclusory that there's no
9 adverse effect.

10 **DR. WATSON:** Mm-hmm.

11 **COMMISSIONER CHANG:** But, I mean, in most
12 cases there were many who lived, and it's hard for
13 me to -- I like to understand the basis for that
14 conclusion. So it does -- it is helpful to
15 understand that there are alternate routes, that
16 this is not the primary connection, and recognizing
17 people on Lana'i are extremely resourceful, so that
18 they do have other routes. Okay. That's very
19 helpful. That's very helpful.

20 **DR. WATSON:** Yeah. And just to add to
21 that, that was the logic behind the conclusion. And
22 even for the la'au that was identified, so the
23 uhaloa and the a'ali'i are abundant in the area. So
24 again, had this been a situation where this was the
25 only place a plant resource was identified as being

1 available, it would have been a different
2 conclusion.

3 Same as to -- we asked about kilo
4 resources; right? So is there a view plane or a pu'u
5 in this place that is exclusively in that project
6 area? And had there been something identified as
7 such, it would have been a different conclusion.

8 But again, because the plant resources and
9 the access is widely available in nearby areas and
10 doesn't inhibit practice in that way, it's why we
11 came to this particular conclusion. It would have
12 been a different conclusion under different
13 variables, or perhaps on a different -- in a
14 different place.

15 **COMMISSIONER CHANG:** Okay. No. I
16 appreciate the additional connection to support the
17 conclusion. Thank you very much. I don't have any
18 other questions.

19 **DR. WATSON:** Thank you.

20 **COMMISSIONER CHANG:** Thank you.

21 **CHAIR GIOVANNI:** Thank you, Commissioner
22 Chang.

23 Commissioner Ohigashi?

24 **COMMISSIONER OHIGASHI:** Mr. Chairman, what
25 is the status of Exhibit 20?

1 **CHAIR GIOVANNI:** What is the status of
2 Exhibit 20, petitioner, Mr. Chipchase?

3 **COMMISSIONER OHIGASHI:** I mean, did we
4 accept it?

5 **CHAIR GIOVANNI:** We accepted it.

6 **COMMISSIONER OHIGASHI:** We accepted it. I
7 just wanted to be sure.

8 **MR. CHIPCHASE:** Yes, commissioner.

9 **COMMISSIONER OHIGASHI:** So I have
10 foundation questions for Mr. Chipchase with regard
11 to Exhibit 20 before I ask --

12 **CHAIR GIOVANNI:** Please.

13 **COMMISSIONER OHIGASHI:** Okay. My question
14 is the 14.5 acres described on Exhibit 20, is that
15 within the 200- acre, completely within the 200-
16 acre?

17 **MR. CHIPCHASE:** Yes, commissioner.

18 **COMMISSIONER OHIGASHI:** And is that a
19 specific area that you can identify within that
20 area?

21 **MR. CHIPCHASE:** Yeah. May I ask Dr. Dancil
22 to address that? You anticipate a little bit of her
23 testimony, but I'm happy to cover it now, if you'd
24 like.

25 **COMMISSIONER OHIGASHI:** I just wanted to

1 know if it was northern section.

2 **MR. CHIPCHASE:** I'm going to ask Dr.
3 Dancil so that we make sure we get a factual record
4 for your question.

5 **CHAIR GIOVANNI:** So before we do that,
6 I'll have to swear you in. So do you -- Dr. Watson,
7 do you swear that the testimony that you already
8 gave and the testimony you will give going forward
9 is the truth?

10 **DR. WATSON:** Yes.

11 **CHAIR GIOVANNI:** Thank you.

12 **DR. WATSON:** Thank you.

13 **CHAIR GIOVANNI:** Ms. Dancil, I need to
14 swear you in before you speak. Do you agree that the
15 testimony you're about to give before this
16 commission is the truth?

17 **MS. DANCIL:** I do. Thank you.

18 **CHAIR GIOVANNI:** So, Commissioner
19 Ohigashi?

20 **COMMISSIONER OHIGASHI:** Yes. So my
21 question was where is the approximate location.

22 **MS. DANCIL:** Yes. Keiki-Pua Dancil from
23 Pulama Lana'i. If you would allow, we're going to
24 put an image on the screen for everyone. Is that
25 okay? So that --

1 **CHAIR GIOVANNI:** If it helps clarify, yes,
2 please do.

3 **MS. DANCIL:** Yes. It will. The team is
4 pulling it up. Yes. I will use -- I'm going to use a
5 laser pointer. So this red line out here is the Miki
6 200 acres. This area right here, where my green
7 laser is, is the HECO fossil fuel facility. It's not
8 within the project area. This here is what we call
9 our Miki 20 condominium project. It's 20 acres.
10 Right adjacent to that, right here, is the 14.5
11 acres. It's the location of the future concrete
12 crushing facility.

13 **COMMISSIONER OHIGASHI:** Okay. Has any work
14 on that facility been started?

15 **MS. DANCIL:** Yes. Right now we are
16 stockpiling aggregate and concrete.

17 **COMMISSIONER OHIGASHI:** So back to Dr.
18 Watson. Dr. Watson, the only question that I had was
19 pretty much answered by that, because I am -- did
20 you -- well, pretty much answered, but did you
21 testify before the Lana'i Planning Commission in
22 regard to the use of the 14.5 acres?

23 **DR. WATSON:** No. I did not.

24 **COMMISSIONER OHIGASHI:** Did you submit a
25 report to them or anything like that?

1 **DR. WATSON:** Yes. The archaeological
2 report was submitted.

3 **COMMISSIONER OHIGASHI:** Okay. I just
4 wanted to know. And are you -- is your firm
5 monitoring existing construction, or will be
6 monitoring existing construction within the 200
7 acres?

8 **DR. WATSON:** Monitoring was not a
9 requirement of the SHPD approval.

10 **COMMISSIONER OHIGASHI:** Okay.

11 **DR. WATSON:** So they didn't request it in
12 this case.

13 **COMMISSIONER OHIGASHI:** And did your
14 analysis include specifically the 14.5-acre site?

15 **DR. WATSON:** Yes. Yes, it did.

16 **COMMISSIONER OHIGASHI:** No further
17 questions.

18 **CHAIR GIOVANNI:** Thank you, commissioner.
19 Commissioners, any further questions for
20 this witness, Dr. Watson?

21 **DR. WATSON:** Or John.

22 **CHAIR GIOVANNI:** Not Johnson. Watson.
23 Thank you, Dr. Watson.

24 **DR. WATSON:** Thank you. Thank you very
25 much.

1 **CHAIR GIOVANNI:** So, Mr. Chipchase, do you
2 want to try and break right now, or do you want to
3 proceed to your next witness and then interrupt them
4 in the middle?

5 **MR. CHIPCHASE:** I think a five-minute
6 break is the way to go, chair. Just two quick
7 housekeeping things that I have missed. I just want
8 to make sure that the other parties were given an
9 opportunity to ask questions of Dr. Watson.

10 **CHAIR GIOVANNI:** I did not. So let's make
11 sure we do that. Oh, no, no. I did.

12 **MR. CHIPCHASE:** Oh, you did. You actually
13 did. But I meant after the commissioners' questions,
14 normally we have an opportunity to ask again if any
15 commissioners' questions prompted if --

16 **CHAIR GIOVANNI:** She's off to the airport.
17 Just for clarity, confirming, county, did
18 you have any follow-up questions you wanted to ask
19 Dr. Watson?

20 **MR. HOPPER:** I'm sorry, chair. No, we do
21 not.

22 **CHAIR GIOVANNI:** Thank you.
23 Office of Planning?

24 **MR. YEE:** No, we do not.

25 **CHAIR GIOVANNI:** Okay.

1 **MR. CHIPCHASE:** And I don't either, chair.

2 The other --

3 **CHAIR GIOVANNI:** Other housekeeping

4 matter.

5 **MR. CHIPCHASE:** Other housekeeping matter

6 I wanted to do for Commissioner Ohigashi. Exhibit 8,

7 our Exhibit 8, is the SHPD letter specific to the

8 14.5 acres. Thank you.

9 **CHAIR GIOVANNI:** Okay. We'll take a break

10 now. We'll return at 10:00 sharp.

11 **(Recess taken from 9:54 - 10:05 a.m.)**

12 **CHAIR GIOVANNI:** Okay. We're back on the

13 record. It's 10:05. I just want to affirm that, Mr.

14 Chipchase, you had no further redirect for Dr.

15 Watson. And you're ready to your next witness; is

16 that correct?

17 **MR. CHIPCHASE:** I am ready, chair.

18 **CHAIR GIOVANNI:** Okay. Please proceed.

19 **MR. CHIPCHASE:** Thank you, chair. Chair,

20 at this time I would call Kurt Matsumoto.

21 **CHAIR GIOVANNI:** Mr. Matsumoto, will you

22 swear that the testimony you're about to give today

23 is the truth?

24 **MR. MATSUMOTO:** I do.

25 **CHAIR GIOVANNI:** Thank you. Please

1 proceed.

2 **MR. CHIPCHASE:** Good morning. Would you
3 please introduce yourself?

4 **MR. MATSUMOTO:** Yes. My name is Kurt
5 Matsumoto, and I am the president of Pulama Lana'i.

6 **MR. CHIPCHASE:** And, Kurt, would you
7 describe for us your responsibilities at Pulama
8 Lana'i?

9 **MR. MATSUMOTO:** So Pulama Lana'i is a
10 pretty broad company. Fundamentally, we're the asset
11 manager for Larry Ellison on Lana'i. We're involved
12 in things such as conservation, cultural and
13 historic preservation. We own the water company
14 there. We own a grocery store, hotels. We are also -
15 - have residences for workforce. So it's a pretty
16 broad spectrum of activities that we do on Lana'i.

17 **MR. CHIPCHASE:** And how long have you been
18 with the company?

19 **MR. MATSUMOTO:** I've been working since
20 its inception, so since late 2012, so 10 years now.

21 **MR. CHIPCHASE:** And what work did you do
22 before you joined Pulama Lana'i?

23 **MR. MATSUMOTO:** So prior to joining the
24 company, I was -- well, this is actually my second
25 time through working on Lana'i. I had been employed

1 by the previous landowner, so I was there during the
2 transition from pineapple into hospitality, and did
3 that for about 10 years.

4 I left, and I moved to the Big Island, and
5 I worked for the Mauna Lani resort and spent almost
6 10 years there, and moved to Kaua'i, worked for the
7 -- it was an Alexander & Baldwin development called
8 Kukuiula, and was there for about eight years before
9 coming back and taking on this responsibility now.

10 **MR. CHIPCHASE:** We're going to put up on
11 the screen an image of the area, and what I'd like
12 is if you could share with us a little bit about the
13 vision for Pulama Lana'i and how this project fits
14 into that vision.

15 **MR. MATSUMOTO:** Sure. So our vision for
16 the island is to create an island that is self-
17 sustaining and resilient and is a place where
18 current and future residents can thrive in many
19 different ways.

20 This project, or the Miki Basin, this 200
21 acres that we're requesting, comes from the
22 community plan that was adopted back in 2016. So one
23 of the first things that I had to work on when I
24 started working for the company was the community
25 plan. And we were the first community in Maui to go

1 through the revised process for the county of Maui.

2 **MR. CHIPCHASE:** And can you talk just a
3 little bit about the need to diversify the economy
4 and where an industrial park fits into that vision?

5 **MR. MATSUMOTO:** So this was talked about
6 in the community plan process, how important it was,
7 because Lana'i doesn't have land that is designated
8 light industrial or heavy industrial outside of
9 Lana'i City. So it was important to have land
10 available and also have it positioned in a location
11 that was appropriately buffered.

12 **MR. CHIPCHASE:** And along those same
13 lines, a portion of this project, a substantial
14 portion, has been identified for renewable energy.
15 Can you talk just a little bit about the role of
16 renewable energy in the vision for Lana'i?

17 **MR. MATSUMOTO:** Yes. So I think you saw on
18 the slide that Dr. Dancil had shared, there is a
19 significant portion of this project that is slated
20 for renewable energy. Lana'i is a small grid
21 consumption-wise, and we could easily be powered by
22 renewable energy. And this park is a critical step
23 to achieving that. So we need to have the properly
24 zoned land in the amount of acres that we're
25 requesting so that we can have a renewable energy

1 project that can sustain us today as well as into
2 the future.

3 **MR. CHIPCHASE:** And is the project
4 anticipated to lower energy costs for residents?

5 **MR. MATSUMOTO:** Yes. So Lana'i has the
6 highest energy rates in the state, so having a
7 renewable energy project would substantially lower
8 the cost of energy for residents. And the other
9 thing that it would do is actually make the rates
10 more predictable, more stable. So instead of seeing
11 the rates swing as we've seen it do over the last
12 couple of years as oil prices soared, residents
13 would be able to have more predictable rates for,
14 like, a 30-year period.

15 **MR. CHIPCHASE:** And just coming back to a
16 comment you'd made about diversification and the
17 need for industrial space, is it anticipated that
18 this project would meet the current light and heavy
19 industrial needs for Lana'i as well as anticipated
20 growth of those uses?

21 **MR. MATSUMOTO:** Right. It will. So
22 currently, there are activities that are scattered
23 throughout the island, and this development could
24 capture some of those. It could also make available
25 land for uses that we currently don't have today,

1 some uses that we need to have and some maybe that
2 would add to the economy of the island but would
3 also be compatible with the sense of place and the
4 lifestyle there today.

5 **MR. CHIPCHASE:** And so, Kurt, building on
6 that, if we thought about, first, heavy industrial
7 uses, what kinds of heavy industrial uses do we
8 anticipate being located in the project area?

9 **MR. MATSUMOTO:** So right now one of the
10 uses that we currently have on the island is this
11 concrete crushing. We crush concrete. We make our
12 own concrete, and we make our own asphalt on the
13 island currently. And we would relocate that
14 activity in this Miki Basin site. So that's one of
15 the larger activities that would take place there in
16 this project.

17 **MR. CHIPCHASE:** And turning from heavy to
18 light, what kinds of light industrial uses do you
19 anticipate in the project area?

20 **MR. MATSUMOTO:** So we could imagine things
21 like warehouse space. Because of the activities that
22 we do, we have really been needing to generate more
23 warehouse storage space. So these are more benign
24 types of activities.

25 We also need more cold storage facilities.

1 We could imagine seeing things like food processing,
2 places where people could do value-added work to
3 food items. So those are the examples, just a few
4 examples of things that could happen in the light
5 industrial area.

6 **MR. CHIPCHASE:** And you mentioned the
7 importance of sustainability and resiliency for the
8 island. How does the project incorporate those
9 values?

10 **MR. MATSUMOTO:** So first of all, on Lana'i
11 we have a lot of activities going on today that are
12 related to conservation, and they incorporate things
13 like protecting endangered birds, plants,
14 invertebrates. We have one of the largest predator-
15 proof enclosures going up in the state right now. We
16 have a project that we're doing with National Fish &
17 Wildlife Foundation that will end up fencing off
18 about 25 percent of the island on the windward side.

19 We have activities that are focused on
20 keeping invasive species from entering the island.
21 We have a quarantine zone. So those are the types of
22 activities that we already have today.

23 So for this project, some of the things
24 that we would be able to do. We would try to ensure,
25 to the extent that is practicable or feasible,

1 activities that would be energy efficient, conserve
2 water, and be respectful of the land and the culture
3 that already exists there today.

4 **MR. CHIPCHASE:** And so you mentioned water
5 conservation, and I wonder if you could just briefly
6 touch on the broader efforts related to reuse of
7 water and water conservation.

8 **MR. MATSUMOTO:** So in the 10 years that
9 passed, we've been implementing a lot of capital
10 investment projects related to water. A lot of it
11 has been focused on conserving water. So we've
12 invested a lot in the infrastructure, replacing
13 aging pipes that were leaking. We completely
14 renovated the golf course irrigation system.

15 We've also managed to install smart meters
16 for all customers on the island, so now we are well
17 equipped to identify where leaks are occurring, and
18 residents can be made aware as well. They can see
19 the results on their phone. And we have seen the
20 results. We've seen the improvement in the amount of
21 loss or unbillable water on Lana'i.

22 **MR. CHIPCHASE:** And, Kurt, have the
23 agencies that have reviewed this project been
24 supportive?

25 **MR. MATSUMOTO:** Yes. So we have the

1 support from the county and the state, and we have
2 some conditions that we have acknowledged and have
3 agreed to.

4 **MR. CHIPCHASE:** Okay. And those would be
5 the 11 conditions that we discussed and resolved
6 with the county and the state.

7 **MR. MATSUMOTO:** Correct.

8 **MR. CHIPCHASE:** Kurt, any closing comments
9 you wanted to share with the commission?

10 **MR. MATSUMOTO:** Yes. So I just want to say
11 thank you again for your time and your service. And
12 please know that this is a really important project
13 for the island. It's a step forward for the
14 residents, and I hope that you'll look favorably
15 upon our petition.

16 **MR. CHIPCHASE:** Thank you, Kurt.

17 Chair, I have no further questions.

18 **CHAIR GIOVANNI:** Just to clarify, Mr.
19 Chipchase, what is the type of testimony Dr. Dancil
20 will be providing versus what we just heard? I'm
21 trying to figure out where to ask my questions.

22 **MR. CHIPCHASE:** Dr. Dancil will provide
23 more detailed information with respect to the
24 project and some of the technical reports that have
25 been reviewed. Mr. Matsumoto was offered to provide

1 an overview for the commission of the project and
2 where it fits into Pulama Lana'i's vision, as well
3 as talk about some of the other efforts we were or
4 are engaged in with respect to conservation.

5 **CHAIR GIOVANNI:** So I was a bit surprised
6 that in the overview there is no mention of housing.
7 Will that be addressed by Dr. Dancil?

8 **MR. CHIPCHASE:** If you're referencing the
9 Hokuao project, I hadn't specifically intended to
10 ask her to comment on that, but I'm happy to do so.

11 **CHAIR GIOVANNI:** Very well. Why don't you
12 plan on that?

13 **MR. CHIPCHASE:** Will do, chair.

14 **CHAIR GIOVANNI:** So we'll proceed with
15 cross-examination of the witness. County, do you
16 have any questions?

17 **MR. HOPPER:** No questions, chair.

18 **CHAIR GIOVANNI:** State, do you have any
19 questions?

20 **MR. YEE:** Thank you.

21 **CHAIR GIOVANNI:** This is Brian Yee
22 speaking?

23 **MR. YEE:** Yes. Deputy Attorney General
24 Brian Yee on behalf of OPSD.

25 The Lana'i Water Company. What is the

1 relationship of Lana'i Water Company to Pulama
2 Lana'i?

3 **MR. MATSUMOTO:** So Lana'i Water Company is
4 a subsidiary of Pulama Lana'i Resorts LLC. They are
5 the entity that services the clients on the island,
6 and they are the ones responsible for the
7 distribution and the billing.

8 **MR. YEE:** And what company is responsible
9 for wastewater on the island of Lana'i?

10 **MR. MATSUMOTO:** So primarily, the
11 wastewater is managed by the county of Maui. The
12 wastewater treatment plant in Lana'i City is the
13 county's. We have a tertiary water treatment
14 facility connected to that. At the Manele Resort, we
15 are the owner, and we contract out the operation of
16 the wastewater facility for the resort there.

17 **MR. YEE:** And if you know, what percentage
18 of the privately held land on Lana'i is held by
19 Pulama Lana'i or its subsidiaries or related
20 companies?

21 **MR. MATSUMOTO:** It's approximately 97 or
22 98 percent of the island.

23 **MR. YEE:** Does that include 98 percent of
24 the entire island or just 98 percent of the
25 privately held land?

1 **MR. MATSUMOTO:** Of the entire island.

2 **MR. YEE:** Adjacent to this particular
3 petition area, what are the -- what of the adjacent
4 lots is held by -- is it HECO?

5 **MR. MATSUMOTO:** Correct.

6 **MR. YEE:** Is the airport adjacent to this
7 petition area?

8 **MR. MATSUMOTO:** It is. It is very close to
9 this area.

10 **MR. YEE:** The other property surrounding
11 the petition area is owned -- is there any other
12 property surrounding the petition area that is not
13 owned by Pulama Lana'i?

14 **MR. MATSUMOTO:** No. There is not.

15 **MR. YEE:** So if there are any impacts to
16 neighboring properties, it's really -- the only
17 other property owners would be HECO and Department
18 of Transportation.

19 **MR. MATSUMOTO:** That's correct.

20 **MR. YEE:** Not to say that it couldn't
21 impact other prices on the island. I'm just looking
22 for the adjacent properties. So for purposes of
23 noise, for example, the only impacts you would be
24 worried about at the moment would be the airport and
25 the electrical facility.

1 **MR. MATSUMOTO:** That would be correct.

2 **MR. YEE:** Okay. The proposal you have
3 submitted, when do you anticipate that the 26 acres
4 for new light and heavy industrial uses would begin
5 to be either rented or leased or sold?

6 **MR. MATSUMOTO:** It's hard for me to say
7 exactly. So we have an adjacent 20 acres that we are
8 currently using, and we are going through a process
9 to have it subdivided, and we will be placing some
10 lots for sale in that area. We already have interest
11 in some parties to move into that area, so we'll
12 have to see whether there is enough interest there
13 that would force us to move into the 26 acres
14 adjacent.

15 **MR. YEE:** The information that I have
16 looked at suggests that you would be beginning this
17 after 10 years. Are you saying that it will occur
18 before 10 years?

19 **MR. MATSUMOTO:** As I said earlier, I'm not
20 sure. It could, but we don't anticipate it. But if
21 activities on the island were to evolve quicker than
22 we had anticipated, then we would need to start
23 activity in that 26 acres.

24 **MR. YEE:** The petition suggests that the
25 new light and heavy industrial uses would constitute

1 26 acres, and you just referenced the 20-acre
2 parcel. Do you anticipate that there be another
3 landowner that would be leasing out or selling
4 separate parcels within those 20 acres to other
5 parties?

6 **MR. MATSUMOTO:** So within that 20 acres,
7 there's about 10 acres that will be available to
8 other parties. Could someone come in and purchase a
9 lot and then lease it someone else? It's not
10 something that we had -- we would be in favor of. So
11 if we're going to be putting those lots up for sale,
12 we want to have the purchaser have an activity in
13 that area.

14 **MR. YEE:** Actually, my question was really
15 more directed to the possibility of whether you're
16 looking at selling property to a third party, who
17 would then subdivide further and lease out to other
18 parcels. Is that something, a business paradigm
19 you're looking at?

20 **MR. MATSUMOTO:** No.

21 **MR. YEE:** Okay. So your intention is to
22 lease or sell individual lots to people who are
23 going to use that lot for themselves.

24 **MR. MATSUMOTO:** Correct.

25 **MR. YEE:** So when we looked at the

1 proposal, one part is the concrete and asphalt
2 plant; right?

3 **MR. MATSUMOTO:** Yes.

4 **MR. YEE:** And that's proceeding, I
5 understand; is that right?

6 **MR. MATSUMOTO:** That's correct.

7 **MR. YEE:** Okay. A second part is 127 acres
8 for a solar energy facility; correct?

9 **MR. MATSUMOTO:** Yes.

10 **MR. YEE:** We have seen other solar energy
11 facilities that have PUC approval but just never got
12 developed for various reasons. Are there any kind of
13 assurances or information you can provide the
14 commission to let them know that this facility will
15 be built?

16 **MR. MATSUMOTO:** So in 2020, HECO put out
17 an RFP for the Lana'i grid, and it was to have a 95
18 percent solution, a solar PV and battery storage
19 energy solution for Lana'i. So that process, as far
20 as I know, is very close to being concluded. So it
21 is something that is imminently possible.

22 **MR. YEE:** Who will be financing the
23 construction of the solar energy facility?

24 **MR. MATSUMOTO:** Well, if HECO were to
25 follow through with the RFP, then it would be a

1 third-party developer that ends up funding that.

2 **MR. YEE:** So would that be a partnership
3 between Pulama Lana'i and the third-party developer?

4 **MR. MATSUMOTO:** In that instance, no.

5 **MR. YEE:** Okay. Does Pulama Lana'i have a
6 third party that it intends to work with to develop
7 this 127 acres?

8 **MR. MATSUMOTO:** If we were in a position
9 to be responsible for all of the energy on Lana'i,
10 then yeah, we would be working with a third party to
11 actually implement PV and battery. But currently,
12 we're not in that position.

13 **MR. YEE:** So it's all dependent on HECO's
14 decision to move forward.

15 **MR. MATSUMOTO:** Correct.

16 **MR. YEE:** Do you have any information that
17 you can provide to assure the commission that it
18 will move forward?

19 **MR. MATSUMOTO:** Other than what I've
20 already shared, I don't have anything else
21 substantial that I can put forward.

22 **MR. YEE:** The construction of the solar
23 energy facility appears to be independent of the
24 asphalt and concrete batching planned development;
25 is that right?

1 **MR. MATSUMOTO:** That's correct.

2 **MR. YEE:** It would also be independent of
3 the new light and heavy industrial uses on 26 acres.
4 Is that also correct?

5 **MR. MATSUMOTO:** That's correct.

6 **MR. YEE:** Would the asphalt and concrete
7 batching kind of similarly be independent of the 26-
8 acre new light and heavy industrial uses?

9 **MR. MATSUMOTO:** That's correct.

10 **MR. YEE:** Are you familiar with the term
11 "backbone infrastructure"?

12 **MR. MATSUMOTO:** No.

13 **MR. YEE:** Okay. When I'm referring to
14 backbone infrastructure, I'm referring to the main
15 roadway with the associated utilities generally
16 under the roadway --

17 **MR. MATSUMOTO:** Okay.

18 **MR. YEE:** -- water, electricity,
19 wastewater.

20 **MR. MATSUMOTO:** Okay.

21 **MR. YEE:** Will you be constructing the
22 backbone infrastructure as needed for the concrete
23 and asphalt plant?

24 **MR. MATSUMOTO:** Yes.

25 **MR. YEE:** Do you know if there's going to

1 be backbone infrastructure needed for the solar
2 energy facility?

3 **MR. MATSUMOTO:** I'm sure there's going to
4 be something that's needed. One of the reasons why
5 that location was chosen is because there already is
6 an interconnect to the HECO facility there. So I
7 know that would be one of the key considerations.

8 **MR. YEE:** Do you know who's going to be
9 responsible for that backbone infrastructure?

10 **MR. MATSUMOTO:** As far as I know, it would
11 be HECO.

12 **MR. YEE:** Who do you anticipate would be
13 responsible for the backbone infrastructure for the
14 new light and heavy industrial uses on the 26 acres?

15 **MR. MATSUMOTO:** I would think that would
16 be us.

17 **MR. YEE:** You described a variety of
18 potential uses for the -- on these 26 acres. I take
19 it, however, you're not willing to commit as to what
20 actually is going to be built there; is that right?

21 **MR. MATSUMOTO:** Correct.

22 **MR. YEE:** Since we don't know what will be
23 built there, would you similarly be unprepared to
24 discuss mitigation measures to ensure there's no
25 hazardous waste, et cetera, that would leak from any

1 particularly parcel?

2 **MR. MATSUMOTO:** Well, not knowing exactly
3 what types of activities, but as I stated earlier,
4 we would do things to ensure that we would have
5 protections in place. So long as there were, you
6 know, practicable, feasible types of conditions upon
7 a tenant, we would work to ensure that they would
8 not do things that would harm the environment or any
9 adjacent lands.

10 **MR. YEE:** Will you require your tenants to
11 utilize best management practices to assure no
12 environmental harm?

13 **MR. MATSUMOTO:** Yes.

14 **MR. YEE:** At the time that, yeah, I think
15 the final FEA was accepted, do you recall a
16 representation being made regarding water use for
17 this petition area?

18 **MR. MATSUMOTO:** I don't recall
19 specifically but, yes, I remember that there was a
20 bit of discussion around that topic.

21 **MR. YEE:** I can remind you, but I don't
22 want to prompt you if you don't want to -- I guess
23 what I'm trying to get at is are you prepared to
24 make that representation again today? But if you
25 don't remember the representation, I'm happy to

1 prompt you on it.

2 **MR. MATSUMOTO:** So I don't remember
3 specifically what I said, but I can tell you what I
4 have been testifying to in other cases. But we don't
5 anticipate a lot of water use there, because the
6 types of activities that we envision for that
7 location are inherently very low water users. So
8 like I mentioned earlier, a big warehouse space,
9 solar and PV. I mean, they consume no water; right?
10 So I think the water use would be negligible in that
11 area.

12 **MR. YEE:** But as you said, you don't know
13 what's going to go on the 26 acres for light and
14 heavy industrial uses; right?

15 **MR. MATSUMOTO:** We don't. But then, being
16 the owner, and we can also review what types of uses
17 are going to be requested in that area.

18 **MR. YEE:** My recollection is there was a
19 representation that you would limit your water use
20 to the amount identified in the EIS.

21 **MR. MATSUMOTO:** Which we are committed to
22 doing that.

23 **MR. YEE:** So I guess that's my question.
24 Are you willing to represent to the commission today
25 that you will limit the amount of water used,

1 however it's used, to the amount identified in the
2 EIS?

3 **MR. MATSUMOTO:** Yes.

4 **MR. YEE:** EIS has a variety of mitigation.
5 Actually, it describes both the impacts and the
6 mitigations from the project. Do you remember that?

7 **MR. MATSUMOTO:** Not specifically.

8 **MR. YEE:** Generally, I'm saying. Do you
9 remember that the EIS has an executive summary that
10 says here's the existing conditions, here's the
11 impact for the project, here are the mitigation
12 measures?

13 **MR. MATSUMOTO:** No. I don't remember
14 specifically. I remember the --

15 **MR. YEE:** Okay. I guess, then, tell me if
16 you can answer this question. Would you be prepared
17 to represent to the commission that of the
18 mitigation measures identified in the EIS or EA,
19 that you will either perform those mitigation
20 measures, equivalent mitigation measures, or better
21 mitigation measures?

22 **MR. MATSUMOTO:** Yes. I'm fine with
23 committing to that.

24 **MR. YEE:** Those are all the questions I
25 have. Thank you very much.

1 **CHAIR GIOVANNI:** Thank you, Mr. Yee.

2 Commissioners, any questions?

3 Commissioner Kahele?

4 **COMMISSIONER KAHELE:** Mr. Matsumoto, Mel
5 Kahele from Honolulu. I had a question. During the
6 construction of this project, how many jobs are you
7 going to be providing for the residents of Lana'i?
8 Or is it going to be outsourced to people from
9 outside of the island?

10 **MR. MATSUMOTO:** So it depends on the
11 activity, commissioner. A lot of the work that we do
12 today on Lana'i -- so, for example, the site civil
13 work that would need to be to start the project,
14 some of that work is done by residents of Lana'i.
15 Some require more specialized skills. And in those
16 cases, we bring in people from outside of Lana'i.

17 But so when it comes to construction
18 projects, we have our own construction company,
19 Lana'i Builders, and we employ just under 50 people.
20 And they would be involved in some of the work for
21 these projects. But what we're hoping is residents
22 may not be directly involved, say, in the
23 installation of PV and battery project, but they
24 would be trained to then be part of the management
25 of that facility. So longer term, jobs would be

1 available, not just during the construction phase.

2 **COMMISSIONER KAHELE:** So how many jobs are
3 we looking at during the construction -- 60, 70, 20?

4 **MR. MATSUMOTO:** It's hard for me to say. I
5 think that's generous in terms of the site because,
6 like, moving the concrete plant is not going to take
7 that many people. Installing the PV and battery
8 farm, most of the time the site is, you know,
9 doesn't require heavy grading. So I don't think it's
10 going to be employing all that many people.

11 The rock and concrete plant that we
12 operate right now, once it's moved, we employ in
13 that department about two dozen people.

14 **COMMISSIONER KAHELE:** What's the current
15 Lana'i population?

16 **MR. MATSUMOTO:** As I recall, it's a little
17 over 3200.

18 **COMMISSIONER KAHELE:** What's the
19 unemployment rate?

20 **MR. MATSUMOTO:** The last time I looked, I
21 think it was under 5 percent.

22 **COMMISSIONER KAHELE:** So you don't have a
23 number or a percentage of how many local people
24 living on Lana'i is possibly going to be employed
25 during the construction period. Do you have an idea

1 of how many people are going to be possibly
2 employed, living on Lana'i, that's going to be
3 employed after the project is completed?

4 **MR. MATSUMOTO:** So I would imagine that
5 the PV farm will need to employ, you know, less than
6 a dozen people. I mean, the utility right now, I
7 don't think they even have a dozen employees. As I
8 mentioned, the rock and concrete operation that is
9 responsible for the concrete and the asphalt, they
10 employ about two dozen, and those are all Lana'i
11 residents.

12 **COMMISSIONER KAHELE:** So we don't have a
13 number or a percentage.

14 **MR. MATSUMOTO:** Not during the
15 construction phase. But I would say, you know, it's
16 a small number of people that will be actually
17 directly working in that site. And that's because of
18 the types of activities that you're talking about.

19 **COMMISSIONER KAHELE:** Once it's completed,
20 I mean, Mr. Ellison or someone there is going to be
21 in control or managing the project. Are they looking
22 at possibly training people living on the island to
23 be able to work in the field of solar energy?

24 **MR. MATSUMOTO:** So --

25 **COMMISSIONER KAHELE:** Or are all of these

1 people going to be brought in from off-island?

2 **MR. MATSUMOTO:** Yeah. Commissioner --

3 **COMMISSIONER KAHELE:** You know, I'm just
4 curious.

5 **MR. MATSUMOTO:** Yeah. I appreciate the
6 question. So I can give you an example. So we are in
7 the process of building homes, and the project name
8 is Hokuao. All of the homes will have solar shingles
9 and batteries for storage. These homes are going to
10 be off grid.

11 We are responsible for maintaining all of
12 those homes so, yes, we have to train people in that
13 technology, because that knowledge doesn't exist
14 today. So the same can happen if a large solar PV
15 and battery farm is located in this site, and people
16 on Lana'i also can be trained for that.

17 **COMMISSIONER KAHELE:** You know in your
18 final -- well, actually, the Final Environmental
19 Assessment, you did mention about after the
20 project's completed, we're looking at 60 jobs. Is
21 that correct?

22 **MR. MATSUMOTO:** Well, those are based on
23 foundational studies. I hope that that will come
24 true. And if the entire site is used, I would
25 imagine that that type of employment levels are not

1 all that far-fetched.

2 Currently, we have operations, as I said,
3 in an adjacent site. We have a warehouse operation
4 there. So aside from the concrete batch plant and
5 the asphalt plant, we have warehouses, and that
6 department employs about a dozen people. And that's
7 on only -- I think it's only on, like, five or six
8 acres.

9 And then adjacent to that, we have our
10 base of operations for the Lana'i Builders. And as I
11 mentioned, you know, we're employing just under 50
12 people under that operation already.

13 **COMMISSIONER KAHELE:** Thank you.

14 **CHAIR GIOVANNI:** Thank you.

15 Commissioners? Commissioner Ohigashi?

16 **COMMISSIONER OHIGASHI:** Mr. Matsumoto,
17 what was the reason for getting that Special Use
18 Permit, 14.5 acres, given the fact that you are
19 coming here for a District Boundary Amendment?

20 **MR. MATSUMOTO:** I can defer to --

21 **MR. CHIPCHASE:** Dr. Dancil will address
22 that question, commissioner.

23 **COMMISSIONER OHIGASHI:** Well, I would
24 think the president would know the reason, not the -
25 - I mean, I'm just curious why wouldn't the

1 president know the reason for it?

2 **MR. CHIPCHASE:** I'll invite the president
3 to --

4 **COMMISSIONER OHIGASHI:** I'm just curious.

5 **MR. MATSUMOTO:** So the site currently is
6 where we have the concrete batch plant and the
7 asphalt plant. And so we needed to be able to move
8 that from a different location, and so we needed a
9 Special Use Permit to do that.

10 **COMMISSIONER OHIGASHI:** Why was the move
11 necessary?

12 **MR. MATSUMOTO:** When we purchased the
13 island, there were some activities that were not --
14 I'm searching for the proper term.

15 **COMMISSIONER OHIGASHI:** They were
16 nonconforming.

17 **MR. MORRIS:** They were nonconforming uses,
18 and so we were trying to get things into compliance.

19 **COMMISSIONER OHIGASHI:** Were you
20 threatened with fines from the county or -- because
21 they were nonconforming use, when it was a
22 nonconforming use?

23 **MR. MATSUMOTO:** No. It was the right thing
24 to do. You know, upon recognizing that these uses
25 were nonconforming, we did what we could in as

1 timely a manner to bring them into compliance.

2 **COMMISSIONER OHIGASHI:** And that was after
3 10 years of your taking over that this happened.

4 **MR. MATSUMOTO:** It was during the period.
5 So as we were working, we were learning, and we
6 discovered things.

7 **COMMISSIONER OHIGASHI:** It was on March
8 16th, according to the letter, that the Lana'i
9 Planning Commission granted the land use Special Use
10 Permit.

11 **MR. CHIPCHAS:** Commissioner, if I can just
12 clarify a technical issue. They were nonconforming
13 in the sense of not compliance well.

14 **CHAIR GIOVANNI:** Who's speaking, please?

15 **MR. CHIPCHASE:** I'm sorry, chair. This is
16 Cal Chipchase.

17 Not conforming in the sense of differing
18 from the current land use structure in part. But
19 that doesn't necessarily mean in violation of it.
20 They were grandfathered uses, and this Special
21 Permit was simply an effort to move the stockpiling
22 over to a location that is permitted for it under
23 the SP in anticipation of the District Boundary
24 Amendment, which involves not only the proceeding
25 before this body, but also securing a rezoning, so

1 that we could relocate that stockpiling under the SP
2 as quickly as possible.

3 **COMMISSIONER OHIGASHI:** Is the SP for five
4 years?

5 **MR. CHIPCHASE:** Do you have Exhibit 20?
6 2027.

7 **COMMISSIONER OHIGASHI:** So would it be
8 fair that if for some reason that the Land Use
9 Commission does not grant the DBA that you would be
10 removing -- that would be negating the necessity for
11 the SP? Or will you continue to do the work on the
12 SP?

13 **MR. MATSUMOTO:** If the Land Use Commission
14 chooses not to approve, then, yeah, we have to
15 search for another solution. That activity is tied
16 to work on the island, so the choice would be stop
17 and lay people off or find another solution.

18 **COMMISSIONER OHIGASHI:** Is it only being
19 used for storage of concrete things at this present,
20 or is it actually breaking ground for a concrete
21 batch plant?

22 **MR. MATSUMOTO:** So that particular site is
23 just storing concrete right now, but adjacent to it
24 we do have the batch plant in operation, but once --

25 **COMMISSIONER OHIGASHI:** But the non- which

1 is grandfathered is a nonconforming use. Is that
2 what it --?

3 **MR. MATSUMOTO:** Right. So then, once we
4 get your approval and then have to seek approval
5 again from the county, once we obtain that, then we
6 can move it.

7 **COMMISSIONER OHIGASHI:** So would it be
8 fair to say that that's a nonconforming
9 grandfathered use that our failure to grant the DBA
10 would not affect the jobs that are being done on the
11 concrete batching plant. Is that fair?

12 **MR. MATSUMOTO:** It would, because the
13 batch plant is located inside of the 20-acre site,
14 and as part of a condition, we have to sell those
15 lots that the batch plant is located on right now.
16 So in order to be in compliance with all the
17 different things that are happening there in the
18 Miki Basin, if we don't receive approval, then,
19 yeah, we would have to shut that down.

20 **COMMISSIONER OHIGASHI:** Another question
21 that I had was has there been an economic study
22 expressing a demand for industrial area on Lana'i?

23 **MR. CHIPCHASE:** Yes, commissioner, as part
24 of the EA.

25 **COMMISSIONER OHIGASHI:** Thank you.

1 **MR. CHIPCHASE:** This is, I'm sorry again,
2 chair, this is Cal Chipchase.

3 As part of the EA, the economic study was
4 presented to the commission. Dr. Dancil can go into
5 that in more detail, if you'd like.

6 **COMMISSIONER OHIGASHI:** Okay. I just was
7 curious, because I don't recall that. Perhaps my old
8 age foils my memory.

9 **MR. CHIPCHASE:** I would never make that
10 claim, commissioner.

11 **COMMISSIONER OHIGASHI:** The other question
12 that I have is that the county's position statement
13 -- I'm reading now from page number 3. It says that
14 -- it talks about the total demand for Lana'i as of
15 August 2021 was 1.51 MGD, and a total full buildout
16 of the water demand for the Miki Basin Industrial
17 Park was estimated at .159 MGD. Other proposed
18 projects estimate to be at about .26 MGD to the
19 total demand. The total forecast is estimated at
20 1.936 MGD, below the 4.3 million gallon trigger
21 point.

22 And the next paragraph, though, it says
23 that however, your water master study plan found
24 there's insufficient well pump capacity to meet the
25 needs of the project at full buildout and

1 recommended the development of a new well. Can you
2 tell me what your company is doing to meet the
3 demand of the lack of water, the potential lack of
4 pumping ability?

5 **MR. MATSUMOTO:** Yes. So, commissioner, we
6 are in fact studying different locations to create
7 new wells in order to match the demand in the
8 future.

9 **COMMISSIONER OHIGASHI:** Do you have any
10 more explanation coming forward about this area?

11 **MR. CHIPCHASE:** Commissioner, Dr. Dancil
12 will cover the technical reports in more detail, but
13 in addition to that, if you have specific questions
14 with respect to well siting or location or
15 infrastructure, Tom Nance with Tom Nance Water
16 Resources is here as well as Ken Kawahara with
17 Akinaka.

18 **COMMISSIONER OHIGASHI:** More
19 interestingly, my question is really is that what
20 efforts are you making sure to coincide the
21 development of water resources, your pumping
22 availability, with the development of this? And
23 that's essentially my question, so I want to get --
24 I want to make sure that we're not taking away water
25 from some people and give it to others.

1 **MR. CHIPCHASE:** Understood. Cal Chipchase,
2 chair, here. Dr. Dancil will cover exactly that,
3 commissioner.

4 **COMMISSIONER OHIGASHI:** So I should wait
5 on that.

6 **MR. CHIPCHASE:** If you would.

7 **COMMISSIONER OHIGASHI:** And I notice that
8 there's an emphasis, a lot from everyone, about
9 conservation of water supplies and a concern as to
10 whether or not sustainable yield from the water
11 aquifers, the aquifers that are available, will be.

12 What future studies will be made for the
13 purposes of determining what the yield should and
14 can be and to try and get the most update
15 information on it, if you know?

16 And if you know, when was the last study
17 and what studies do you intend to do to make sure
18 that there will be sufficient sustainable yield?
19 Because the way I read some of the material, it
20 seems as though that we're entering a severe drought
21 or dry period and that the recharging of the aquifer
22 may become an issue.

23 **MR. MATSUMOTO:** Yeah. So to my knowledge,
24 CWRM is responsible, and they already have been
25 reviewing not just Lana'i, but the whole state,

1 looking at different USGS climate models. And I
2 believe they are coming up with, I think,
3 recommendations for the future.

4 **COMMISSIONER OHIGASHI:** It's okay to say
5 that Dr. Dancil can address better, perhaps. Is that
6 -- is that right?

7 **MR. MATSUMOTO:** Dr. Dancil can address it.
8 Yes.

9 **COMMISSIONER OHIGASHI:** So I'm sure she's
10 taking notes right now on my questions. She'll be --
11 and that's fine.

12 Can I add just a comment? The comment is
13 just this, is that the situation on Lana'i is that
14 it is one big company, and it's a very difficult --
15 it's a very difficult thing to measure because the
16 exact thing about a passion plan comes up. One area
17 planned for something that you give commitments on
18 affects another area that you have, that the same
19 company has. And it's trying to juggle that and
20 trying to make a -- this commission trying to make a
21 determination. And it's not a good thing or a bad
22 thing; it's just a thing, that that's the situation.

23 So my questions are not pointing against
24 the company or anything like that. My questions are
25 just trying to get a handle on what I feel is an

1 important issue.

2 **MR. MATSUMOTO:** I see. Thank you.

3 **COMMISSIONER OHIGASHI:** Thank you.

4 **CHAIR GIOVANNI:** Thank you, commissioner.

5 Staying on my left, Commissioner Okuda?

6 **COMMISSIONER OKUDA:** Thank you very much,

7 Mr. Chair. Following up on Commissioner Ohigashi's
8 questions, and counsel can respond to it if counsel
9 believes that it's more appropriate.

10 This goes back to a comment I made when we
11 were considering whether to accept the Environmental
12 Assessment. I heard today testimony about a vision
13 regarding Lana'i and how this Miki Basin project
14 fits in that vision. If we're talking about a
15 project which fits in a larger vision, aren't we
16 required by the Hawai'i Supreme Court -- and
17 specifically that's Sierra Club versus Department of
18 Transportation 115 Haw. 299, better known as the
19 SuperFerry No. 1 case. Aren't we required actually
20 to have a full-on EIS to evaluate the entire vision?

21 Especially, you know, to emphasize some
22 words that Commissioner Ohigashi said, if we have
23 one big owner owning an entire island, shouldn't
24 this go through a process where we follow a legal
25 process set out by the Environmental Impact

1 Statement Law, that, you know, encourages community
2 participation?

3 I recognize there's a Lana'i Community
4 Plan, but are we now kind of stepping over the line
5 where, gee, you know, now that we're talking about
6 fitting in a bigger vision, we should have an EIS
7 before we move forward?

8 **MR. CHIPCHASE:** I'll take that, because it
9 is a legal question.

10 **COMMISSIONER OKUDA:** Yeah.

11 **MR. CHIPCHASE:** All right. Not at all,
12 commissioner. I mean, two reasons. And the first one
13 is the easiest to explain. The EA was approved as in
14 a final form by this commission earlier this year,
15 and it was published, and no challenge was made to
16 it. So the environmental review process for this
17 project is definitively, inclusively over.

18 There's nothing more to do in terms of
19 environmental review or that would be appropriate
20 for this project, because that FEA was accepted by
21 this body, was published in accordance with the
22 rules, and no challenge to it was made, and the
23 challenge period has long since expired. So that is
24 the environmental review for this project.

25 But coming back to the underlying

1 question, which is something that you and I did talk
2 about at length when the FEA was before this body
3 for approval, the testimony that Mr. Matsumoto
4 offered today about the vision is the same testimony
5 he offered when we reviewed the FEA. And the word
6 "vision" is important, because it's distinguished
7 from what the law actually looks at, which is two
8 things.

9 One is a project, which is a discreet
10 undertaking. And that is what we have here. The
11 second is a program. A program under the
12 administrative rules, which are 11.200.1-2, are --
13 or is a series of projects that have a relationship
14 connection under a general timeline to be
15 accomplished; right? It's a very technical
16 understanding.

17 We overlay that with the Hawai'i Supreme
18 Court's very clear direction that if a project
19 standing alone has independent utility, it need not
20 be connected to a broader program. That's exactly
21 what we have here and why this body was comfortable
22 approving the FEA earlier this year.

23 We have a standalone project. We have a
24 discreet undertaking with independent utility. That
25 independent utility is most obviously to fulfill the

1 Lana'i Community Plan, which for six years, now
2 coming up on seven, has designated this area for
3 industrial park. We're fulfilling that vision, the
4 community's vision, for this area through this
5 project, which has that independent utility.

6 The second part of that independent
7 utility are those specific uses that we have talked
8 about today for a 200-acre park, a 200-acre
9 industrial park. Most of the uses are already
10 identified.

11 We have 26 acres that allow for current
12 mixed anticipated future growth of that area. So in
13 advancing this project, we're not only consolidating
14 existing uses, which are currently located in
15 different areas. We're in addition to that providing
16 a substantial amount of renewable energy for Lana'i
17 residents and anticipating both the current
18 industrial uses, as Mr. Matsumoto talked about, sort
19 of consolidating what may be not always permitted
20 uses -- I don't mean by Pulama, but by the community
21 -- in residential neighborhoods into an area that is
22 better suited for them, and anticipating the ability
23 to grow those uses in the future.

24 All of those independent utilities, all of
25 those elements, make up that independent utility.

1 In the SuperFerry case, a very different
2 situation, there the infrastructure that needed to
3 be improved could be exempted from environmental
4 review under standing exemptions available through
5 the agencies and published with OEQC.

6 But the reason for that improvement was
7 this broader SuperFerry project. It was going to
8 ferry people and then cargo and trucks and things in
9 between the islands. You could not look at the dock
10 and evaluate the exemption in isolation. You had to
11 look at the dock in connection with why it was being
12 improved.

13 Here, when we did the EA, we didn't just
14 look at the road. The expansion of the road was the
15 only trigger. The only reason any environmental
16 review was necessary is expanding a public road. We
17 didn't just look at that road, which you would say
18 has no impact at all possible, and we'd be entitled
19 to an exemption. We didn't do that.

20 **COMMISSIONER OKUDA:** Mr. Chipchase, I
21 think we understand each other on that. I just raise
22 that concern, and I'm not saying I'm correct,
23 because, you know, I was the lone vote against
24 Pulama Lana'i to take water from the high-level
25 aquifer, and the Hawai'i Supreme Court said I was

1 wrong and everybody else was right. So I'm not
2 saying my view is always right.

3 But so let me ask a follow-up question
4 with respect to questions that Commissioner Kahele
5 asked. And I'm not advocating violating anyone's
6 constitutional right to travel or anything like
7 that, but maybe Mr. Matsumoto can answer this
8 question. And I do recognize Mr. Matsumoto, you
9 know, has deep family roots in Lana'i, so I'm not
10 intending this at all to be an insult to him or
11 anything like that.

12 But can you tell us what efforts, if any,
13 is Pulama Lana'i doing to prevent these projects,
14 which if we decide are good projects moving forward,
15 it actually ends up being a magnet for maybe those
16 of us from O'ahu coming into the community in Lana'i
17 and having people from O'ahu just overrun Lana'i and
18 pushing the Lana'i -- longtime Lana'i residents out
19 of jobs, which maybe initially people were intending
20 for?

21 What's the assurance that again, without
22 violating anyone's constitutional right to travel,
23 what's the assurance or program does the company
24 have so we don't see suddenly a whole bunch of
25 transplanted people like us from O'ahu ending up

1 crowding out people on Lana'i?

2 **MR. MATSUMOTO:** Sure. Thank you. Thank you
3 for the question, commissioner.

4 So there's a lot of efforts that we make
5 to try to educate people on the island and get them
6 better prepared. And it starts from like, in the
7 high school level. So for the last six, seven years
8 we've been funding a dual college prep program on
9 the island. And we have really good results seeing,
10 like, greater than 50 percent of the classes
11 participating in this program, even having students
12 that graduate with their associates degrees.

13 And then on the adult level, we just got
14 done having three employees in our facilities
15 maintenance department receive certificate programs
16 in HVAC. Prior to that, we had zero people trained
17 to work on HVAC on the island.

18 So there's efforts like that that we're
19 doing to try to make sure that our current employees
20 are as prepared as possible for whatever types of
21 jobs can come up in the future. I mentioned earlier
22 that we have to get people trained up, because we're
23 going to be responsible for taking care of those PV
24 panels on all these homes that we're building.

25 So in addition to that, you know, these

1 are our employees. These are our neighbors. These
2 are Larry's neighbors. The owner lives there on the
3 island now. So, yeah, there is a very strong
4 commitment to making sure that we're doing what we
5 can to benefit residents.

6 **COMMISSIONER OKUDA:** Okay. Thank you very
7 much, Mr. Matsumoto.

8 Thank you, Mr. Chipchase.

9 Thank you, chair.

10 **CHAIR GIOVANNI:** Thank you.

11 Larry means Mr. Ellison.

12 **MR. MATSUMOTO:** I'm sorry. Yes. Mr.
13 Ellison.

14 **CHAIR GIOVANNI:** Commissioners on my
15 right, any questions?

16 **COMMISSIONER CHANG:** I have a few.

17 **CHAIR GIOVANNI:** Commissioner Chang?

18 **COMMISSIONER CHANG:** Thank you.

19 Good morning, Mr. Matsumoto.

20 **MR. MATSUMOTO:** Good morning.

21 **COMMISSIONER CHANG:** Thank you so much for
22 being here. I have some questions involving sort of
23 kind of broader questions that I'm hoping that you
24 can address. Where do I start?

25 You know, you talked about a vision. So,

1 one, I want to know how do you engage the community?

2 I know that in the past Lynn McCrory has been part

3 of your presentation team, and you've had -- you

4 know, she's talked about community engagement.

5 Because with this EA project, it doesn't require a

6 public hearing, unlike if it was an EIS.

7 So in the past when we had issues

8 involving Lana'i, we'd have a room full of people.

9 And we don't have one here. So I'm not too sure if

10 you're doing a really good job on community or

11 nobody knows what you're doing on Lana'i. So sort of

12 tell me what is your community engagement process

13 for, for example, a project like this?

14 **MR. MATSUMOTO:** So we have been having

15 regular community meetings once a month. And that

16 practice goes back to when you mentioned Lynn

17 McCrory, so it dates back years. This isn't just a

18 recent thing. And we continued to do this even

19 during the COVID lockdowns. We made things available

20 via video, and we had really good participation in

21 that video forum.

22 And then we also try to do smaller

23 meetings. Not everyone can meet in person. So we go

24 to churches and different community groups to talk

25 to people. Every month these are subject oriented,

1 so the topic of Miki Basin was covered already. We
2 covered it before even this body had reviewed the
3 Environmental Impact Statement.

4 So it's a regular practice, and a lot of
5 people have become regular participants now because
6 of that.

7 In addition to that, we do a lot of
8 internal work with our staff in terms of having
9 smaller meetings and Q&A sessions to talk about
10 various projects that we're doing on the island.

11 We also have a community liaison, someone
12 who was born and raised on the island, was part of
13 the faculty of Lana'i High School. And this person
14 is actually engaged in whether it be one-on-one
15 conversations with residents who have questions or
16 concerns, to facilitating meetings, whether it's
17 with myself or with Dr. Dancil or, depending on the
18 topic, can be even with our project management team.

19 **COMMISSIONER CHANG:** Thank you. That's
20 very helpful to put in context, because like you
21 said, 3200 people, your island is even smaller. We
22 always say in Hawai'i, right, it's a small
23 community. You know everybody. You literally know
24 everybody on your island, so I appreciate you
25 explaining your outreach program and your process.

1 There have been -- you know, you've
2 mentioned numerous times about, when questions have
3 been asked about, you know, lease and how do you
4 know the people, what kinds of tenants you'll have.
5 And I think your response was, well, you know, we're
6 going to review all of those.

7 Pulama Lana'i is very uniquely situated.
8 You own 97 percent of the island, so you do control
9 literally what -- who can -- almost who can have a
10 lease, who can't have a lease, what kind of
11 activities are there. So how are you ensuring that
12 there's equal opportunities that -- how would I say?
13 Lack of better words, the only thing that comes to
14 my mind is big brother.

15 Is to a certain extent -- Pulama Lana'i,
16 like I said, you can decide, you can look at a
17 tenant or a proposed use and say, no, that doesn't -
18 - that's not compatible.

19 But how do you promote diverse economic
20 opportunities for the broader island to ensure
21 diversity, to ensure that residents have an equal
22 opportunity to participate and get, you know, get
23 access to a lease, even if it may not support a
24 Pulama Lana'i activity, but they're doing other
25 activities? How do you ensure there's broader

1 economic opportunities for your community?

2 **MR. MATSUMOTO:** We have ownership of the
3 majority of the commercial spaces on the island. And
4 we have leases with residents on the island. Some
5 are families that go back a couple of generations.

6 It is challenging to find people who are
7 interested, capable of owning and managing a
8 business. So whenever some of the businesses that
9 are in existence today come to us and tell us that
10 they're thinking of retiring, it's really
11 challenging to go through a process to try to find
12 people who might be willing or able.

13 So our process in that sense is pretty
14 simple. We just try to knock on doors, go to the
15 most likely candidates, and just see. Are you --
16 this is coming up; are you interested?

17 At the same time, we also try to look at
18 people who are applying for leases. And if it, just
19 like any other owner, if they're -- if it's not
20 feasible, if it's -- they're not capitalized well,
21 or they don't have a very good business plan, you
22 know, we have to be straightforward and honest with
23 them about it.

24 But then in most cases, the property would
25 go without a tenant. So we're in a position where

1 we're not aggressively trying to fill space just to
2 fill space with tenants. We're trying to look at how
3 we can create some kind of a balance in the
4 community and also still provide, you know, good
5 lifestyle options, something that would help with
6 people's quality of life on the island.

7 **COMMISSIONER CHANG:** Let me try to ask you
8 a specific example. For example, you said Pulama
9 Lana'i has a building company. Do you have
10 competition? Do you take competitive bids for
11 construction activities on Lana'i? Or do you always
12 go to your building company?

13 **MR. MATSUMOTO:** For the properties that we
14 own, we automatically just go to our company to be
15 the general contractor. But then we sub out a lot of
16 work. So, for example, we use a local plumber on the
17 island. If we had a local electrician, we use that
18 person or company as well Yeah, so we try our best
19 to use what's there.

20 There are other contractors on the island,
21 so when residents need work to be done, we're not
22 necessarily the go-to. And we don't try to take that
23 business.

24 **COMMISSIONER CHANG:** Okay. I just -- I'm
25 hoping that part of your vision for Lana'i is

1 competitive economic opportunity, and it's not just
2 Pulama Lana'i's holding company.

3 **MR. MATSUMOTO:** Exactly. We would love to
4 see other entities develop so that we're not the
5 only one there. Being in that role is no fun, that
6 you have to solve every problem on the island.

7 **COMMISSIONER CHANG:** I'm encouraged to
8 hear that. Now, this solar project. Are there -- can
9 you concretely tell me how are the residents going
10 to benefit from this?

11 **MR. MATSUMOTO:** From having solar?

12 **COMMISSIONER CHANG:** Yeah. I mean, how do
13 they see their electric bills going down?

14 **MR. MATSUMOTO:** So it starts with just the
15 fact that solar and battery storage would be on a
16 cost basis, able to produce energy for less than
17 what it costs to burn diesel. So that would be the
18 start of it.

19 Then what follows is, as you may know, a
20 lot of us get our bill and there's a surcharge in
21 there. That's not the right term, but there's an
22 additional fee that we pay, and that flexes
23 according to the price of oil. So since 2021, that
24 number has gone up substantially because the cost,
25 the price of oil, the worldwide cost of, price of

1 oil has gone up so much.

2 So the base portion of it, once you
3 convert to PV and battery, the only cost increases
4 probably that would occur would be just the general
5 operating costs, because we're not going to charge
6 you more if the sun shines more; right?

7 **COMMISSIONER CHANG:** But does this go back
8 to MECO or does, you know --

9 **MR. MATSUMOTO:** That's correct. It would
10 be the utility that would determine that. But it
11 would also be PUC regulated.

12 **COMMISSIONER CHANG:** But it's not a
13 specific benefit for the Lana'i residents. This
14 would go back to MECO, and MECO -- okay, maybe Dr.
15 Dancil will be able to answer the question.

16 **MR. MATSUMOTO:** When you say not benefit
17 to the residents, how do you mean?

18 **COMMISSIONER CHANG:** I mean a specific
19 economic benefit where they will see their utility
20 bill go down.

21 **MR. MATSUMOTO:** Yeah. They would see their
22 utility bill go down.

23 **COMMISSIONER CHANG:** More than just the
24 difference on that surcharge?

25 **MR. MATSUMOTO:** Right. Because the base,

1 like I said, is less than it costs to burn diesel.

2 **COMMISSIONER CHANG:** But will that be
3 shared by all of the residents on the county of
4 Maui? Or is that specifically to Molokai -- I mean
5 specific to Lana'i.

6 **MR. MATSUMOTO:** Specifically to Lana'i.

7 **COMMISSIONER CHANG:** Okay. Okay. Sorry. I
8 am not as maa or akamai on utilities, so I will
9 defer to you on that. But I do want to know, because
10 too often we have disenfranchised communities that
11 are disproportionately impacted by renewable energy
12 projects where they do not get any of the benefit,
13 but they bear the burden. So I just want to make
14 sure that there is going to be an economic benefit
15 in the sense that the residents of Lana'i will see
16 their utility bills go down.

17 **MR. MATSUMOTO:** Yes.

18 **COMMISSIONER CHANG:** And you are sure.
19 Now, you're talking about envisioning. Does Pulama
20 Lana'i at some point in time envision having their
21 own utility company, electrical utility company,
22 since you own 97 percent of the island?

23 **MR. MATSUMOTO:** So it's something that
24 we've talked about doing. But, you know, again, it's
25 all a matter of, I guess, whatever the circumstances

1 at the moment would dictate. If HECO is doing a
2 better job than we could ever do, then we wouldn't
3 even engage in a thought process at all.

4 **COMMISSIONER CHANG:** And I'm sure you will
5 have conversations with the community as you proceed
6 on that process.

7 **MR. MATSUMOTO:** Yes. So we would share
8 information. Something as big as that, yes.

9 **COMMISSIONER CHANG:** Okay. And I'm not too
10 sure if you'll be able to answer this or if Dr.
11 Dancil will, but I did review -- Sally Kaye
12 submitted some comments. So did you respond to those
13 comments or did you -- and how have you addressed
14 those?

15 **MR. MATSUMOTO:** I didn't see any --

16 **MR. CHIPCHASE:** Just to clarify your
17 question, commissioner, are you talking about with
18 respect to the EA or on the DBA?

19 **COMMISSIONER CHANG:** It thought it was --

20 **MR. CHIPCHASE:** I understood there were no
21 comments received, public testimony on the DBA.

22 **COMMISSIONER CHANG:** Maybe it was the EA.

23 **CHAIR GIOVANNI:** It was the EA.

24 **COMMISSIONER CHANG:** Okay. And you did
25 address those comments?

1 MR. CHIPCHASE: Yes, commissioner.

2 COMMISSIONER CHANG: Okay.

3 MR. CHIPCHASE: And went over that in
4 detail.

5 COMMISSIONER CHANG: Okay. Normally, I
6 would have seen Ms. Kaye or Robin Kaye at one of our
7 meetings, so.

8 MR. CHIPCHASE: I believe she did testify
9 at the EA hearing.

10 COMMISSIONER CHANG: Okay. And what was
11 her testimony? Do you recall?

12 MR. CHIPCHASE: I don't recall.

13 COMMISSIONER CHANG: I think, Mr.
14 Matsumoto, you have answered my questions. Yes.
15 Thank you. You have answered my questions.

16 And, you know, you are someone from
17 Lana'i, who I know you have great aloha for the
18 residents there. And Mr. Ellison obviously seems to
19 have made a personal commitment to be a full-time
20 resident. I would just, you know, hope that there is
21 a commitment to, you know, creating economic
22 opportunities for everybody on Lana'i and so that
23 they stay there and they can compete with Pulama
24 Lana'i.

25 Okay. Thank you so much. I appreciate your

1 responses.

2 **MR. MATSUMOTO:** Thank you, commissioner.

3 **CHAIR GIOVANNI:** Thank you, Commissioner

4 Chang.

5 Anybody else at that end?

6 **CHAIR GIOVANNI:** So I have a few
7 questions. We've been going an hour. Probably have
8 10 minutes at most. Shall we power through?

9 **MR. CHIPCHASE:** I'd say power through,
10 chair. At present, my redirect is about a minute.

11 **CHAIR GIOVANNI:** I might affect that. You
12 never know.

13 **MR. CHIPCHASE:** That's why I said at
14 present, chair.

15 **CHAIR GIOVANNI:** So, Mr. Matsumoto, first
16 of all, I want to thank you for taking this hearing
17 seriously and bringing yourself and your team to
18 Maui and the preparation that you've put forth to be
19 prepared to answer our questions, wherever they
20 might come from. So it speaks to me, personally, how
21 you've taken this matter seriously, and I want you
22 to know I really appreciate it.

23 I also think it's a great value that
24 you've been at this for 10 years. And you introduced
25 yourself in the context of the vision that Pulama

1 Lana'i has for the island, at least for 98 percent
2 of it. And that's why you're hearing questions from
3 my fellow commissioners is about that vision. So I'm
4 going to try to keep my questions for you at that
5 level contextually, although I might have more
6 detailed questions on the same subjects for Dr.
7 Dancil.

8 First of all, in terms of the -- just to
9 clarify in terms of the HECO project for renewable
10 energy, is Pulama Lana'i a bidder or part of a team
11 that's bidding a project into that RFP?

12 **MR. MATSUMOTO:** No. No, commissioner,
13 we're not.

14 **CHAIR GIOVANNI:** So if HECO follows
15 through with that project, it would be by a third
16 party that has no affiliation with Pulama Lana'i.

17 **MR. MATSUMOTO:** That's correct.

18 **CHAIR GIOVANNI:** Okay. It's come to
19 general knowledge -- at least it's in the newspapers
20 and radio -- that a good portion of the demand for
21 electric power that is currently supplied by Maui
22 Electric or Hawaiian Electric, whatever you want to
23 call them, is going to disappear as Pulama Lana'i
24 takes more of its demand in- house.

25 **MR. MATSUMOTO:** Right.

1 **CHAIR GIOVANNI:** In particular, the two
2 hotels which are large demand items. Do you
3 personally see that having a direct effect on the
4 size of the project that HECO would then build on
5 this in terms of renewable energy?

6 **MR. MATSUMOTO:** This is just my amateur
7 speculation but, yes, I think it would. It would
8 probably make that project smaller.

9 **CHAIR GIOVANNI:** I think it would. So is
10 Pulama Lana'i in -- you don't need to share the
11 details of the discussions that might be going on,
12 but are you doing discussion with Hawaiian Electric
13 or Maui Electric regarding your plans for in-house
14 generation or off-grid generation that would affect
15 the size of that project?

16 **MR. MATSUMOTO:** Yes. We are.

17 **CHAIR GIOVANNI:** Is there anything you can
18 share publicly about those discussions or feel
19 comfortable sharing?

20 **MR. MATSUMOTO:** No, commissioner. I'm
21 sorry I'm not at liberty to discuss it in public.

22 **CHAIR GIOVANNI:** I understand that. So but
23 the sequence of events is that there would be some
24 understanding derived by HECO and yourselves, a
25 mutual understanding, and then that in turn could

1 affect the sizing of the project that HECO might
2 actually build on that 126 acres?

3 **MR. MATSUMOTO:** Right. Correct.

4 **CHAIR GIOVANNI:** So hypothetically, if it
5 results in a significant downsizing of that project,
6 what would be your plans for that 126 acres, because
7 you no longer need it all?

8 **MR. MATSUMOTO:** Well, I think it's too
9 early to speculate what's going to happen,
10 commissioner. Just in all due respect, I know you're
11 very well-versed in how the process would work, but
12 we're just in a very early preliminary stage in
13 talking with HECO. We merely sent them a letter of
14 intent, and it was -- we still have to sit down and
15 actually discuss it, and HECO still needs to study
16 what the impacts are.

17 So, yeah, just I think it's a little too
18 early to actually make statements about what will
19 happen.

20 **CHAIR GIOVANNI:** But you're in front of
21 this commission today.

22 **MR. MATSUMOTO:** Yes.

23 **CHAIR GIOVANNI:** Making a representation
24 that the -- more than 60 percent of the petition
25 area will be for renewable energy projects,

1 specifically for photovoltaic.

2 **MR. MATSUMOTO:** That's correct.

3 **CHAIR GIOVANNI:** And yet at the same time,
4 you're saying there's a very good possibility that
5 that project will be downsized because -- as a
6 consequence of Pulama Lana'i taking its own
7 initiative to generate its own power off grid.

8 **MR. MATSUMOTO:** So I understand where
9 you're coming from with the question, but still I
10 think it's a little early to say that it's not going
11 to -- it's not going to occur. It could end up
12 becoming the full-blown RFP as HECO had proposed.
13 It's still too early in our discussions to actually
14 say which way this is going to go.

15 **CHAIR GIOVANNI:** So let's talk about it
16 from a contingency point of view.

17 **MR. MATSUMOTO:** Okay.

18 **CHAIR GIOVANNI:** Are you doing any
19 contingency planning for the 126 acres for the
20 potential eventuality that HECO could significantly
21 downsize its project?

22 **MR. MATSUMOTO:** You know, very casually
23 we've looked at it as that we could actually --

24 **MR. CHIPCHASE:** If I might, commissioner,
25 not that I mean to cut this off, but I do -- if I

1 could just offer. This is --

2 **CHAIR GIOVANNI:** This is Mr. Chipchase --

3 **MR. CHIPCHASE:** Mr. Chipchase.

4 **CHAIR GIOVANNI:** -- offering?

5 **MR. CHIPCHASE:** Offering. This is directly
6 within Ms. Dancil's testimony.

7 **CHAIR GIOVANNI:** Okay. I'll hold it there.
8 I'll just give you an idea, Dr. Dancil,
9 where I want to go.

10 **MR. CHIPCHASE:** It's entirely appropriate,
11 and I'll represent and she'll confirm as a factual
12 matter that 127 will remain in renewable energy
13 regardless of any downsizing of the HECO project.

14 **CHAIR GIOVANNI:** Very good.
15 Go back to vision. I mentioned housing.
16 What's the proximity of the closest housing to this
17 project?

18 **MR. MATSUMOTO:** Maybe --

19 **CHAIR GIOVANNI:** Existing or planned.

20 **MR. MATSUMOTO:** Yeah, existing or planned,
21 maybe a couple of miles.

22 **CHAIR GIOVANNI:** So from a -- and my only
23 interest is noise. You heard Mr. Yee ask a question
24 about noise, and in my experience rock crushing and
25 concrete making makes a good amount of noise. So

1 what will you be doing to mitigate the noise
2 potential impact on the housing?

3 **MR. MATSUMOTO:** Well, we only operate
4 during the week and during daylight hours. We try to
5 modernize the equipment as best as we can, but in
6 truth it really doesn't have a lot of noise impact
7 outside of the zone that it's in. When you're
8 driving up and they're doing that rock crushing
9 activity, until you get really close, it's not that
10 much of an imposition. You can't hear it from the
11 homes.

12 **CHAIR GIOVANNI:** Will you be putting any
13 kind of a buffer of trees, a tree line buffer or
14 such, around this particular activity, the crushing?

15 **MR. MATSUMOTO:** We don't plan to. Again,
16 we're trying not to use water as much as possible in
17 that area.

18 **CHAIR GIOVANNI:** So you mentioned water.
19 Let's talk about water a little bit. I'll leave the
20 noise aside for now. Again, back to your vision, and
21 I'm not here to talk about specific quantities, but
22 just in general, the use of water from the aquifer
23 versus -- or the potential one, going back again to
24 your 10 years and the visioning you've done over
25 that period.

1 If I recall correctly, there was a point
2 in time where Pulama Lana'i was pretty committed to
3 a desalination project. So what changed or what
4 happened or what did you learn that steered you to
5 conclude? Was it pure economics? Was it availability
6 of water? Was it -- what changed to steer you from
7 what sounded at that time a very strong commitment
8 to a desalination project to where you are now where
9 it's not even mentioned?

10 **MR. MATSUMOTO:** So we did in fact,
11 commissioner, apply for a Special Use Permit. And as
12 you may know, the investment in this type of
13 technology is significant. It is more so on Lana'i
14 because there's not a lot of infrastructure on the
15 island, so we would have to install so much
16 equipment and so much distribution and storage.

17 So during the process of applying for the
18 Special Use Permit, we tried our best to explain
19 that capital investment is not something to be taken
20 lightly. We requested 30 years for the Special Use
21 Permit, and we weren't given that amount. We were
22 only given 15 years. And we had to explain that we
23 can't rely on that, because it's really hard to
24 justify that type of investment and only have the
25 ability to work on it for 15 years.

1 But the most onerous condition that was
2 applied to that permit was the day the plant started
3 producing water we would have to abandon -- not
4 abandon, but we would be denied the ability to pump
5 groundwater for use in the Manele Project district.
6 And we felt that that was a punitive condition. So
7 we chose not to move forward with that, based on
8 that condition.

9 **CHAIR GIOVANNI:** Thank you for that
10 explanation. In your original application or
11 justification for moving forward at the time, and I
12 recognize you've changed direction on that, but
13 didn't Pulama Lana'i basically say that one of the
14 reasons for moving forward with desalination was
15 concern about the availability of groundwater for
16 the buildout vision for Pulama Lana'i?

17 **MR. MATSUMOTO:** Yes, it was. And we were
18 hoping to use that as a supplemental source. But
19 whether it was our approach to it or how we
20 explained it, the members of the Planning Commission
21 at that time, you know, looked upon this as
22 something they were uncertain about. They weren't
23 sure.

24 I don't think they were unsure about
25 whether it would work. They were not sure whether it

1 was going to be good for the island or not. So they
2 wanted to limit the time that it was going to be in
3 use.

4 When they went through the process, I
5 mean, at first it was just give them two years for
6 the Special Use Permit. And it was not
7 understanding, perhaps, some of the things that we
8 had implemented.

9 You know, one of the ways that we had
10 proposed to dispose of the brine was not to pump it
11 back in the ocean, but we were going to use wells to
12 have it filter the brine before it went back into
13 the ocean. But, yeah, I think there was just a lack
14 of trust back then.

15 **CHAIR GIOVANNI:** Yeah. I was actually, for
16 one, very excited about the project at the time. I
17 was really excited about selling you more
18 (inaudible).

19 Back to the vision, and it ties to water a
20 little bit. And I'm not looking for a real detailed
21 explanation here, but at a very high level, at your
22 level, can you give us an idea of the vision for
23 farming, increasing agricultural production on the
24 lands owned by Pulama Lana'i?

25 **MR. MATSUMOTO:** Sure. So with respect to

1 water, conventional farming would not do well on
2 Lana'i because of the amount of water that it would
3 require. So we focus more on hydroponic farming.

4 **CHAIR GIOVANNI:** Yes.

5 **MR. MATSUMOTO:** Which is capital
6 intensive. So you have an upfront capital load when
7 it comes to farming in this manner. But it consumes
8 very little water.

9 **CHAIR GIOVANNI:** Even though it's called
10 hydroponic.

11 **MR. MATSUMOTO:** Yeah. It consumes very
12 little water, and productivity is three times what
13 you get from growing in soil.

14 You have also reliability. One of the main
15 things that we learned from different wholesalers
16 and restaurant tours is they want to buy local, but
17 local is not reliable. And they have to have
18 reliable. When they need certain kind of produce,
19 they need it, and they can't just go out to the
20 customer and say, well, sorry, your favorite dish
21 isn't available today because XYZ farmer couldn't
22 produce it. So reliability is really important.

23 Hydroponic farming is reliable. It is --
24 you know, it just runs like a machine. And so far,
25 we've had good success on Lana'i. We have now about

1 little over 50 employees there and, hopefully, we'll
2 be able to expand in the future.

3 **CHAIR GIOVANNI:** So I appreciate that. And
4 my question was really driven by the question for
5 water. And going back to where Commissioner Ohigashi
6 and Commissioner Okuda were coming from is that when
7 an individual project comes before us and water is
8 an issue, the representation is often this project
9 will only use the amount of water that we said it
10 would, and we're going to draw it from this aquifer,
11 this well, or whatever.

12 But we're concerned that there are
13 multiple projects within the confines of the land
14 that is owned by the same developer or owner. So
15 you've got the farming operation, the hotel
16 operation, et cetera, et cetera. So it really would
17 be helpful to us to have an understanding of that
18 overall water picture as well, in addition to just
19 that specific project. So that's just a comment.

20 **MR. MATSUMOTO:** You know, just sort of
21 comment from me. We're acutely aware of that. And
22 every decision that we make is based on whether we
23 can not just afford it, but whether the water is
24 available. So if we're asked to add a water feature,
25 we have to -- you know, here on Maui it may not be

1 as big of a deal, but we've got to look at it in
2 fine-grained detail, because that's how well we have
3 to manage our water consumption and manage the
4 aquifer.

5 So I understand the concerns. In some
6 cases, you know, maybe one owner is not related to
7 the other, and they're not really thinking big
8 picture, but we cannot escape thinking big picture.
9 We have to look at it every day.

10 **CHAIR GIOVANNI:** And to the degree you can
11 share that picture with us when you come forward for
12 an individual project, we really appreciate it.

13 My last area of questioning. You talked a
14 little bit about preserving the life of the land and
15 the species that are there. Just a question of
16 curiosity for me to start with. There's a renowned
17 cat sanctuary in Lana'i City. Do you own and operate
18 or is that a lessee of yours or is that part of the
19 other 2 percent?

20 **MR. MATSUMOTO:** So it is operated by a
21 nonprofit. So the same person that owns Pulama
22 Lana'i happens to be the major benefactor of that
23 nonprofit.

24 **CHAIR GIOVANNI:** Was that Mr. Ellison?

25 **MR. MATSUMOTO:** Right. So for the cat

1 sanctuary. The cat sanctuary has other donors.

2 **CHAIR GIOVANNI:** It does.

3 **MR. MATSUMOTO:** But Mr. Ellison picks up a
4 lot of the operating cost, the day-to-day operating
5 cost for the cat sanctuary, which has nearly doubled
6 in size since I started.

7 **CHAIR GIOVANNI:** Yeah. It's world-
8 renowned, I must admit.

9 **MR. MATSUMOTO:** Yeah.

10 **CHAIR GIOVANNI:** Is there a problem on the
11 lands that you manage between feral cats and native
12 birds?

13 **MR. MATSUMOTO:** Yes. So there is one, but
14 it has been severely reduced, partly because of the
15 cat sanctuary, but due in large part to the work
16 that we do.

17 So we've been fencing. We've been laying
18 out cat traps. Whenever we trap cats, we take them
19 to the sanctuary. That's part of the reason why the
20 population's grown. We have records that go back --

21 **CHAIR GIOVANNI:** The population of birds
22 is growing, you say?

23 **MR. MATSUMOTO:** The population of cats in
24 the sanctuary --

25 **CHAIR GIOVANNI:** Oh, the sanctuary. Okay.

1 **MR. MATSUMOTO:** But we have records that
2 go back about seven years now, and we can show the
3 dramatic increase in the success of the seabirds
4 because of all the cat trapping and the rat trapping
5 that we have done.

6 So it's a lot of man hours to go up into
7 the mountain, set up all these traps, and the cat
8 traps especially, because we have to have cameras on
9 the traps because we can't just leave the cat there.
10 Once the cat is in the trap, you know, we have to
11 have somebody go up and retrieve the cat right away.
12 But we've been investing a lot in fencing, predator-
13 proof fencing.

14 **CHAIR GIOVANNI:** Predator-proof. Yeah.

15 **MR. MATSUMOTO:** That would reduce the need
16 for the manpower to go up on a regular basis. So
17 we're looking for that being completed early next
18 year. But we think that -- we've been told, anyway,
19 that the colony there is one of the largest in
20 Hawai'i, in the state.

21 We've even been doing some research into
22 seeing -- we think there's another endangered
23 species on the island as well, the banded storm
24 petrel. So the trapping of the cats and the rats
25 and the fencing, all that is paying off in visible

1 ways in terms of the numbers.

2 **CHAIR GIOVANNI:** Are there are any issues
3 in this regard on the subject petition property?

4 **MR. MATSUMOTO:** So we're always concerned
5 about anything that adds to, like, lighting
6 activities, but we don't anticipate that kind of a
7 problem in this Miki Basin area. The adjacent
8 landowner, which is the state on the airport side,
9 has a bigger problem when it comes to that.

10 **CHAIR GIOVANNI:** Sure.

11 **MR. MATSUMOTO:** But all the activities
12 will be very limited at night and don't need to be
13 highly lit.

14 **CHAIR GIOVANNI:** Thank you very much. I
15 don't have any further questions.

16 So, commissioners, any follow-up?

17 So we're ready for your two minutes.

18 **MR. CHIPCHASE:** Cal Chipchase. And you may
19 have added a minute. I'm not sure about that.
20 Actually, I'll probably address most of that through
21 Dr. Dancil, if it's okay.

22 Kurt, I just wanted to cover a couple of
23 things that I think are within your wheelhouse, as I
24 think a commissioner said. And one is just putting
25 this petition in context. So if the Land Use

1 Commission approves the DBA -- so first, we had the
2 community plan, and we had the Environmental
3 Assessment. If the LUC approves the DBA, we go back
4 to the county; right?

5 **MR. MATSUMOTO:** Right. Correct.

6 **MR. CHIPCHASE:** That would be for
7 rezoning.

8 **MR. MATSUMOTO:** Correct.

9 **MR. CHIPCHASE:** And will any use that is
10 conducted within the petition area be consistent
11 with county zoning?

12 **MR. MATSUMOTO:** Currently, you mean?

13 **MR. CHIPCHASE:** Well, with the rezoning,
14 the new designation, assuming the county council
15 approves it.

16 **MR. MATSUMOTO:** Yes.

17 **MR. CHIPCHASE:** And going back to a
18 question that Mr. Yee asked earlier, is it
19 anticipated that the uses within that project
20 consistent with county zoning will also need county
21 ministerial permits such as building and grading
22 permits?

23 **MR. MATSUMOTO:** Yes. They would.

24 **MR. CHIPCHASE:** And will Pulama Lana'i
25 ensure that it and any tenant or lessee fully comply

1 with all mitigation requirements imposed by the
2 county on those permits?

3 **MR. MATSUMOTO:** Yes. We would.

4 **MR. CHIPCHASE:** I wanted to just address
5 one other question that a commissioner had, and that
6 was with respect to economic benefit.

7 And, commissioner, we will cover that a
8 little more in detail with Dr. Dancil.

9 But I wanted to talk specifically about
10 Pulama Lana'i's relationship with the trade unions,
11 because I know on the carpenter side it's been a
12 very robust and positive relationship, and I was
13 hoping that maybe you could talk about the way in
14 which Pulama Lana'i has worked to ensure that there
15 are good jobs for residents of Lana'i in those
16 trades and through the unions.

17 **MR. MATSUMOTO:** Sure. So we have, I want
18 to say, a unique agreement with the Carpenters Union
19 in that it's called a wall-to-wall agreement. So the
20 Carpenters on any project has the authority to have
21 all the trades, but it's limited to the homes that
22 we build in Lana'i City. But we have a longstanding
23 relationship with the Carpenters Union.

24 We also have, as you know, a very
25 longstanding relationship with the ILWU. And they

1 also are trying to change and encourage more of
2 their membership to get into different trades
3 positions on Lana'i.

4 So, like, the water company is with the
5 ILWU, and we've been actively recruiting workers
6 from within the younger workforce to become
7 apprentices in the water company in our facilities
8 maintenance department that are, basically, they're
9 like handyman jobs that have to cross over all
10 different areas.

11 We're doing the same thing. We're trying
12 to get more apprentices involved, because we have a
13 lot of workers that are older that are going to be
14 retiring soon. So we're actively working with both
15 unions to keep people trained up.

16 The Carpenters Union, I have to say,
17 probably does one of the better jobs in terms of
18 getting people into the union, getting them trained,
19 progressively trained on a regular basis, and then
20 promoted on to become journeyman carpenters. And
21 they've done the best job in terms of doing that on
22 Lana'i.

23 The number of employees that we have in
24 the Lana'i Builders side has actually doubled over
25 the last 10 years.

1 **MR. CHIPCHASE:** And do you anticipate
2 continuing to employ people in those capacities and
3 continuing to encourage good jobs for the local
4 residents of Lana'i?

5 **MR. MATSUMOTO:** Right. That's what we hope
6 to do. And, you know, if some of these activities
7 that we're talking about today end up being more
8 technology-related jobs that require more training,
9 we have funding that residents can tap into and take
10 courses at the UH Maui college, whether that be
11 online or in person.

12 **MR. CHIPCHASE:** Thank you, Kurt. I have no
13 further questions.

14 **CHAIR GIOVANNI:** No further redirect?
15 Thank you very much, Mr. Matsumoto.

16 **MR. MATSUMOTO:** Thank you, commissioners.

17 **CHAIR GIOVANNI:** We'll take a lunch break
18 now. It's 11:50 by my watch. How about coming back
19 at 12:30? Does that work for everyone?

20 **MR. CHIPCHASE:** Good with me, chair.

21 **CHAIR GIOVANNI:** And our goal is to
22 adjourn by 3:00 today, so hopefully we can get to
23 that point.

24 **MR. CHIPCHASE:** You know my over/under,
25 chair. I think I've stuck to it on my side of the

1 testimony.

2 **CHAIR GIOVANNI:** I'm not sure you have,
3 actually.

4 **MR. CHIPCHASE:** Right.

5 **CHAIR GIOVANNI:** Yeah. I have the over --
6 I got the over last night when I heard you were
7 going for an hour and a half.

8 **MR. CHIPCHASE:** That explains the number
9 of questions, chair. Thank you.

10 **CHAIR GIOVANNI:** We're adjourned until
11 12:30.

12 **(Recess taken from 11:50a.m. - 12:31 p.m.)**

13 **CHAIR GIOVANNI:** 12:31. We're back on the
14 record. So, Mr. Chipchase, back to you with, I
15 believe, your next witness, who's already been sworn
16 in. So you may proceed.

17 **MR. CHIPCHASE:** Very good, chair. Our next
18 witness is Dr. Keiki-Pua Dancil.

19 Dr. Dancil, would you mind introducing
20 yourself again?

21 **DR. DANCIL:** Aloha, chair.

22 Aloha, commissioners.

23 My name is Keiki-Pua Dancil. I'm the
24 senior vice president for Pulama Lana'i. My area is
25 government affairs and strategic planning.

1 **MR. CHIPCHASE:** And within that field for
2 Pulama Lana'i, could you just summarize your
3 responsibilities for us?

4 **DR. DANCIL:** My primary responsibility is
5 to oversee the project management for all the
6 permits and entitlements that Pulama seeks on
7 Lana'i. I also direct the cultural and heritage
8 preservation team as well as the community
9 development team. In addition, I work very closely
10 with our senior vice president of development and
11 construction to align our activities to achieve the
12 vision for Pulama Lana'i.

13 **MR. CHIPCHASE:** And just for context,
14 would you just summarize for us your educational
15 background and some of your experience?

16 **DR. DANCIL:** I have a PhD in chemistry
17 from the University of California at San Diego and
18 an MBA from Harvard Business School. By taking the
19 strong foundation of analytical skills to
20 strategically analyze all of the different issues
21 that come up in each of the different phases of
22 planning and permitting, I'm able to analyze -- use
23 that as a framework to analyze any other issues that
24 may come up.

25 I have over 10 years of experience in

1 business development. And in particular, my most
2 recent job before joining Pulama Lana'i was the
3 director of strategic initiatives at Hawaiian
4 Electric.

5 **MR. CHIPCHASE:** And, Dr. Dancil, I wanted
6 to start off your testimony by responding to some of
7 the commissioner questions, at least I was able to
8 jot down during our earlier witness' testimony. And
9 one of them had to do with the housing on Lana'i, in
10 particular the Hokuao project, which you and I
11 worked on with this commission some time ago. Would
12 you mind updating us on the status of that project?

13 **DR. DANCIL:** Yes. We were actually here a
14 year ago in November last year for our entitlement
15 for a 201H Hokuao Housing Project. That is a 150-
16 home development, as you remember. Fifty-one percent
17 is affordable. We just held our lottery two weeks
18 ago, and we plan on turning over the first set of
19 homes, approximately 20 of those, in the first
20 quarter of next year

21 **MR. CHIPCHASE:** And --

22 **DR. DANCIL:** And just to clarify, it's 100
23 percent workforce housing.

24 **MR. CHIPCHASE:** Another question that had
25 come up was with respect to community engagement,

1 and I was hoping that you could take us through that
2 portion of the Environmental Assessment that had
3 reviewed the community engagement, and then update
4 that with the engagement on this DBA.

5 **DR. DANCIL:** Yes. I can definitely do
6 that. So in the Final EA on page FEA REF-128, we go
7 into extensive detail about the community engagement
8 that took place. There are 10 Lana'i Community Plan
9 Advisory Council meetings or Lana'i Planning
10 Commission meetings, and three Maui County Council
11 meetings as part of the update to the Lana'i
12 Community Plan in which the Miki Basin area was
13 slated to be heavy industrial and light industrial.

14 In addition, we had a public hearing -- it
15 wasn't a public hearing; it was a public
16 presentation before the Lana'i Planning Commission
17 in particular about the EA for this project. We
18 responded to all the public comments.

19 As you can see up on the screen there, the
20 Final Environmental Assessment was published on
21 March 8th, and it was approved by this body in
22 February of this year.

23 **MR. CHIPCHASE:** And, of course, there was
24 a public hearing on that FEA as well.

25 **DR. DANCIL:** There was a public hearing on

1 the FEA.

2 **MR. CHIPCHASE:** In anticipation of the
3 DBA, did Pulama Lana'i comply with all of the
4 publication and notification requirements in the
5 rules?

6 **DR. DANCIL:** Yes. We did.

7 **MR. CHIPCHASE:** And was the DBA also
8 circulated to all the agencies as required in the
9 code?

10 **DR. DANCIL:** Yes. The DBA was circulated
11 to all the agencies, and it was submitted to the
12 Land Use Commission on June 7th.

13 **MR. CHIPCHASE:** Okay. Another commissioner
14 question that I jotted down, and I'm hoping you can
15 help us with, is the discussion of the area that's
16 been slated for a renewable energy project. And in
17 particular, I wanted you to confirm for us that if
18 the size of the anticipated HECO project does not
19 use all 127 acres, that that area will still be used
20 for renewable energy.

21 **DR. DANCIL:** I can confirm that that area,
22 the 127 acres, will be used for renewable projects
23 as described in our application.

24 **MR. CHIPCHASE:** And a question came up
25 with respect to noise, and I just have a couple of

1 things that I wanted to note for commissioners
2 through your testimony. One is approximately how far
3 away is Lana'i City from the project area?

4 **DR. DANCIL:** Lana'i City is approximately
5 three miles away.

6 **MR. CHIPCHASE:** And was the -- was noise
7 assessed in the Environmental Assessment?

8 **DR. DANCIL:** It was assessed in the
9 Environmental Assessment in particular on page 27 of
10 the Final Environmental Assessment.

11 **MR. CHIPCHASE:** And as part of the
12 Environmental Assessment, just running down to my
13 next set of questions, was a market assessment
14 prepared?

15 **DR. DANCIL:** Yes. A market assessment was
16 prepared in the Final EA.

17 **MR. CHIPCHASE:** And I believe that's
18 Appendix A.

19 **DR. DANCIL:** Subject to check. I'm looking
20 right now. Yes. It is.

21 **MR. CHIPCHASE:** And the last set of
22 questions that at least I took down were with
23 respect to water and sort of a comprehensive look
24 before the commission on not only the particular
25 project, but proposed or anticipated projects and

1 their impact. Were anticipated future projects
2 assessed as part of the Environmental Assessment?

3 **DR. DANCIL:** Yes. Future projects were
4 assessed during the Final Environmental Assessment.

5 **MR. CHIPCHASE:** And I believe that
6 discussion begins on page 38, and then on page 45
7 there's the table specifically covering other
8 permitted and proposed projects.

9 **DR. DANCIL:** That is confirmed. On page 45
10 we do discuss not just the current pumpage, but this
11 project and future uses.

12 **MR. CHIPCHASE:** Okay. We'll come back,
13 then, to your testimony. We talked about a completed
14 Environmental Assessment. We put the timeline up on
15 the screen. We talked about the publication and the
16 filing of the DBA. I was hoping you could orient us
17 back to the location of the project that you did
18 sort of at the beginning of the day.

19 **DR. DANCIL:** Yes. If I may direct you to
20 the screen, and I will be using a green pointer. So
21 here's Lana'i, and in red here where my pointer is
22 is the project area in red. I also have it outlined
23 in red here.

24 I want to note the three -- well,
25 approximately three miles away, this is Lana'i City.

1 And then in the farthest background we have Sensei
2 Retreat. In addition, we are adjacent to the Lana'i
3 Airport right here.

4 And then I believe Mr. Matsumoto discussed
5 our agricultural activities. Right here is our
6 commercial Ag leases in which we lease open air,
7 open lots to other commercial farmers on island. We
8 also have our commercial nursery in which Pulama
9 Lana'i grows our plants and also brings in plants.

10 And this is for you. I'm sorry, Chair
11 Giovanni, the cat sanctuary is over here. And then
12 across the street here from Kaumalapau Highway is
13 our hydroponic facility that Mr. Matsumoto
14 discussed, Sensei Farms. It's 120,000 square feet of
15 hydroponic greenhouses, which are all powered by an
16 off-grid system, so by a solar and battery system.

17 **MR. CHIPCHASE:** Let's pull up the next
18 slide and take a closer look. Walk through what we
19 have on the slide, please.

20 **DR. DANCIL:** You may not be able to see,
21 but all this outline right here, so in red here is
22 the project outline of the Miki 200. Right here in
23 black dotted is the HECO fossil fuel facility. It's
24 approximately five acres. And then dotted here in
25 light blue is our Miki 20-acre condominium. And as I

1 mentioned before in the solid blue outline is our
2 SUP where we have interim uses, primarily
3 stockpiling and rock crushing.

4 Another point I want to make is that the
5 Miki 200 project outline is adjacent to other urban
6 and industrial uses. Here's the HECO fossil fuel
7 facility as well as the Miki 20, and the Lana'i
8 Airport is also an urban use industrial use.

9 **CHAIR GIOVANNI:** Just to clarify, Dr.
10 Dancil, what was inside the blue?

11 **DR. DANCIL:** This blue dotted?

12 **CHAIR GIOVANNI:** Yeah.

13 **DR. DANCIL:** That's our Miki 20-acre
14 condominium. So it's a 20-acre parcel. It's heavy
15 industrial.

16 **CHAIR GIOVANNI:** Got it.

17 **MR. CHIPCHASE:** And just on that point,
18 just so everybody's clear, is that the area that Mr.
19 Matsumoto discussed earlier that had the mix of lots
20 that Pulama would hold and Pulama would offer up for
21 sale?

22 **DR. DANCIL:** Correct, as part of the
23 conditions for the District Boundary Amendment when
24 it went through its process. It was two, actually,
25 petitions. There was a 14-acre petition and a 6-acre

1 petition. Both of those required that 50 percent of
2 lots will be offered for sale.

3 **MR. CHIPCHASE:** And I'd like to take us to
4 the next slide and have you briefly describe the
5 proposed action for us.

6 **DR. DANCIL:** Yes. As we said earlier, the
7 primary action is to implement the community plan by
8 rezoning the designated land area. So again, this is
9 the Lana'i Community Plan. It has 225 acres within
10 the Miki Basin area for heavy and light industrial
11 use.

12 Our project is implementing 50 percent,
13 which is light industrial here and here in magenta,
14 and 50 percent for heavy industrial use in red. As
15 we mentioned, over 85 percent of the land area has
16 an identified use and is expected to be developed
17 within the first 10 years, if not sooner.

18 We believe that the proposed action
19 ensures that there's sufficient land for future
20 economic diversification to support our on-island
21 operations.

22 **MR. CHIPCHASE:** And if we could move into
23 the next slide. Mr. Matsumoto talked about the
24 purpose of the project in addition to implementing
25 the community plan, or as part of implementing the

1 community plan, diversification of the economy, and
2 I was hoping you could maybe provide a little more
3 detail on that subject.

4 **DR. DANCIL:** Yes. So the purpose of the
5 proposed action is to further the goal of the Lana'i
6 Community Plan, which is a diversification of the
7 economy on Lana'i. By diversifying the economy, we
8 need to provide the necessary land for future
9 industries to support and expand beyond our luxury
10 tourism market.

11 This land also is in a central location
12 for industrial uses. As I mentioned, there's other
13 industrial uses around, so it also provides an area
14 so that other industrial uses that are on other
15 areas or that are being done currently now in the
16 residential area can relocate to this area.

17 This is a critical component to
18 establishing that there is a sustainable and a
19 resilient future for Lana'i, ensuring that there's
20 enough land.

21 **MR. CHIPCHASE:** And let's talk about land
22 a little bit in starting with the existing urban
23 land on Lana'i. How much land is currently within
24 the urban district?

25 **DR. DANCIL:** So this is an island map

1 which has the state land use districts. It's not
2 that easy to see, but if it's gray, it's urban. And
3 as noted here in Lana'i City, it's urban. You have
4 the airport here, which is gray. That's urban.
5 Kaumalapau here is urban. And then our project
6 district down at Manele also has urban.

7 **MR. CHIPCHASE:** And I believe that's about
8 3 percent of the island?

9 **DR. DANCIL:** Correct. It's about 3,000 or
10 3 percent of the island.

11 **MR. CHIPCHASE:** And is there sufficient
12 area on those urban districts or within Lana'i City
13 for an industrial park?

14 **DR. DANCIL:** No. All the area that is
15 zoned urban right now is in use.

16 **MR. CHIPCHASE:** In addition to the fact
17 that it was designated in the community plan, why
18 was this particular site chosen for the industrial
19 park?

20 **DR. DANCIL:** This particular site is
21 chosen for several reasons. As I mentioned, there
22 are adjacent like uses that are nearby. It's also
23 centrally located and adjacent to Lana'i Airport,
24 which air cargo can come on and off island in case
25 there is some sort of economic activity that

1 requires that type of commerce flying in and
2 commerce flying out.

3 In addition, it's near to Kaumalapau
4 Harbor, which is the main seaport of entry in which
5 you would bring goods on and off Lana'i.

6 **MR. CHIPCHASE:** Let's look at the next
7 slide. And I'd like you to help us understand the
8 known anticipated uses of the industrial park.

9 **DR. DANCIL:** So let me just direct you. So
10 here we have a conceptual master plan for the Miki
11 Basin industrial area. And this site here -- I call
12 it a waterfall chart, so I basically have the
13 various different land uses. I also have letters A,
14 B, C and D depicted that are correlating to the
15 areas on the map, the conceptual master plan.

16 In the far left, we have 20 acres
17 identified for infrastructure. And this is a generic
18 planning assumption, about 10 percent of the land.
19 That's a common number for industrial parks to
20 attribute about 10 percent for infrastructure.

21 The next one is renewable energy projects.
22 That's A, and that's depicted here. Again, this is
23 just a rendering. That's 127 acres. And then next we
24 have the concrete crushing facility B, which is
25 identified in this area here. And then we have the

1 asphalt plant here. And then we have other
2 industrial uses, which is on the mauka side and
3 totaling -- if you add up all of these, it totals to
4 200 acres.

5 **MR. CHIPCHASE:** And what will Pulama
6 Lana'i do with the areas that are currently used for
7 the asphalt and concrete plants when it relocates
8 them?

9 **DR. DANCIL:** So the concrete and the
10 mobile concrete batch plant will be relocated just
11 200 feet, and the asphalt plant will be relocated
12 further away, and we'll be re-naturalizing that
13 area. So the area right now that's occupied by the
14 mobile batch plant will be made for sale to someone
15 else when it's moved.

16 **MR. CHIPCHASE:** And if we can move on to
17 the next slide and have you talk a little bit about
18 the anticipated timing of these developments.

19 **DR. DANCIL:** Sure. So this is the very
20 same -- it's a very similar slide that was on the
21 previous chart. It was also in our DBA petition on
22 page 19, if my eyes are --

23 **MR. CHIPCHASE:** Better than mine.

24 **DR. DANCIL:** So this is the timeline up
25 here. So within the first 10 years, 1 through 10,

1 these are the types of activities. Within the first
2 few years upon approval of all entitlements -- so
3 again, we still have to go through a change in
4 zoning with the county -- both the asphalt plant and
5 the concrete batch plant will be relocated.

6 In addition, A, or the renewable energy
7 project, we believe the current one that's before
8 HECO will be dealt with in the next 10 years.

9 And then, finally, you have D, again
10 developed as needed, and it can start from Year 1.
11 But if it doesn't get developed, then it'll go on
12 through Years 11 through 20.

13 **MR. CHIPCHASE:** And a question had come up
14 earlier about infrastructure, and I knew we were
15 going to cover it at this point, and so can you
16 share with us the improvements that we anticipate
17 for the project?

18 **DR. DANCIL:** So as -- I think Mr.
19 Matsumoto touched on this a little bit. For the
20 batch plant -- or the concrete batch plant, concrete
21 crushing facility and the asphalt plant, there's not
22 much infrastructure in terms of roads.

23 There will be an individual wastewater
24 system put in for a comfort station for a shared
25 facility for the asphalt plant as well as the

1 concrete batch plant for the employees there.

2 The developer will likely put in some
3 access roads for the renewable energy project. And
4 as Mr. Matsumoto said, there is an interconnection
5 site right here adjacent to the HECO property.

6 **MR. CHIPCHASE:** And so if we can focus,
7 then, on anticipated infrastructure for the
8 remaining 26 acres, what do you anticipate or how do
9 you anticipate approaching infrastructure for that
10 area?

11 **DR. DANCIL:** We do know there is a need
12 according to the market assessment, and that was
13 submitted in our Final EA, and will be developed on
14 an as-needed basis.

15 **MR. CHIPCHASE:** All right. And as you
16 develop on an as-needed basis, will that address
17 roads, drainage, wastewater and water?

18 **DR. DANCIL:** It will.

19 **MR. CHIPCHASE:** And were those anticipated
20 impacts addressed in the Final Environmental
21 Assessment?

22 **DR. DANCIL:** Yes. The anticipated impacts
23 were addressed in the Final Environmental
24 Assessment.

25 **MR. CHIPCHASE:** And will the DBA be -- the

1 area to be redesignated -- developed in accordance
2 with those representations and assessments?

3 **DR. DANCIL:** They will.

4 **MR. CHIPCHASE:** I'd like to talk a little
5 bit more about drainage. In particular, will the
6 project comply with the Maui County stormwater
7 treatment requirements?

8 **DR. DANCIL:** The project will comply with
9 the county's stormwater treatment requirements.

10 **MR. CHIPCHASE:** And focusing just a little
11 bit more on the water infrastructure, have the
12 technical studies confirmed that there is adequate
13 source for the development?

14 **DR. DANCIL:** Yes. The technical studies
15 that were completed and accepted in the Final EA
16 were completed, and there is enough source on
17 island.

18 **MR. CHIPCHASE:** So for the known uses, the
19 renewable energy and relocation of the concrete and
20 asphalt plants, we could use actual assessments or
21 estimates for water use. How was water demand
22 estimated for the 26 acres that will be developed as
23 mixed industrial uses?

24 **DR. DANCIL:** Yes. So if I could just
25 direct you to this graph here, this is the existing

1 demand on the public water system right now for the
2 concrete facility, so meaning that this water is
3 already accounted for because it's already in use on
4 this. So any new uses on the concrete facility,
5 again, are calculated here, and for the asphalt
6 plant here.

7 So this 156,000 is the estimated use for
8 the 26 acres on the mauka side of Miki Road. And
9 that 156,000 was done -- is calculated by taking the
10 planning assumptions that are from the 2002 Hawai'i
11 state standards that are particular for Maui County
12 for industrial land.

13 Basically, it's a very conservative
14 number. It's the most conservative of all the
15 counties. It's 6,000 gallons per day per acre. So if
16 you take 6,000 times 26, you get 152. So as you can
17 see, the projected demand on the public water system
18 238, 98 percent of it is attributed to this planning
19 assumption for future needs on the new industrial
20 uses on the mauka land.

21 **MR. CHIPCHASE:** Okay. So the anticipated
22 future water needs for that area are consistent with
23 state standards.

24 **DR. DANCIL:** Correct. They are consistent
25 with state standards.

1 **MR. CHIPCHASE:** Turning from the water to
2 -- back to the solar portion of the project, has a
3 developer been selected?

4 **DR. DANCIL:** Yes. A developer has been
5 selected. So if I could just direct you to the chart
6 that's on the screen here, this is the Lana'i RFP
7 schedule according to Hawaiian Electric, and this is
8 found in the public utilities docket DMS, document
9 management system. The docket number is 2015-0389.

10 On July 25th in a press release, HECO
11 identified DG Development and Acquisitions LLC as
12 the solar developer for the Lana'i solar project.

13 **MR. CHIPCHASE:** And I know Mr. Matsumoto
14 touched on this a little bit, but could you
15 summarize where we are in the PUC review for the
16 project?

17 **DR. DANCIL:** Yes. In that press release,
18 it was announced that PPA negotiations have
19 commenced, and so that's where we are in that
20 project right now.

21 So HECO is negotiating with DG Development
22 and Acquisitions a Power Purchase Agreement. When
23 they have come to an agreement, then that Power
24 Purchase Agreement will be submitted to the PUC for
25 review and approval. We're not at that point yet.

1 **MR. CHIPCHASE:** Okay. A question came up,
2 a commissioner question, about fiscal impacts. We
3 touched on the market study a couple of times, but I
4 wanted to get a little more detailed on that, so
5 would you talk for us a little bit about the
6 economic and fiscal benefits anticipated from the
7 project?

8 **DR. DANCIL:** Yes. As Commissioner Ohigashi
9 did mention, as well as Commissioner Kahele, the
10 number of jobs are expected at full development to
11 be 60. The amount of development activity in the
12 initial five to ten years construction period
13 expects about 5.6 million net to the state.
14 Operations at full development expects 380,000 per
15 year net to the county and 670,000 per year to the
16 state. And these are all in the economic and fiscal
17 market study that was accepted in the Final EA.

18 **MR. CHIPCHASE:** Turning from the economic
19 benefits to the environmental benefits, how will the
20 project or to what extent will the project have a
21 positive effect on the carbon footprint?

22 **DR. DANCIL:** The overall project will have
23 a significant reduction on carbon footprint,
24 primarily due to the renewable energy project. So
25 the renewable energy project is projected to

1 displace 25,382 metric tons of carbon dioxide
2 equivalents annually. And this is equivalent to,
3 basically, approximately, you know, 2.9 million
4 gallons of gasoline consumed, 336 tanker trucks'
5 worth of gasoline, or approximately, you know, 58.7
6 thousand barrels of oil consumed. This is a
7 significant reduction in carbon on the project site.

8 So I'm just going to go to the next slide.
9 This was also on the DBA petition on page -- my eyes
10 -- 35.

11 Thank you, Stacy.

12 So here is the reduction that I just went
13 through. So as you can see, the renewable energy
14 project has a significant reduction in carbon
15 footprint.

16 The concrete operating facility actually
17 has a positive, very small positive increase in
18 carbon dioxide equivalents, as does the asphalt
19 plant. Again, very small.

20 The other industrial uses. These are
21 actual, the asphalt plant and the concrete plant.
22 The other industrial uses, we use a planning
23 assumption from the Urban Land Institute, and again,
24 for this one, for the low range of carbon dioxide
25 equivalents, we use a light industrial use. And as

1 you can see, these are pretty negligible. Again, an
2 overall significant reduction in carbon dioxide
3 equivalents.

4 For this scenario here, same numbers for
5 the first three, for the renewable energy, the
6 concrete crushing facility and the asphalt plant.
7 However, the other industrial uses, we use the
8 higher assumption. This is basically for heavy
9 industrial uses. And again, a significant decrease
10 in carbon dioxide equivalents.

11 **MR. CHIPCHASE:** Can you go to the next
12 slide? Mr. Matsumoto had talked about the agency
13 support for the project, but I wanted to put up for
14 the commission the conditions. I believe there's an
15 11th condition as well that -- hit it twice; there
16 we go -- so actually 11 conditions, and to have you
17 confirm that on all those different subject matters,
18 Pulama Lana'i is in agreement with the county and
19 OPSD.

20 **DR. DANCIL:** I can confirm Pulama Lana'i
21 is thankful for the support of both the county as
22 well as the state, and we are in agreement with the
23 conditions as negotiated.

24 **MR. CHIPCHASE:** Dr. Dancil, are there any
25 closing comments you want to offer to the

1 commission?

2 **DR. DANCIL:** I just want to thank all the
3 commissioners for your time in reviewing this
4 petition as well as to both the county and the state
5 for reviewing our application and being here today,
6 and we humbly request a favorable decision on our
7 applications before you today.

8 **MR. CHIPCHASE:** Thank you, chair. I have
9 no further questions.

10 **CHAIR GIOVANNI:** Thank you, Dr. Dancil.
11 Thank you, Mr. Chipchase.
12 County, do you have any questions?

13 **MR. HOPPER:** No, chair. Thank you.

14 **CHAIR GIOVANNI:** State, do you have any
15 questions?

16 **MR. YEE:** Yes. Thank you.

17 You know, I missed -- I might have missed
18 this when I first read the EA. Is it your testimony
19 that the 127 acres will be used, regardless of what
20 happens with HECO, for renewable energy?

21 **DR. DANCIL:** That is correct.

22 **MR. YEE:** You've heard the discussion
23 regarding the potential impact of future Pulama
24 Lana'i activities in developing in-house production
25 of energy and its possible impact on HECO. Do you

1 know whether there is a realistic possibility that
2 that could endanger the project itself rather than
3 it simply downsizing?

4 **DR. DANCIL:** Whether we develop renewable
5 energy ourselves, if that would endanger the HECO
6 project?

7 **MR. YEE:** Yes.

8 **DR. DANCIL:** I think as we mentioned as
9 Commissioner Giovanni -- it could potentially reduce
10 the size; however, it would not affect the project
11 area. You still -- we set aside 127 acres for
12 renewable energy development. As I mentioned, it
13 could house the HECO project or any renewable energy
14 development.

15 The state has a goal to get to 100 percent
16 renewable energy by 2045. Having land that is
17 already designated, already gone through
18 entitlements, right next door to the HECO fossil
19 fuel facility will reduce the costs to any future
20 developer coming in that would want to connect to
21 the HECO plant.

22 **MR. YEE:** And you probably know this
23 better than I do, but I was just wondering if
24 there's a significant downsizing, does that affect
25 the cost effectiveness of the solar and battery

1 project?

2 **DR. DANCIL:** It wouldn't include -- the
3 project would have to go through very similar. It
4 has to show benefits in its application process with
5 the PUC. Currently right now, as Mr. Matsumoto said,
6 on-island Lana'i pays the highest electricity rates
7 in the state. In fact, we pay \$187 per gallon for
8 diesel oil. It's the highest out of every single
9 island. So anything that will be coming in less than
10 that from a solar project would be considered a
11 benefit.

12 **MR. YEE:** Does that include the capital
13 cost for the solar and battery project?

14 **DR. DANCIL:** That would include capital.

15 **MR. YEE:** When you refer to renewable
16 energy, I admittedly had read it as solar, but I
17 understand you're now talking about renewable. Would
18 you be proposing as a possible alternative a waste
19 energy project?

20 **DR. DANCIL:** Right now we're not
21 considering that.

22 **MR. YEE:** Well, right now you're
23 anticipating HECO's going to build it, but I guess
24 my question is if HECO does not build it, and you
25 said we're committed to putting in a renewable

1 energy project, would that include the possibility
2 of a waste to energy project?

3 **DR. DANCIL:** I think as Mr. Matsumoto
4 mentioned, you know, we would be evaluating what our
5 options are. Right now we're not evaluating a waste
6 to energy project.

7 **MR. YEE:** Was that covered in the EA? Were
8 those impacts considered in the EA?

9 **DR. DANCIL:** A waste to energy project?

10 **MR. YEE:** Yes.

11 **DR. DANCIL:** A waste to energy project was
12 not considered in the EA.

13 **MR. YEE:** Would you be considering a wind
14 farm as well as one of the other alternatives?

15 **DR. DANCIL:** Our landowner has committed
16 to not doing Big Wind on Lana'i, and we stand firm
17 to that commitment.

18 **MR. YEE:** And would the EA also -- and is
19 it true the EA did not look at the environmental
20 impacts of Big Wind?

21 **DR. DANCIL:** The EA did not look at the
22 environmental impacts of Big Wind.

23 **MR. YEE:** So I guess, you know, if I
24 eliminate geothermal and wave for the obvious
25 reasons, what other renewable energy would there be

1 other than waste energy, wind, geothermal and wave
2 to then -- than solar?

3 **DR. DANCIL:** I actually wouldn't rule out
4 geothermal energy on Lana'i. We have a test well in
5 which the University of Hawai'i has done some
6 preliminary studies.

7 **MR. YEE:** So you might consider putting in
8 a geothermal well within the 26 acres? I'm sorry,
9 within the 127-acre parcel?

10 **DR. DANCIL:** We haven't studied that.

11 **MR. YEE:** Was that considered in the EA?

12 **DR. DANCIL:** That was not considered in
13 the EA.

14 **MR. YEE:** Are you asking for permission
15 from the Land Use Commission to be allowed to put in
16 all of those matters -- all of those other
17 alternative renewable energy projects with this
18 approval?

19 **DR. DANCIL:** If it's a permitted land use,
20 then it would be allowed as a -- you know, I think
21 it's major utilities for heavy industrial areas in
22 the zoning, the Maui County zoning. It's an allowed
23 use.

24 **MR. YEE:** Typically, a -- let me represent
25 to you typically there is a provision that the LUC

1 always imposes requiring petitioners to
2 substantially comply with their representations. So
3 what I'm trying to -- and one of the representations
4 that are in any project, of course, are the proposed
5 uses.

6 So what I'm trying to find out from you is
7 what are your proposed uses. And I guess I'm trying
8 to see does that proposed use that you're asking for
9 permission to put into this 127 acres, does that
10 include geothermal and waste to energy?

11 **DR. DANCIL:** We haven't studied either in
12 the particular area, but those are both considered
13 renewable energy projects, and so we're representing
14 that renewable energy projects could go in that
15 area.

16 **MR. YEE:** Thank you for the information a
17 developer has been chosen. If I understand this
18 correctly, HECO is going to get -- has hired -- has
19 gotten a developer, is now negotiating the PPA. At
20 what point in this process is there an agreement, or
21 is there already an agreement, for the lease of this
22 property to either the developer or HECO?

23 **DR. DANCIL:** That's a great question. So
24 as part of the PPA negotiations, you have to show
25 that you have a commitment of the land and between

1 us and the developer. So We have a lease that the
2 developer is looking at.

3 **MR. YEE:** Is there a submitted timetable
4 for when decisions will be made as to what I assume
5 would be a lease to be executed on the condition
6 that the PPA moves forward?

7 **DR. DANCIL:** Yes. The lease would be part
8 of the PPA, so it would have to be completed by the
9 PPA negotiations.

10 **MR. YEE:** And was there a timetable for
11 the negotiations to be completed?

12 **DR. DANCIL:** There was not a timetable in
13 the HECO RFP that was filed with the Public
14 Utilities Commission.

15 **MR. YEE:** Okay. Given that, I assume you
16 would then also not have a timetable.

17 **DR. DANCIL:** Yeah. I can't speculate to
18 HECO's timeline.

19 **MR. YEE:** I think that's fair. The 11
20 conditions that were -- that you referenced. Would
21 it be fair to say that these were based upon OPSD's
22 proposed 11 conditions with certain provisions
23 proposed by the parties?

24 **DR. DANCIL:** That is correct.

25 **MR. YEE:** Okay. Thank you very much.

1 Nothing further.

2 **CHAIR GIOVANNI:** Thank you, Mr. Yee.

3 So, commissioners, going from right to
4 left this time. Commissioner Chang?

5 **COMMISSIONER CHANG:** Thank you so much,
6 Dr. Dancil. You know, to a certain extent I prefer
7 to leave the questions especially to Chair Giovanni,
8 who is so much more articulate and understands this
9 better than I do. But your answering Mr. Yee's
10 questions was very enlightening for me.

11 So if the LUC was to change the condition
12 and to define renewable as only solar so as to
13 require any change from your selection of renewables
14 beyond the list of, you know, beyond solar, that
15 you'd have to come back, what's the position of
16 Pulama Lana'i?

17 **DR. DANCIL:** And I just want to clarify.
18 So it would be PV right now. The HECO RFP is PV and
19 battery energy storage, so I just want to make sure
20 that both of those at minimum are included if there
21 is a condition.

22 **COMMISSIONER CHANG:** Right. Okay. Thank
23 you.

24 **MR. MATSUMOTO:** Kurt Matsumoto. I would
25 just add that, you know, we haven't studied any

1 other alternative energy. As the landowner, we are
2 not pursuing waste to energy because it's not much
3 different than burning fossil fuels. But we would
4 like to leave open other technologies, because we're
5 not in a position to predict exactly what may occur
6 in the next five to ten years, because so many
7 things are being studied and developed.

8 So for us to just say, no, absolutely not,
9 we're just going to do this one thing, I think that
10 would be a big mistake and would handcuff the
11 possibilities for Lana'i in terms of the best
12 potential outcomes for renewable energy in the
13 future.

14 **COMMISSIONER CHANG:** No, and I greatly
15 appreciate that, Mr. Matsumoto. I think for me the
16 table is maybe sort of the other way around in the
17 sense that I could see community coming back and
18 saying, "But these things weren't even discussed
19 with us, these other options."

20 We're not saying they shouldn't be able to
21 do some kind of alternative renewable energy, but
22 what was represented to us in the EA process was
23 solar and battery storage. Therefore, we're
24 comfortable with that.

25 And I'm not saying and I am not suggesting

1 that you wouldn't go back out and confer and consult
2 with the community regarding alternatives, because I
3 don't want to hamstring you and limiting your
4 renewables. And I applaud that you are exploring
5 other alternatives.

6 I guess for purposes, in my mind, of an
7 Environmental Assessment which lays a foundation for
8 the granting of this petition, it's a disclosure
9 document. And I don't feel -- I feel a little
10 uncomfortable saying that there was full disclosure
11 by this broad term of renewable, especially when I
12 think about the Hawaiian community.

13 I think geothermal has gone a far way with
14 the Hawaiian community than it was back in the
15 Campbell case. I think that has changed. But
16 nonetheless, I think it is a source of energy that
17 in my mind requires greater debate.

18 **MR. MATSUMOTO:** So I can appreciate that.
19 So what I know about geothermal and how it's
20 developing today as opposed to 30 years ago, the
21 technology is imminently different and so, you know,
22 if we were to implement something like that, we
23 would be looking at these more current or future
24 technologies, things that are not really extracting
25 anything from the ground. They're just using the

1 heat.

2 But examples of other types of things that
3 are only being thought about yet in Hawai'i is
4 things like using geothermal and then also using
5 geothermal to produce hydrogen, as an example. But
6 we cannot represent to this body today that we've
7 studied those things and that we would absolutely
8 consider, you know, putting them here.

9 **COMMISSIONER CHANG:** And I guess it is
10 exactly for that reason that I am a little
11 uncomfortable sort of giving this carte blanche to
12 the definition of renewable -- even the term "Big
13 Wind" that, I think, for purposes of the Lana'i
14 community, it's not 400 windmills, but it may be any
15 wind. I don't know.

16 So I guess for me it is -- and, you know,
17 I've done enough community engagement where the
18 issue isn't so much, hmm. It's a perception,
19 perception of geothermal, perception of Big Wind. I
20 am in no way making a judgment that any one of these
21 is not a good alternative.

22 Again, I think geothermal should be
23 further explored. It is a firm source of power. It
24 is much more reliable. But I would just feel very,
25 like I said, lack of better words, uncomfortable

1 sitting here today, ten years later or five to ten
2 years later, the Land Use commissioners getting
3 asked by the community why didn't -- you know, why
4 weren't we told about this? And the next thing they
5 know is this is coming up.

6 So just appreciate, I think, where I'm
7 coming from. I totally support the notion of
8 renewable energy and the fact that you are exploring
9 other options. My discomfort is us giving you a sort
10 of a blank check to do any renewable when there
11 hasn't been full disclosure of all of those relevant
12 studies and things that would have normally been
13 part of a full environmental document. So that's
14 just where I'm coming from. Thank you.

15 **CHAIR GIOVANNI:** Do you want to respond to
16 that, or should we go on?

17 **MR. MATSUMOTO:** No. That's fine.

18 **CHAIR GIOVANNI:** Thank you.

19 Is that it? Anybody else over here? Left
20 side?

21 Commissioner Ohigashi?

22 **COMMISSIONER OHIGASHI:** Doctor, you
23 mentioned that the 20 acres that you referred to,
24 not part of the partition site, are for
25 condominiums. In other words you're going to carve

1 out condominium lots.

2 **DR. DANCIL:** Correct.

3 **COMMISSIONER OHIGASHI:** Is that right?

4 **DR. DANCIL:** Yes. It's basically --

5 **COMMISSIONER OHIGASHI:** And that was done
6 in two DBAs, 14 and 6 acres. Do you happen to know
7 when the 14 and 6 acre DBAs were?

8 **DR. DANCIL:** It was before Pulama came
9 into ownership. It was pre-2012.

10 **COMMISSIONER OHIGASHI:** 2012 about.

11 **DR. DANCIL:** Pre-2012.

12 **COMMISSIONER OHIGASHI:** Pre-2012.

13 **DR. DANCIL:** Yeah. It was --

14 **COMMISSIONER OHIGASHI:** And that was done
15 way back then; yeah?

16 **DR. DANCIL:** Yes.

17 **COMMISSIONER OHIGASHI:** And what are the
18 conditions? Do you know which DBA had the condition
19 which would remove the concrete batching plant?

20 **DR. DANCIL:** The concrete batching plant
21 wasn't there. The mobile concrete batching plant
22 wasn't there back then.

23 **COMMISSIONER OHIGASHI:** So there's no
24 condition requiring you to move the concrete
25 batching plant.

1 DR. DANCIL: No. We're moving it because
2 we need to offer 50 percent of the lots for sale.

3 COMMISSIONER OHIGASHI: Okay. So if you
4 were offering 50 percent of the lots for sale,
5 wouldn't it be accomplished just creating less lots
6 and keeping the concrete batching plant there? I'm
7 only asking you this because this was before my time
8 and obviously, this is a county engineered Land Use
9 Commission DBA, which we had no say in. So I'm just
10 asking you that question.

11 And if you're required to do 50 percent,
12 which DBA has that condition -- the six acre or the
13 fourteen acre?

14 DR. DANCIL: Both.

15 COMMISSIONER OHIGASHI: Both has it. So it
16 was contemplated at that time by the county that 50
17 percent of it would be that.

18 My next question to you is this, is that
19 since that time, what has been done on that 20
20 acres?

21 DR. DANCIL: So if I could ask my team for
22 help to put up a slide in which there is a close-up
23 of the 200- acre parcel which shows the 20-acre
24 condominium as well as the 5-acre HECO fossil fuel
25 facility? No. It's the aerial image, please, at the

1 beginning. Okay. Can you go up to maybe slide 3 or
2 slide 4, please? Slide 3 or 4. Thank you. No. Yes.
3 Thank you. No. The next one, please. Thank you.

4 So here's the 20-acre condominium. Right
5 here in the corner here is our mobile batch plant.
6 Do you see these structures here?

7 **COMMISSIONER OHIGASHI:** Yes.

8 **DR. DANCIL:** Those are our warehouses, and
9 our logistics teams are there, primarily used for
10 storage. We also have our Lana'i Builders Mr.
11 Matsumoto discussed. This is our construction
12 company. This is our base right here in this far
13 corner up here.

14 **COMMISSIONER OHIGASHI:** So going back to
15 my question, what has been done on that 20-acre
16 parcel? I'm assuming that 20 acres now is one
17 project; is that right?

18 **DR. DANCIL:** No. It's not one project.

19 **COMMISSIONER OHIGASHI:** Is it two separate
20 projects, six acres and fourteen acres?

21 **DR. DANCIL:** Wait. I'm sorry. You're
22 correct. We actually combined them in a subdivision.
23 Yes. So it just has one.

24 **COMMISSIONER OHIGASHI:** So it's one
25 project; right?

1 DR. DANCIL: Correct.

2 COMMISSIONER OHIGASHI: What has been done
3 on the 20-acre parcel in accordance with the two
4 DBAs in terms of infrastructure and --?

5 DR. DANCIL: Yeah. So basically, you don't
6 see it on this, because this is an older image, but
7 there's a road that kind of goes around like this.

8 COMMISSIONER OHIGASHI: Is that part of
9 the plan for the development of that?

10 DR. DANCIL: Correct.

11 COMMISSIONER OHIGASHI: All right. And did
12 you develop the road?

13 DR. DANCIL: Yes. We did. It's about 98
14 percent done. And then we have --

15 COMMISSIONER OHIGASHI: When was that
16 done?

17 DR. DANCIL: We just -- we're in the
18 process right now, within the last year and a half.

19 COMMISSIONER OHIGASHI: So the other
20 question that I have is -- that's all I wanted to
21 know about that. The other question that I have is
22 why do you need to get a DBA for the 127 acres? My
23 understanding is that a solar farm can be developed
24 on agricultural land through the Special Use Permit
25 process. So why would it be advantageous for the

1 consumer of electricity to have you obtain
2 developmental rights to that 127 acres?

3 **DR. DANCIL:** That's a really good
4 question, and that actually came up during our
5 agency review by the county. So if you remember
6 where the HECO fossil fuel facility is located, it's
7 literally right next door. So there's all this
8 interconnection cost that is usually a pretty
9 significant cost. By having the solar -- or the PV
10 battery project located literally right next door to
11 the HECO fossil fuel facility, the interconnection
12 cost is almost minimal, if at all.

13 **COMMISSIONER OHIGASHI:** But aren't solar
14 farms developable on agricultural land by state law?

15 **DR. DANCIL:** It is. So I'm going to --

16 **COMMISSIONER OHIGASHI:** Through an SUP
17 process?

18 **DR. DANCIL:** Correct. So I'm going to get
19 to the point, sorry, of how it's beneficial for the
20 consumer. So that reduction of the interconnection
21 cost is -- usually, it's baked into the PPA price
22 that the developer has with HECO. So if that cost is
23 minimal or reduced, that's a benefit to the
24 consumer.

25 In addition, all of this cost here of us

1 coming before you today, putting together, doing all
2 the technical studies, hiring attorneys to go
3 through the entitlement process, we're burdening
4 that cost so that the land is entitled so that the
5 developer doesn't have to do that, so they don't put
6 those costs into the cost of the PPA. So reducing
7 the entitlement cost as well as interconnection cost
8 reduces the overall cost for the -- in the PPA.

9 **COMMISSIONER OHIGASHI:** Does that increase
10 the lease rental value to your company? In other
11 words to lease agricultural land in my mind is
12 cheaper than leasing urbanized entitled property. So
13 are you -- is there going to be a profit? And
14 shouldn't that profit be disclosed?

15 **DR. DANCIL:** So the lease is public. It
16 was filed in the HECO RFP, and the terms are very
17 similar to other solar facilities.

18 **COMMISSIONER OHIGASHI:** That's not my
19 question. My question is does that add additional
20 cost in terms of lease rent to Ag land?

21 **DR. DANCIL:** There is --

22 **COMMISSIONER OHIGASHI:** It's having an
23 advantage to leasing more expensive land. Has that
24 been put into the matrix of determining if it
25 benefits the consumer or not?

1 **DR. DANCIL:** So the cost of the lease,
2 whether it was there on the Ag land for the solar
3 facility, there was no difference.

4 **COMMISSIONER OHIGASHI:** Okay. So is that
5 something that Lana'i company -- that your company
6 will commit to in this DBA as a condition, that you
7 maintain the same lease as agricultural land?

8 **DR. DANCIL:** Agricultural land for a solar
9 facility; correct.

10 **COMMISSIONER OHIGASHI:** A solar facility,
11 but not just any development.

12 **DR. DANCIL:** Yes.

13 **COMMISSIONER OHIGASHI:** And just to let
14 you know, I'm prone to taking the idea of just
15 trying to limit the definition of what renewable
16 energy project can be developed on this particular
17 property, because that way there'll be a mandatory
18 state review no matter who eventually owns this
19 property.

20 **DR. DANCIL:** Understood. Thank you.

21 **COMMISSIONER OHIGASHI:** All right. I had
22 one more area that I wanted to discuss, but I forgot
23 it. I didn't write it down fast enough.

24 **CHAIR GIOVANNI:** Perhaps you'll remember.

25 **COMMISSIONER OHIGASHI:** Maybe, maybe not.

1 **CHAIR GIOVANNI:** Commissioner Okuda,
2 anything?

3 **COMMISSIONER OKUDA:** Surprisingly, no
4 questions. Thank you.

5 **CHAIR GIOVANNI:** Commissioner?

6 **COMMISSIONER KAHELE:** Chair, I've got some
7 simple questions. Commissioner Lee had all the hard
8 questions.

9 You know, we talk about -- oh, well, I
10 always look at, and probably the rest of the
11 commission always look at, you know, what for the
12 best interest of the company, what's the interest
13 that's for the state, and of course, the best
14 interest of the residents.

15 You know, when we talk about jobs, there
16 was no number given, how many jobs are going to be
17 given to the residents. And we talked about savings
18 for the consumer. I mean, we don't know who you're
19 referring to. How much money are we looking at the
20 residents there, the consumers saving on their
21 electric bill by we having a conversion?

22 I believe the cost for the project is
23 going to be somewhere 80, 90 million dollars. And
24 that's in your FEA, I believe.

25 **DR. DANCIL:** Yes.

1 **COMMISSIONER KAHELE:** So who's going to be
2 paying for the cost for the project? Someone's going
3 to have to pay for it; right? How would the consumer
4 or the residents there -- well, how would they be
5 able to reduce their electric bill and by how much?

6 **DR. DANCIL:** So, Commissioner Kahele, if
7 you don't mind, I'll use a hypothetical because --

8 **COMMISSIONER KAHELE:** Yeah. If you got a
9 ballpark figure -- a penny a kilowatt hour, a
10 nickel?

11 **DR. DANCIL:** Yeah. So assuming that the
12 project that is before HECO today is built, and if
13 that project came in at, say, 10 cents per kilowatt
14 hour -- so that's the PPA negotiated price between
15 the developer and HECO, so that's not the cost that
16 the consumer, a Lana'i resident would pay, but
17 that's the negotiated, PUC-approved Power Purchase
18 Agreement as 10 cents per kilowatt hour.

19 That would -- and that displaces 95
20 percent of the diesel that is burned on island. So
21 instead of burning expensive diesel, you're now
22 using 10 cents solar. We estimated the cost savings
23 between 45 and 60 percent on the Lana'i bill for a
24 consumer. So it's quite significant.

25 Again, that's an assumption that today's

1 oil prices, which is currently right now on Lana'i
2 is about 189 or 187 dollars per barrel of diesel and
3 10 cents solar. Again, it's a hypothetical.

4 **COMMISSIONER KAHELE:** Yeah.

5 **DR. DANCIL:** But just so that you can --
6 just to provide you a ballpark figure.

7 **COMMISSIONER KAHELE:** So we don't have an
8 actual number of how much I would save if I was a
9 resident there?

10 **DR. DANCIL:** We don't because we don't
11 have the value of the Power Purchase Agreement. So
12 I'm just assuming 10 cents. And for a project this
13 size, the KIUC project, which is about similar size
14 in Lawa'i, was about 10.85 cents per kilowatt hour.
15 So it's around -- now I'm just assuming 10 cents.

16 **CHAIR GIOVANNI:** Thank you. Would you mind
17 just clarifying what the capacity is that was
18 awarded for this project?

19 **DR. DANCIL:** Yes. So if you go back to 7.5
20 megawatts PV -- I mean 17.5 megawatts PV, overall
21 it's 89.5 megawatt hours annually is what they're
22 procuring.

23 **CHAIR GIOVANNI:** And a four-hour best?

24 **DR. DANCIL:** Four hour, four to five hour.
25 They didn't specify. They just specified the amount

1 of annual energy, 89.5 megawatt hours annual.

2 **CHAIR GIOVANNI:** Okay.

3 **COMMISSIONER KAHELE:** Thank you.

4 **CHAIR GIOVANNI:** So the chair has a few
5 questions. Dr. Dancil, I'm going to ask you
6 questions that I know that you know I know the
7 answer to.

8 **DR. DANCIL:** Yes.

9 **CHAIR GIOVANNI:** But the purpose of this
10 is to help all of us come to an equal -- and I know
11 you know the answers, too.

12 **DR. DANCIL:** I don't know.

13 **CHAIR GIOVANNI:** But it's in part to get
14 all levels set on what the issue is.

15 **DR. DANCIL:** Yes.

16 **CHAIR GIOVANNI:** So I'm picking up where
17 Dr. -- Mr. Yee left -- sorry, doctors, mister, Dr.
18 Johnson over there.

19 So HECO ran an RFE for a 17.5 megawatt
20 hour, 89.5 megawatt hour system; correct?

21 **DR. DANCIL:** Mm-hmm. Correct.

22 **CHAIR GIOVANNI:** And it was a competitive
23 bid.

24 **DR. DANCIL:** Correct. It was a competitive
25 bid process.

1 **CHAIR GIOVANNI:** Right. And we don't know
2 publicly what the nominal cents per kilowatt hour
3 would be coming out of that; correct?

4 **DR. DANCIL:** Correct. It hasn't been
5 disclosed yet.

6 **CHAIR GIOVANNI:** Has not been disclosed.
7 The 10- cent number that you quoted for a project on
8 Kaua'i is accurate. It's also stale. They could
9 never build that project today for that price.

10 **DR. DANCIL:** It was helping me with the
11 math.

12 **CHAIR GIOVANNI:** So it's a little higher.

13 **DR. DANCIL:** Yes.

14 **CHAIR GIOVANNI:** But that's not the issue.
15 The issue is where Mr. Yee was going. And that is
16 the viability of the project that was proposed as a
17 consequence of a dramatic decrease in load demand on
18 the MECO system.

19 So do you have -- I know it's -- Mr.
20 Matsumoto said that it's private and discussions
21 which are proprietary at this time, but do you have
22 a rough estimate of what percentage of the current
23 load demand of Pulama Lana'i might be put into self-
24 generation, just as a percent reduction?

25 **DR. DANCIL:** Yes. I can share that with

1 you, and that has been publicly disclosed in the PUC
2 docket in the one that I mentioned, a letter from
3 HECO to the Public Utilities Commission informing
4 them that we had more in discussions for intent to
5 go to micro grid. And in that, HECO said 40 percent.

6 **CHAIR GIOVANNI:** Forty percent?

7 **DR. DANCIL:** Load reduction.

8 **CHAIR GIOVANNI:** Reduction.

9 **DR. DANCIL:** Or I should say 40 percent is
10 the load from the resorts is what was disclosed in
11 that letter.

12 **CHAIR GIOVANNI:** Okay. It's also, I think,
13 been said today by either you or Mr. Matsumoto that
14 future development of the hydroponic farming
15 currently is and will continue to be self-generated.

16 **DR. DANCIL:** That is correct.

17 **CHAIR GIOVANNI:** And I think you also
18 disclosed that the power generation would be off the
19 grid for the housing projects that you are moving
20 forward with; is that correct?

21 **DR. DANCIL:** Yes. That is correct. Hokuao
22 is off grid.

23 **CHAIR GIOVANNI:** Okay. So if there's a 40
24 percent reduction in demand and the other residents
25 that do not directly benefit from that self-

1 generation, which means everybody else on the island
2 that's not a hotel, not farming, not part of your
3 housing project, and I don't know what other project
4 you might take off grid, what happens to their bills
5 just as a consequence of that, if nothing else
6 changes?

7 **DR. DANCIL:** HECO would do an evaluation
8 of what that cost in fact would be. They could
9 assess a fee to us or a forward exit fee, or that
10 cost could get passed on to other customers.

11 **CHAIR GIOVANNI:** But there's a net
12 increase cost that somebody has to deal with one way
13 or another. I'm not saying it should be you or
14 anybody else.

15 **DR. DANCIL:** Correct.

16 **CHAIR GIOVANNI:** Right. So the problem
17 that we're having on this right now is that you've
18 proposed, an EA proposed and discussed, a project of
19 this magnitude for this acreage that would provide
20 these benefits, when in fact the real -- the benefit
21 to the residents of you guys going off grid are
22 going to outweigh, and the cost might actually go
23 up, may go up, to the residents.

24 It would be nice if the reduction in costs
25 of solar versus fossil is outweighed -- or that

1 outweighs the net cost of just having a smaller
2 customer base.

3 **DR. DANCIL:** Mm-hmm.

4 **CHAIR GIOVANNI:** It would be nice.

5 **DR. DANCIL:** Yeah.

6 **CHAIR GIOVANNI:** It would be unusual, but
7 it would be nice if that happened. So I think that
8 the real concern here is if you go -- if Pulama
9 Lana'i goes forward with its plans to go off grid,
10 it really puts in question what this 126 acres is
11 going to be used for. Where's the demand going to
12 come from to generate any project of any -- of the
13 original size? Do you see any demand growth outside
14 of your own development?

15 **DR. DANCIL:** The county has 115 acres, and
16 it has gone through a DBA, and it is zoned urban.
17 And that's for housing development. So that could be
18 a potential new development.

19 **CHAIR GIOVANNI:** That could be a
20 potential.

21 **DR. DANCIL:** Yes.

22 **CHAIR GIOVANNI:** Okay. I'm a little
23 surprised, just personally, that Pulama Lana'i would
24 be proposing to, no matter what, we're going to
25 retain that 127 for renewable and not be asking for

1 some flexibility there, with all the uncertainty in
2 the world and all the uncertainty of how that's
3 going to evolve in terms of industrial development
4 on Lana'i, farming development on Lana'i, county
5 development on Lana'i, et cetera. Why is it that
6 you're -- why are you driving this, that it will be
7 renewable energy no matter what?

8 **DR. DANCIL:** That's what we represented in
9 our application, that it would be identified for
10 renewable energy development. It could be for the
11 HECO project that's before you. If we do move
12 forward and do take our resorts off grid, we could
13 put our micro grid there and have a distribution
14 line down to the resort. So it would be used for
15 renewable energy development. We believe that it
16 would be used.

17 **CHAIR GIOVANNI:** So is it your position
18 that locking that in to renewable energy no matter
19 what, and as Mr. Matsumoto said, it could be
20 plastics to hydrogen -- who knows -- as long as the
21 legislature calls it renewable, it would qualify;
22 correct?

23 **DR. DANCIL:** Correct.

24 **CHAIR GIOVANNI:** It seems like a case can
25 be made that the only reason that you're really

1 locking it in is just to avoid you having to go back
2 to renew the Environmental Assessment, because you
3 might repurpose that land for other uses. Tell me --
4 tell me that's just not the case.

5 **DR. DANCIL:** That's -- I mean, I think,
6 because we represented that in the process, that
7 that's what we would, you know, we would be
8 intending to use it for, and if we did have another
9 use, we would have to come back before you. But
10 right now, that's -- we do believe there is a need.

11 **CHAIR GIOVANNI:** So the three options are
12 it will either be fully built out as originally
13 conceived and proposed by HECO as a large project;
14 it will be downsized, and the remaining land will be
15 used for other types of renewable energy projects;
16 or it will be left undeveloped.

17 **DR. DANCIL:** Correct.

18 **CHAIR GIOVANNI:** Okay. I think I
19 understand.

20 **DR. DANCIL:** Chair, if I could just add
21 something else.

22 **CHAIR GIOVANNI:** Please. Please.

23 **DR. DANCIL:** We do have to get to 100
24 percent for renewable by 2045, and so something has
25 to be developed. Some sort of renewable energy

1 source will have to be developed on island. We can't
2 do Big Wind. That's something that we have committed
3 to. Most likely, it would be primarily photovoltaic
4 battery energy storage.

5 **CHAIR GIOVANNI:** They could put biofuel
6 and MECO diesels.

7 **DR. DANCIL:** Biofuel and MECO diesels. So
8 we wanted to make sure that there was land entitled.

9 **CHAIR GIOVANNI:** I understand. Yeah. I
10 appreciate that. I actually feel you're boxing
11 yourself in unnecessarily, but that's okay.

12 **COMMISSIONER CHANG:** Chair, can I just add
13 a follow-up?

14 **CHAIR GIOVANNI:** I would like to call on
15 Commissioner Chang to follow up.

16 **COMMISSIONER CHANG:** Thank you.

17 I am not as -- like I said, I'm not as
18 akamai as Chair Giovanni, so I want to understand
19 the options. So in my view building -- or how would
20 I say it -- securing your ability to -- securing
21 that 127 acres for renewable is really quite
22 critical. And these are the options, as I
23 understand.

24 One, you could proceed -- HECO could
25 proceed, and they could -- they could complete the

1 RFP and enter into an agreement. So they could --
2 this company could do the solar. And let's say you
3 don't go off grid for a while, so they're generating
4 all this.

5 But at some point in time, you go off
6 grid, and you decide we're going to do something
7 maybe closer to the hotel. If your hotels go off
8 grid and is not a -- isn't a user, is HECO going to
9 accept all of that energy that's being produced on
10 that solar farm?

11 **DR. DANCIL:** I think if you remember some
12 of the exchange that I had with Chair Giovanni --

13 **COMMISSIONER CHANG:** Yes.

14 **DR. DANCIL:** HECO would most likely impose
15 something, what we call in industry an exit fee upon
16 us for doing something like that, because they have
17 already burdened the cost of building that facility
18 to supply energy for a certain level of demand. And
19 if we were to remove ourselves, and it was already
20 producing and we had been using it, I would see that
21 as a high likelihood of a scenario.

22 **COMMISSIONER CHANG:** Is that a one-time
23 exit fee?

24 **DR. DANCIL:** Yeah. It would be. And then
25 I'm sure if we needed to connect up again, they

1 could potentially -- you know, again, this is all
2 speculation.

3 **COMMISSIONER CHANG:** Sure.

4 **CHAIR GIOVANNI:** Let me add a little more
5 confusion, maybe, to clarify. If you were motivated
6 -- if Pulama Lana'i is motivated purely because they
7 want to go to -- and non-economic reasons, but
8 purely to get renewable energy, then you'd be happy
9 to pay some surcharge to make the customers that are
10 disaffected by that move, to make them whole so that
11 they don't --

12 You know, they're your residents. You
13 don't want them to hurt. I can understand that
14 logic. I'm not asking you to commit to that. That's
15 part of your negotiation with HECO.

16 My real concern is that once you clarify
17 the magnitude that you might take off grid, whether
18 it be 40 percent or 50 or whatever the number might
19 be, that DG energy project that was awarded has a
20 very high likelihood of just disappearing, and you
21 would actually lose something. So hopefully, it will
22 downsize to be the right size. But it could also
23 disappear.

24 And the reason I say that is because, as
25 Mr. Yee said this morning, this commission has seen

1 numerous, wonderful solar projects not materialize
2 despite the fact that they said they needed us to
3 grant them the land use provisions they were looking
4 for, and they were going to build these great solar
5 projects. And a good number of them have just not
6 materialized.

7 And so we're skeptical that if you throw
8 this monkey wrench back into the mix, that that
9 project might disappear. So then what; right? But
10 that's the concern that's being expressed here.

11 **COMMISSIONER CHANG:** Yeah. And my concern
12 is in addition to that, it is the ultimate cost that
13 will be what will be felt by the remaining
14 consumers. That 40 percent is going to have to be
15 shared by the remaining consumers, so even if this
16 solar project goes online -- and, I mean, I look at
17 the Kahuku wind farm where half the time HECO can't
18 even accept all of that. So that's kind of my
19 concern.

20 But I'm also -- I see this as you're
21 trying to secure entitlement for that property
22 whether this solar project goes or you do something
23 else.

24 And again, you know, I applaud Pulama
25 Lana'i for all the work that you're doing, but I

1 just -- I've not been -- my level of comfort hasn't
2 changed throughout our discussions. I still am
3 uncomfortable expanding -- to just have renewable. I
4 want to limit this just to the solar and the
5 battery, to what was represented in the EA. That's
6 my position.

7 **CHAIR GIOVANNI:** Thank you.

8 Commissioner Okuda?

9 **COMMISSIONER OKUDA:** Chair, to follow up
10 on your question and following certain comments
11 Commissioner Chang has made, you know, I'm not an
12 engineer, and without experience, so I'm kind of
13 taken aback by this.

14 Have the potential ramifications that the
15 chair has described in pretty much plain English so
16 even a non- science guy like me can understand that,
17 has that been communicated to the residents of
18 Lana'i, that one of the potential negative
19 ramifications of these hotels going offline will be
20 that there could be a spike in their electric bill?
21 Has that been part of the discussion, just so that
22 no one is unduly surprised?

23 **MR. MATSUMOTO:** So Kurt Matsumoto.
24 Commissioner, as I stated earlier in my testimony,
25 it's very premature for us to assume that all the

1 scenarios that Commissioner Giovanni put forward is
2 exactly what's going to happen. It may not come to
3 pass.

4 So, you know, unfortunately, I'm not at
5 liberty to discuss this with the commission, but it
6 may not be that scenario. And as I said, all we did
7 was send a letter that says this is our intent. HECO
8 now has to come back and study what that would do,
9 and then if, after we negotiate things with them or
10 have discussions with them, if that's the plan,
11 then, yes, we would have to come back, and HECO
12 would come back to the community to inform them of
13 what would -- what the impacts would be. But that is
14 so far from being confirmed today.

15 **COMMISSIONER OKUDA:** Okay. And, you know,
16 the people in the community can have the freedom to
17 do whatever, you know, they want to do within the
18 bounds of the law. I'm just -- you know, we -- or at
19 least for me, I really like to see community
20 engagement as early as possible, because the cases
21 that we've had here, which have gone south, down the
22 toilet, in reverse, off the cliff, has been when
23 people, rightly or wrongly, get the perception that
24 somehow, you know, they weren't given full
25 disclosure.

1 All I'm suggesting is even if this was a
2 potentially premature issue, you might consider at
3 least making sure that these potential ramifications
4 are there, because, for example -- and this is just
5 not me; I'm not saying anybody has to follow it, but
6 if I was a member of the community, I would have
7 wanted to know that this is a potential ramification
8 of this letter being sent to Hawaiian Electric,
9 because I would start lobbying my legislators and
10 the PUC and writing letters to the editor and doing
11 a lot of things because, you know, let's face it:

12 in Hawai'i workers don't have a lot of
13 disposable money, and even a few dollars on an
14 electric bill can have ramifications.

15 It's just my editorial comment. But you
16 answered my questions, and thank you, Mr. Matsumoto.

17 **CHAIR GIOVANNI:** Thank you. Anything more
18 there?

19 **COMMISSIONER OKUDA:** No. Thank you, Mr.
20 Chair.

21 **CHAIR GIOVANNI:** Okay. We've been going an
22 hour and fifteen, so I'd like to give you an
23 opportunity to redirect, and then I'm going to take
24 a break, and we'll go to the county.

25 **MR. CHIPCHASE:** If I could, chair, I would

1 ask to take a break now.

2 **CHAIR GIOVANNI:** Sure.

3 **MR. CHIPCHASE:** I think I can make the
4 redirect more streamlined if I have a chance to talk
5 to Dr. Dancil and Mr. Matsumoto.

6 **CHAIR GIOVANNI:** That would be great.

7 **MR. CHIPCHASE:** All right.

8 **CHAIR GIOVANNI:** So 1:47. We'll come back
9 at 1:55.

10 **(Recess taken from 1:47 - 1:56 p.m.)**

11 **CHAIR GIOVANNI:** Okay. 1:56. Back on the
12 record.

13 Mr. Chipchase, redirect?

14 **MR. CHIPCHASE:** Yes, chair. Thank you.

15 Dr. Dancil, if we come back and just
16 orient ourselves back to basics here, my
17 recollection is that the PV and battery project was
18 anticipated to supply 95 percent of the existing
19 need; is that correct?

20 **DR. DANCIL:** That is correct.

21 **MR. CHIPCHASE:** And so even at full
22 buildout of the 127 acres, it's not completely
23 supplying the power for the island; is that right?

24 **DR. DANCIL:** That is correct.

25 **MR. CHIPCHASE:** And you'd mentioned one

1 anticipated additional project being the county's
2 development of workforce housing. In addition to
3 that, has DHHL proposed a housing project as well?

4 **DR. DANCIL:** Correct. There is land set
5 aside for a future DHHL project, approximately 50
6 acres.

7 **MR. CHIPCHASE:** Okay. And so would both of
8 those be further demands on the electrical supply?

9 **DR. DANCIL:** Yes.

10 **MR. CHIPCHASE:** Having heard the
11 commissioners' concerns with respect to the nature
12 of renewable that might be located in the 127 acres,
13 is Pulama Lana'i prepared to commit that that 127
14 acres would only be used for a PV and battery
15 system?

16 **DR. DANCIL:** Correct. We commit to that.

17 **MR. CHIPCHASE:** And although it's not
18 actually part of this proceeding at all, you've
19 heard concerns that the potential to remove the
20 hotels from the existing grid would jeopardize the
21 viability of the HECO PV project on that 127 acres
22 and could under some scenarios lead to an increase
23 in cost for the customers.

24 Would Pulama Lana'i commit that if pulling
25 the hotels off of the existing grid would lead to an

1 increase in cost for commissioners -- for customers

2 --

3 **CHAIR GIOVANNI:** Whoa, wait a minute. I

4 like the commissioners part.

5 **MR. CHIPCHASE:** Now, we'd like to increase

6 your costs, commissioners.

7 **COMMISSIONER OHIGASHI:** Mr. Chipchase,

8 could you talk a bit louder, because we have that

9 guy doing the jackhammer.

10 **MR. CHIPCHASE:** That's probably the best

11 stuff I said all day, too.

12 **COMMISSIONER KAHELE:** If we can hear the

13 question.

14 **MR. CHIPCHASE:** So I'll go back. I'll go

15 back two questions, because I just think they're

16 important.

17 Given the concerns that were expressed by

18 commissioners with respect to the kinds of renewable

19 projects that could fall under the definition of

20 renewable energy and therefore fit within the 127

21 acres, is Pulama Lana'i prepared to commit that the

22 127 acres will only be used for a PV and battery

23 project?

24 **DR. DANCIL:** Yes. Pulama Lana'i commits to

25 both -- to only using the technology of photovoltaic

1 and battery energy storage as represented in our
2 application.

3 **MR. CHIPCHASE:** And my second question is
4 there was concern expressed about the consequence of
5 pulling the hotels off of the existing HECO grid.
6 And although that's not before the commission, the
7 concern is that under certain scenarios, that could
8 jeopardize the HECO photovoltaic project and could
9 lead to an increase in costs for customers.

10 Would Pulama Lana'i commit that in the
11 event pulling the hotels off of the existing grid
12 would lead to an increase in costs for consumers,
13 that Pulama Lana'i would not pursue that course of
14 action?

15 **DR. DANCIL:** Yes. Pulama Lana'i commits to
16 that.

17 **MR. CHIPCHASE:** No further questions.

18 **CHAIR GIOVANNI:** Just to clarify that last
19 point, because it's obviously very critical. So the
20 way you phrased it was an either/or. There wasn't a
21 possibility of some infusion or -- that they were
22 talking about -- for example, in the event of a fee
23 that would neutralize that effect. Is that also a
24 possibility, the way you framed it?

25 **MR. CHIPCHASE:** It's intentionally phrased

1 so that the net result is no increase to customers,
2 however that end result is achieved.

3 **CHAIR GIOVANNI:** Okay. I like that better,
4 as opposed to just being a yes or a no on the
5 project.

6 **MR. CHIPCHASE:** Exactly.

7 **CHAIR GIOVANNI:** Okay.

8 **MR. CHIPCHASE:** Did I state that
9 correctly, Dr. Dancil?

10 **DR. DANCIL:** Yes. That is stated
11 correctly.

12 **CHAIR GIOVANNI:** The last time.

13 **MR. CHIPCHASE:** Yes.

14 **CHAIR GIOVANNI:** Okay. Anything further?

15 **MR. CHIPCHASE:** Nothing further, chair.

16 **CHAIR GIOVANNI:** Okay.

17 So, county, let me give it to you.

18 Just so everybody knows, if we don't have
19 a lot of Q&A on the county and state, I'm pretty
20 hopeful we'll be done by 3:00.

21 **MR. HOPPER:** Okay. The county of Maui will
22 call Planning Director Michele McLean as its only
23 witness.

24 **CHAIR GIOVANNI:** Michele McLean, do you
25 swear your testimony will be the truth today?

1 **MS. MCLEAN:** I do.

2 **CHAIR GIOVANNI:** Please proceed.

3 **MR. HOPPER:** Director McLean, could you
4 please summarize the county's position in this
5 District Boundary Amendment proceeding?

6 **MS. MCLEAN:** Yes. The county of Maui
7 supports the petition. It helps to implement the
8 Lana'i Community Plan. And while generally we look
9 for DBAs to not have conditions imposed on them, we
10 have been working with OPSD and the petitioner and
11 agree on some final terms.

12 I would be shocked if conditions aren't
13 imposed on the zoning that are more specific to the
14 uses and other, you know, related restrictions. The
15 change in zoning would be heard on Lana'i by the
16 Lana'i Planning Commission, so certainly there would
17 be very easy opportunity for community input at that
18 stage.

19 And I think that's about all I have to say
20 at this time. Thank you.

21 **CHAIR GIOVANNI:** Thank you very much.
22 Petitioner, any questions for the witness?

23 **MR. CHIPCHASE:** No, chair.

24 **CHAIR GIOVANNI:** State, any questions for
25 the witness?

1 **MR. YEE:** No questions. Thank you.

2 **CHAIR GIOVANNI:** Commissioners, any
3 questions for the county?

4 Thank you very much.

5 Mr. Yee?

6 **MR. YEE:** Thank you. We have just one
7 witness to present today, LUT Chief Katia
8 Balassiano.

9 **CHAIR GIOVANNI:** Would you say your name
10 please, and correctly, because I'll probably mess it
11 up? And do you swear to tell the truth today?

12 **MS. BALASSIANO:** Yes. Hello. Katia
13 Balassiano. Good afternoon. I swear.

14 **CHAIR GIOVANNI:** Thank you.

15 **MR. YEE:** Could you please summarize
16 OPSP's testimony today?

17 **MS. BALASSIANO:** Yes. We also are in
18 support of the project as it was represented to us.
19 We believe it conforms with the state and county
20 plans and conforms with urban district standards. We
21 like very much that it will reduce dependence on
22 fossil fuels and that it further diversifies the
23 economy of Lana'i. So we stand in support of our
24 testimony and, again, we support this project.

25 **MR. YEE:** I have no further questions.

1 She's available for cross-examination.

2 **CHAIR GIOVANNI:** Thank you.

3 Petitioner, any questions for state?

4 **MR. CHIPCHASE:** No questions, chair.

5 **CHAIR GIOVANNI:** County, any questions for
6 state?

7 **MR. HOPPER:** No, chair.

8 **CHAIR GIOVANNI:** Commissioners, any
9 questions for state? Wow, I am so impressed!

10 **COMMISSIONER CHANG:** They took your word
11 seriously.

12 **CHAIR GIOVANNI:** They took my word
13 seriously. They want to go home. All right. Let me
14 catch up. Okay. It is actually time for a second
15 round of public testimony. So, Ms. Kwan, have we had
16 anybody come forward that wants to provide public
17 testimony at this time?

18 **MS. KWAN:** No, Mr. Chair.

19 **CHAIR GIOVANNI:** Thank you, Ms. Kwan.

20 All right. So given that the parties have
21 finished presenting their cases and final arguments
22 before the Land Use Commission, I declare this
23 evidentiary portion of this proceeding to have been
24 completed, subject to the receipt of various follow-
25 up reports and/or answers that may have been

1 requested during the hearing, I direct the parties
2 draft their individual Proposed Findings of Fact,
3 Conclusions of Law, and Decisions and Order based on
4 the record in this docket and serve the same upon
5 each other and the commission.

6 Now, let me make a qualifying comment from
7 me. I think that this industrial development is
8 really the right project in the right place in
9 Lana'i. The question that you heard and the concern
10 that we heard was all around this. What's going to
11 happen to the 127 acres with all of the uncertainty
12 that's going to be imposed on that with whatever
13 business decisions are made by Pulama Lana'i,
14 Hawaiian Electric, and ultimately the Public Utility
15 Commission?

16 However, with the final two conditions
17 that you put forth in your redirect and that was
18 agreed publicly and is now on the record by Pulama
19 Lana'i, and if I see those in the Decision and Order
20 that you propose, then I'm very favorably inclined.

21 **COMMISSIONER OHIGASHI:** Mr. Chair?

22 **CHAIR GIOVANNI:** Yes?

23 **COMMISSIONER OHIGASHI:** I just have a
24 short comment. I'm just -- I want to say that I
25 think we've come a far way. The problem that I

1 thought I highlighted was the county's use of the
2 15-acre limitation into parsing a project out into a
3 14 and 6-acre. And that was done, according to
4 testimony, before 2012.

5 I'm sure and have seen from the county of
6 Maui most recently that this type of activity is not
7 taking place and that projects that are generally
8 over 20 acres will be -- 15 acres will be given to
9 the commission. And projects that are generally
10 below 15 acres are being given to the commission.
11 Thank you.

12 **CHAIR GIOVANNI:** Thank you.

13 Any other commissioners want to make a
14 statement at this time?

15 Commissioner Okuda?

16 **COMMISSIONER OKUDA:** Chair, I'm sure Mr.
17 Chipchase is going to do this, but may I request
18 that for -- that there be specific references to the
19 record on any finding of fact, and if there's a
20 conclusion of law, specific reference to the legal
21 authority, just so that we don't have to hunt
22 through the record? Thank you.

23 **MR. CHIPCHASE:** Yes, commissioner.

24 **COMMISSIONER OKUDA:** Thank you, Mr.
25 Chipchase.

1 **CHAIR GIOVANNI:** Thank you. Any other
2 commissioners want to make a -- Commissioner Chang?

3 **COMMISSIONER CHANG:** Yes.

4 Mr. Chipchase, I greatly appreciate the
5 time out and the responses from the party. I will
6 tell you it gave me renewed faith, because Pulama
7 Lana'i has come a long way in re-establishing trust
8 with this community in doing, as Mr. Masumoto said,
9 doing the right thing.

10 So I think you heard our concerns. I think
11 our concerns were legitimate. I think our concerns
12 also reflected what the community might have felt.
13 So I appreciated that you heard us and you took
14 appropriate actions, as that means a lot, because
15 you have done -- you have come such a far way that I
16 think we all would like to see you be successful. So
17 thank you very much. I appreciated that. Thank you.

18 **MR. CHIPCHASE:** Thank you for those
19 comments, commissioner.

20 **CHAIR GIOVANNI:** Anybody else? Yeah. Let
21 me just add my two cents right on top of that. I
22 think you exhibited incredible standing in this
23 community as a very credible entity, a very credible
24 developer, and one who listens to the community and
25 listens to this commission. So thank you very much.

1 To turn that around in a seven-minute
2 break, which Chipchase actually -- Mr. Chipchase
3 actually stretched to nine minutes, was pretty
4 incredible.

5 **MR. CHIPCHASE:** I hope those two minutes
6 were time well spent.

7 **CHAIR GIOVANNI:** That's time well spent,
8 time well spent.

9 Okay. Back to the script. The Proposed
10 Findings of Fact must reference the witness as well
11 as the date, page, and line numbers of the
12 transcripts to identify your facts. In addition to
13 the transcript, the exhibits and evidence shall be
14 referenced. Please note the transcripts take about
15 two weeks for processing, so they will be made
16 available to all parties on or about November 30th,
17 2022.

18 I note for the parties that the commission
19 has standard conditions, which we would like the
20 parties to include in preparing the proposed order.
21 A copy of the standard conditions may be obtained
22 from our commission staff. I recommend that the
23 parties consult with the commission staff early in
24 the process to ensure that the technical and non-
25 substantive formatting protocols observed by the

1 commission are adhered to.

2 If any of the parties desire to stipulate
3 to any portion or all of the findings of fact,
4 conclusions of law, and decisions or order --
5 decisions and order, they are encouraged to do so as
6 stipulated. Regardless of whether the parties pursue
7 a partial or a fully stipulated order, each party is
8 directed to file its Proposed Findings of Fact,
9 Conclusions of Law, and Decision and Order with the
10 commission and serve copies on the other parties no
11 later than the close of business on December 12,
12 2022.

13 All comments, stipulations, or objections
14 to the other parties' proposals shall be filed with
15 the commission and served upon the other parties no
16 later than the close of business December 21, 2022.
17 The deadline for any rebuttals is December 28, 2022.

18 Are there any questions regarding these
19 procedures that I just described or the dates that I
20 named?

21 **MR. CHIPCHASE:** None from the petitioner,
22 chair.

23 **CHAIR GIOVANNI:** Thank you. County?

24 **MR. HOPPER:** No, chair.

25 **MR. YEE:** Just to confirm, although you

1 have directed all parties to submit findings of
2 fact, it would be appropriate if petitioner files
3 their findings of fact to which OPSD and probably
4 the county will simply then file a reply for those
5 probably very small, minor revisions that we would
6 recommend.

7 **CHAIR GIOVANNI:** I think that's correct,
8 but the only clarification I make is that when you
9 reply, you need to fully distribute it to all the
10 parties and to the commission.

11 **MR. YEE:** Absolutely. Yes. Thank you.

12 **CHAIR GIOVANNI:** Okay. If there are no
13 objections, entertain the proposed dates of parties,
14 I think that concludes our meeting for today. Thank
15 you very much.

16 **MR. CHIPCHASE:** Thank you, chair.

17 Thank you, commissioners.

18 **CHAIR GIOVANNI:** Thank you.

19 **MR. YEE:** Thank you, chair.

20 **(Meeting concluded at 2:12 p.m.)**

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1 CERTIFICATE

2

3 I, Davilyn Payne, do hereby certify that the
4 proceeding named herein was professionally transcribed on
5 the date set forth in the certificate herein; that I
6 transcribed all testimony adduced and other oral
7 proceedings had in the foregoing matter; and that the
8 foregoing transcript pages constitute a full, true, and
9 correct record of such testimony adduced and oral
10 proceeding had and of the whole thereof.

11

12 IN WITNESS HEREOF, I have hereunto set my hand this
13 1st day of December, 2022.

14

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19 Davilyn Payne

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