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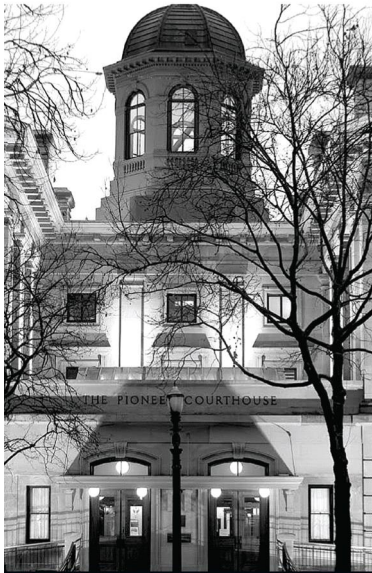
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**STATE OF HAWAII
LAND USE COMMISSION**

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 :

1 **APPEARANCES**

2

3 **COMMISSIONERS PRESENT:**

4 Dan Giovanni, Chair

5 Dawn Chang

6 Gary Okuda

7 George Atta

8 Kuikeokalani Kamakea-Ohelo

9 Lee Ohigashi

10 Mel Kahele

11

12 **COMMISSIONERS EXCUSED:**

13 Nancy Cabral

14 Michael Yamane

15

16 **STAFF PRESENT:**

17 Daniel Orodener, Executive Officer

18 Scott Derrickson, Chief Planner

19 Riley Hakoda, Staff Planner (via Zoom)

20 Martina Segura, Staff Planner

21 Ariana Kwan, Chief Clerk

22 Daniel Morris, Esq., Deputy Attorney General (via Zoom)

23

24

25

1 **APPEARANCES (CONTINUED)**

2

3 **OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT:**

4 Bryan Yee, Esq., Deputy Attorney General

5 Lorene Maki, Planner

6 Katia Balassiano, Land Use Administrator

7

8 **COUNTY OF MAUI:**

9 Michael Hopper, Esq., Deputy Corporation Counsel

10 Michele McLean, Planning Department

11

12 **PETITIONER'S COUNSEL:**

13 Calvert Chipchase

14 Stacey Gray

15 Christopher Goodin

16 Molly Olds

17

18 **PETITIONER'S WITNESSES:**

19 Kurt Matsumoto

20 Trisha Kehaulani Watson

21 Keiki-Pua Dancil

22

23

24

25

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

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

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

22 I will share with all participants that we
23 will take breaks from time to time, typically about
24 five or ten minutes every hour, and we will also
25 take a lunch break.

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

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

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

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

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

25 **CHAIR GIOVANNI:** You don't have a

1 microphone over there? Okay. Speak loud. Are there
2 any members of the public who have signed up to
3 testify on the adoption of the minutes?

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

5 **CHAIR GIOVANNI:** Thank you.

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

8 **COMMISSIONER OKUDA:** Chair?

9 **CHAIR GIOVANNI:** Commissioner Okuda?

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

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

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

15 **COMMISSIONER OHIGASHI:** Chair.

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

18 **COMMISSIONER ATTA:** Second.

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

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

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

24 **CHAIR GIOVANNI:** Any opposed? The minutes
25 are adopted. Thank you.

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

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

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

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

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

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

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

19 **CHAIR GIOVANNI:** 7th?

20 **MR. ORODENKER:** Yes.

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

24 Commissioners, do you have any other
25 questions on the schedule for Mr. Orodenger?

1 Seeing none, we'll move forward.

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

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

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

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

22 Next, I will call for members of the
23 public who wish to testify on the DBA for A19-809
24 Pulama Lana'i Miki Basin. Members of the public will
25 each have two minutes to provide their testimony and

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

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

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

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

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

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

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

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

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

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

25 **MR. HOPPER:** Good morning, Mr. Chair and

1 commissioners. Michael Hopper, Deputy Corporation
2 Counsel representing Maui County Department of
3 Planning. With me are Planning Director Michele
4 McLean and Planner Kurt Wollenhaupt.

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

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

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

18 **COMMISSIONER CHANG:** I do.

19 **CHAIR GIOVANNI:** Commissioner Chang?

20 **COMMISSIONER CHANG:** Thank you, Mr. Chair.
21 Many years ago, I think in 2015, I did have a small
22 consulting contract with Pulama Lana'i with respect
23 to assisting them on Lana'i Cemetery. And since
24 then, I have had no other financial involvement with
25 Pulama Lana'i. I do not believe that that previous

1 work will affect my ability to be fair and objective
2 in reviewing this petition.

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

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

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

8 **CHAIR GIOVANNI:** County?

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

10 **CHAIR GIOVANNI:** State?

11 **MR. YEE:** No objection.

12 **CHAIR GIOVANNI:** Thank you.

13 Any other disclosures by commissioners?

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

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

21 On February 4th, 2022, petitioner filed a
22 Motion to Issue Notice of a Finding of No
23 Significant Impact Final EA, an FEA. On February
24 16th, 2022, the LUC voted to find the proposed
25 action will not likely have significant impacts on

1 the environment and that the Finding of No
2 Significant Impact, a FONSI, is warranted for the
3 proposed action.

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

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

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

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

22 On November 3rd, 2022, the county of Maui
23 filed their corrected version of recipient list. On
24 November 4th, 2022, the Land Use Commission mailed,
25 emailed the agenda for today's meeting to all

1 parties statewide and the Maui list. And on November
2 7th, 2022, the petitioner filed an Affidavit and
3 mailing of Notice of Hearing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 wanted to make sure that the commissioners had it
2 for today's hearing.

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

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

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

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

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

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

18 **CHAIR GIOVANNI:** Okay.

19 County, any objection to admission of
20 number 20?

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

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

24 **MR. YEE:** No objection.

25 **CHAIR GIOVANNI:** Thank you.

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

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

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

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

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

9 **MR. YEE:** No objection.

10 **CHAIR GIOVANNI:** Thank you.

11 They're all accepted.

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

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

16 **CHAIR GIOVANNI:** Thank you.

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

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

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

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

1 **CHAIR GIOVANNI:** County?

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

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

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

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

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

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

22 I'll then call Kurt Matsumoto, who will
23 provide an overview of the proposed project.
24 Finally, I'll call Dr. Keiki-Pua Dancil, who will
25 discuss the project in more detail and summarize

1 some of the technical studies that have been
2 submitted and now entered into the record that
3 support the project.

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

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

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

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

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

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

1 **CHAIR GIOVANNI:** County?

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

3 **CHAIR GIOVANNI:** State?

4 **MR. YEE:** No objection.

5 **CHAIR GIOVANNI:** Fellow commissioners?

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

8 Nice to see you, Ms. Dancil.

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

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

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

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

22 The Office of Planning and Sustainable
23 Development, OPSD, supports the petition. The county
24 supports the petition. And we have worked out the
25 proposed conditions to be attached to the District

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

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

8 **CHAIR GIOVANNI:** Proceed.

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

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

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

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

20 **DR. WATSON:** I have bachelor's degrees in
21 American Studies and sociology, a master's in
22 American Studies, a law degree, an environmental law
23 certificate, and a PhD in American Studies. I'm
24 secretary of interior- qualified, and I've done -- I
25 founded Honua in 2003, so we'll be 20 years next

1 year.

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

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

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

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

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

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

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

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

25 **MR. CHIPCHASE:** And in those times, were

1 you recognized as an expert witness?

2 **DR. WATSON:** Yes.

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

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

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

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

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

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

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

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

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

20 **CHAIR GIOVANNI:** State?

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

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

25 **MR. YEE:** I've no objection to her

1 expertise in the area of Chapter 6E or
2 archaeological and cultural issues. I think the
3 larger issue of environmental law is not relevant to
4 her testimony, and we would not be comfortable
5 stipulating to that.

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

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

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

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

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

15 Commissioners, any comment or objection?

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

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

21 Commissioners, Exhibit D1 to the FEA, the
22 Final Environmental Assessment, is the
23 Archaeological Inventory Survey. Exhibit D2 is the
24 SHPD, S-H-P-D, concurrence letter. D3 is the
25 archaeological data recovery plan and report, and D4

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

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

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

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

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

23 **DR. WATSON:** No. We stand on the record,
24 but we just do point out that there were two
25 historic sites identified. Both were remnant fire

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

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

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

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

23 **MR. CHIPCHASE:** We'll put up on the screen
24 the SHPD acceptance letter. That's the letter
25 related to the AIS. And to confirm, did SHPD concur

1 in the assessment and mitigation recommendations?

2 **DR. WATSON:** Yes.

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

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

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

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

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

17 **DR. WATSON:** Yes.

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

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

24 **MR. CHIPCHASE:** Thank you for your time,
25 Dr. Watson. I have no further questions.

1 **DR. WATSON:** Thank you.

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

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

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

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

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

12 **CHAIR GIOVANNI:** Thank you.

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

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

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

18 Mr. Yee?

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

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

25 **MR. YEE:** So if you can't answer the

1 question, feel free. But my reference -- my question
2 is with respect to the SHPD letter dated August 4,
3 2020.

4 **DR. WATSON:** Okay.

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

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

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

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

1 makes sense.

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

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

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

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

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

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

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

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

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

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

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

21 **DR. WATSON:** Yes. Absolutely. And in
22 particular, because the data recovery and the
23 mitigation has already been completed. So likely, it
24 would be just a turnaround, and it is consistent
25 with the prior decision, and no additional work is

1 needed.

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

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

4 Thank you, Dr. Johnson.

5 Commissioners, questions for Dr. Johnson?

6 **DR. WATSON:** Dr. Watson.

7 **CHAIR GIOVANNI:** Pardon me.

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

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

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

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

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

15 **CHAIR GIOVANNI:** No. I'm just kidding.
16 That's my --

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

18 **CHAIR GIOVANNI:** I apologize.

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

20 **CHAIR GIOVANNI:** Commissioners, any
21 questions for Dr. Watson?

22 **COMMISSIONER OKUDA:** Chair?

23 **CHAIR GIOVANNI:** Commissioner Okuda?

24 **COMMISSIONER OKUDA:** Thank you very much,
25 Mr. Chair.

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

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

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

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

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

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

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

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

25 **COMMISSIONER OKUDA:** Oh. Are you able to

1 tell us whether you're compensated -- you or your
2 company are compensated on an hourly basis or by the
3 amount of the project, like a flat rate?

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

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

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

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

25 **DR. WATSON:** I think probably 2500, I

1 would say. That's about standard for moving through
2 the 6E process. So that would be about my guess.

3 **COMMISSIONER OKUDA:** Okay.

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

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

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

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

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

23 **COMMISSIONER OKUDA:** Are you able to give
24 a percentage of what percentage of your practice has
25 been involved in testifying in favor of entitlements

1 as opposed to against entitlements?

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

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

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

10 **COMMISSIONER OKUDA:** Thank you.

11 **CHAIR GIOVANNI:** Thank you, commissioner.
12 Commissioner Chang?

13 **COMMISSIONER CHANG:** Yes. Thank you.
14 Good morning, Dr. Watson.

15 **DR. WATSON:** Good morning.

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

18 **CHAIR GIOVANNI:** I know.

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

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

25 **DR. WATSON:** So what we believe from the

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

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

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

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

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

23 **DR. WATSON:** I am not. But again, just to
24 clarify, this wouldn't have been the quarry area
25 itself. It would have been -- Hawai'i Island is

1 similar. So, like, they would quarry up mauka, and
2 then you will find discarded flakes and basalt in
3 the -- as they head makai.

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

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

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

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

1 there's a connection, even if not a specific one. I
2 mean, I think we knew people traveled and lived
3 mauka to makai.

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

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

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

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

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

1 customary practices.

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

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

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

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

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

1 conclusion.

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

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

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

18 **DR. WATSON:** Thank you.

19 **COMMISSIONER CHANG:** Thank you.

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

22 Commissioner Ohigashi?

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

25 **CHAIR GIOVANNI:** What is the status of

1 Exhibit 20, petitioner, Mr. Chipchase?

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

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

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

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

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

11 **CHAIR GIOVANNI:** Please.

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

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

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

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

24 **COMMISSIONER OHIGASHI:** I just wanted to
25 know if it was northern section.

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

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

9 **DR. WATSON:** Yes.

10 **CHAIR GIOVANNI:** Thank you.

11 **DR. WATSON:** Thank you.

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

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

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

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

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

25 **CHAIR GIOVANNI:** If it helps clarify, yes,

1 please do.

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

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

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

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

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

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

25 **DR. WATSON:** Yes. The archaeological

1 report was submitted.

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

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

9 **COMMISSIONER OHIGASHI:** Okay.

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

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

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

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

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

20 **DR. WATSON:** Or John.

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

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

25 **CHAIR GIOVANNI:** So, Mr. Chipchase, do you

1 want to try and break right now, or do you want to
2 proceed to your next witness and then interrupt them
3 in the middle?

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

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

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

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

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

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

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

24 **CHAIR GIOVANNI:** Okay.

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

1 The other --

2 **CHAIR GIOVANNI:** Other housekeeping
3 matter.

4 **MR. CHIPCHASE:** Other housekeeping matter
5 I wanted to do for Commissioner Ohigashi. Exhibit 8,
6 our Exhibit 8, is the SHPD letter specific to the
7 14.5 acres. Thank you.

8 **CHAIR GIOVANNI:** Okay. We'll take a break
9 now. We'll return at 10:00 sharp.

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

11 **CHAIR GIOVANNI:** Okay. We're back on the
12 record. It's 10:05. I just want to affirm that, Mr.
13 Chipchase, you had no further redirect for Dr.
14 Watson. And you're ready to your next witness; is
15 that correct?

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

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

18 **MR. CHIPCHASE:** Thank you, chair. Chair,
19 at this time I would call Kurt Matsumoto.

20 **CHAIR GIOVANNI:** Mr. Matsumoto, will you
21 swear that the testimony you're about to give today
22 is the truth?

23 **MR. MATSUMOTO:** I do.

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

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

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

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

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

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

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

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

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

1 transition from pineapple into hospitality, and did
2 that for about 10 years.

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

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

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

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

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

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

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

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

1 the future.

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

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

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

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

1 would add to the economy of the island but would
2 also be compatible with the sense of place and the
3 lifestyle there today.

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

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

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

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

24 We also need more cold storage facilities.
25 We could imagine seeing things like food processing,

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

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

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

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

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

1 water, and be respectful of the land and the culture
2 that already exists there today.

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

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

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

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

24 **MR. MATSUMOTO:** Yes. So we have the
25 support from the county and the state, and we have

1 some conditions that we have acknowledged and have
2 agreed to.

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

6 **MR. MATSUMOTO:** Correct.

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

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

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

16 Chair, I have no further questions.

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

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

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

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

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

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

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

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

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

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

19 **MR. YEE:** Thank you.

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

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

24 The Lana'i Water Company. What is the
25 relationship of Lana'i Water Company to Pulama

1 Lana'i?

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

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

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

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

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

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

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

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

4 **MR. MATSUMOTO:** Correct.

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

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

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

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

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

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

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

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

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

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

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

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

23 **MR. YEE:** The petition suggests that the
24 new light and heavy industrial uses would constitute
25 26 acres, and you just referenced the 20-acre

1 parcel. Do you anticipate that there be another
2 landowner that would be leasing out or selling
3 separate parcels within those 20 acres to other
4 parties?

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

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

19 **MR. MATSUMOTO:** No.

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

23 **MR. MATSUMOTO:** Correct.

24 **MR. YEE:** So when we looked at the
25 proposal, one part is the concrete and asphalt

1 plant; right?

2 **MR. MATSUMOTO:** Yes.

3 **MR. YEE:** And that's proceeding, I

4 understand; is that right?

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

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

8 **MR. MATSUMOTO:** Yes.

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

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

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

23 **MR. MATSUMOTO:** Well, if HECO were to
24 follow through with the RFP, then it would be a
25 third-party developer that ends up funding that.

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

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

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

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

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

14 **MR. MATSUMOTO:** Correct.

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

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

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

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

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

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

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

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

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

11 **MR. MATSUMOTO:** No.

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

16 **MR. MATSUMOTO:** Okay.

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

19 **MR. MATSUMOTO:** Okay.

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

23 **MR. MATSUMOTO:** Yes.

24 **MR. YEE:** Do you know if there's going to
25 be backbone infrastructure needed for the solar

1 energy facility?

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

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

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

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

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

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

20 **MR. MATSUMOTO:** Correct.

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

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

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

12 **MR. MATSUMOTO:** Yes.

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

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

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

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

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

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

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

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

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

1 EIS?

2 **MR. MATSUMOTO:** Yes.

3 **MR. YEE:** EIS has a variety of mitigation.

4 Actually, it describes both the impacts and the
5 mitigations from the project. Do you remember that?

6 **MR. MATSUMOTO:** Not specifically.

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

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

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

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

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

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

1 Commissioners, any questions?

2 Commissioner Kahele?

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

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

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

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

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

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

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

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

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

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

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

1 employed, living on Lana'i, that's going to be
2 employed after the project is completed?

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

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

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

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

23 **MR. MATSUMOTO:** So --

24 **COMMISSIONER KAHELE:** Or are all of these
25 people going to be brought in from off-island?

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

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

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

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

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

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

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

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

12 **COMMISSIONER KAHELE:** Thank you.

13 **CHAIR GIOVANNI:** Thank you.

14 Commissioners? Commissioner Ohigashi?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 as quickly as possible.

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

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

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

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

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

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

24 **COMMISSIONER OHIGASHI:** But the non- which
25 is grandfathered is a nonconforming use. Is that

1 what it --?

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

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

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

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

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

24 **COMMISSIONER OHIGASHI:** Thank you.

25 **MR. CHIPCHASE:** This is, I'm sorry again,

1 chair, this is Cal Chipchase.

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

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

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

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

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

1 tell me what your company is doing to meet the
2 demand of the lack of water, the potential lack of
3 pumping ability?

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

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

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

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

25 **MR. CHIPCHASE:** Understood. Cal Chipchase,

1 chair, here. Dr. Dancil will cover exactly that,
2 commissioner.

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

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

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

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

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

22 **MR. MATSUMOTO:** Yeah. So to my knowledge,
23 CWRM is responsible, and they already have been
24 reviewing not just Lana'i, but the whole state,
25 looking at different USGS climate models. And I

1 believe they are coming up with, I think,
2 recommendations for the future.

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

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

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

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

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

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

2 **COMMISSIONER OHIGASHI:** Thank you.

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

4 Staying on my left, Commissioner Okuda?

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

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

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

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

1 participation?

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

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

9 **COMMISSIONER OKUDA:** Yeah.

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

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

24 But coming back to the underlying
25 question, which is something that you and I did talk

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

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

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

22 We have a standalone project. We have a
23 discreet undertaking with independent utility. That
24 independent utility is most obviously to fulfill the
25 Lana'i Community Plan, which for six years, now

1 coming up on seven, has designated this area for
2 industrial park. We're fulfilling that vision, the
3 community's vision, for this area through this
4 project, which has that independent utility.

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

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

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

25 In the SuperFerry case, a very different

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

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

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

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

1 saying my view is always right.

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

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

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

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

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

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

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

24 So in addition to that, you know, these
25 are our employees. These are our neighbors. These

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

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

7 Thank you, Mr. Chipchase.

8 Thank you, chair.

9 **CHAIR GIOVANNI:** Thank you.

10 Larry means Mr. Ellison.

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

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

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

16 **CHAIR GIOVANNI:** Commissioner Chang?

17 **COMMISSIONER CHANG:** Thank you.

18 Good morning, Mr. Matsumoto.

19 **MR. MATSUMOTO:** Good morning.

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

24 You know, you talked about a vision. So,
25 one, I want to know how do you engage the community?

1 I know that in the past Lynn McCrory has been part
2 of your presentation team, and you've had -- you
3 know, she's talked about community engagement.
4 Because with this EA project, it doesn't require a
5 public hearing, unlike if it was an EIS.

6 So in the past when we had issues
7 involving Lana'i, we'd have a room full of people.
8 And we don't have one here. So I'm not too sure if
9 you're doing a really good job on community or
10 nobody knows what you're doing on Lana'i. So sort of
11 tell me what is your community engagement process
12 for, for example, a project like this?

13 **MR. MATSUMOTO:** So we have been having
14 regular community meetings once a month. And that
15 practice goes back to when you mentioned Lynn
16 McCrory, so it dates back years. This isn't just a
17 recent thing. And we continued to do this even
18 during the COVID lockdowns. We made things available
19 via video, and we had really good participation in
20 that video forum.

21 And then we also try to do smaller
22 meetings. Not everyone can meet in person. So we go
23 to churches and different community groups to talk
24 to people. Every month these are subject oriented,
25 so the topic of Miki Basin was covered already. We

1 covered it before even this body had reviewed the
2 Environmental Impact Statement.

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

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

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

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

25 There have been -- you know, you've

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

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

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

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

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

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

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

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

23 But then in most cases, the property would
24 go without a tenant. So we're in a position where
25 we're not aggressively trying to fill space just to

1 fill space with tenants. We're trying to look at how
2 we can create some kind of a balance in the
3 community and also still provide, you know, good
4 lifestyle options, something that would help with
5 people's quality of life on the island.

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

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

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

23 **COMMISSIONER CHANG:** Okay. I just -- I'm
24 hoping that part of your vision for Lana'i is
25 competitive economic opportunity, and it's not just

1 Pulama Lana'i's holding company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 **MR. MATSUMOTO:** Right. Because the base,
25 like I said, is less than it costs to burn diesel.

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

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

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

16 **MR. MATSUMOTO:** Yes.

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

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

1 better job than we could ever do, then we wouldn't
2 even engage in a thought process at all.

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

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

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

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

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

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

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

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

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

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

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

1 **COMMISSIONER CHANG:** Okay.

2 **MR. CHIPCHASE:** And went over that in
3 detail.

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

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

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

11 **MR. CHIPCHASE:** I don't recall.

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

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

24 Okay. Thank you so much. I appreciate your
25 responses.

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

2 **CHAIR GIOVANNI:** Thank you, Commissioner
3 Chang.

4 Anybody else at that end?

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

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

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

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

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

22 I also think it's a great value that
23 you've been at this for 10 years. And you introduced
24 yourself in the context of the vision that Pulama
25 Lana'i has for the island, at least for 98 percent

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

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

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

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

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

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

24 **MR. MATSUMOTO:** Right.

25 **CHAIR GIOVANNI:** In particular, the two

1 hotels which are large demand items. Do you
2 personally see that having a direct effect on the
3 size of the project that HECO would then build on
4 this in terms of renewable energy?

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

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

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

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

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

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

1 actually build on that 126 acres?

2 **MR. MATSUMOTO:** Right. Correct.

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

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

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

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

21 **MR. MATSUMOTO:** Yes.

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

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

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

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

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

16 **MR. MATSUMOTO:** Okay.

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

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

23 **MR. CHIPCHASE:** If I might, commissioner,
24 not that I mean to cut this off, but I do -- if I
25 could just offer. This is --

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

2 **MR. CHIPCHASE:** Mr. Chipchase.

3 **CHAIR GIOVANNI:** -- offering?

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

6 **CHAIR GIOVANNI:** Okay. I'll hold it there.

7 I'll just give you an idea, Dr. Dancil,
8 where I want to go.

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

13 **CHAIR GIOVANNI:** Very good.

14 Go back to vision. I mentioned housing.
15 What's the proximity of the closest housing to this
16 project?

17 **MR. MATSUMOTO:** Maybe --

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

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

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

1 potential impact on the housing?

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

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

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

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

25 If I recall correctly, there was a point

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

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

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

25 But the most onerous condition that was

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

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

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

23 I don't think they were unsure about
24 whether it would work. They were not sure whether it
25 was going to be good for the island or not. So they

1 wanted to limit the time that it was going to be in
2 use.

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

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

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

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

24 **MR. MATSUMOTO:** Sure. So with respect to
25 water, conventional farming would not do well on

1 Lana'i because of the amount of water that it would
2 require. So we focus more on hydroponic farming.

3 **CHAIR GIOVANNI:** Yes.

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

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

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

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

22 Hydroponic farming is reliable. It is --
23 you know, it just runs like a machine. And so far,
24 we've had good success on Lana'i. We have now about
25 little over 50 employees there and, hopefully, we'll

1 be able to expand in the future.

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

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

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

1 fine-grained detail, because that's how well we have
2 to manage our water consumption and manage the
3 aquifer.

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

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

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

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

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

24 **MR. MATSUMOTO:** Right. So for the cat
25 sanctuary. The cat sanctuary has other donors.

1 **CHAIR GIOVANNI:** It does.

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

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

8 **MR. MATSUMOTO:** Yeah.

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

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

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

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

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

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

25 **MR. MATSUMOTO:** But we have records that

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

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

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

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

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

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

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

9 **CHAIR GIOVANNI:** Sure.

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

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

15 So, commissioners, any follow-up?

16 So we're ready for your two minutes.

17 **MR. CHIPCHASE:** Cal Chipchase. And you may
18 have added a minute. I'm not sure about that.

19 Actually, I'll probably address most of that through
20 Dr. Dancil, if it's okay.

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

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

4 **MR. MATSUMOTO:** Right. Correct.

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

7 **MR. MATSUMOTO:** Correct.

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

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

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

15 **MR. MATSUMOTO:** Yes.

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

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

23 **MR. CHIPCHASE:** And will Pulama Lana'i
24 ensure that it and any tenant or lessee fully comply
25 with all mitigation requirements imposed by the

1 county on those permits?

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

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

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

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

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

23 We also have, as you know, a very
24 longstanding relationship with the ILWU. And they
25 also are trying to change and encourage more of

1 their membership to get into different trades
2 positions on Lana'i.

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

10 We're doing the same thing. We're trying
11 to get more apprentices involved, because we have a
12 lot of workers that are older that are going to be
13 retiring soon. So we're actively working with both
14 unions to keep people trained up.

15 The Carpenters Union, I have to say,
16 probably does one of the better jobs in terms of
17 getting people into the union, getting them trained,
18 progressively trained on a regular basis, and then
19 promoted on to become journeyman carpenters. And
20 they've done the best job in terms of doing that on
21 Lana'i.

22 The number of employees that we have in
23 the Lana'i Builders side has actually doubled over
24 the last 10 years.

25 **MR. CHIPCHASE:** And do you anticipate

1 continuing to employ people in those capacities and
2 continuing to encourage good jobs for the local
3 residents of Lana'i?

4 **MR. MATSUMOTO:** Right. That's what we hope
5 to do. And, you know, if some of these activities
6 that we're talking about today end up being more
7 technology-related jobs that require more training,
8 we have funding that residents can tap into and take
9 courses at the UH Maui college, whether that be
10 online or in person.

11 **MR. CHIPCHASE:** Thank you, Kurt. I have no
12 further questions.

13 **CHAIR GIOVANNI:** No further redirect?
14 Thank you very much, Mr. Matsumoto.

15 **MR. MATSUMOTO:** Thank you, commissioners.

16 **CHAIR GIOVANNI:** We'll take a lunch break
17 now. It's 11:50 by my watch. How about coming back
18 at 12:30? Does that work for everyone?

19 **MR. CHIPCHASE:** Good with me, chair.

20 **CHAIR GIOVANNI:** And our goal is to
21 adjourn by 3:00 today, so hopefully we can get to
22 that point.

23 **MR. CHIPCHASE:** You know my over/under,
24 chair. I think I've stuck to it on my side of the
25 testimony.

1 **CHAIR GIOVANNI:** I'm not sure you have,
2 actually.

3 **MR. CHIPCHASE:** Right.

4 **CHAIR GIOVANNI:** Yeah. I have the over --
5 I got the over last night when I heard you were
6 going for an hour and a half.

7 **MR. CHIPCHASE:** That explains the number
8 of questions, chair. Thank you.

9 **CHAIR GIOVANNI:** We're adjourned until
10 12:30.

11 **(Recess taken from 11:50a.m. - 12:31 p.m.)**

12 **CHAIR GIOVANNI:** 12:31. We're back on the
13 record. So, Mr. Chipchase, back to you with, I
14 believe, your next witness, who's already been sworn
15 in. So you may proceed.

16 **MR. CHIPCHASE:** Very good, chair. Our next
17 witness is Dr. Keiki-Pua Dancil.

18 Dr. Dancil, would you mind introducing
19 yourself again?

20 **DR. DANCIL:** Aloha, chair.

21 Aloha, commissioners.

22 My name is Keiki-Pua Dancil. I'm the
23 senior vice president for Pulama Lana'i. My area is
24 government affairs and strategic planning.

25 **MR. CHIPCHASE:** And within that field for

1 Pulama Lana'i, could you just summarize your
2 responsibilities for us?

3 **DR. DANCIL:** My primary responsibility is
4 to oversee the project management for all the
5 permits and entitlements that Pulama seeks on
6 Lana'i. I also direct the cultural and heritage
7 preservation team as well as the community
8 development team. In addition, I work very closely
9 with our senior vice president of development and
10 construction to align our activities to achieve the
11 vision for Pulama Lana'i.

12 **MR. CHIPCHASE:** And just for context,
13 would you just summarize for us your educational
14 background and some of your experience?

15 **DR. DANCIL:** I have a PhD in chemistry
16 from the University of California at San Diego and
17 an MBA from Harvard Business School. By taking the
18 strong foundation of analytical skills to
19 strategically analyze all of the different issues
20 that come up in each of the different phases of
21 planning and permitting, I'm able to analyze -- use
22 that as a framework to analyze any other issues that
23 may come up.

24 I have over 10 years of experience in
25 business development. And in particular, my most

1 recent job before joining Pulama Lana'i was the
2 director of strategic initiatives at Hawaiian
3 Electric.

4 **MR. CHIPCHASE:** And, Dr. Dancil, I wanted
5 to start off your testimony by responding to some of
6 the commissioner questions, at least I was able to
7 jot down during our earlier witness' testimony. And
8 one of them had to do with the housing on Lana'i, in
9 particular the Hokuao project, which you and I
10 worked on with this commission some time ago. Would
11 you mind updating us on the status of that project?

12 **DR. DANCIL:** Yes. We were actually here a
13 year ago in November last year for our entitlement
14 for a 201H Hokuao Housing Project. That is a 150-
15 home development, as you remember. Fifty-one percent
16 is affordable. We just held our lottery two weeks
17 ago, and we plan on turning over the first set of
18 homes, approximately 20 of those, in the first
19 quarter of next year

20 **MR. CHIPCHASE:** And --

21 **DR. DANCIL:** And just to clarify, it's 100
22 percent workforce housing.

23 **MR. CHIPCHASE:** Another question that had
24 come up was with respect to community engagement,
25 and I was hoping that you could take us through that

1 portion of the Environmental Assessment that had
2 reviewed the community engagement, and then update
3 that with the engagement on this DBA.

4 **DR. DANCIL:** Yes. I can definitely do
5 that. So in the Final EA on page FEA REF-128, we go
6 into extensive detail about the community engagement
7 that took place. There are 10 Lana'i Community Plan
8 Advisory Council meetings or Lana'i Planning
9 Commission meetings, and three Maui County Council
10 meetings as part of the update to the Lana'i
11 Community Plan in which the Miki Basin area was
12 slated to be heavy industrial and light industrial.

13 In addition, we had a public hearing -- it
14 wasn't a public hearing; it was a public
15 presentation before the Lana'i Planning Commission
16 in particular about the EA for this project. We
17 responded to all the public comments.

18 As you can see up on the screen there, the
19 Final Environmental Assessment was published on
20 March 8th, and it was approved by this body in
21 February of this year.

22 **MR. CHIPCHASE:** And, of course, there was
23 a public hearing on that FEA as well.

24 **DR. DANCIL:** There was a public hearing on
25 the FEA.

1 **MR. CHIPCHASE:** In anticipation of the
2 DBA, did Pulama Lana'i comply with all of the
3 publication and notification requirements in the
4 rules?

5 **DR. DANCIL:** Yes. We did.

6 **MR. CHIPCHASE:** And was the DBA also
7 circulated to all the agencies as required in the
8 code?

9 **DR. DANCIL:** Yes. The DBA was circulated
10 to all the agencies, and it was submitted to the
11 Land Use Commission on June 7th.

12 **MR. CHIPCHASE:** Okay. Another commissioner
13 question that I jotted down, and I'm hoping you can
14 help us with, is the discussion of the area that's
15 been slated for a renewable energy project. And in
16 particular, I wanted you to confirm for us that if
17 the size of the anticipated HECO project does not
18 use all 127 acres, that that area will still be used
19 for renewable energy.

20 **DR. DANCIL:** I can confirm that that area,
21 the 127 acres, will be used for renewable projects
22 as described in our application.

23 **MR. CHIPCHASE:** And a question came up
24 with respect to noise, and I just have a couple of
25 things that I wanted to note for commissioners

1 through your testimony. One is approximately how far
2 away is Lana'i City from the project area?

3 **DR. DANCIL:** Lana'i City is approximately
4 three miles away.

5 **MR. CHIPCHASE:** And was the -- was noise
6 assessed in the Environmental Assessment?

7 **DR. DANCIL:** It was assessed in the
8 Environmental Assessment in particular on page 27 of
9 the Final Environmental Assessment.

10 **MR. CHIPCHASE:** And as part of the
11 Environmental Assessment, just running down to my
12 next set of questions, was a market assessment
13 prepared?

14 **DR. DANCIL:** Yes. A market assessment was
15 prepared in the Final EA.

16 **MR. CHIPCHASE:** And I believe that's
17 Appendix A.

18 **DR. DANCIL:** Subject to check. I'm looking
19 right now. Yes. It is.

20 **MR. CHIPCHASE:** And the last set of
21 questions that at least I took down were with
22 respect to water and sort of a comprehensive look
23 before the commission on not only the particular
24 project, but proposed or anticipated projects and
25 their impact. Were anticipated future projects

1 assessed as part of the Environmental Assessment?

2 **DR. DANCIL:** Yes. Future projects were
3 assessed during the Final Environmental Assessment.

4 **MR. CHIPCHASE:** And I believe that
5 discussion begins on page 38, and then on page 45
6 there's the table specifically covering other
7 permitted and proposed projects.

8 **DR. DANCIL:** That is confirmed. On page 45
9 we do discuss not just the current pumpage, but this
10 project and future uses.

11 **MR. CHIPCHASE:** Okay. We'll come back,
12 then, to your testimony. We talked about a completed
13 Environmental Assessment. We put the timeline up on
14 the screen. We talked about the publication and the
15 filing of the DBA. I was hoping you could orient us
16 back to the location of the project that you did
17 sort of at the beginning of the day.

18 **DR. DANCIL:** Yes. If I may direct you to
19 the screen, and I will be using a green pointer. So
20 here's Lana'i, and in red here where my pointer is
21 is the project area in red. I also have it outlined
22 in red here.

23 I want to note the three -- well,
24 approximately three miles away, this is Lana'i City.
25 And then in the farthest background we have Sensei

1 Retreat. In addition, we are adjacent to the Lana'i
2 Airport right here.

3 And then I believe Mr. Matsumoto discussed
4 our agricultural activities. Right here is our
5 commercial Ag leases in which we lease open air,
6 open lots to other commercial farmers on island. We
7 also have our commercial nursery in which Pulama
8 Lana'i grows our plants and also brings in plants.

9 And this is for you. I'm sorry, Chair
10 Giovanni, the cat sanctuary is over here. And then
11 across the street here from Kaunalapau Highway is
12 our hydroponic facility that Mr. Matsumoto
13 discussed, Sensei Farms. It's 120,000 square feet of
14 hydroponic greenhouses, which are all powered by an
15 off-grid system, so by a solar and battery system.

16 **MR. CHIPCHASE:** Let's pull up the next
17 slide and take a closer look. Walk through what we
18 have on the slide, please.

19 **DR. DANCIL:** You may not be able to see,
20 but all this outline right here, so in red here is
21 the project outline of the Miki 200. Right here in
22 black dotted is the HECO fossil fuel facility. It's
23 approximately five acres. And then dotted here in
24 light blue is our Miki 20-acre condominium. And as I
25 mentioned before in the solid blue outline is our

1 SUP where we have interim uses, primarily
2 stockpiling and rock crushing.

3 Another point I want to make is that the
4 Miki 200 project outline is adjacent to other urban
5 and industrial uses. Here's the HECO fossil fuel
6 facility as well as the Miki 20, and the Lana'i
7 Airport is also an urban use industrial use.

8 **CHAIR GIOVANNI:** Just to clarify, Dr.
9 Dancil, what was inside the blue?

10 **DR. DANCIL:** This blue dotted?

11 **CHAIR GIOVANNI:** Yeah.

12 **DR. DANCIL:** That's our Miki 20-acre
13 condominium. So it's a 20-acre parcel. It's heavy
14 industrial.

15 **CHAIR GIOVANNI:** Got it.

16 **MR. CHIPCHASE:** And just on that point,
17 just so everybody's clear, is that the area that Mr.
18 Matsumoto discussed earlier that had the mix of lots
19 that Pulama would hold and Pulama would offer up for
20 sale?

21 **DR. DANCIL:** Correct, as part of the
22 conditions for the District Boundary Amendment when
23 it went through its process. It was two, actually,
24 petitions. There was a 14-acre petition and a 6-acre
25 petition. Both of those required that 50 percent of

1 lots will be offered for sale.

2 **MR. CHIPCHASE:** And I'd like to take us to
3 the next slide and have you briefly describe the
4 proposed action for us.

5 **DR. DANCIL:** Yes. As we said earlier, the
6 primary action is to implement the community plan by
7 rezoning the designated land area. So again, this is
8 the Lana'i Community Plan. It has 225 acres within
9 the Miki Basin area for heavy and light industrial
10 use.

11 Our project is implementing 50 percent,
12 which is light industrial here and here in magenta,
13 and 50 percent for heavy industrial use in red. As
14 we mentioned, over 85 percent of the land area has
15 an identified use and is expected to be developed
16 within the first 10 years, if not sooner.

17 We believe that the proposed action
18 ensures that there's sufficient land for future
19 economic diversification to support our on-island
20 operations.

21 **MR. CHIPCHASE:** And if we could move into
22 the next slide. Mr. Matsumoto talked about the
23 purpose of the project in addition to implementing
24 the community plan, or as part of implementing the
25 community plan, diversification of the economy, and

1 I was hoping you could maybe provide a little more
2 detail on that subject.

3 **DR. DANCIL:** Yes. So the purpose of the
4 proposed action is to further the goal of the Lana'i
5 Community Plan, which is a diversification of the
6 economy on Lana'i. By diversifying the economy, we
7 need to provide the necessary land for future
8 industries to support and expand beyond our luxury
9 tourism market.

10 This land also is in a central location
11 for industrial uses. As I mentioned, there's other
12 industrial uses around, so it also provides an area
13 so that other industrial uses that are on other
14 areas or that are being done currently now in the
15 residential area can relocate to this area.

16 This is a critical component to
17 establishing that there is a sustainable and a
18 resilient future for Lana'i, ensuring that there's
19 enough land.

20 **MR. CHIPCHASE:** And let's talk about land
21 a little bit in starting with the existing urban
22 land on Lana'i. How much land is currently within
23 the urban district?

24 **DR. DANCIL:** So this is an island map
25 which has the state land use districts. It's not

1 that easy to see, but if it's gray, it's urban. And
2 as noted here in Lana'i City, it's urban. You have
3 the airport here, which is gray. That's urban.
4 Kaumalapau here is urban. And then our project
5 district down at Manele also has urban.

6 **MR. CHIPCHASE:** And I believe that's about
7 3 percent of the island?

8 **DR. DANCIL:** Correct. It's about 3,000 or
9 3 percent of the island.

10 **MR. CHIPCHASE:** And is there sufficient
11 area on those urban districts or within Lana'i City
12 for an industrial park?

13 **DR. DANCIL:** No. All the area that is
14 zoned urban right now is in use.

15 **MR. CHIPCHASE:** In addition to the fact
16 that it was designated in the community plan, why
17 was this particular site chosen for the industrial
18 park?

19 **DR. DANCIL:** This particular site is
20 chosen for several reasons. As I mentioned, there
21 are adjacent like uses that are nearby. It's also
22 centrally located and adjacent to Lana'i Airport,
23 which air cargo can come on and off island in case
24 there is some sort of economic activity that
25 requires that type of commerce flying in and

1 commerce flying out.

2 In addition, it's near to Kaumalapau
3 Harbor, which is the main seaport of entry in which
4 you would bring goods on and off Lana'i.

5 **MR. CHIPCHASE:** Let's look at the next
6 slide. And I'd like you to help us understand the
7 known anticipated uses of the industrial park.

8 **DR. DANCIL:** So let me just direct you. So
9 here we have a conceptual master plan for the Miki
10 Basin industrial area. And this site here -- I call
11 it a waterfall chart, so I basically have the
12 various different land uses. I also have letters A,
13 B, C and D depicted that are correlating to the
14 areas on the map, the conceptual master plan.

15 In the far left, we have 20 acres
16 identified for infrastructure. And this is a generic
17 planning assumption, about 10 percent of the land.
18 That's a common number for industrial parks to
19 attribute about 10 percent for infrastructure.

20 The next one is renewable energy projects.
21 That's A, and that's depicted here. Again, this is
22 just a rendering. That's 127 acres. And then next we
23 have the concrete crushing facility B, which is
24 identified in this area here. And then we have the
25 asphalt plant here. And then we have other

1 industrial uses, which is on the mauka side and
2 totaling -- if you add up all of these, it totals to
3 200 acres.

4 **MR. CHIPCHASE:** And what will Pulama
5 Lana'i do with the areas that are currently used for
6 the asphalt and concrete plants when it relocates
7 them?

8 **DR. DANCIL:** So the concrete and the
9 mobile concrete batch plant will be relocated just
10 200 feet, and the asphalt plant will be relocated
11 further away, and we'll be re-naturalizing that
12 area. So the area right now that's occupied by the
13 mobile batch plant will be made for sale to someone
14 else when it's moved.

15 **MR. CHIPCHASE:** And if we can move on to
16 the next slide and have you talk a little bit about
17 the anticipated timing of these developments.

18 **DR. DANCIL:** Sure. So this is the very
19 same -- it's a very similar slide that was on the
20 previous chart. It was also in our DBA petition on
21 page 19, if my eyes are --

22 **MR. CHIPCHASE:** Better than mine.

23 **DR. DANCIL:** So this is the timeline up
24 here. So within the first 10 years, 1 through 10,
25 these are the types of activities. Within the first

1 few years upon approval of all entitlements -- so
2 again, we still have to go through a change in
3 zoning with the county -- both the asphalt plant and
4 the concrete batch plant will be relocated.

5 In addition, A, or the renewable energy
6 project, we believe the current one that's before
7 HECO will be dealt with in the next 10 years.

8 And then, finally, you have D, again
9 developed as needed, and it can start from Year 1.
10 But if it doesn't get developed, then it'll go on
11 through Years 11 through 20.

12 **MR. CHIPCHASE:** And a question had come up
13 earlier about infrastructure, and I knew we were
14 going to cover it at this point, and so can you
15 share with us the improvements that we anticipate
16 for the project?

17 **DR. DANCIL:** So as -- I think Mr.
18 Matsumoto touched on this a little bit. For the
19 batch plant -- or the concrete batch plant, concrete
20 crushing facility and the asphalt plant, there's not
21 much infrastructure in terms of roads.

22 There will be an individual wastewater
23 system put in for a comfort station for a shared
24 facility for the asphalt plant as well as the
25 concrete batch plant for the employees there.

1 The developer will likely put in some
2 access roads for the renewable energy project. And
3 as Mr. Matsumoto said, there is an interconnection
4 site right here adjacent to the HECO property.

5 **MR. CHIPCHASE:** And so if we can focus,
6 then, on anticipated infrastructure for the
7 remaining 26 acres, what do you anticipate or how do
8 you anticipate approaching infrastructure for that
9 area?

10 **DR. DANCIL:** We do know there is a need
11 according to the market assessment, and that was
12 submitted in our Final EA, and will be developed on
13 an as-needed basis.

14 **MR. CHIPCHASE:** All right. And as you
15 develop on an as-needed basis, will that address
16 roads, drainage, wastewater and water?

17 **DR. DANCIL:** It will.

18 **MR. CHIPCHASE:** And were those anticipated
19 impacts addressed in the Final Environmental
20 Assessment?

21 **DR. DANCIL:** Yes. The anticipated impacts
22 were addressed in the Final Environmental
23 Assessment.

24 **MR. CHIPCHASE:** And will the DBA be -- the
25 area to be redesignated -- developed in accordance

1 with those representations and assessments?

2 **DR. DANCIL:** They will.

3 **MR. CHIPCHASE:** I'd like to talk a little
4 bit more about drainage. In particular, will the
5 project comply with the Maui County stormwater
6 treatment requirements?

7 **DR. DANCIL:** The project will comply with
8 the county's stormwater treatment requirements.

9 **MR. CHIPCHASE:** And focusing just a little
10 bit more on the water infrastructure, have the
11 technical studies confirmed that there is adequate
12 source for the development?

13 **DR. DANCIL:** Yes. The technical studies
14 that were completed and accepted in the Final EA
15 were completed, and there is enough source on
16 island.

17 **MR. CHIPCHASE:** So for the known uses, the
18 renewable energy and relocation of the concrete and
19 asphalt plants, we could use actual assessments or
20 estimates for water use. How was water demand
21 estimated for the 26 acres that will be developed as
22 mixed industrial uses?

23 **DR. DANCIL:** Yes. So if I could just
24 direct you to this graph here, this is the existing
25 demand on the public water system right now for the

1 concrete facility, so meaning that this water is
2 already accounted for because it's already in use on
3 this. So any new uses on the concrete facility,
4 again, are calculated here, and for the asphalt
5 plant here.

6 So this 156,000 is the estimated use for
7 the 26 acres on the mauka side of Miki Road. And
8 that 156,000 was done -- is calculated by taking the
9 planning assumptions that are from the 2002 Hawai'i
10 state standards that are particular for Maui County
11 for industrial land.

12 Basically, it's a very conservative
13 number. It's the most conservative of all the
14 counties. It's 6,000 gallons per day per acre. So if
15 you take 6,000 times 26, you get 152. So as you can
16 see, the projected demand on the public water system
17 238, 98 percent of it is attributed to this planning
18 assumption for future needs on the new industrial
19 uses on the mauka land.

20 **MR. CHIPCHASE:** Okay. So the anticipated
21 future water needs for that area are consistent with
22 state standards.

23 **DR. DANCIL:** Correct. They are consistent
24 with state standards.

25 **MR. CHIPCHASE:** Turning from the water to

1 -- back to the solar portion of the project, has a
2 developer been selected?

3 **DR. DANCIL:** Yes. A developer has been
4 selected. So if I could just direct you to the chart
5 that's on the screen here, this is the Lana'i RFP
6 schedule according to Hawaiian Electric, and this is
7 found in the public utilities docket DMS, document
8 management system. The docket number is 2015-0389.

9 On July 25th in a press release, HECO
10 identified DG Development and Acquisitions LLC as
11 the solar developer for the Lana'i solar project.

12 **MR. CHIPCHASE:** And I know Mr. Matsumoto
13 touched on this a little bit, but could you
14 summarize where we are in the PUC review for the
15 project?

16 **DR. DANCIL:** Yes. In that press release,
17 it was announced that PPA negotiations have
18 commenced, and so that's where we are in that
19 project right now.

20 So HECO is negotiating with DG Development
21 and Acquisitions a Power Purchase Agreement. When
22 they have come to an agreement, then that Power
23 Purchase Agreement will be submitted to the PUC for
24 review and approval. We're not at that point yet.

25 **MR. CHIPCHASE:** Okay. A question came up,

1 a commissioner question, about fiscal impacts. We
2 touched on the market study a couple of times, but I
3 wanted to get a little more detailed on that, so
4 would you talk for us a little bit about the
5 economic and fiscal benefits anticipated from the
6 project?

7 **DR. DANCIL:** Yes. As Commissioner Ohigashi
8 did mention, as well as Commissioner Kahele, the
9 number of jobs are expected at full development to
10 be 60. The amount of development activity in the
11 initial five to ten years construction period
12 expects about 5.6 million net to the state.
13 Operations at full development expects 380,000 per
14 year net to the county and 670,000 per year to the
15 state. And these are all in the economic and fiscal
16 market study that was accepted in the Final EA.

17 **MR. CHIPCHASE:** Turning from the economic
18 benefits to the environmental benefits, how will the
19 project or to what extent will the project have a
20 positive effect on the carbon footprint?

21 **DR. DANCIL:** The overall project will have
22 a significant reduction on carbon footprint,
23 primarily due to the renewable energy project. So
24 the renewable energy project is projected to
25 displace 25,382 metric tons of carbon dioxide

1 equivalents annually. And this is equivalent to,
2 basically, approximately, you know, 2.9 million
3 gallons of gasoline consumed, 336 tanker trucks'
4 worth of gasoline, or approximately, you know, 58.7
5 thousand barrels of oil consumed. This is a
6 significant reduction in carbon on the project site.

7 So I'm just going to go to the next slide.
8 This was also on the DBA petition on page -- my eyes
9 -- 35.

10 Thank you, Stacy.

11 So here is the reduction that I just went
12 through. So as you can see, the renewable energy
13 project has a significant reduction in carbon
14 footprint.

15 The concrete operating facility actually
16 has a positive, very small positive increase in
17 carbon dioxide equivalents, as does the asphalt
18 plant. Again, very small.

19 The other industrial uses. These are
20 actual, the asphalt plant and the concrete plant.
21 The other industrial uses, we use a planning
22 assumption from the Urban Land Institute, and again,
23 for this one, for the low range of carbon dioxide
24 equivalents, we use a light industrial use. And as
25 you can see, these are pretty negligible. Again, an

1 overall significant reduction in carbon dioxide
2 equivalents.

3 For this scenario here, same numbers for
4 the first three, for the renewable energy, the
5 concrete crushing facility and the asphalt plant.
6 However, the other industrial uses, we use the
7 higher assumption. This is basically for heavy
8 industrial uses. And again, a significant decrease
9 in carbon dioxide equivalents.

10 **MR. CHIPCHASE:** Can you go to the next
11 slide? Mr. Matsumoto had talked about the agency
12 support for the project, but I wanted to put up for
13 the commission the conditions. I believe there's an
14 11th condition as well that -- hit it twice; there
15 we go -- so actually 11 conditions, and to have you
16 confirm that on all those different subject matters,
17 Pulama Lana'i is in agreement with the county and
18 OPSD.

19 **DR. DANCIL:** I can confirm Pulama Lana'i
20 is thankful for the support of both the county as
21 well as the state, and we are in agreement with the
22 conditions as negotiated.

23 **MR. CHIPCHASE:** Dr. Dancil, are there any
24 closing comments you want to offer to the
25 commission?

1 **DR. DANCIL:** I just want to thank all the
2 commissioners for your time in reviewing this
3 petition as well as to both the county and the state
4 for reviewing our application and being here today,
5 and we humbly request a favorable decision on our
6 applications before you today.

7 **MR. CHIPCHASE:** Thank you, chair. I have
8 no further questions.

9 **CHAIR GIOVANNI:** Thank you, Dr. Dancil.
10 Thank you, Mr. Chipchase.
11 County, do you have any questions?

12 **MR. HOPPER:** No, chair. Thank you.

13 **CHAIR GIOVANNI:** State, do you have any
14 questions?

15 **MR. YEE:** Yes. Thank you.

16 You know, I missed -- I might have missed
17 this when I first read the EA. Is it your testimony
18 that the 127 acres will be used, regardless of what
19 happens with HECO, for renewable energy?

20 **DR. DANCIL:** That is correct.

21 **MR. YEE:** You've heard the discussion
22 regarding the potential impact of future Pulama
23 Lana'i activities in developing in-house production
24 of energy and its possible impact on HECO. Do you
25 know whether there is a realistic possibility that

1 that could endanger the project itself rather than
2 it simply downsizing?

3 **DR. DANCIL:** Whether we develop renewable
4 energy ourself, if that would endanger the HECO
5 project?

6 **MR. YEE:** Yes.

7 **DR. DANCIL:** I think as we mentioned as
8 Commissioner Giovanni -- it could potentially reduce
9 the size; however, it would not affect the project
10 area. You still -- we set aside 127 acres for
11 renewable energy development. As I mentioned, it
12 could house the HECO project or any renewable energy
13 development.

14 The state has a goal to get to 100 percent
15 renewable energy by 2045. Having land that is
16 already designated, already gone through
17 entitlements, right next door to the HECO fossil
18 fuel facility will reduce the costs to any future
19 developer coming in that would want to connect to
20 the HECO plant.

21 **MR. YEE:** And you probably know this
22 better than I do, but I was just wondering if
23 there's a significant downsizing, does that affect
24 the cost effectiveness of the solar and battery
25 project?

1 **DR. DANCIL:** It wouldn't include -- the
2 project would have to go through very similar. It
3 has to show benefits in its application process with
4 the PUC. Currently right now, as Mr. Matsumoto said,
5 on-island Lana'i pays the highest electricity rates
6 in the state. In fact, we pay \$187 per gallon for
7 diesel oil. It's the highest out of every single
8 island. So anything that will be coming in less than
9 that from a solar project would be considered a
10 benefit.

11 **MR. YEE:** Does that include the capital
12 cost for the solar and battery project?

13 **DR. DANCIL:** That would include capital.

14 **MR. YEE:** When you refer to renewable
15 energy, I admittedly had read it as solar, but I
16 understand you're now talking about renewable. Would
17 you be proposing as a possible alternative a waste
18 energy project?

19 **DR. DANCIL:** Right now we're not
20 considering that.

21 **MR. YEE:** Well, right now you're
22 anticipating HECO's going to build it, but I guess
23 my question is if HECO does not build it, and you
24 said we're committed to putting in a renewable
25 energy project, would that include the possibility

1 of a waste to energy project?

2 **DR. DANCIL:** I think as Mr. Matsumoto
3 mentioned, you know, we would be evaluating what our
4 options are. Right now we're not evaluating a waste
5 to energy project.

6 **MR. YEE:** Was that covered in the EA? Were
7 those impacts considered in the EA?

8 **DR. DANCIL:** A waste to energy project?

9 **MR. YEE:** Yes.

10 **DR. DANCIL:** A waste to energy project was
11 not considered in the EA.

12 **MR. YEE:** Would you be considering a wind
13 farm as well as one of the other alternatives?

14 **DR. DANCIL:** Our landowner has committed
15 to not doing Big Wind on Lana'i, and we stand firm
16 to that commitment.

17 **MR. YEE:** And would the EA also -- and is
18 it true the EA did not look at the environmental
19 impacts of Big Wind?

20 **DR. DANCIL:** The EA did not look at the
21 environmental impacts of Big Wind.

22 **MR. YEE:** So I guess, you know, if I
23 eliminate geothermal and wave for the obvious
24 reasons, what other renewable energy would there be
25 other than waste energy, wind, geothermal and wave

1 to then -- than solar?

2 **DR. DANCIL:** I actually wouldn't rule out
3 geothermal energy on Lana'i. We have a test well in
4 which the University of Hawai'i has done some
5 preliminary studies.

6 **MR. YEE:** So you might consider putting in
7 a geothermal well within the 26 acres? I'm sorry,
8 within the 127-acre parcel?

9 **DR. DANCIL:** We haven't studied that.

10 **MR. YEE:** Was that considered in the EA?

11 **DR. DANCIL:** That was not considered in
12 the EA.

13 **MR. YEE:** Are you asking for permission
14 from the Land Use Commission to be allowed to put in
15 all of those matters -- all of those other
16 alternative renewable energy projects with this
17 approval?

18 **DR. DANCIL:** If it's a permitted land use,
19 then it would be allowed as a -- you know, I think
20 it's major utilities for heavy industrial areas in
21 the zoning, the Maui County zoning. It's an allowed
22 use.

23 **MR. YEE:** Typically, a -- let me represent
24 to you typically there is a provision that the LUC
25 always imposes requiring petitioners to

1 substantially comply with their representations. So
2 what I'm trying to -- and one of the representations
3 that are in any project, of course, are the proposed
4 uses.

5 So what I'm trying to find out from you is
6 what are your proposed uses. And I guess I'm trying
7 to see does that proposed use that you're asking for
8 permission to put into this 127 acres, does that
9 include geothermal and waste to energy?

10 **DR. DANCIL:** We haven't studied either in
11 the particular area, but those are both considered
12 renewable energy projects, and so we're representing
13 that renewable energy projects could go in that
14 area.

15 **MR. YEE:** Thank you for the information a
16 developer has been chosen. If I understand this
17 correctly, HECO is going to get -- has hired -- has
18 gotten a developer, is now negotiating the PPA. At
19 what point in this process is there an agreement, or
20 is there already an agreement, for the lease of this
21 property to either the developer or HECO?

22 **DR. DANCIL:** That's a great question. So
23 as part of the PPA negotiations, you have to show
24 that you have a commitment of the land and between
25 us and the developer. So We have a lease that the

1 developer is looking at.

2 **MR. YEE:** Is there a submitted timetable
3 for when decisions will be made as to what I assume
4 would be a lease to be executed on the condition
5 that the PPA moves forward?

6 **DR. DANCIL:** Yes. The lease would be part
7 of the PPA, so it would have to be completed by the
8 PPA negotiations.

9 **MR. YEE:** And was there a timetable for
10 the negotiations to be completed?

11 **DR. DANCIL:** There was not a timetable in
12 the HECO RFP that was filed with the Public
13 Utilities Commission.

14 **MR. YEE:** Okay. Given that, I assume you
15 would then also not have a timetable.

16 **DR. DANCIL:** Yeah. I can't speculate to
17 HECO's timeline.

18 **MR. YEE:** I think that's fair. The 11
19 conditions that were -- that you referenced. Would
20 it be fair to say that these were based upon OPSD's
21 proposed 11 conditions with certain provisions
22 proposed by the parties?

23 **DR. DANCIL:** That is correct.

24 **MR. YEE:** Okay. Thank you very much.
25 Nothing further.

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

2 So, commissioners, going from right to
3 left this time. Commissioner Chang?

4 **COMMISSIONER CHANG:** Thank you so much,
5 Dr. Dancil. You know, to a certain extent I prefer
6 to leave the questions especially to Chair Giovanni,
7 who is so much more articulate and understands this
8 better than I do. But your answering Mr. Yee's
9 questions was very enlightening for me.

10 So if the LUC was to change the condition
11 and to define renewable as only solar so as to
12 require any change from your selection of renewables
13 beyond the list of, you know, beyond solar, that
14 you'd have to come back, what's the position of
15 Pulama Lana'i?

16 **DR. DANCIL:** And I just want to clarify.
17 So it would be PV right now. The HECO RFP is PV and
18 battery energy storage, so I just want to make sure
19 that both of those at minimum are included if there
20 is a condition.

21 **COMMISSIONER CHANG:** Right. Okay. Thank
22 you.

23 **MR. MATSUMOTO:** Kurt Matsumoto. I would
24 just add that, you know, we haven't studied any
25 other alternative energy. As the landowner, we are

1 not pursuing waste to energy because it's not much
2 different than burning fossil fuels. But we would
3 like to leave open other technologies, because we're
4 not in a position to predict exactly what may occur
5 in the next five to ten years, because so many
6 things are being studied and developed.

7 So for us to just say, no, absolutely not,
8 we're just going to do this one thing, I think that
9 would be a big mistake and would handcuff the
10 possibilities for Lana'i in terms of the best
11 potential outcomes for renewable energy in the
12 future.

13 **COMMISSIONER CHANG:** No, and I greatly
14 appreciate that, Mr. Matsumoto. I think for me the
15 table is maybe sort of the other way around in the
16 sense that I could see community coming back and
17 saying, "But these things weren't even discussed
18 with us, these other options."

19 We're not saying they shouldn't be able to
20 do some kind of alternative renewable energy, but
21 what was represented to us in the EA process was
22 solar and battery storage. Therefore, we're
23 comfortable with that.

24 And I'm not saying and I am not suggesting
25 that you wouldn't go back out and confer and consult

1 with the community regarding alternatives, because I
2 don't want to hamstring you and limiting your
3 renewables. And I applaud that you are exploring
4 other alternatives.

5 I guess for purposes, in my mind, of an
6 Environmental Assessment which lays a foundation for
7 the granting of this petition, it's a disclosure
8 document. And I don't feel -- I feel a little
9 uncomfortable saying that there was full disclosure
10 by this broad term of renewable, especially when I
11 think about the Hawaiian community.

12 I think geothermal has gone a far way with
13 the Hawaiian community than it was back in the
14 Campbell case. I think that has changed. But
15 nonetheless, I think it is a source of energy that
16 in my mind requires greater debate.

17 **MR. MATSUMOTO:** So I can appreciate that.
18 So what I know about geothermal and how it's
19 developing today as opposed to 30 years ago, the
20 technology is imminently different and so, you know,
21 if we were to implement something like that, we
22 would be looking at these more current or future
23 technologies, things that are not really extracting
24 anything from the ground. They're just using the
25 heat.

1 But examples of other types of things that
2 are only being thought about yet in Hawai'i is
3 things like using geothermal and then also using
4 geothermal to produce hydrogen, as an example. But
5 we cannot represent to this body today that we've
6 studied those things and that we would absolutely
7 consider, you know, putting them here.

8 **COMMISSIONER CHANG:** And I guess it is
9 exactly for that reason that I am a little
10 uncomfortable sort of giving this carte blanche to
11 the definition of renewable -- even the term "Big
12 Wind" that, I think, for purposes of the Lana'i
13 community, it's not 400 windmills, but it may be any
14 wind. I don't know.

15 So I guess for me it is -- and, you know,
16 I've done enough community engagement where the
17 issue isn't so much, hmm. It's a perception,
18 perception of geothermal, perception of Big Wind. I
19 am in no way making a judgment that any one of these
20 is not a good alternative.

21 Again, I think geothermal should be
22 further explored. It is a firm source of power. It
23 is much more reliable. But I would just feel very,
24 like I said, lack of better words, uncomfortable
25 sitting here today, ten years later or five to ten

1 years later, the Land Use commissioners getting
2 asked by the community why didn't -- you know, why
3 weren't we told about this? And the next thing they
4 know is this is coming up.

5 So just appreciate, I think, where I'm
6 coming from. I totally support the notion of
7 renewable energy and the fact that you are exploring
8 other options. My discomfort is us giving you a sort
9 of a blank check to do any renewable when there
10 hasn't been full disclosure of all of those relevant
11 studies and things that would have normally been
12 part of a full environmental document. So that's
13 just where I'm coming from. Thank you.

14 **CHAIR GIOVANNI:** Do you want to respond to
15 that, or should we go on?

16 **MR. MATSUMOTO:** No. That's fine.

17 **CHAIR GIOVANNI:** Thank you.

18 Is that it? Anybody else over here? Left
19 side?

20 Commissioner Ohigashi?

21 **COMMISSIONER OHIGASHI:** Doctor, you
22 mentioned that the 20 acres that you referred to,
23 not part of the partition site, are for
24 condominiums. In other words you're going to carve
25 out condominium lots.

1 DR. DANCIL: Correct.

2 COMMISSIONER OHIGASHI: Is that right?

3 DR. DANCIL: Yes. It's basically --

4 COMMISSIONER OHIGASHI: And that was done
5 in two DBAs, 14 and 6 acres. Do you happen to know
6 when the 14 and 6 acre DBAs were?

7 DR. DANCIL: It was before Pulama came
8 into ownership. It was pre-2012.

9 COMMISSIONER OHIGASHI: 2012 about.

10 DR. DANCIL: Pre-2012.

11 COMMISSIONER OHIGASHI: Pre-2012.

12 DR. DANCIL: Yeah. It was --

13 COMMISSIONER OHIGASHI: And that was done
14 way back then; yeah?

15 DR. DANCIL: Yes.

16 COMMISSIONER OHIGASHI: And what are the
17 conditions? Do you know which DBA had the condition
18 which would remove the concrete batching plant?

19 DR. DANCIL: The concrete batching plant
20 wasn't there. The mobile concrete batching plant
21 wasn't there back then.

22 COMMISSIONER OHIGASHI: So there's no
23 condition requiring you to move the concrete
24 batching plant.

25 DR. DANCIL: No. We're moving it because

1 we need to offer 50 percent of the lots for sale.

2 **COMMISSIONER OHIGASHI:** Okay. So if you
3 were offering 50 percent of the lots for sale,
4 wouldn't it be accomplished just creating less lots
5 and keeping the concrete batching plant there? I'm
6 only asking you this because this was before my time
7 and obviously, this is a county engineered Land Use
8 Commission DBA, which we had no say in. So I'm just
9 asking you that question.

10 And if you're required to do 50 percent,
11 which DBA has that condition -- the six acre or the
12 fourteen acre?

13 **DR. DANCIL:** Both.

14 **COMMISSIONER OHIGASHI:** Both has it. So it
15 was contemplated at that time by the county that 50
16 percent of it would be that.

17 My next question to you is this, is that
18 since that time, what has been done on that 20
19 acres?

20 **DR. DANCIL:** So if I could ask my team for
21 help to put up a slide in which there is a close-up
22 of the 200- acre parcel which shows the 20-acre
23 condominium as well as the 5-acre HECO fossil fuel
24 facility? No. It's the aerial image, please, at the
25 beginning. Okay. Can you go up to maybe slide 3 or

1 slide 4, please? Slide 3 or 4. Thank you. No. Yes.

2 Thank you. No. The next one, please. Thank you.

3 So here's the 20-acre condominium. Right

4 here in the corner here is our mobile batch plant.

5 Do you see these structures here?

6 **COMMISSIONER OHIGASHI:** Yes.

7 **DR. DANCIL:** Those are our warehouses, and
8 our logistics teams are there, primarily used for
9 storage. We also have our Lana'i Builders Mr.
10 Matsumoto discussed. This is our construction
11 company. This is our base right here in this far
12 corner up here.

13 **COMMISSIONER OHIGASHI:** So going back to
14 my question, what has been done on that 20-acre
15 parcel? I'm assuming that 20 acres now is one
16 project; is that right?

17 **DR. DANCIL:** No. It's not one project.

18 **COMMISSIONER OHIGASHI:** Is it two separate
19 projects, six acres and fourteen acres?

20 **DR. DANCIL:** Wait. I'm sorry. You're
21 correct. We actually combined them in a subdivision.

22 Yes. So it just has one.

23 **COMMISSIONER OHIGASHI:** So it's one
24 project; right?

25 **DR. DANCIL:** Correct.

1 **COMMISSIONER OHIGASHI:** What has been done
2 on the 20-acre parcel in accordance with the two
3 DBAs in terms of infrastructure and --?

4 **DR. DANCIL:** Yeah. So basically, you don't
5 see it on this, because this is an older image, but
6 there's a road that kind of goes around like this.

7 **COMMISSIONER OHIGASHI:** Is that part of
8 the plan for the development of that?

9 **DR. DANCIL:** Correct.

10 **COMMISSIONER OHIGASHI:** All right. And did
11 you develop the road?

12 **DR. DANCIL:** Yes. We did. It's about 98
13 percent done. And then we have --

14 **COMMISSIONER OHIGASHI:** When was that
15 done?

16 **DR. DANCIL:** We just -- we're in the
17 process right now, within the last year and a half.

18 **COMMISSIONER OHIGASHI:** So the other
19 question that I have is -- that's all I wanted to
20 know about that. The other question that I have is
21 why do you need to get a DBA for the 127 acres? My
22 understanding is that a solar farm can be developed
23 on agricultural land through the Special Use Permit
24 process. So why would it be advantageous for the
25 consumer of electricity to have you obtain

1 developmental rights to that 127 acres?

2 **DR. DANCIL:** That's a really good
3 question, and that actually came up during our
4 agency review by the county. So if you remember
5 where the HECO fossil fuel facility is located, it's
6 literally right next door. So there's all this
7 interconnection cost that is usually a pretty
8 significant cost. By having the solar -- or the PV
9 battery project located literally right next door to
10 the HECO fossil fuel facility, the interconnection
11 cost is almost minimal, if at all.

12 **COMMISSIONER OHIGASHI:** But aren't solar
13 farms developable on agricultural land by state law?

14 **DR. DANCIL:** It is. So I'm going to --

15 **COMMISSIONER OHIGASHI:** Through an SUP
16 process?

17 **DR. DANCIL:** Correct. So I'm going to get
18 to the point, sorry, of how it's beneficial for the
19 consumer. So that reduction of the interconnection
20 cost is -- usually, it's baked into the PPA price
21 that the developer has with HECO. So if that cost is
22 minimal or reduced, that's a benefit to the
23 consumer.

24 In addition, all of this cost here of us
25 coming before you today, putting together, doing all

1 the technical studies, hiring attorneys to go
2 through the entitlement process, we're burdening
3 that cost so that the land is entitled so that the
4 developer doesn't have to do that, so they don't put
5 those costs into the cost of the PPA. So reducing
6 the entitlement cost as well as interconnection cost
7 reduces the overall cost for the -- in the PPA.

8 **COMMISSIONER OHIGASHI:** Does that increase
9 the lease rental value to your company? In other
10 words to lease agricultural land in my mind is
11 cheaper than leasing urbanized entitled property. So
12 are you -- is there going to be a profit? And
13 shouldn't that profit be disclosed?

14 **DR. DANCIL:** So the lease is public. It
15 was filed in the HECO RFP, and the terms are very
16 similar to other solar facilities.

17 **COMMISSIONER OHIGASHI:** That's not my
18 question. My question is does that add additional
19 cost in terms of lease rent to Ag land?

20 **DR. DANCIL:** There is --

21 **COMMISSIONER OHIGASHI:** It's having an
22 advantage to leasing more expensive land. Has that
23 been put into the matrix of determining if it
24 benefits the consumer or not?

25 **DR. DANCIL:** So the cost of the lease,

1 whether it was there on the Ag land for the solar
2 facility, there was no difference.

3 **COMMISSIONER OHIGASHI:** Okay. So is that
4 something that Lana'i company -- that your company
5 will commit to in this DBA as a condition, that you
6 maintain the same lease as agricultural land?

7 **DR. DANCIL:** Agricultural land for a solar
8 facility; correct.

9 **COMMISSIONER OHIGASHI:** A solar facility,
10 but not just any development.

11 **DR. DANCIL:** Yes.

12 **COMMISSIONER OHIGASHI:** And just to let
13 you know, I'm prone to taking the idea of just
14 trying to limit the definition of what renewable
15 energy project can be developed on this particular
16 property, because that way there'll be a mandatory
17 state review no matter who eventually owns this
18 property.

19 **DR. DANCIL:** Understood. Thank you.

20 **COMMISSIONER OHIGASHI:** All right. I had
21 one more area that I wanted to discuss, but I forgot
22 it. I didn't write it down fast enough.

23 **CHAIR GIOVANNI:** Perhaps you'll remember.

24 **COMMISSIONER OHIGASHI:** Maybe, maybe not.

25 **CHAIR GIOVANNI:** Commissioner Okuda,

1 anything?

2 **COMMISSIONER OKUDA:** Surprisingly, no
3 questions. Thank you.

4 **CHAIR GIOVANNI:** Commissioner?

5 **COMMISSIONER KAHELE:** Chair, I've got some
6 simple questions. Commissioner Lee had all the hard
7 questions.

8 You know, we talk about -- oh, well, I
9 always look at, and probably the rest of the
10 commission always look at, you know, what for the
11 best interest of the company, what's the interest
12 that's for the state, and of course, the best
13 interest of the residents.

14 You know, when we talk about jobs, there
15 was no number given, how many jobs are going to be
16 given to the residents. And we talked about savings
17 for the consumer. I mean, we don't know who you're
18 referring to. How much money are we looking at the
19 residents there, the consumers saving on their
20 electric bill by we having a conversion?

21 I believe the cost for the project is
22 going to be somewhere 80, 90 million dollars. And
23 that's in your FEA, I believe.

24 **DR. DANCIL:** Yes.

25 **COMMISSIONER KAHELE:** So who's going to be

1 paying for the cost for the project? Someone's going
2 to have to pay for it; right? How would the consumer
3 or the residents there -- well, how would they be
4 able to reduce their electric bill and by how much?

5 **DR. DANCIL:** So, Commissioner Kahele, if
6 you don't mind, I'll use a hypothetical because --

7 **COMMISSIONER KAHELE:** Yeah. If you got a
8 ballpark figure -- a penny a kilowatt hour, a
9 nickel?

10 **DR. DANCIL:** Yeah. So assuming that the
11 project that is before HECO today is built, and if
12 that project came in at, say, 10 cents per kilowatt
13 hour -- so that's the PPA negotiated price between
14 the developer and HECO, so that's not the cost that
15 the consumer, a Lana'i resident would pay, but
16 that's the negotiated, PUC-approved Power Purchase
17 Agreement as 10 cents per kilowatt hour.

18 That would -- and that displaces 95
19 percent of the diesel that is burned on island. So
20 instead of burning expensive diesel, you're now
21 using 10 cents solar. We estimated the cost savings
22 between 45 and 60 percent on the Lana'i bill for a
23 consumer. So it's quite significant.

24 Again, that's an assumption that today's
25 oil prices, which is currently right now on Lana'i

1 is about 189 or 187 dollars per barrel of diesel and
2 10 cents solar. Again, it's a hypothetical.

3 **COMMISSIONER KAHELE:** Yeah.

4 **DR. DANCIL:** But just so that you can --
5 just to provide you a ballpark figure.

6 **COMMISSIONER KAHELE:** So we don't have an
7 actual number of how much I would save if I was a
8 resident there?

9 **DR. DANCIL:** We don't because we don't
10 have the value of the Power Purchase Agreement. So
11 I'm just assuming 10 cents. And for a project this
12 size, the KIUC project, which is about similar size
13 in Lawa'i, was about 10.85 cents per kilowatt hour.
14 So it's around -- now I'm just assuming 10 cents.

15 **CHAIR GIOVANNI:** Thank you. Would you mind
16 just clarifying what the capacity is that was
17 awarded for this project?

18 **DR. DANCIL:** Yes. So if you go back to 7.5
19 megawatts PV -- I mean 17.5 megawatts PV, overall
20 it's 89.5 megawatt hours annually is what they're
21 procuring.

22 **CHAIR GIOVANNI:** And a four-hour best?

23 **DR. DANCIL:** Four hour, four to five hour.
24 They didn't specify. They just specified the amount
25 of annual energy, 89.5 megawatt hours annual.

1 CHAIR GIOVANNI: Okay.

2 COMMISSIONER KAHELE: Thank you.

3 CHAIR GIOVANNI: So the chair has a few
4 questions. Dr. Dancil, I'm going to ask you
5 questions that I know that you know I know the
6 answer to.

7 DR. DANCIL: Yes.

8 CHAIR GIOVANNI: But the purpose of this
9 is to help all of us come to an equal -- and I know
10 you know the answers, too.

11 DR. DANCIL: I don't know.

12 CHAIR GIOVANNI: But it's in part to get
13 all levels set on what the issue is.

14 DR. DANCIL: Yes.

15 CHAIR GIOVANNI: So I'm picking up where
16 Dr. -- Mr. Yee left -- sorry, doctors, mister, Dr.
17 Johnson over there.

18 So HECO ran an RFE for a 17.5 megawatt
19 hour, 89.5 megawatt hour system; correct?

20 DR. DANCIL: Mm-hmm. Correct.

21 CHAIR GIOVANNI: And it was a competitive
22 bid.

23 DR. DANCIL: Correct. It was a competitive
24 bid process.

25 CHAIR GIOVANNI: Right. And we don't know

1 publicly what the nominal cents per kilowatt hour
2 would be coming out of that; correct?

3 **DR. DANCIL:** Correct. It hasn't been
4 disclosed yet.

5 **CHAIR GIOVANNI:** Has not been disclosed.
6 The 10- cent number that you quoted for a project on
7 Kaua'i is accurate. It's also stale. They could
8 never build that project today for that price.

9 **DR. DANCIL:** It was helping me with the
10 math.

11 **CHAIR GIOVANNI:** So it's a little higher.

12 **DR. DANCIL:** Yes.

13 **CHAIR GIOVANNI:** But that's not the issue.
14 The issue is where Mr. Yee was going. And that is
15 the viability of the project that was proposed as a
16 consequence of a dramatic decrease in load demand on
17 the MECO system.

18 So do you have -- I know it's -- Mr.
19 Matsumoto said that it's private and discussions
20 which are proprietary at this time, but do you have
21 a rough estimate of what percentage of the current
22 load demand of Pulama Lana'i might be put into self-
23 generation, just as a percent reduction?

24 **DR. DANCIL:** Yes. I can share that with
25 you, and that has been publicly disclosed in the PUC

1 docket in the one that I mentioned, a letter from
2 HECO to the Public Utilities Commission informing
3 them that we had more in discussions for intent to
4 go to micro grid. And in that, HECO said 40 percent.

5 **CHAIR GIOVANNI:** Forty percent?

6 **DR. DANCIL:** Load reduction.

7 **CHAIR GIOVANNI:** Reduction.

8 **DR. DANCIL:** Or I should say 40 percent is
9 the load from the resorts is what was disclosed in
10 that letter.

11 **CHAIR GIOVANNI:** Okay. It's also, I think,
12 been said today by either you or Mr. Matsumoto that
13 future development of the hydroponic farming
14 currently is and will continue to be self-generated.

15 **DR. DANCIL:** That is correct.

16 **CHAIR GIOVANNI:** And I think you also
17 disclosed that the power generation would be off the
18 grid for the housing projects that you are moving
19 forward with; is that correct?

20 **DR. DANCIL:** Yes. That is correct. Hokuao
21 is off grid.

22 **CHAIR GIOVANNI:** Okay. So if there's a 40
23 percent reduction in demand and the other residents
24 that do not directly benefit from that self-
25 generation, which means everybody else on the island

1 that's not a hotel, not farming, not part of your
2 housing project, and I don't know what other project
3 you might take off grid, what happens to their bills
4 just as a consequence of that, if nothing else
5 changes?

6 **DR. DANCIL:** HECO would do an evaluation
7 of what that cost in fact would be. They could
8 assess a fee to us or a forward exit fee, or that
9 cost could get passed on to other customers.

10 **CHAIR GIOVANNI:** But there's a net
11 increase cost that somebody has to deal with one way
12 or another. I'm not saying it should be you or
13 anybody else.

14 **DR. DANCIL:** Correct.

15 **CHAIR GIOVANNI:** Right. So the problem
16 that we're having on this right now is that you've
17 proposed, an EA proposed and discussed, a project of
18 this magnitude for this acreage that would provide
19 these benefits, when in fact the real -- the benefit
20 to the residents of you guys going off grid are
21 going to outweigh, and the cost might actually go
22 up, may go up, to the residents.

23 It would be nice if the reduction in costs
24 of solar versus fossil is outweighed -- or that
25 outweighs the net cost of just having a smaller

1 customer base.

2 **DR. DANCIL:** Mm-hmm.

3 **CHAIR GIOVANNI:** It would be nice.

4 **DR. DANCIL:** Yeah.

5 **CHAIR GIOVANNI:** It would be unusual, but
6 it would be nice if that happened. So I think that
7 the real concern here is if you go -- if Pulama
8 Lana'i goes forward with its plans to go off grid,
9 it really puts in question what this 126 acres is
10 going to be used for. Where's the demand going to
11 come from to generate any project of any -- of the
12 original size? Do you see any demand growth outside
13 of your own development?

14 **DR. DANCIL:** The county has 115 acres, and
15 it has gone through a DBA, and it is zoned urban.
16 And that's for housing development. So that could be
17 a potential new development.

18 **CHAIR GIOVANNI:** That could be a
19 potential.

20 **DR. DANCIL:** Yes.

21 **CHAIR GIOVANNI:** Okay. I'm a little
22 surprised, just personally, that Pulama Lana'i would
23 be proposing to, no matter what, we're going to
24 retain that 127 for renewable and not be asking for
25 some flexibility there, with all the uncertainty in

1 the world and all the uncertainty of how that's
2 going to evolve in terms of industrial development
3 on Lana'i, farming development on Lana'i, county
4 development on Lana'i, et cetera. Why is it that
5 you're -- why are you driving this, that it will be
6 renewable energy no matter what?

7 **DR. DANCIL:** That's what we represented in
8 our application, that it would be identified for
9 renewable energy development. It could be for the
10 HECO project that's before you. If we do move
11 forward and do take our resorts off grid, we could
12 put our micro grid there and have a distribution
13 line down to the resort. So it would be used for
14 renewable energy development. We believe that it
15 would be used.

16 **CHAIR GIOVANNI:** So is it your position
17 that locking that in to renewable energy no matter
18 what, and as Mr. Matsumoto said, it could be
19 plastics to hydrogen -- who knows -- as long as the
20 legislature calls it renewable, it would qualify;
21 correct?

22 **DR. DANCIL:** Correct.

23 **CHAIR GIOVANNI:** It seems like a case can
24 be made that the only reason that you're really
25 locking it in is just to avoid you having to go back

1 to renew the Environmental Assessment, because you
2 might repurpose that land for other uses. Tell me --
3 tell me that's just not the case.

4 **DR. DANCIL:** That's -- I mean, I think,
5 because we represented that in the process, that
6 that's what we would, you know, we would be
7 intending to use it for, and if we did have another
8 use, we would have to come back before you. But
9 right now, that's -- we do believe there is a need.

10 **CHAIR GIOVANNI:** So the three options are
11 it will either be fully built out as originally
12 conceived and proposed by HECO as a large project;
13 it will be downsized, and the remaining land will be
14 used for other types of renewable energy projects;
15 or it will be left undeveloped.

16 **DR. DANCIL:** Correct.

17 **CHAIR GIOVANNI:** Okay. I think I
18 understand.

19 **DR. DANCIL:** Chair, if I could just add
20 something else.

21 **CHAIR GIOVANNI:** Please. Please.

22 **DR. DANCIL:** We do have to get to 100
23 percent for renewable by 2045, and so something has
24 to be developed. Some sort of renewable energy
25 source will have to be developed on island. We can't

1 do Big Wind. That's something that we have committed
2 to. Most likely, it would be primarily photovoltaic
3 battery energy storage.

4 **CHAIR GIOVANNI:** They could put biofuel
5 and MECO diesels.

6 **DR. DANCIL:** Biofuel and MECO diesels. So
7 we wanted to make sure that there was land entitled.

8 **CHAIR GIOVANNI:** I understand. Yeah. I
9 appreciate that. I actually feel you're boxing
10 yourself in unnecessarily, but that's okay.

11 **COMMISSIONER CHANG:** Chair, can I just add
12 a follow-up?

13 **CHAIR GIOVANNI:** I would like to call on
14 Commissioner Chang to follow up.

15 **COMMISSIONER CHANG:** Thank you.

16 I am not as -- like I said, I'm not as
17 akamai as Chair Giovanni, so I want to understand
18 the options. So in my view building -- or how would
19 I say it -- securing your ability to -- securing
20 that 127 acres for renewable is really quite
21 critical. And these are the options, as I
22 understand.

23 One, you could proceed -- HECO could
24 proceed, and they could -- they could complete the
25 RFP and enter into an agreement. So they could --

1 this company could do the solar. And let's say you
2 don't go off grid for a while, so they're generating
3 all this.

4 But at some point in time, you go off
5 grid, and you decide we're going to do something
6 maybe closer to the hotel. If your hotels go off
7 grid and is not a -- isn't a user, is HECO going to
8 accept all of that energy that's being produced on
9 that solar farm?

10 **DR. DANCIL:** I think if you remember some
11 of the exchange that I had with Chair Giovanni --

12 **COMMISSIONER CHANG:** Yes.

13 **DR. DANCIL:** HECO would most likely impose
14 something, what we call in industry an exit fee upon
15 us for doing something like that, because they have
16 already burdened the cost of building that facility
17 to supply energy for a certain level of demand. And
18 if we were to remove ourselves, and it was already
19 producing and we had been using it, I would see that
20 as a high likelihood of a scenario.

21 **COMMISSIONER CHANG:** Is that a one-time
22 exit fee?

23 **DR. DANCIL:** Yeah. It would be. And then
24 I'm sure if we needed to connect up again, they
25 could potentially -- you know, again, this is all

1 speculation.

2 **COMMISSIONER CHANG:** Sure.

3 **CHAIR GIOVANNI:** Let me add a little more
4 confusion, maybe, to clarify. If you were motivated
5 -- if Pulama Lana'i is motivated purely because they
6 want to go to -- and non-economic reasons, but
7 purely to get renewable energy, then you'd be happy
8 to pay some surcharge to make the customers that are
9 disaffected by that move, to make them whole so that
10 they don't --

11 You know, they're your residents. You
12 don't want them to hurt. I can understand that
13 logic. I'm not asking you to commit to that. That's
14 part of your negotiation with HECO.

15 My real concern is that once you clarify
16 the magnitude that you might take off grid, whether
17 it be 40 percent or 50 or whatever the number might
18 be, that DG energy project that was awarded has a
19 very high likelihood of just disappearing, and you
20 would actually lose something. So hopefully, it will
21 downsize to be the right size. But it could also
22 disappear.

23 And the reason I say that is because, as
24 Mr. Yee said this morning, this commission has seen
25 numerous, wonderful solar projects not materialize

1 despite the fact that they said they needed us to
2 grant them the land use provisions they were looking
3 for, and they were going to build these great solar
4 projects. And a good number of them have just not
5 materialized.

6 And so we're skeptical that if you throw
7 this monkey wrench back into the mix, that that
8 project might disappear. So then what; right? But
9 that's the concern that's being expressed here.

10 **COMMISSIONER CHANG:** Yeah. And my concern
11 is in addition to that, it is the ultimate cost that
12 will be what will be felt by the remaining
13 consumers. That 40 percent is going to have to be
14 shared by the remaining consumers, so even if this
15 solar project goes online -- and, I mean, I look at
16 the Kahuku wind farm where half the time HECO can't
17 even accept all of that. So that's kind of my
18 concern.

19 But I'm also -- I see this as you're
20 trying to secure entitlement for that property
21 whether this solar project goes or you do something
22 else.

23 And again, you know, I applaud Pulama
24 Lana'i for all the work that you're doing, but I
25 just -- I've not been -- my level of comfort hasn't

1 changed throughout our discussions. I still am
2 uncomfortable expanding -- to just have renewable. I
3 want to limit this just to the solar and the
4 battery, to what was represented in the EA. That's
5 my position.

6 **CHAIR GIOVANNI:** Thank you.

7 Commissioner Okuda?

8 **COMMISSIONER OKUDA:** Chair, to follow up
9 on your question and following certain comments
10 Commissioner Chang has made, you know, I'm not an
11 engineer, and without experience, so I'm kind of
12 taken aback by this.

13 Have the potential ramifications that the
14 chair has described in pretty much plain English so
15 even a non- science guy like me can understand that,
16 has that been communicated to the residents of
17 Lana'i, that one of the potential negative
18 ramifications of these hotels going offline will be
19 that there could be a spike in their electric bill?
20 Has that been part of the discussion, just so that
21 no one is unduly surprised?

22 **MR. MATSUMOTO:** So Kurt Matsumoto.

23 Commissioner, as I stated earlier in my testimony,
24 it's very premature for us to assume that all the
25 scenarios that Commissioner Giovanni put forward is

1 exactly what's going to happen. It may not come to
2 pass.

3 So, you know, unfortunately, I'm not at
4 liberty to discuss this with the commission, but it
5 may not be that scenario. And as I said, all we did
6 was send a letter that says this is our intent. HECO
7 now has to come back and study what that would do,
8 and then if, after we negotiate things with them or
9 have discussions with them, if that's the plan,
10 then, yes, we would have to come back, and HECO
11 would come back to the community to inform them of
12 what would -- what the impacts would be. But that is
13 so far from being confirmed today.

14 **COMMISSIONER OKUDA:** Okay. And, you know,
15 the people in the community can have the freedom to
16 do whatever, you know, they want to do within the
17 bounds of the law. I'm just -- you know, we -- or at
18 least for me, I really like to see community
19 engagement as early as possible, because the cases
20 that we've had here, which have gone south, down the
21 toilet, in reverse, off the cliff, has been when
22 people, rightly or wrongly, get the perception that
23 somehow, you know, they weren't given full
24 disclosure.

25 All I'm suggesting is even if this was a

1 potentially premature issue, you might consider at
2 least making sure that these potential ramifications
3 are there, because, for example -- and this is just
4 not me; I'm not saying anybody has to follow it, but
5 if I was a member of the community, I would have
6 wanted to know that this is a potential ramification
7 of this letter being sent to Hawaiian Electric,
8 because I would start lobbying my legislators and
9 the PUC and writing letters to the editor and doing
10 a lot of things because, you know, let's face it:

11 in Hawai'i workers don't have a lot of
12 disposable money, and even a few dollars on an
13 electric bill can have ramifications.

14 It's just my editorial comment. But you
15 answered my questions, and thank you, Mr. Matsumoto.

16 **CHAIR GIOVANNI:** Thank you. Anything more
17 there?

18 **COMMISSIONER OKUDA:** No. Thank you, Mr.
19 Chair.

20 **CHAIR GIOVANNI:** Okay. We've been going an
21 hour and fifteen, so I'd like to give you an
22 opportunity to redirect, and then I'm going to take
23 a break, and we'll go to the county.

24 **MR. CHIPCHASE:** If I could, chair, I would
25 ask to take a break now.

1 **CHAIR GIOVANNI:** Sure.

2 **MR. CHIPCHASE:** I think I can make the
3 redirect more streamlined if I have a chance to talk
4 to Dr. Dancil and Mr. Matsumoto.

5 **CHAIR GIOVANNI:** That would be great.

6 **MR. CHIPCHASE:** All right.

7 **CHAIR GIOVANNI:** So 1:47. We'll come back
8 at 1:55.

9 **(Recess taken from 1:47 - 1:56 p.m.)**

10 **CHAIR GIOVANNI:** Okay. 1:56. Back on the
11 record.

12 Mr. Chipchase, redirect?

13 **MR. CHIPCHASE:** Yes, chair. Thank you.

14 Dr. Dancil, if we come back and just
15 orient ourselves back to basics here, my
16 recollection is that the PV and battery project was
17 anticipated to supply 95 percent of the existing
18 need; is that correct?

19 **DR. DANCIL:** That is correct.

20 **MR. CHIPCHASE:** And so even at full
21 buildout of the 127 acres, it's not completely
22 supplying the power for the island; is that right?

23 **DR. DANCIL:** That is correct.

24 **MR. CHIPCHASE:** And you'd mentioned one
25 anticipated additional project being the county's

1 development of workforce housing. In addition to
2 that, has DHHL proposed a housing project as well?

3 **DR. DANCIL:** Correct. There is land set
4 aside for a future DHHL project, approximately 50
5 acres.

6 **MR. CHIPCHASE:** Okay. And so would both of
7 those be further demands on the electrical supply?

8 **DR. DANCIL:** Yes.

9 **MR. CHIPCHASE:** Having heard the
10 commissioners' concerns with respect to the nature
11 of renewable that might be located in the 127 acres,
12 is Pulama Lana'i prepared to commit that that 127
13 acres would only be used for a PV and battery
14 system?

15 **DR. DANCIL:** Correct. We commit to that.

16 **MR. CHIPCHASE:** And although it's not
17 actually part of this proceeding at all, you've
18 heard concerns that the potential to remove the
19 hotels from the existing grid would jeopardize the
20 viability of the HECO PV project on that 127 acres
21 and could under some scenarios lead to an increase
22 in cost for the customers.

23 Would Pulama Lana'i commit that if pulling
24 the hotels off of the existing grid would lead to an
25 increase in cost for commissioners -- for customers

1 --

2 **CHAIR GIOVANNI:** Whoa, wait a minute. I
3 like the commissioners part.

4 **MR. CHIPCHASE:** Now, we'd like to increase
5 your costs, commissioners.

6 **COMMISSIONER OHIGASHI:** Mr. Chipchase,
7 could you talk a bit louder, because we have that
8 guy doing the jackhammer.

9 **MR. CHIPCHASE:** That's probably the best
10 stuff I said all day, too.

11 **COMMISSIONER KAHELE:** If we can hear the
12 question.

13 **MR. CHIPCHASE:** So I'll go back. I'll go
14 back two questions, because I just think they're
15 important.

16 Given the concerns that were expressed by
17 commissioners with respect to the kinds of renewable
18 projects that could fall under the definition of
19 renewable energy and therefore fit within the 127
20 acres, is Pulama Lana'i prepared to commit that the
21 127 acres will only be used for a PV and battery
22 project?

23 **DR. DANCIL:** Yes. Pulama Lana'i commits to
24 both -- to only using the technology of photovoltaic
25 and battery energy storage as represented in our

1 application.

2 **MR. CHIPCHASE:** And my second question is
3 there was concern expressed about the consequence of
4 pulling the hotels off of the existing HECO grid.
5 And although that's not before the commission, the
6 concern is that under certain scenarios, that could
7 jeopardize the HECO photovoltaic project and could
8 lead to an increase in costs for customers.

9 Would Pulama Lana'i commit that in the
10 event pulling the hotels off of the existing grid
11 would lead to an increase in costs for consumers,
12 that Pulama Lana'i would not pursue that course of
13 action?

14 **DR. DANCIL:** Yes. Pulama Lana'i commits to
15 that.

16 **MR. CHIPCHASE:** No further questions.

17 **CHAIR GIOVANNI:** Just to clarify that last
18 point, because it's obviously very critical. So the
19 way you phrased it was an either/or. There wasn't a
20 possibility of some infusion or -- that they were
21 talking about -- for example, in the event of a fee
22 that would neutralize that effect. Is that also a
23 possibility, the way you framed it?

24 **MR. CHIPCHASE:** It's intentionally phrased
25 so that the net result is no increase to customers,

1 however that end result is achieved.

2 **CHAIR GIOVANNI:** Okay. I like that better,
3 as opposed to just being a yes or a no on the
4 project.

5 **MR. CHIPCHASE:** Exactly.

6 **CHAIR GIOVANNI:** Okay.

7 **MR. CHIPCHASE:** Did I state that
8 correctly, Dr. Dancil?

9 **DR. DANCIL:** Yes. That is stated
10 correctly.

11 **CHAIR GIOVANNI:** The last time.

12 **MR. CHIPCHASE:** Yes.

13 **CHAIR GIOVANNI:** Okay. Anything further?

14 **MR. CHIPCHASE:** Nothing further, chair.

15 **CHAIR GIOVANNI:** Okay.

16 So, county, let me give it to you.

17 Just so everybody knows, if we don't have
18 a lot of Q&A on the county and state, I'm pretty
19 hopeful we'll be done by 3:00.

20 **MR. HOPPER:** Okay. The county of Maui will
21 call Planning Director Michele McLean as its only
22 witness.

23 **CHAIR GIOVANNI:** Michele McLean, do you
24 swear your testimony will be the truth today?

25 **MS. MCLEAN:** I do.

1 **CHAIR GIOVANNI:** Please proceed.

2 **MR. HOPPER:** Director McLean, could you
3 please summarize the county's position in this
4 District Boundary Amendment proceeding?

5 **MS. MCLEAN:** Yes. The county of Maui
6 supports the petition. It helps to implement the
7 Lana'i Community Plan. And while generally we look
8 for DBAs to not have conditions imposed on them, we
9 have been working with OPSD and the petitioner and
10 agree on some final terms.

11 I would be shocked if conditions aren't
12 imposed on the zoning that are more specific to the
13 uses and other, you know, related restrictions. The
14 change in zoning would be heard on Lana'i by the
15 Lana'i Planning Commission, so certainly there would
16 be very easy opportunity for community input at that
17 stage.

18 And I think that's about all I have to say
19 at this time. Thank you.

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

21 Petitioner, any questions for the witness?

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

23 **CHAIR GIOVANNI:** State, any questions for
24 the witness?

25 **MR. YEE:** No questions. Thank you.

1 **CHAIR GIOVANNI:** Commissioners, any
2 questions for the county?

3 Thank you very much.

4 Mr. Yee?

5 **MR. YEE:** Thank you. We have just one
6 witness to present today, LUT Chief Katia
7 Balassiano.

8 **CHAIR GIOVANNI:** Would you say your name
9 please, and correctly, because I'll probably mess it
10 up? And do you swear to tell the truth today?

11 **MS. BALASSIANO:** Yes. Hello. Katia
12 Balassiano. Good afternoon. I swear.

13 **CHAIR GIOVANNI:** Thank you.

14 **MR. YEE:** Could you please summarize
15 OPSP's testimony today?

16 **MS. BALASSIANO:** Yes. We also are in
17 support of the project as it was represented to us.
18 We believe it conforms with the state and county
19 plans and conforms with urban district standards. We
20 like very much that it will reduce dependence on
21 fossil fuels and that it further diversifies the
22 economy of Lana'i. So we stand in support of our
23 testimony and, again, we support this project.

24 **MR. YEE:** I have no further questions.
25 She's available for cross-examination.

1 **CHAIR GIOVANNI:** Thank you.

2 Petitioner, any questions for state?

3 **MR. CHIPCHASE:** No questions, chair.

4 **CHAIR GIOVANNI:** County, any questions for
5 state?

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

7 **CHAIR GIOVANNI:** Commissioners, any
8 questions for state? Wow, I am so impressed!

9 **COMMISSIONER CHANG:** They took your word
10 seriously.

11 **CHAIR GIOVANNI:** They took my word
12 seriously. They want to go home. All right. Let me
13 catch up. Okay. It is actually time for a second
14 round of public testimony. So, Ms. Kwan, have we had
15 anybody come forward that wants to provide public
16 testimony at this time?

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

18 **CHAIR GIOVANNI:** Thank you, Ms. Kwan.

19 All right. So given that the parties have
20 finished presenting their cases and final arguments
21 before the Land Use Commission, I declare this
22 evidentiary portion of this proceeding to have been
23 completed, subject to the receipt of various follow-
24 up reports and/or answers that may have been
25 requested during the hearing, I direct the parties

1 draft their individual Proposed Findings of Fact,
2 Conclusions of Law, and Decisions and Order based on
3 the record in this docket and serve the same upon
4 each other and the commission.

5 Now, let me make a qualifying comment from
6 me. I think that this industrial development is
7 really the right project in the right place in
8 Lana'i. The question that you heard and the concern
9 that we heard was all around this. What's going to
10 happen to the 127 acres with all of the uncertainty
11 that's going to be imposed on that with whatever
12 business decisions are made by Pulama Lana'i,
13 Hawaiian Electric, and ultimately the Public Utility
14 Commission?

15 However, with the final two conditions
16 that you put forth in your redirect and that was
17 agreed publicly and is now on the record by Pulama
18 Lana'i, and if I see those in the Decision and Order
19 that you propose, then I'm very favorably inclined.

20 **COMMISSIONER OHIGASHI:** Mr. Chair?

21 **CHAIR GIOVANNI:** Yes?

22 **COMMISSIONER OHIGASHI:** I just have a
23 short comment. I'm just -- I want to say that I
24 think we've come a far way. The problem that I
25 thought I highlighted was the county's use of the

1 15-acre limitation into parsing a project out into a
2 14 and 6-acre. And that was done, according to
3 testimony, before 2012.

4 I'm sure and have seen from the county of
5 Maui most recently that this type of activity is not
6 taking place and that projects that are generally
7 over 20 acres will be -- 15 acres will be given to
8 the commission. And projects that are generally
9 below 15 acres are being given to the commission.
10 Thank you.

11 **CHAIR GIOVANNI:** Thank you.

12 Any other commissioners want to make a
13 statement at this time?

14 Commissioner Okuda?

15 **COMMISSIONER OKUDA:** Chair, I'm sure Mr.
16 Chipchase is going to do this, but may I request
17 that for -- that there be specific references to the
18 record on any finding of fact, and if there's a
19 conclusion of law, specific reference to the legal
20 authority, just so that we don't have to hunt
21 through the record? Thank you.

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

23 **COMMISSIONER OKUDA:** Thank you, Mr.
24 Chipchase.

25 **CHAIR GIOVANNI:** Thank you. Any other

1 commissioners want to make a -- Commissioner Chang?

2 **COMMISSIONER CHANG:** Yes.

3 Mr. Chipchase, I greatly appreciate the
4 time out and the responses from the party. I will
5 tell you it gave me renewed faith, because Pulama
6 Lana'i has come a long way in re-establishing trust
7 with this community in doing, as Mr. Masumoto said,
8 doing the right thing.

9 So I think you heard our concerns. I think
10 our concerns were legitimate. I think our concerns
11 also reflected what the community might have felt.
12 So I appreciated that you heard us and you took
13 appropriate actions, as that means a lot, because
14 you have done -- you have come such a far way that I
15 think we all would like to see you be successful. So
16 thank you very much. I appreciated that. Thank you.

17 **MR. CHIPCHASE:** Thank you for those
18 comments, commissioner.

19 **CHAIR GIOVANNI:** Anybody else? Yeah. Let
20 me just add my two cents right on top of that. I
21 think you exhibited incredible standing in this
22 community as a very credible entity, a very credible
23 developer, and one who listens to the community and
24 listens to this commission. So thank you very much.

25 To turn that around in a seven-minute

1 break, which Chipchase actually -- Mr. Chipchase
2 actually stretched to nine minutes, was pretty
3 incredible.

4 **MR. CHIPCHASE:** I hope those two minutes
5 were time well spent.

6 **CHAIR GIOVANNI:** That's time well spent,
7 time well spent.

8 Okay. Back to the script. The Proposed
9 Findings of Fact must reference the witness as well
10 as the date, page, and line numbers of the
11 transcripts to identify your facts. In addition to
12 the transcript, the exhibits and evidence shall be
13 referenced. Please note the transcripts take about
14 two weeks for processing, so they will be made
15 available to all parties on or about November 30th,
16 2022.

17 I note for the parties that the commission
18 has standard conditions, which we would like the
19 parties to include in preparing the proposed order.
20 A copy of the standard conditions may be obtained
21 from our commission staff. I recommend that the
22 parties consult with the commission staff early in
23 the process to ensure that the technical and non-
24 substantive formatting protocols observed by the
25 commission are adhered to.

1 If any of the parties desire to stipulate
2 to any portion or all of the findings of fact,
3 conclusions of law, and decisions or order --
4 decisions and order, they are encouraged to do so as
5 stipulated. Regardless of whether the parties pursue
6 a partial or a fully stipulated order, each party is
7 directed to file its Proposed Findings of Fact,
8 Conclusions of Law, and Decision and Order with the
9 commission and serve copies on the other parties no
10 later than the close of business on December 12,
11 2022.

12 All comments, stipulations, or objections
13 to the other parties' proposals shall be filed with
14 the commission and served upon the other parties no
15 later than the close of business December 21, 2022.
16 The deadline for any rebuttals is December 28, 2022.

17 Are there any questions regarding these
18 procedures that I just described or the dates that I
19 named?

20 **MR. CHIPCHASE:** None from the petitioner,
21 chair.

22 **CHAIR GIOVANNI:** Thank you. County?

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

24 **MR. YEE:** Just to confirm, although you
25 have directed all parties to submit findings of

1 fact, it would be appropriate if petitioner files
2 their findings of fact to which OPSD and probably
3 the county will simply then file a reply for those
4 probably very small, minor revisions that we would
5 recommend.

6 **CHAIR GIOVANNI:** I think that's correct,
7 but the only clarification I make is that when you
8 reply, you need to fully distribute it to all the
9 parties and to the commission.

10 **MR. YEE:** Absolutely. Yes. Thank you.

11 **CHAIR GIOVANNI:** Okay. If there are no
12 objections, entertain the proposed dates of parties,
13 I think that concludes our meeting for today. Thank
14 you very much.

15 **MR. CHIPCHASE:** Thank you, chair.
16 Thank you, commissioners.

17 **CHAIR GIOVANNI:** Thank you.

18 **MR. YEE:** Thank you, chair.

19 **(Meeting concluded at 2:12 p.m.)**
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25

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
15
16 

17
18
19 _____
20 Davilyn Payne
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