

April 8, 2019

MEMO TO: EDB-1 File

F R O M: Alice Lee
Councilmember

SUBJECT: **PROPOSED FISCAL YEAR 2020 BUDGET FOR THE COUNTY OF MAUI** (EDB-1)

Attached is my supporting documentation to justify my funding requests for the following priorities:

- 1) Purchase of real property from Wailuku Water Company, LLC, from the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund and the Bond Fund
 - (a) Correspondence dated October 10, 2018, from former Mayor Alan Arakawa transmitting proposed bills adding \$9.525 million from the Bond Fund and a resolution authorizing the acquisition of parcels and easements from Wailuku Water Company, LLC; and
 - (b) Appraisal by ACM Consultants, Inc. dated October 1, 2018, of the properties that comprise the Wailuku Water Company water collection and conveyance system.
- 2) Establish a Water Conservation Pilot Project similar to the Pulama Lanai Water Conservation Project
 - (a) Project description of Pulama Lanai's Water Conservation Project.

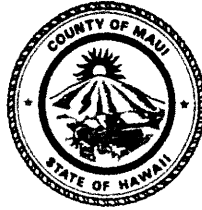
Please contact me at ext. 8010 if you have any questions or need further information.

edb:2020bgt:supporting documentation

Attachment

RECEIVED AT EDB MEETING ON 04/09/19

ALAN M. ARAKAWA
MAYOR



KEITH A. REGAN
MANAGING DIRECTOR

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

REFERENCE NO. BD-BA 19-42

October 10, 2018

Honorable Riki Hokama, Chair
Budget and Finance Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Hokama:

SUBJECT: WAILUKU WATER COMPANY ACQUISITION (BF-21)

I am transmitting the attached proposed bills for the purpose of amending the Fiscal Year 2019 Budget by adding a \$9,525,000 appropriation under the Bond Fund for acquisition and related costs of real property in Wailuku, Maui from Wailuku Water Company, LLC.

Included in this transmittal is an accompanying resolution authorizing the acquisition of parcels and easements from Wailuku Water Company, LLC for an amount not to exceed \$9,500,000. The resolution includes status reports prepared by Title Guaranty of Hawaii, Inc. and an appraisal prepared by ACM Consultants, Inc.

Thank you for your attention in this matter. Should you have any questions, please feel free to contact me at ext. 7212.

Sincerely,

ALAN M. ARAKAWA
Mayor

Attachments

cc: Keith Regan, Managing Director
Mark Walker, Director of Finance
Sandy Baz, Budget Director
Gladys Baisa, Director of Water Supply

RECEIVED
2018 OCT 10 PM 1:38
OFFICE OF THE
MAYOR

Resolution

No. _____

AUTHORIZING THE ACQUISITION OF REAL PROPERTY
LOCATED IN WAILUKU, MAUI, HAWAII
FROM WAILUKU WATER COMPANY, LLC

WHEREAS, WAILUKU WATER COMPANY, LLC (“WWC”), is the legal and equitable owner of certain parcels of real property located in Wailuku, Maui, Hawaii, comprising of approximately 8,764 acres, and further identified for real property tax purposes as tax map key numbers (2) 3-2-014:001, 3-2-014:004, 3-2-014:005, 3-3-002:020, 3-3-003:003, 3-3-017:186, 3-5-003:001, 3-5-004:097, 3-5-004:098, 3-5-016:108, 3-5-016:109, and 3-5-032:108 (the “Parcels”); and

WHEREAS, WWC is also the owner of certain easements across portions of other parcels of real property located in Wailuku, Maui, Hawaii, such parcels being further identified for real property tax purposes as tax map key numbers (2) 3-2-001:001, 3-2-013:015, 3-2-013:051, 3-2-013:052, 3-2-013:055, 3-2-013:063, 3-2-013:064, 3-2-013:065, 3-2-013:066, 3-2-013:067, 3-2-013:068, 3-2-013:047, 3-2-017:018, 3-2-017:035, 3-2-017:037, 3-2-017:040, 3-2-017:042, 3-2-017:044, 3-3-002:001, 3-3-002:019, 3-3-017:128, 3-3-017:142, 3-3-017:143, 3-3-017:189, 3-3-018:001, 3-3-018:002, 3-5-001:001, 3-5-001:067, 3-5-001:075, 3-5-001:076, 3-5-001:085, 3-5-001:087, 3-5-001:095, 3-5-001:096, 3-5-001:118, 3-5-001:088, 3-5-001:093, 3-5-002:002, 3-5-002:003, 3-5-002:007, 3-5-002:008, 3-5-004:018, 3-5-009:010, 3-5-009:011, 3-5-009:042, 3-5-011:049, 3-5-011:081, 3-5-025:074, 3-5-026:006, 3-5-026:029, 3-5-026:030, 3-5-026:031, 3-5-026:045, 3-5-026:047, 3-5-033:098, 3-5-033:102, 3-6-003:001, 3-6-004:003, 3-6-004:006, 3-6-004:012, and 3-6-005:068 (the “Easements”); and

WHEREAS, the County of Maui desires to acquire the Parcels and the Easements; and

WHEREAS, the parcel identified as tax map key number (2) 3-2-014:001, comprising of approximately 5,306 acres, is currently held jointly between WWC and the County, with the County having title to 40 percent of

Resolution No. _____

the parcel and WWC having title to 60 percent of the parcel, and after closing, the County would have title to 100 percent of the parcel; and

WHEREAS, a portion of the parcel identified as tax map key number (2) 3-5-003:001, comprising of approximately 842 acres out of the total 3,649 acres of that parcel, has been sold to another party, and at closing, the County will obtain an undivided interest in said parcel, which interest will provide the County with exclusive possession and control of said parcel. At closing, the County will be obligated to institute proceedings to subdivide the parcel and upon final subdivision approval of said parcel, the County will obtain fee simple title to approximately 2,807 acres of said parcel; and

WHEREAS, a status report was prepared for tax map key number (2) 3-2-014:001 on December 13, 2016 by Title Guaranty of Hawaii, Inc., attached hereto as Exhibit "1"; and

WHEREAS, a status report was prepared for tax map key number (2) 3-3-003:003 on December 13, 2016 by Title Guaranty of Hawaii, Inc., attached hereto as Exhibit "2"; and

WHEREAS, a status report was prepared for tax map key number (2) 3-5-003:001 on January 4, 2017 by Title Guaranty of Hawaii, Inc., attached hereto as Exhibit "3"; and

WHEREAS, County commissioned an appraisal by a disinterested appraiser, and said appraisal is attached hereto as Exhibit "4"; and

WHEREAS, the Director of Finance has determined that acquisition of the Parcels and the Easements is in the public interest; and

WHEREAS, the Director of Finance negotiated the purchase of the Parcels and the Easements; and

Resolution No. _____

WHEREAS, the County desires to purchase and acquire and WWC desires to sell the Parcels and assign the Easements for the amount of NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000); and

WHEREAS, Section 3.44.015.C, Maui County Code, requires that the Council authorize by resolution any acquisition of real property with a purchase price that exceeds TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000); NOW, THEREFORE;

BE IT RESOLVED by the Council of the County of Maui:

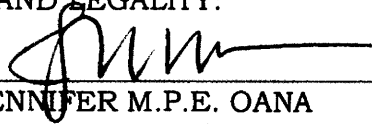
1. That the Council finds that the acquisition of the Parcels and the Easements is in the public interest; and

2. That pursuant to Section 3.44.015.C, Maui County Code, the Council authorizes the acquisition of the Parcels and the Easements for an amount not to exceed NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000); and

3. That it does hereby authorize the Mayor of the County of Maui, or the Mayor's duly authorized representative, to execute all necessary documents in connection with the acquisition of the Parcels and the Easements; and

4. That certified copies of this Resolution be transmitted to the Mayor, the Director of Water Supply, the Director of Finance, and Wailuku Water Company, LLC.

APPROVED AS TO FORM
AND LEGALITY:



JENNIFER M.P.E. OANA
Deputy Corporation Counsel
County of Maui
2018-10-05 Resolution WWC Land Acquisition

STATUS REPORT

This Report (and any revisions thereto) is issued for the sole benefit of the Purchaser of this Report identified in the Order No. referenced below. Title Guaranty of Hawaii, Incorporated's responsibility for any actual loss incurred by reason of any incorrectness herein is limited to the lesser of \$3,500 or two times the amount paid for this Report.

SCHEDULE A

Title Guaranty of Hawaii, Incorporated, hereby reports as follows as to the title of the Parties named in Schedule A in and to the title to land described in Schedule C, subject to the matters set forth in Schedule B, based solely upon an abstract and examination of the following Indices in the State of Hawaii: (a) the Office of the Clerks of the Circuit Court of the Judicial Circuit within which the land is located; (b) the Office of the Clerk of the District Court of the United States for the District of Hawaii; (c) the Office of the Registrar of Conveyances; and (d) the Office of the Real Property Tax Assessment Division of the County within which the land is located.

WAILUKU WATER COMPANY, LLC,
a Hawaii limited liability company,
as to an undivided 60% interest,
and
BOARD OF WATER SUPPLY OF THE COUNTY OF MAUI,
a political subdivision of the
State of Hawaii,
as to an undivided 40% interest,
as Tenants in Common,
as Fee Owner

This report is subject to the Conditions and Stipulations set forth in Schedule D and is dated as of December 13, 2016 at 8:00 a.m.

Inquiries concerning this report
should be directed to

EXHIBIT " 1 "

SCHEDULE A CONTINUED

RESIDENTIAL TITLE SERVICES.
Email rtscustomerservice@tghawaii.com
Fax (808) 521-0288
Telephone (808) 533-5874.
Refer to Order No. 201662514.

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO ESTIMATED REVENUES;
DEPARTMENT OF WATER SUPPLY,
WAILUKU-KAHULUI COMMUNITY PLAN AREA, WATER SUPPLY,
ACQUISITION OF REAL PROPERTY FROM WAILUKU WATER COMPANY, LLC;
TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND
TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861, Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", is hereby amended as it pertains to Section 2, Estimated Revenues, by increasing Bond/Lapsed Bond in the amount of \$9,525,000; and by increasing Total Estimated Revenues in the amount of \$9,525,000, to read as follows:

"ESTIMATED REVENUES"

FROM TAXES, FEES AND ASSESSMENTS:

Real Property Taxes		321,907,576
Circuit Breaker Adjustment		(421,854)
Charges for Current Services		149,631,691
Transient Accommodations Tax		23,484,000
Public Service Company Tax		7,500,000
Licenses/Permits/Others		39,500,999
Fuel and Franchise Taxes		24,311,000
Special Assessments		7,602,000
Other Intergovernmental		18,425,000

FROM OTHER SOURCES:

Interfund Transfers		38,485,216
Bond/Lapsed Bond	[71,755,000]	<u>81,280,000</u>
Carryover/Savings:		
General Fund		20,254,424
Sewer Fund		4,241,008
Highway Fund		10,318,711
Solid Waste Management Fund		3,135,751
Golf Fund		419,510
Liquor Fund		945,163
Bikeway Fund		11,733
Water Fund		<u>17,385,400</u>

TOTAL ESTIMATED REVENUES	[758,892,328]	<u>768,417,328"</u>
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SECTION 2. Fiscal Year 2019 Budget is hereby amended as it pertains to Section 4.J.4., Department of Water Supply, Wailuku-Kahului Community Plan Area, by adding a capital project appropriation under Water Supply, Bond Fund entitled, "Acquisition of Real Property from Wailuku Water Company, LLC", in the amount of \$9,525,000, to read as follows:

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
"J. Department of Water Supply	
1. Countywide	
a. Water Supply	
(1) Water Fund – Restricted	
(i) Countywide Facility Improvements	200,000
(ii) Countywide Upgrades and Replacements	200,000
(2) Water Fund – Unrestricted	
(i) Countywide Facility Improvements	4,150,000
(ii) Countywide Upgrades and Replacements	900,000
2. Makawao-Pukalani-Kula Community Plan Area	
a. Water Supply	
(1) Water Fund – Restricted	
(i) Kamole Water Treatment Plant	1,500,000
(ii) Phase 10 Booster Pump Improvements	2,800,000
(2) Water Fund – Unrestricted	
(i) Phase 10 Booster Pump Improvements	4,200,000
(3) State Revolving Loan Fund	
(i) Pookela Well B	4,000,000
3. Kihei-Makena Community Plan Area	
a. Water Supply	
(1) Water Fund – Restricted	
(i) North Kihei Water Tank	100,000
4. Wailuku-Kahului Community Plan Area	
<u>a. Water Supply</u>	
(1) Water Fund - Unrestricted	
(i) Waiehu Heights Well 1	2,500,000
(2) <u>Bond Fund</u>	
(i) <u>Acquisition of Real Property from Wailuku</u>	<u>9,525,000</u>
<u>Water Company, LLC</u>	
5. West Maui Community Plan Area	
a. Water Supply	
(1) State Revolving Loan Fund	
(i) West Maui Reliable Capacity	
(a) West Maui Source Development	4,250,000

(2) Water Fund - Unrestricted	
(i) West Maui Reliable Capacity	6,100,000
(a) West Maui Source Development	
(ii) West Maui Waterline Improvements	1,100,000"

SECTION 3. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Capital Improvement Project Appropriations to reflect an increase of \$9,525,000, to read as follows:

"TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS	[159,822,792]	<u>169,347,792"</u>
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SECTION 4. Fiscal Year 2019 Budget is hereby amended as it pertains to the Total Appropriations (Operating and Capital Improvement Projects) to reflect an increase of \$9,525,000, to read as follows:

"TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)	[758,892,328]	<u>768,417,328"</u>
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SECTION 5. Material to be repealed is bracketed. New material is underscored.

SECTION 6. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



JEFFREY UEOKA
Deputy Corporation Counsel

ORDINANCE NO. _____

BILL NO. ____ (2018)

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4858,
BILL NO. 54 (2018), RELATING TO THE ISSUANCE OF GENERAL
OBLIGATION BONDS OF THE COUNTY OF MAUI
ISSUANCE, SALE AND DELIVERY OF SAID BONDS
(ACQUISITION OF REAL PROPERTY FROM WAILUKU
WATER COMPANY, LLC)

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4858, Bill No. 54 (2018), is amended by amending Section 1 to read as follow:

SECTION 1. Authorization of General Obligation Bonds. Pursuant to Chapter 47, Hawaii Revised Statutes, as amended, and particularly Part I thereof, there are hereby authorized to be issued and sold from time to time general obligation bonds of the County of Maui, State of Hawaii (the "County") in an aggregate principal amount not to exceed [~~\$68,660,000~~] \$78,185,000 (the "Bonds"), the proceeds derived from the sale of which shall be used to pay all or part of the cost of appropriations for the public improvements of the County described in Section 2 hereof.

SECTION 2. Disposition of Bond Proceeds. All or any portion of the proceeds derived from the sale of the Bonds or any notes issued in anticipation of the Bonds shall be used to pay all or part of the cost of any of the public improvements listed below in accordance with appropriations contained in the Fiscal Year 2019 Budget, including amendments and supplements thereto, duly approved by the Council of the County (the "Council") for the fiscal year ending June 30, 2019 (the "Fiscal Year 2019 Budget"); provided, however, that pursuant to Section 47-5, Hawaii Revised Statutes, the part of such proceeds which are in excess of the amounts required for the purposes for which the Bonds are initially issued from time to time, or which may not be applied to such purposes, or which the Council deems should not be applied to such purposes, may be applied to finance such other public improvements of the County as the Council shall, by ordinance approved by an affirmative vote of two-thirds of all of its members, determine; and provided further that the actual use and application of the proceeds of Bonds issued pursuant to this ordinance shall not in any way affect the validity or legality of such Bonds. No proceeds of the Bonds shall be applied to any public improvement listed in this section unless and until there shall be a valid appropriation of general obligation bond proceeds in effect for such public improvement. The public improvements provided for or to be provided for in the Fiscal Year 2019 Budget, to be financed with proceeds from the sale of the Bonds, are as follows:

Public Improvements:

Estimated Project Cost

<u>PROJECT TITLE</u>	<u>APPROPRIATION</u>
A. Department of Environmental Management	
1. Hana Community Plan Area	
a. Sanitation	
(1) Hana Landfill Makai Berm Waste Removal	1,000,000
2. Wailuku-Kahului Community Plan Area	
a. Drainage	
(1) Central Maui Landfill Stormwater Management Improvements	750,000
b. Sanitation	
(1) Central Maui Landfill Monitoring Well Design/Construction	500,000
(2) Central Maui Landfill Land Purchase	250,000
(3) Central Maui Landfill Phase III	250,000
B. Department of Finance	
1. Countywide	
a. Other Projects	
(1) Countywide Equipment	4,320,000
C. Department of Management	
1. Countywide	
a. Other Projects	
(1) Public Safety Radio System Replacement	1,200,000
2. Wailuku-Kahului Community Plan Area	
a. Government Facilities	
(1) Wailuku Civic Complex	40,000,000
D. Department of Parks and Recreation	
1. Makawao-Pukalani-Kula Community Plan Area	
a. Parks and Recreation	
(1) Waiakoa Gym Improvements	175,000
2. Paia-Haiku Community Plan Area	
a. Parks and Recreation	
(1) Alfred "Flako" Boteilho, Sr. Gym Improvements	1,500,000

3.	Wailuku-Kahului Community Plan Area	
	a. Parks and Recreation	
	(1) War Memorial Complex Paving Improvements	500,000
E.	Department of Public Works	
	1. Countywide	
	a. Drainage	
	(1) Countywide Drainage Improvements	1,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Countywide Federal Aid Program	2,000,000
	2. Hana Community Plan Area	
	a. Drainage	
	(1) Mahalawa Bridge Replacement	250,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Kalepa Revetment and Seawall Repairs	500,000
	(2) Maka'ala Road Resurfacing	550,000
	3. Kihei-Makena Community Plan Area	
	a. Drainage	
	(1) South Maui Drainline Repairs	2,300,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) North South Collector Road (Namauu Place to Kulanihakoi Street)	500,000
	4. Molokai Community Plan Area	
	a. Drainage	
	(1) Kaunakakai Drainage System B	2,000,000
	b. Government Facilities	
	(1) Molokai Baseyard	250,000

5.	Wailuku-Kahului Community Plan Area	
	a. Drainage	
	(1) Central Maui Drainline Repairs	1,500,000
	(2) Central Maui Drainline Assessment	700,000
	(3) Hauoli Street Drainage Basin & Outlet Repair	1,000,000
	(4) Iao Stream Bank Stabilization at Millyard	500,000
	b. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Waiale Road Improvements (Kaohu Street to Waiinu Road)	150,000
	(2) Kamehameha Avenue at Maui Lani Parkway Intersection Improvements	2,865,000
6.	West Maui Community Plan Area	
	a. Road Improvements (and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities) including:	
	(1) Front Street Breakwall Repair Fronting Lahaina Center	500,000
	(2) Front Street Deck and Rail Repair Near Lahainaluna Road	700,000
F.	Department of Transportation	
	1. Wailuku-Kahului Community Plan Area	
	a. Government Facilities	
	(1) Central Maui Transit Hub	650,000
G.	<u>Department of Water Supply</u>	
	<u>1. Wailuku-Kahului Community Plan Area</u>	
	<u>a. Water Supply</u>	
	<u>(1) Acquisition of Real Property from Wailuku Water Company, LLC</u>	<u>9,525,000</u>

The cost of issuance of the Bonds or any series thereof, including without limitation, the initial fee of paying agents and registrars, the fees of financial consultants and bond counsel, the cost of preparation of any Official Statement relating to the Bonds, any notices of sale and forms of bid and the definitive Bonds, and the costs of publication of any notices of sale, may be paid from the proceeds of the Bonds or any series thereof and such costs shall be allocated pro rata to each of the foregoing projects financed from such proceeds.

SECTION 3. Material to be repealed is bracketed. New material is underscored.

SECTION 4. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM
AND LEGALITY:



Deputy Corporation Counsel
County of Maui

2018-0310
2018-10-09 Accompany Bond DWS Wailuku Water Company

ORDINANCE NO. _____

BILL NO. _____ (2018)

A BILL FOR AN ORDINANCE AMENDING
THE FISCAL YEAR 2019 BUDGET FOR THE COUNTY OF MAUI
AS IT PERTAINS TO APPENDIX C - CAPITAL IMPROVEMENT PROJECTS,
DEPARTMENT OF WATER SUPPLY,
WAILUKU-KAHULUI COMMUNITY PLAN AREA,
ACQUISITION OF REAL PROPERTY FROM WAILUKU WATER COMPANY, LLC

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Ordinance No. 4861, Bill No. 57 (2018), as amended, "Fiscal Year 2019 Budget", Appendix C – Capital Improvement Projects, is hereby amended as it pertains to the Department of Water Supply, Wailuku-Kahului Community Plan Area, by adding a capital improvement project entitled, "Acquisition of Real Property from Wailuku Water Company, LLC", in the amount of \$9,525,000, to read as follows:

APPENDIX C - Capital Improvement Projects		
Capital improvement project funding may not be used for any purpose other than as described in this appendix.		
CBS NO.	PROJECT TITLE/DESCRIPTION	APPROPRIATION
	<u>Department of Water Supply</u>	
	<i>1. Countywide</i>	
CBS-2299	a. Countywide Upgrades and Replacements	1,100,000
	The Countywide Upgrades and Replacements project supports improvements that will sustain the reliable operation of existing water infrastructure or mitigate inadequacies of the water system. Projects include: 1) Water treatment facility, water tank, and waterline improvements. Anticipated jobs include planning, design, and replacement of the existing 30,000 gallon Honokohau Tank; and 2) Well and booster pump improvements. Anticipated jobs include planning, design, and replacement of pump and motor assemblies, electrical control systems, and installation of emergency generators at Kalae Booster Pump and the Waipuka Wells.	
CBS-1075	b. Countywide Facility Improvements	4,350,000
	The Countywide Facilities Improvements project supports emergency or critical repairs to existing water supply facilities. Projects include: 1) Well and booster pump station improvements. Anticipated jobs include conversion of the disinfection systems at the Kanoa II, Waihee, and Mokuahau Wells from chlorine gas to on-site hypochlorite generation; 2) Water treatment facility and water tank improvements. Anticipated jobs include refurbishing water tanks at Napili Well C; demolition of the existing Iao WTP; conversion of the disinfection systems at the Olinda, Piiholo, Kamole, Lahainaluna, and Mahinahina WTPs from chlorine to on-site hypochlorite generation; 3) Tree clearing along the raw water line serving the Piiholo WTP to establish access for maintenance work; 4) Re-roofing of the clearwell at the Olinda WTP; and 5) Conducting facility assessments of all West Maui WTPs.	

	2. Makawao-Pukalani-Kula Community Plan Area	
CBS-XXXX	a. Development of Pookela Well B	4,000,000
	Planning, design, and construction of Pookela Well B.	
CBS-XXXX	b. Kamole Water Treatment Plant (WTP) Raw Water Reservoirs	1,500,000
	Planning and design of new raw water reservoirs at the Kamole Water Treatment Plant.	
CBS-XXXX	c. Phase 10 Booster Pump Improvements	7,000,000
	Design and construction of booster pump improvements at Pookela Tank, Maluhia Tank, and West Olinda Tank sites.	
	3. Kihei-Makena Community Plan Area	
CBS-XXXX	a. North Kihei Water Tank Acquisition	100,000
	Planning and design of a new water tank for North Kihei.	
	4. Wailuku-Kahului Community Plan Area	
CBS-XXXX	a. Waiehu Heights Well Replacement	2,500,000
	Construction of a replacement well for Waiehu Heights Well I.	
	<u>b. Acquisition of Real Property from Wailuku Water Company, LLC</u>	<u>9,525,000</u>
	<u>Land acquisition and related costs for parcels and easements located in Wailuku, Maui from Wailuku Water Company, LLC.</u>	
CBS-1092	5. West Maui Community Plan Area	
	a. West Maui Source Development	10,350,000
	Design and construction for West Maui Well II.	
CBS-XXXX	b. West Maui Waterline Improvements	1,100,000
	Design and construction for waterline upgrades to improve water service in the Lower Honoapiilani area.	

SECTION 2. Material to be repealed is bracketed. New material is underscored.

SECTION 3. This Ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



 JEFFREY UEOKA
 Deputy Corporation Counsel



October 1, 2018

The Honorable Mayor Alan M. Arakawa
Office of the Mayor
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Mr. Sandy K. Baz
Budget Director
Office of the Mayor
County of Maui
200 South High Street
Wailuku, Hawaii 96793

**RE: Appraisal of Land and Surface Water Conveyance System
of the Wailuku Water Company LLC
Wailuku, Island of Maui, Hawaii**

Dear Mayor Arakawa and Director Baz:

In accordance with the notice to proceed, I have prepared the accompanying Appraisal Report which determines the market value of real property interests of various contiguous and non-contiguous parcels as well as perpetual, exclusive easements over, under and across privately owned parcels ("*subject properties*"). These properties comprise the existing Wailuku Water Company LLC ("*WWC*") water collection and conveyance system located in Wailuku, Island of Maui, Hawaii.

The final value estimates are based on the on-site inspection of the subject properties, determination of highest and best use, review of comparable land transactions in the market, and a review of current economic and real estate market conditions.

EXHIBIT " 4 "

Mayor Alan M. Arakawa
Mr. Sandy Baz
October 1, 2018
Page two

BACKGROUND

The Wailuku Water Company LLC owns the fee simple interest in various contiguous and non-contiguous parcels as well as perpetual, exclusive easements over, under and across privately owned parcels. These properties comprise the existing Wailuku Water Company LLC water collection and delivery system.

The objective of the assignment is to estimate the fair market values of the various property interests in the subject properties owned by WWC. This includes the fee simple interest in the parcels owned by WWC, and the WWC property rights associated with the easements for ditches and water reservoirs on privately held land.

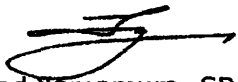
This study did not consider nor provide value estimates regarding the cost of constructing the water collection mechanisms, ditches, reservoirs, etc., associated with the WWC water collection and delivery system; nor the income attributable to the water delivery operation (non-realty) business operation of the system.

Based upon my research and study, the estimated market values of the subject properties, as of September 26, 2018, subject to the "Certification", "Assignment Assumptions and Conditions" and "Limiting and Contingent Conditions", are as contained herein.

The following appraisal report presents my analysis of data along with other pertinent materials on which the estimates of value are predicated. Thank you for the opportunity to assist with this assignment.

Respectfully submitted,

ACM Consultants, Inc.



Ted Yamamura, SRA. R/W-AC
Certified General Appraiser
State of Hawaii, CGA-160
Expires: December 31, 2019

TABLE OF CONTENTS

VOLUME I

	<u>Page</u>
Table of Contents	1
Certification	2
Summary of Parcels and Value Conclusions	3
 <u>PART I – INTRODUCTION</u>	
Appraisal Development and Reporting Process	6
Scope of Work	6
Purpose and Intended Use of the Appraisal	7
Intended User	8
Property Inspection/Date of Report/Effective Date	8
Assignment Conditions	9
Neighborhood Description	11
The WWC Parcels and Water Conveyance System	19
 <u>PART II – PARCELS OWNED BY WAILUKU WATER COMPANY LLC</u>	
Identification of Subject Parcels	23
Photographs of the Subject Parcels	27
Highest and Best Use	30
The Appraisal Process – Valuation of Vacant Land	32
Application of the Sales Comparison Approach	33
Conclusion of Land Values	35
Site Valuation Worksheets I - Wailuku Water Company LLC Subject Parcels	36
 <u>PART III – PARCELS ENCUMBERED BY WAILUKU WATER COMPANY LLC WATER CONVEYANCE SYSTEM</u>	
Discussion on Easements	42
Identification of Servient Parcels and Easements	45
The Appraisal Process – Valuation of Vacant Land	58
Application of the Sales Comparison Approach	59
Conclusion of Land Values	61
Site Valuation Worksheets II - WWC Water Conveyance System	
Easement Parcels	63
Conclusion of Easement Values	97
Conclusion and Summary of Values	100
 <u>PART IV –ADDENDA</u>	
Assumptions and Limiting Conditions	
State of Hawaii/Maui County Economic Data	
Declaration of Easements	
Comparable Descriptions	
Zoning Ordinances	
Qualifications of the Appraisers	

VOLUME II

Exhibit A – Property and Site Data - Wailuku Water Company LLC Subject Parcels
Exhibit B – Property and Site Data - WWC Water Conveyance System Easement Parcels
Exhibit C – Determination of Easement Land Areas

CERTIFICATION

The undersigned does hereby certify that to the best of my knowledge and belief:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- (4) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- (5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (6) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (7) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- (9) I have made a personal observation of the property that is the subject of this report.
- (10) Ashley Haleakala provided significant real property appraisal assistance to the person signing this certification including data collection and market analysis. As of the date of this report, Ashley Haleakala has completed the Standards and Ethics Education Requirement for Practicing Affiliates of the Appraisal Institute.
- (11) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- (12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (13) As of the date of this report, Ted Yamamura has completed the continuing education program for Designated Members of the Appraisal Institute.

ACM Consultants, Inc.



Ted Yamamura, SRA, R/W-AC
Certified General Appraiser
State of Hawaii, CGA-160
Expiration: December 31, 2019

SUMMARY OF PARCELS AND VALUE CONCLUSIONS

PARCELS OWNED BY WAILUKU WATER COMPANY LLC							
Tax Map Key	Owner	Gross Land Area		WWC Land Area		WWC Use	FINAL VALUE ESTIMATE OF PARCEL
		Acres	Sq Ft	Acres	Sq Ft		
3-2-14-001	Wailuku Water Company LLC	5,306.000	231,129,360	3,183.600	138,677,616	Waihee Ditch, Spreckels Ditch, North Waiehu Ditch	\$2,451,372
3-2-14-004		0.110	4,792	0.110	4,792		\$100
3-2-14-005		0.030	1,307	0.030	1,307		\$100
3-3-02-020		4.070	177,289	4.070	177,289	Spreckels Ditch	\$192,916
3-3-03-003		2,909.344	126,731,025	2,909.344	126,731,025	Iao-Waikapu Ditch, Iao-Maniania Ditch	\$2,280,926
3-3-17-186		6.726	292,985	6.726	292,985	Waihee Ditch	\$226,757
3-5-03-001		3,648.614	158,933,626	2,805.778	122,219,690	Iao-Waikapu Ditch, South Waikapu Ditch	\$2,126,780
3-5-04-097		0.215	9,365	0.215	9,365	Waihee Ditch	\$93,182
3-5-04-098		0.058	2,526	0.058	2,526	Waihee Ditch	\$39,193
3-5-16-108		0.070	3,069	0.070	3,069	Waihee Ditch	\$43,979
3-5-16-109		0.413	17,998	0.413	17,998	Waihee Ditch	\$145,064
3-5-32-108		0.726	31,629	0.726	31,629	Waihee Ditch	\$214,128

PARCELS ENCUMBERED BY WWC CONVEYANCE SYSTEM							
Tax Map Key	Owner	Gross Land Area		WWC Easement Land Area		WWC Use	FINAL VALUE ESTIMATE OF EASEMENT AREA
		Acres	Sq Ft	Acres	Sq Ft		
3-2-01-001	John Varel Trust/Etal.	983.807	42,854,633	2.053	89,410	Waihee Ditch	\$94,314
				0.123	5,347	Reservoir 8	
				2.551	111,100	Spreckles Ditch	
				0.092	4,010	Reservoir 4	
				0.910	39,640	Reservoir 14	
3-2-13-015	Living Waters Land Foundation LLC	214.485	9,342,967	0.184	8,030	Waihee Ditch	\$35,582
				0.153	6,684	Reservoir 13	
				0.336	14,630	Spreckels Ditch	
				0.221	9,620	Waihee Ditch	
				0.241	10,480	Spreckels Ditch	
				0.619	26,960	Waihee Ditch	
						Waihee Ditch	
						Waihee Ditch	
						Waihee Ditch	
						Waihee Ditch	
						Waihee Ditch	
						Waihee Ditch	
3-2-13-051	27.048	1,178,211	0.221	9,620	Waihee Ditch	\$35,582	
3-2-13-052	10.000	435,600	0.241	10,480	Spreckels Ditch		
3-2-13-055	105.362	4,589,569	0.619	26,960	Waihee Ditch		
3-2-13-063	3.634	158,297			Waihee Ditch		
3-2-13-064	0.334	14,549			Waihee Ditch		
3-2-13-065	0.862	37,549			Waihee Ditch		
3-2-13-066	1.627	70,872			Waihee Ditch		
3-2-13-067	0.684	29,795			Waihee Ditch		
3-2-13-068	26.200	1,141,272			Waihee Ditch		

Tax Map Key	Owner	Gross Land Area		WWC Easement Land Area		WWC Use	FINAL VALUE ESTIMATE OF EASEMENT AREA
		Acres	Sq Ft	Acres	Sq Ft		
3-2-13-047	Breath of Heaven LLC	34.021	1,481,955	0.093	4,050	Spreckels Ditch	\$3,099
3-2-17-018	Waiehu Aina LLC/Etal	172.444	7,511,661	1.920	83,635	Reservoir 29	\$54,464
				0.251	10,920	Spreckels Ditch	
3-2-17-035	Peter Higashino	17.861	778,025	0.154	6,710	Spreckels Ditch	\$6,522
3-2-17-037	American Spirit LLC	19.782	861,704	0.039	1,700	Spreckels Ditch	\$1,607
3-2-17-040	Moses Pimentel	2.000	87,120	0.073	3,190	Spreckels Ditch	\$264,382
				1.080	47,045	Reservoir 25	
3-2-17-042	Longboard Aina Co. LLC	4.803	209,219	0.307	13,368	Reservoir 27	\$57,148
3-2-17-044	Waiehu Heights LLC	34.710	1,511,968	0.483	21,040	Waihee Ditch	\$16,096
3-3-02-001	Wahi Hoomalu Ltd Partnership	832.733	36,273,849	0.977	42,560	Waihee Ditch	\$57,486
				1.062	46,240	Iao-Maniania Ditch	
				1.294	56,367	Reservoir 45	
3-3-02-019	A&B Hawaii Inc.	0.240	10,454	0.240	10,454	Spreckels Ditch	\$54,194
3-3-17-128	Thomas Haynes III	2.190	95,396	0.128	5,580	Iao-Maniania Ditch	\$28,776
3-3-17-142	Lucretia Crawford	2.007	87,425	0.017	750	Iao-Maniania Ditch	\$3,949
3-3-17-143	Main Goodfellow Trust	2.004	87,294	0.110	4,790	Iao-Maniania Ditch	\$25,220
3-3-17-189	CGM, LLC	23.028	1,003,100	0.006	240	Iao-Maniania Ditch	\$100
3-3-18-001	Tim & Amy Wines Trust	3.126	136,169	0.130	5,650	Waihee Ditch	\$26,747
3-3-18-002	Robert Horcajo Trust	37.791	1,646,176	0.139	6,070	Waihee Ditch	\$4,534
3-5-01-001	Lederman Brothers/Etal.	268.533	11,697,297	0.719	31,320	Iao-Waikapu Ditch	\$16,349
3-5-01-067	RCFC Kehalani LLC	1.178	51,314	0.002	100	Waihee Ditch	\$100
				0.007	300	Iao-Waikapu Ditch	
3-5-01-075	Kehalani 217-Maui LLC	24.926	1,085,777	0.362	15,760	Iao-Waikapu Ditch	\$78,438
3-5-01-076	RCFC Kehalani LLC	1.009	43,952	0.002	100	Iao-Waikapu Ditch	\$100
				0.002	100	Waihee Ditch	
3-5-01-085	RCFC Kehalani LLC	3.967	172,803	0.093	4,060	Waihee Ditch	\$100
3-5-01-087	RCFC Kehalani LLC	0.209	9,104	0.209	9,104	Waihee Ditch	\$739,431
3-5-01-095	RCFC Kehalani LLC	1.887	82,198	1.887	82,198	Waihee Ditch	
3-5-01-096	RCFC Kehalani LLC	1.009	43,952	1.009	43,952	Waihee Ditch	
3-5-01-118	RCFC Kehalani LLC	2.903	126,455	0.447	19,470	Iao-Waikapu Ditch	\$29,817
3-5-01-088	Kehalani 217-Maui LLC	12.251	533,654	0.125	5,440	Hopoe Chute	
3-5-01-093	RCFC Kehalani LLC	2.684	116,915	0.013	550	Waihee Ditch	\$100
				0.016	690	Hopoe Chute	
3-5-02-002	Endurance Investors LLC/Etal.	60.087	2,617,390	0.290	12,650	Waihee Ditch	\$8,425

Tax Map Key	Owner	Gross Land Area		WWC Easement Land Area		WWC Use	FINAL VALUE ESTIMATE OF EASEMENT AREA
		Acres	Sq Ft	Acres	Sq Ft		
3-5-02-003	West Oahu Financing LLC	148.012	6,447,403	0.660	28,770	Iao-Waikapu Ditch	\$122,658
				3.380	147,233	Reservoir 10	
				0.351	15,290	Waihee Ditch	
				0.349	15,202	Reservoir 59	
3-5-02-007	Mathias & Niehaus Family LP	165.000	7,187,400	0.763	33,240	Everett Ditch	\$19,147
3-5-02-008	Wailuku Agribusiness Co.,	4.902	213,531	0.055	2,408	Iao-Waikapu Ditch	\$100
				0.052	2,259	Waihee Ditch	
3-5-04-018	Makani Olu Partners, LLC	67.406	2,936,205	0.096	4,160	Everett Ditch	\$2,246
3-5-09-010	Paul Tokunaga Trust	0.411	17,909	0.045	1,970	Hopoe Chute	\$56,435
3-5-09-011	Wayne & Yoko Hamamura	0.304	13,226	0.038	1,670	Hopoe Chute	\$53,222
3-5-09-042	Carol Freitas Revocable Living	0.172	7500	0.030	1,300	Hopoe Chute	\$50,743
3-5-11-049	Waikapu Partners	2.078	90,518	0.011	480	Waihee Ditch	\$1,253
3-5-11-081	Wailuku Partners	0.627	27,322	0.627	27,322	Waihee Ditch	\$433,518
3-5-25-074	Koa at Kehalani LLC	1.009	43,941	0.839	36,529	Iao-Waikapu Ditch	\$581,907
3-5-26-006	Bradley Blucher	0.197	8,599	0.030	1,320	Hopoe Chute	\$48,685
3-5-26-029	Byron Tsukano	0.206	8,979	0.032	1,380	Hopoe Chute	\$49,432
3-5-26-030	Brian & Jocelyn Cremer	0.175	7,617	0.015	650	Hopoe Chute	\$24,675
3-5-26-031	Thomas & Joann McGinn	0.169	7,369	0.029	1,250	Hopoe Chute	\$48,792
3-5-26-045	Ohia at Kehalani LLC	1.788	77,892	0.008	350	Hopoe Chute	\$100
3-5-26-047	Ohia at Kehalani LLC	0.055	2,385	0.007	300	Hopoe Chute	\$5,945
3-5-33-098	Akolea at Kehalani LLC	4.223	183,953	0.167	7,260	Waihee Ditch	\$100
3-5-33-102	Kehalani Community	0.053	2,298	0.007	300	Waihee Ditch	\$6,283
3-6-03-001	Hanaula Ranch LLC	3,425.000	149,193,000	1.024	44,600	South Waikapu Ditch	\$803
3-6-04-003	Waikapu Properties, LLC	657.195	28,627,414	1.012	44,080	Waihee Ditch	\$121,882
				1.815	79,061	Reservoir 9	
				0.232	10,106	Reservoir 92	
				0.107	4,660	South Waikapu Ditch	
3-6-04-006		52.976	2,307,635	2.450	106,722	Reservoir 1	\$121,882
				0.761	33,130	Waihee Ditch	
				0.382	16,640	Reservoir 90	
3-6-04-012	MMK Maui LP	150.873	6,572,028	1.082	47,132	Reservoir 97	\$63,732
				1.381	60,160	Waihee Ditch	
3-6-05-068	Hawaii Tropical Planation	2.628	114,476	0.046	2,000	Waihee Ditch	\$9,882

Aggregate Value of the WWC Properties and Water Conveyance System Easements, Rounded

\$11,100,000

THE WWC PARCELS AND WATER CONVEYANCE SYSTEM

The Wailuku Water Company LLC parcels and water conveyance system easements that are the subjects of this appraisal assignment are integral parts of the Na Wai Eha Water system. The following background information were selectively excerpted from the Na Wai Eha Supreme Court decision regarding the Interim Instream Flow Standards of Waihee River and Waiehu, Iao and Waikapu Streams Contested Case Hearing, August 15, 2012, and provides context of the subject WWC parcels and water conveyance system.

"BACKGROUND

A. Nā Wai 'Ehā Water Systems

1. Surface Water⁷

Nā Wai 'Ehā are the Waihe'e River and Waiehu, 'Īao, and Waikapū Streams. The Waihe'e River is the principal water source in Nā Wai 'Ehā; it is about 26,585 feet long, and its watershed covers 4,500 acres. The Waihe'e River's two main diversions are Waihe'e Ditch and Spreckels Ditch. The two ditches are capable of diverting all of the dry-weather flow available at the intakes, however, even if all the water is being diverted, streamflow immediately downstream of the intakes may exist because of leakage through or subsurface flow beneath the dams at these sites. The dry-weather flow downstream of the intakes is commonly about 0.1 mgd, but the stream may not have continuous mauka-to-makai surface flow.

The Waiehu Stream is formed by the confluence of North and South Waiehu Streams; it is about 23,700 feet long, and its watershed covers about 6,600 acres. The Waihe'e and Spreckels Ditches divert water from both North and South Waiehu Streams; in addition, the North Waiehu Ditch diverts from the North Waiehu Stream and the Cerizos Kuleana Ditch diverts from the South Waiehu Stream. There is extensive channel erosion below the Spreckels Ditch on South Waiehu Stream, with a 12-foot drop in the elevation of the stream just below the diversion, and there is a vertical concrete apron located in Waiehu Stream. Most of the water is diverted from North and South Waiehu Streams at the North Waiehu Ditch and Spreckels Ditch, respectively; due to

⁷ Surface water means both contained surface water-that is, water upon the surface of the earth in bounds created naturally or artificially including, but not limited to, streams, other watercourses, lakes, reservoirs, and coastal waters subject to state jurisdiction-and diffused surface water-that is, water occurring upon the surface of the ground other than in contained water bodies. Water from natural springs is surface water when it exits from the spring onto the earth's surface." Hawai'i Revised Statutes ("HRS") § 174C-3 (1993). Diffused surface water is "Water, such a rainfall runoff, that collects and flows on the ground but does not form a watercourse." Black's Law Dictionary 1728 (9th ed. 2009).

these diversions and leakage, Waiehu Stream does not flow continuously from mauka to makai.

Îao Stream is the second-largest stream in Nâ Wai 'Ehâ; it is about 38,000 feet long, and its watershed covers about 14,500 acres. The two main diversions off the Îao Stream are the ÎaoWaikapû/Îao-Maniania Ditches at an altitude of 780 feet, and the Spreckels Ditch at 260 feet. The United States Army Corps of Engineers channelized significant portions of Îao Stream's lower reaches and hardened the stream bed and banks with concrete for flood control and drainage. About 2.5 miles above the mouth of the Stream, the concrete channel includes a 20-foot vertical drop. USGS estimates that Îao Stream loses 6.3 mgd in reaches downstream of the Îao-Maniania ditch diversion that are not lined with concrete. In absence of ditch return flows or runoff during and following rainfall, Îao Stream is dry and does not flow continuously from mauka to makai.

The Waikapû Stream is the southern-most stream and the longest of the four streams; it is about 63,500 feet in length, with a watershed of about 9,000 acres. There are three diversions off the Waikapû Stream: the South Side Waikapû Ditch (also known as the South Waikapû Ditch) near an altitude of 1,120 feet, the Waihe'e Ditch, and the Reservoir 6 Ditch. The Waikapû Stream is commonly dry downstream of all diversions, both because of the diversions and because of infiltration losses into the streambed; the Stream does not flow continuously from mauka to makai.

2. Ground Water⁸

There are three types of ground water in Nâ Wai 'Ehâ water systems: dike-impounded, the basal freshwater lens, and perched. Dike-impounded ground waters occur at high elevations; basal freshwater lenses and perched waters occur at lower elevations and closer to the coast.

The dikes at higher elevations are low-permeability, so water builds up behind them. The upper reaches of Nâ Wai 'Ehâ streams intersect the dike-impounded ground water so the upper reaches have year-round streamflow, even during dry periods. The portions of the stream joined by the dike-impounded water are described as "gaining" because ground water contributes to streamflow.

⁸ Ground water' means any water found beneath the surface of the earth, whether in perched supply, dike-confined, flowing, or percolating in underground channels or streams, under artesian pressure or not, or otherwise." HRS § 174C-3.

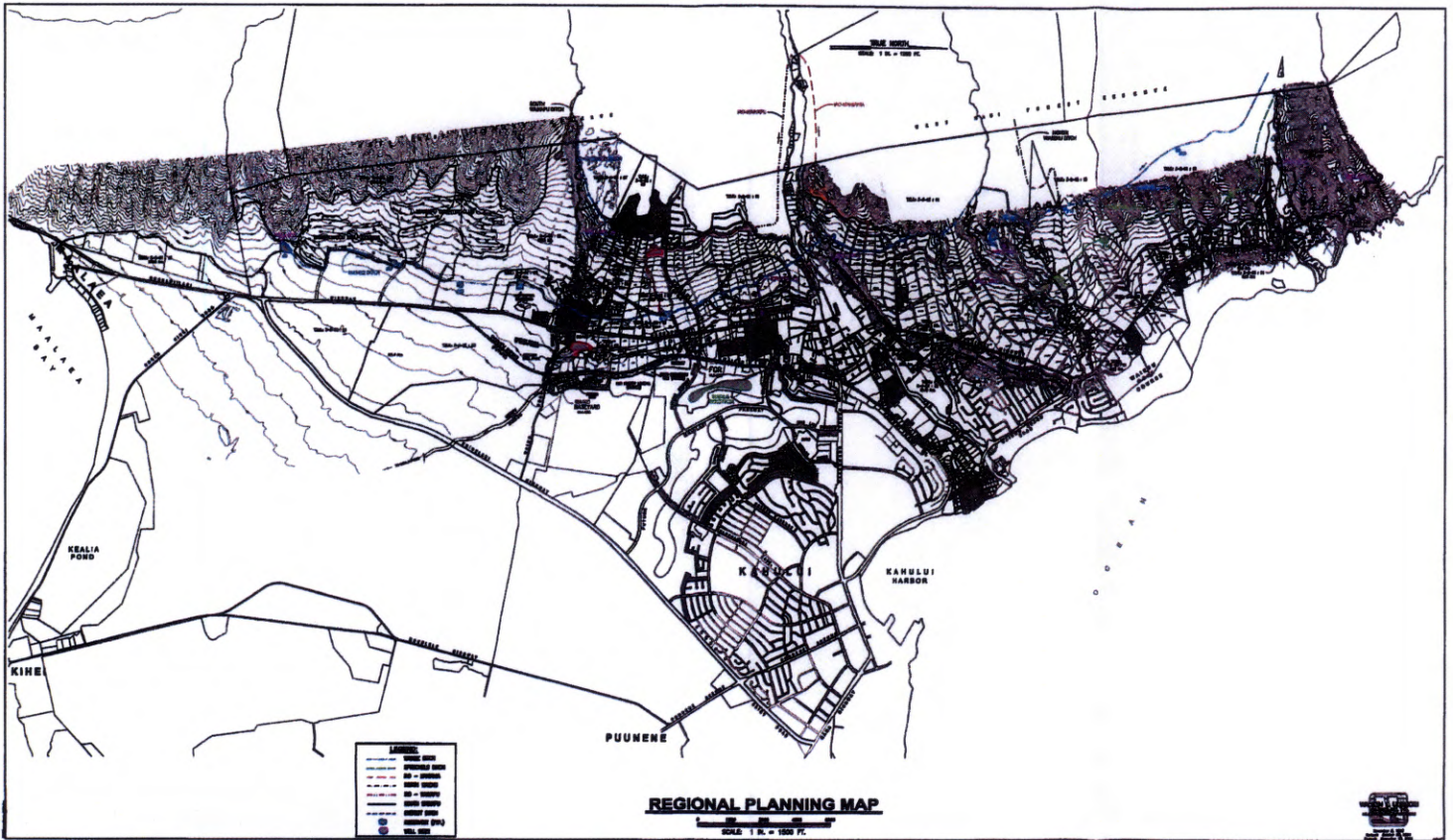
The basal freshwater lens system is contained in volcanic rocks and sedimentary deposits. Perched water also occurs in the sedimentary deposits. In the lower reaches of the streams where an unsaturated zone exists between the streams' channel bottoms and the water table, stream waters migrate from the stream beds to the basal lenses, and the streams are described as "losing." Some of the stream channels intersect the basal freshwater lens near the mouths of the streams, making the streams "gaining" in those areas.

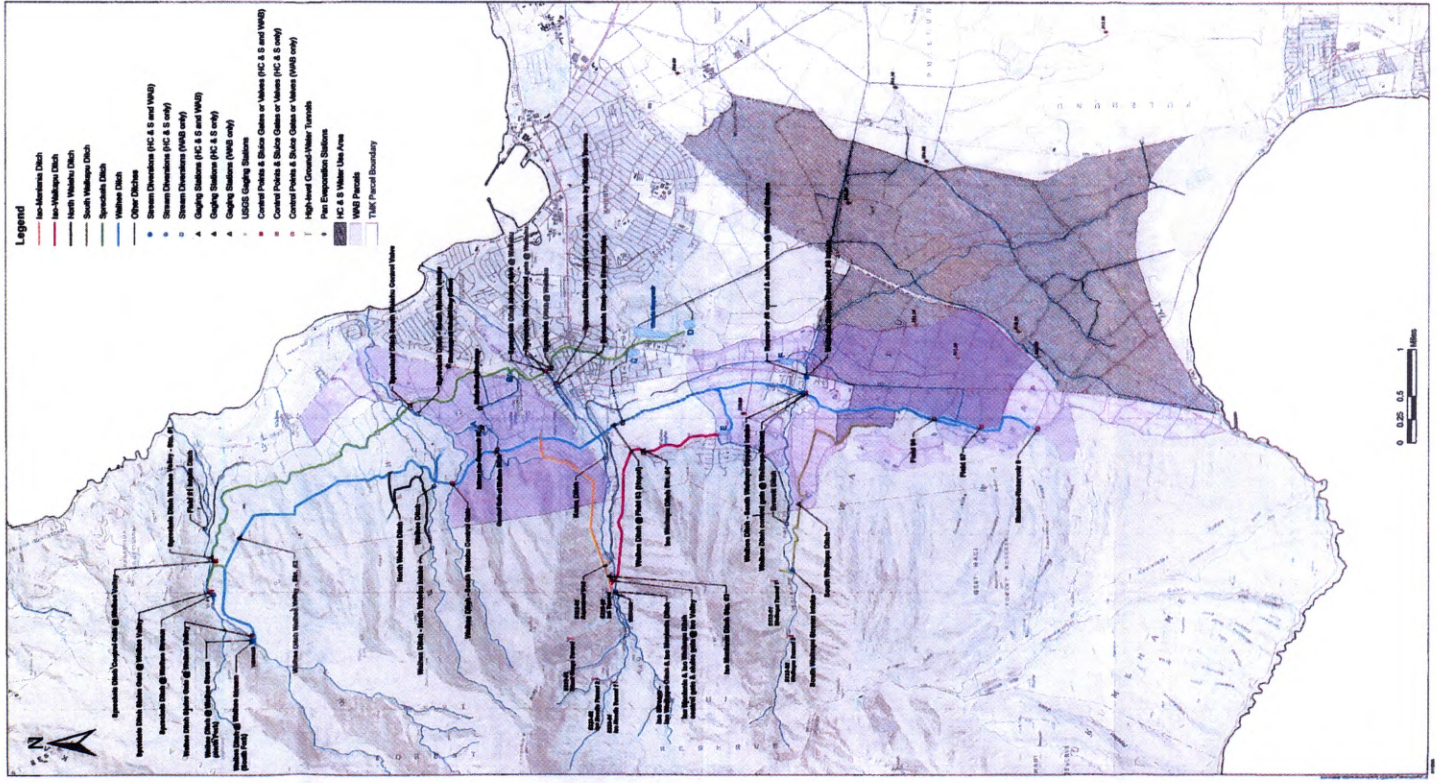
3. Ditches

There are two primary and two secondary systems that distribute water diverted from Nâ Wai 'Ehâ. The primary systems are WWC's ditch system and HC&S's reservoir/ditch system. Nine active diversions feed the primary distribution system: two on Waihe'e River, one on North Waiehu Stream, one on South Waiehu Stream, two on 'Îao Stream, and three on Waikapû Stream. There are two major ditches in the system: the Waihe'e and Spreckels Ditches. The WWC distribution system involves eleven registered stream diversions, two major ditches, seven minor ditches, and sixteen reservoirs; HC&S shares in the cost and maintenance of portions of this system. HC&S also operates a diversion intake on South Waiehu Stream at the Spreckels Ditch, a diversion intake on 'Îao Stream at the Spreckels Ditch, and the Spreckels Ditch from Reservoir 25 to its terminus at HC&S's Reservoir 73. The waters that enter the distribution system travel by gravity flow in primary ditches through uplands into reservoirs that in turn deliver the water into smaller ditches for end use.

The secondary systems are the so-called "kuleana"⁹ ditches/pipes that either have an intake directly in a stream or receive water from the primary systems and the MDWS water treatment plants. The Commission identified seventeen Kuleana ditch/pipe systems. Fourteen kuleana systems are connected to the primary distribution systems; three kuleana intakes connect directly to the streams."

⁹ The term "kuleana" is used by the parties to describe the distribution system and users who were not charged for water delivery; whether the users have riparian or appurtenant rights had not been determined at the time of the Commission's hearings.





PART II – PARCELS OWNED BY WAILUKU WATER COMPANY LLC

IDENTIFICATION OF SUBJECT PARCELS

The Wailuku Water Company LLC water collection and conveyance system is made up of contiguous and non-contiguous parcels owned by the Wailuku Water Company LLC, as well as perpetual, exclusive easements over, under and across privately owned parcels. The *subject parcels* owned by the Wailuku Water Company LLC are identified and briefly described on the following pages. A detailed discussion of property characteristics as well as maps of the subject properties are provided in **Volume II - Exhibit A.**

WAILUKU WATER COMPANY LLC SUBJECT PARCELS				
Tax Map Key	(2) 3-2-14-001	(2) 3-2-14-004	(2) 3-2-14-005	(2) 3-3-02-020
Location	West Maui Forest Reserve Wailuku, Maui, Hawaii	West Maui Forest Reserve Wailuku, Maui, Hawaii	West Maui Forest Reserve Wailuku, Maui, Hawaii	Kahekili Highway Wailuku, Maui, Hawaii
Census Tract	308.00	308.00	308.00	308.00
Real Estate Assessment and Taxes (2018)	Land: \$5,300 Impr: \$0 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: \$400.00	Land: \$400 Impr: \$0 Taxes: \$400.00
Owner of Record	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC
State Land Use	Conservation; Protected & Resource subzones	Conservation; Protected subzone	Conservation; Protected subzone	Agricultural
County Zoning	Interim	Interim	Interim	Agricultural
Community Plan	Conservation	Conservation	Conservation	Agriculture
Maui Island Plan	Outside Growth Boundaries & Outside Protected Areas	Outside Growth Boundaries & Outside Protected Areas	Outside Growth Boundaries & Outside Protected Areas	Outside Growth Boundaries & Outside Protected Areas
Gross Land Area	5,306.000 acres (231,129,360sf) of gross land area; 3,183.600 acres (138,677,616sf) of net land area owned by Wailuku Water Company LLC	0.110 acres (4,792sf)	0.030 acres (1,307sf)	4.070 acres (177,289sf)
Parcel Shape	Irregular	Irregular	Mostly Rectangular	Irregular (Slender)
Topography	Level to irregular slope	Level to irregular slope	Level to irregular slope	Level to gentle slope
Access	Assumed available	Assumed available	Assumed available	Kahekili Highway
Utilities	No utilities available	No utilities available	No utilities available	Electricity & water assumed available
WWC Use	Waihee Ditch, Spreckels Ditch, & North Waiehu Ditch	None noted	None noted	Spreckels Ditch
Other Easements & Restrictions	Exclusions, various utility & access easements, free flowage of the Waihee Stream, & the West Maui Forest Reserve.	None noted	None noted	None noted
Flood Status	Zone X	Zones A & X	Zone X	Zone X
Highest & Best Use Conclusion	Those uses allowed under the State Conservation District and County Interim zoning ordinance.	Those uses allowed under the State Conservation District and County Interim zoning ordinance.	Those uses allowed under the State Conservation District and County Interim zoning ordinance.	Consolidation with neighboring parcel.

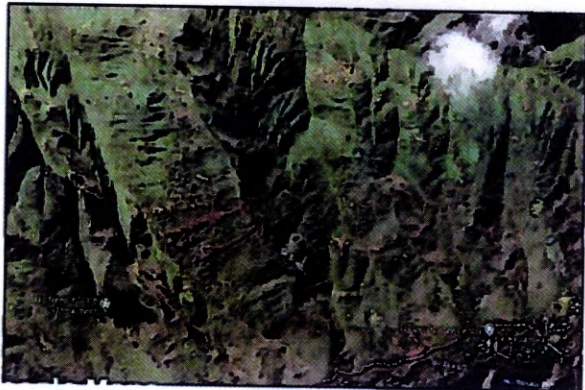
Tax Map Key	(2) 3-3-03-003	(2) 3-3-17-186	(2) 3-5-03-001	(2) 3-5-04-097
Location	Iao Valley Road Wailuku, Maui, Hawaii	Kamaile Street Wailuku, Maui, Hawaii	West Maui Forest Reserve Wailuku, Maui, Hawaii	Hookahewai Street Wailuku, Maui, Hawaii
Census Tract	308.00	310.00	308.00	308.00
Real Estate Assessment and Taxes (2018)	Land: \$2,900 Impr: \$0 Taxes: \$400.00	Land: \$175,800 Impr: \$0 Taxes: Non taxable	Land: \$3,600 Impr: \$1,700 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: \$400.00
Owner of Record	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC
State Land Use	Agricultural & Conservation; Resource & Protected subzones	Agricultural	Conservation; Protected & Resource subzones	Agricultural
County Zoning	Agricultural & Interim	Agricultural	Interim	Agricultural
Community Plan	Conservation & Open Space	Agriculture	Conservation	Single Family
Maui Island Plan	Outside Growth Boundaries & Outside Protected Areas	Outside Growth Boundaries & Outside Protected Areas	Outside Growth Boundaries & Outside Protected Areas	Small Town & Outside Protected Areas
Gross Land Area	2,909.344 acres (126,731,025sf)	6.726 acres (292,985sf)	3,648.614 acres (158,933,626sf) of gross land area; and 2,805.778 acres (122,219,690sf) of net land area owned by Wailuku Water Company LLC	0.215 acres (9,365sf)
Parcel Shape	Irregular	Irregular (Slender)	Irregular	Mostly Rectangular (Slender)
Topography	Level to irregular slope	Level to gentle slope	Level to irregular slope	Level to gentle slope
Access	Iao Valley Road	Kamaile Street	Iao Valley Road	Hookahewai Street
Utilities	No utilities available	Electricity & water assumed available	No utilities available	Electricity & water assumed available
WWC Use	Iao-Waikapu Ditch & Iao-Maniania Ditch	Waihee Ditch	Iao-Waikapu Ditch & South Waikapu Ditch	Waihee Ditch
Other Easements & Restrictions	Exclusions, trail & tunnel encumbrances, utility easement, free flowage of the Iao & Waiehu Streams, & the West Maui Forest Reserve.	Various storm drain, utility, irrigation, access, & roadway easements	Various utility & roadway easements, drainage reserve, conservation easement, free flowage of the Iao & Waikapu Streams, & the West Maui Forest Reserve.	None noted
Flood Status	Zone X	Zone X	Zone X	Zone X
Highest & Best Use Conclusion	Those uses allowed under the State Agricultural and Conservation District, and County Agricultural and Interim zoning ordinance.	Consolidation with neighboring parcel.	Those uses allowed under the State Conservation District and County Interim zoning ordinance.	Consolidation with neighboring parcel.

Tax Map Key	(2) 3-5-04-098	(2) 3-5-16-108	(2) 3-5-16-109	(2) 3-5-32-108
Location	Hookahewai Street Wailuku, Maui, Hawaii	Ili Kupono Street Wailuku, Maui, Hawaii	Hookahewai Street Wailuku, Maui, Hawaii	Koani Loop Wailuku, Maui, Hawaii
Census Tract	308.00	308.00	308.00	308.00
Real Estate Assessment and Taxes (2018)	Land: \$100 Impr: \$0 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: \$400.00	Land: \$100 Impr: \$0 Taxes: Non taxable
Owner of Record	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC	Wailuku Water Company LLC
State Land Use	Agricultural	Urban	Urban	Urban
County Zoning	Agricultural	Agricultural	Agricultural	R-2 Residential
Community Plan	Single Family	Single Family	Single Family	Single Family
Maui Island Plan	Small Town & Outside Protected Areas	Small Town & Outside Protected Areas	Small Town & Outside Protected Areas	Small Town & Outside Protected Areas
Gross Land Area	0.058 acres (2,526sf)	0.070 acres (3,069sf)	0.413 acres (17,998sf)	0.726 acres (31,629sf)
Parcel Shape	Mostly Rectangular (Slender)	Mostly Rectangular (Slender)	Mostly Rectangular (Slender)	Mostly Rectangular (Slender)
Topography	Level to gentle slope	Level to gentle slope	Level to gentle slope	Level to gentle slope
Access	Hookahewai Street	Ili Kupono Street	Hookahewai Street	Koani Loop
Utilities	Electricity & water assumed available	Electricity & water assumed available	Electricity & water assumed available	Electricity & water assumed available
WWC Use	Waihee Ditch	Waihee Ditch	Waihee Ditch	Waihee Ditch
Other Easements & Restrictions	None noted	None noted	None noted	Various waterline, electrical, utility, landscape, & access easements
Flood Status	Zone X	Zone X	Zone X	Zone X
Highest & Best Use Conclusion	Consolidation with neighboring parcel.	Consolidation with neighboring parcel.	Consolidation with neighboring parcel.	Consolidation with neighboring parcel.

PHOTOGRAPHS OF THE SUBJECT PARCELS



Tax Map Key (2) 3-2-14-01



Tax Map Key (2) 3-3-03-03



Tax Map Key (2) 3-5-03-01

Representative Sampling of Water Transmission Ditches and Reservoirs on WWC Parcels



Representative Sampling of Water Transmission Ditches and Reservoirs on WWC Parcels



Lanai Water Company
WSAG FY17 Final Narrative Report
Submitted on December 18, 2018

Grant Information

Report Period: April 1, 2018 – October 20, 2018

Award Amount: \$30,000

Contract/PO#: 66079

Final Report

Milestones and Accomplishments: Lanai Water Company (LWC) completed the installation of the 210 “smart” meters funded by the WSAG within the first reporting period. During the final reporting period, the LWC worked to educate customers about smart meters and water conservation, encourage customers to sign up for online water meter monitoring and leak detection alerts, assisted in identifying leaks and we also continued to expand the smart meter change out program.

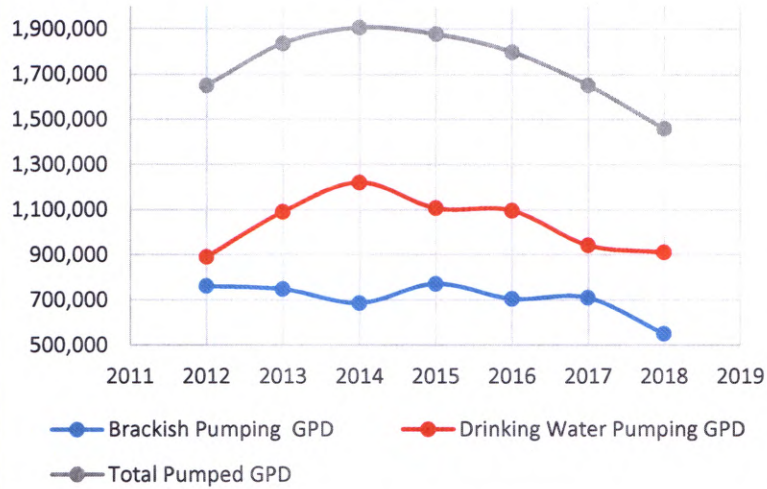
Quantity of Freshwater Conserved, Reused, or Recharged per the Requirements in Act 172: In 2017, LWC began phase I of our meter change-out program to advanced meter infrastructure. Funding provided the Water Security Project Grant helped to fund phase II of the meter change-out program and helped to install an additional 210 meters. Phase III is currently at 95% complete meter change-out of the island for a total 1676 out of 1776 meters. Meters funded through this grant account for 12.5% of all the meters changed out or 25.3% of all residential meters changed out.

LWC’s pumping rates were generally fairly consistent and averaging around 1.8 MGD +/- 10%. LWC began implementation of smart meters with drinking water meters in the beginning on 2017 and with brackish meters at the end of 2017. Estimating the quantity of freshwater conserved or recharged per the requirements of Act 172 is an inexact measurement. A wetter than typical year for 2018 impacted LWC water pumping rates. However, LWC noticed the initial impacts of the smart meters in 2017 during which the island was in draught conditions for a good portion of the year. Additionally, LWC’s largest customer, Four Seasons Golf Course, renovated their irrigation system. It was their practice to check their water meter daily, so it is likely that the installation of a smart meter had a negligible impact on this particular water user. The Four Seasons Golf Course decrease in water use between 2016 and now accounts for 0.13 MGD of the total decrease.

Year	Drinking Water MGD	Brackish Water MGD	Total Pumped MGD
2016	1.09	0.71	1.80
2017	0.94	0.71	1.65
2018	0.91	0.55	1.46

Currently, LWC’s outreach to customers has focused on customers with water leaks. Presently, there are 194 leaks being recorded with our new smart meters which total 2319 gal/hr or 14.7 million gallons per year. As LWC has installed meters, the leak rate has remained fairly consistent with every 1 out of 6 to 8 meters having a leak. Of the 2319 gal/hr leak rate, 1115 gal/hr is generated from single family homes or about 48% of the total leak rate. LWC had originally anticipated that the majority of the leaks were occurring on either commercial properties, and while true, it is not by much. LWC was also testing to see if there were any noticeable differences between operating traditional disk meters versus the ultrasonic meters and there has not been any noticeable difference. Only 13% of all LWC’s customers have signed up for online monitoring of their meter. However, 30% of the customers with leaks have signed up for online monitoring due to ongoing outreach to customers with leaks. There is clearly additional water savings to be gained by continued adoption of the smart metering program within the community.

Lanai Water Company Pumping Trends GPD



Pumping reduction between 2016 and 2018 is 1.8 MGD – 1.46 MGD or 0.34 MGD.

It is estimated that of this reduction, 0.13 MGD is contributed by the Four Seasons Golf Course and not attributable to the smart meter program.

It is estimated that the wetter than typical year for 2018 reduced LWC’s pumping rates by an additional 15% or by 0.03 MGD.

The total impact of the smart meter program is therefore estimated to be 0.18 MGD or 180,000 gpd.

WSAG funded 12.5% of the meters installed so the estimated impact of the grant funding is 22,500 gpd or 8.2 million gallons per year.

Final Expenditure Report for WSAG FY17

Budget Category	Budgeted	Spent	Remaining Balance
Materials & Supplies	\$54,900	\$71,141.48	0

Material List:

210 Ultrasonic meters = \$30,450

210 Orion Cell Endpoints = \$20,554.80

210 Meter Lids = \$3150

50 Meter boxes= \$13,750.

Sub-Total = \$67,904.80

Taxes = \$3,236.68

Material & Supplies Total = \$71,141.48