

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KALAELOA BUSINESS MEETING

Wednesday, October 3, 2018

MINUTES

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Kalaeloa Members, Hawaii Community Development Authority (“Authority” or “Board”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by, John Whalen Chair of the Authority at 10:13am, October 3, 2018 at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813.

Members Present: Maeda Timson
Shirley Swinney
Wei Fang
David Rodriguez (DOT Ex-Officio)
Mark Anderson (B&F Ex-Officio)
John Whalen, Chair

Members Excused: Mike Golojuch, Sr.
Beau Bassett
Kathy Sokugawa (DPP non-voting)
Derek Kimura (DHHL non-voting)
Mary Pat Waterhouse

HCDA Staff Present: Aedward Los Banos, Executive Director
Deepak Neupane, Kakaako Planning and Development Director
Garett Kamemoto, Compliance Assurance & Community Outreach Officer
Francine Murray, HCDA Program Specialist
Tommilyn Soares, Secretary

Legal Counsel: Max Levins, Deputy Attorney General

II. APPROVAL OF MINUTES

Minutes of the September 6, 2018 Kalaeloa Authority meeting were approved as presented.

III. INFORMATION AND DISCUSSION

Chair Whalen reordered the Information and Discussion items and took up the update on the Kalaeloa Safe and Reliable Energy infrastructure Project first.

Update on the Kalaeloa Safe and Reliable Energy Infrastructure Project

Mr. Deepak Neupane stated that the board approved the Kalaeloa Safe and Reliable Energy Infrastructure project in early 2018 to help HCDA's goal of providing energy reliability, security, and resilience for the Kalaeloa Community Development District (KCDD). The project includes 4 separate tasks and noted that today's presentation is a summary of the first task, awarded to C.H. Guernsey & Company (Guernsey).

Guernsey prepared an Infrastructure and Utility Model that includes research on the existing system and costs on bringing that system to a Hawaiian Electric Company (HECO) standard, replacing it or a new underground system. The study estimated costs ranging from \$45 million to \$243 million. Mr. Neupane noted that these estimates provided by Guernsey are only estimates and not an exact amount. Each system has its advantages and disadvantages and informed the board that the preferred recommendation would be a new underground system as the City and HECO are moving toward underground systems.

Guernsey also included information on improving the current utilities and provided five Utility Models that may be viable, Mr. Neupane stated that some utility models that were suggested have revenue potential to HCDA. Guernsey's task is also to provide a "decision matrix" to assist the selection committee in evaluating responses to the Request for Proposals (RFP) as well as a long-term risk analysis. Mr. Neupane stated that the board will have an opportunity to provide feedback on risk analysis when the RFP part of the project is ready.

Mr. Neupane introduced Mr. Sheldon Hunt, Vice President of Guernsey who is present to answer any questions members may have.

Member Fang asked if potential revenues change with a greater amount of renewable energy resources introduced? Mr. Hunt responded saying he anticipates increased revenues as one of the objectives of the project is to provide a safe and reliable plan which adds value to what is existing.

Member Swinney asked how would the revenues generated impact the user, would there be an increase in cost for the user?

Mr. Hunt stated that investors would want to recapture funds that were contributed to the project, however, the user would see a decrease in energy costs.

Mr. Neupane noted the next steps for HCDA would be to inherit the electrical grid from the Navy through special legislation, federal utility privatization or intergovernmental support agreements. The next task for the project would be the Environmental Review Process, Task 3 would be the solicitation of the request for proposals and Task 4 would be evaluating all proposals and selecting a contractor.

There was no public testimony.

Update Regarding the Issue Involving Stockpiled Material in the Kalaeloa Heritage Park

The Authority anticipates convening an executive meeting pursuant to HRS § 92-5(a)(4), to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities and liabilities for the subject agenda item.

Mr. Neupane noted for the board that a contractor is on board to evaluate the stockpile and will send a notification to proceed once the contract is executed.

There was no public testimony.

Member Timson motioned for the board to enter into executive session.

Member Swinney seconded.

Chair Whalen conducted a voice vote, all members unanimously approved.

Deputy Attorney General Max Levins, HCDA staff Aedward Los Banos, Deepak Neupane and Tommilyn Soares joined the board in executive session.

Pursuant to Section 92-5 (a) (2), Hawaii Revised Statutes, the Authority convened in Executive Session at 10:55 am

Board Members met in an executive meeting from 10:55 am until 11:37 am

Chair Whalen reconvened the meeting at 11:37 am

IV. REPORT OF THE EXECUTIVE DIRECTOR

Monthly Activities Update of the Kalaeloa Office

Mr. Los Banos reported that infrastructure improvements in the area is needed and noted he will be meeting with the Department of Hawaiian Homelands to discuss a District-Wide Improvement Project for the area.

Member Timson asked for a list of tenants in Kalaeloa. Member Timson also notified staff that she heard there are plans to utilize a Kalaeloa parcel for a Christmas Lights display for 60 days and asked if staff was aware of it.

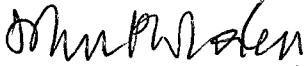
Mr. Los Banos noted he would look in to that.

There were no further comments or questions and no public testimony.

VI. ADJOURNMENT

Chair Whalen adjourned the regular meeting at 11:46 am.

Approved and Submitted by,



John Whalen, Chairperson

NOV 07 2018

Date Approved by HCDA Board