

# Report of the Executive Director

## *Kalaeloa Report*

July 5, 2017

The Hawaii Community Development Authority (HCDA) has established four groups to address and advise the HCDA with respect to various concerns and issues within the Kalaeloa Community Development District (District). The four advisory teams are: the Kalaeloa Community Network (KCN), Kalaeloa Public Safety Group (KPS), Kalaeloa Advisory Team (KAT), and the Kalaeloa Archaeological and Cultural Hui (KACH). The following is a summary of these groups' efforts and other HCDA projects/initiatives over the past several months.

### **Kalaeloa Advisory Teams' Combined Meeting**

- On June 15, 2017, the HCDA facilitated a Kalaeloa advisory teams' combined meeting. Over 60 attendees, representing a diverse group of stakeholders, attended the meeting and included District landowners, tenants, government agencies, businesses, military installations, developers, elected officials, shelter operators, public safety personnel and members of HCDA's Kalaeloa advisory teams.

The meeting included the following presentations:

- Senator Mike Gabbard, District 20 – annual legislative wrap-up;
- Ms. Kyna Veal, Cloudbreak Communities – update on Hale Uhiwai Nalu, a 50-unit shelter for homeless and formerly homeless veterans; and
- Mr. Mitch Silver, Hunt Companies – update on the conveyance of the water and wastewater system from the United States Navy to the Kalaeloa Water Company. (Exhibit A)



*HCDA Executive Director Jesse Souki provided information about agency initiatives. He announced that the HCDA will engage the community to update the Kalaeloa Master Plan, which was originally adopted in 2006. Another priority is infrastructure development, including the agency's effort to establish reliable energy.*

## Asset Management:

- The HCDA has reviewed and commented on the draft Environmental Assessment (EA) for the Aloha Solar Energy Fund II LLC/ECC (ASEF II) project. The project will construct a 5 megawatt photovoltaic (PV) utility farm on HCDA's Kalaeloa Parcel 13073-E and install an approximately 1.78-mile long, 12 kilovolt interim electrical distribution line. The ASEF II plans to submit the draft EA to the State of Hawaii, Office of Quality Control in June 2017.
- On June 6, 2017, the HCDA met with the Kalaeloa Heritage and Legacy Foundation's Board of Directors regarding their lease for the 77-acre Kalaeloa Heritage Park on Kalaeloa Parcels 13073-B and D. The HCDA staff provided clarification on the topics of subleasing, revenue generation, permits, landlord notification of proposed activities and annual reports.
- The Honolulu Fire Department (HFD), as allowed by a HCDA right-of-entry (ROE) permit, continues to utilize Kalaeloa Parcel 13073-C for low-impact training exercises. The HCDA staff conducted a site visit on June 5, 2017, to assess HFD's activities and answer questions about permitted use.



*Firefighters practice the application of wildlife fire standards and use of power rescue tools.*

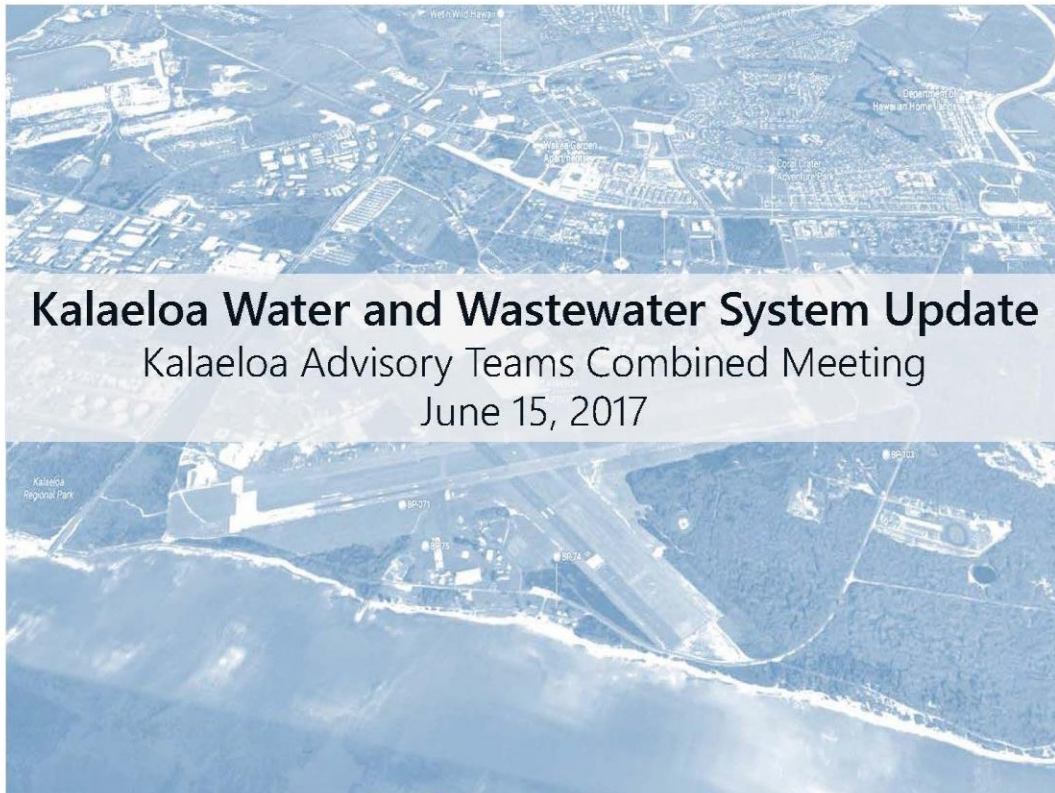
*The ROE permit generates revenue for the Kalaeloa Revolving Fund and enhances public safety because ongoing presence deters illegal activity, trespassing and unpermitted use.*

## Infrastructure Initiatives:

- The HCDA continues to closely monitor the approval of the Enterprise Energy Corridor project plans which have been submitted to the State of Hawaii, City and County of Honolulu and other utility entities for approval.

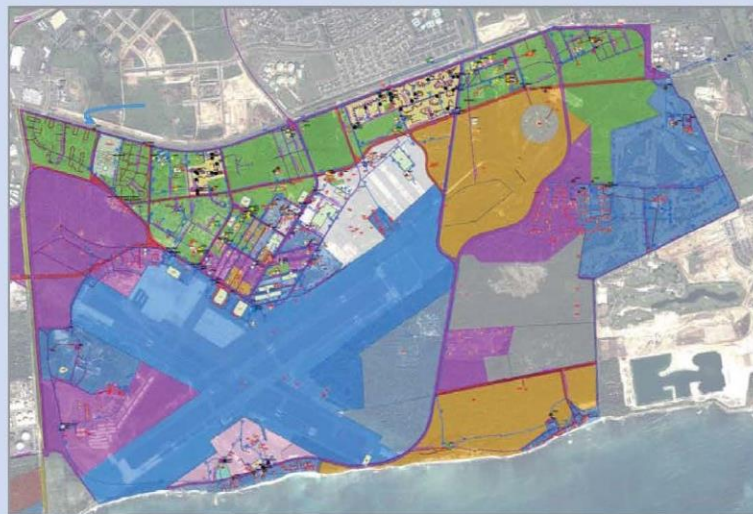
**Administrative Matters:**

- On June 2, 2017, staff met the Department of Hawaiian Home Lands (DHHL) regarding their Kalaeloa land holdings. Staff discussed the status of the District's infrastructure and the potential for DHHL-initiated improvements.
- On June 2, 2017, staff met with representatives from SunStrong II, a PV company that has expressed interest in building PV farms in Kalaeloa.



## BACKGROUND KALAELOA WATER COMPANY

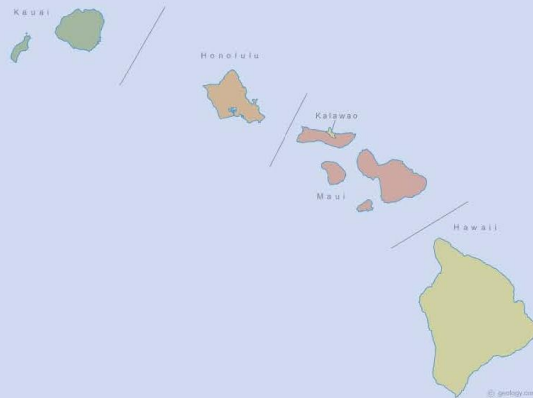
- **2011** General Services Administration (GSA) awarded Pural the right to pursue the sale of the Kalaeloa Water and Wastewater Systems.
- **2013** Pural formed Kalaeloa Water Company, LLC (KWC).
- **May 2015** Public Utilities Commission (PUC) approved KWC's rates.
- **Dec 2015** Hunt & Pural jointly filed an application for change of control of KWC.





Pural is locally-owned and brings 25+ years of providing various water-related utility services on all of the Hawaiian Islands for both public and privately owned water and wastewater systems.

Pural currently operates more than 20 public water systems on Oahu and neighbor islands, including Sheraton Waikiki, Queen's Medical Center West Oahu, and Waiawa Correctional Facility.



## TRANSITION TIMELINE



## CURRENT NAVY RATES

### Navy Subsidized Rates

- Navy's Kalaeloa water and wastewater rates are subsidized by other Navy systems on Oahu.
- Navy is currently passing through a refund of past overcollection in their 2017 rates.

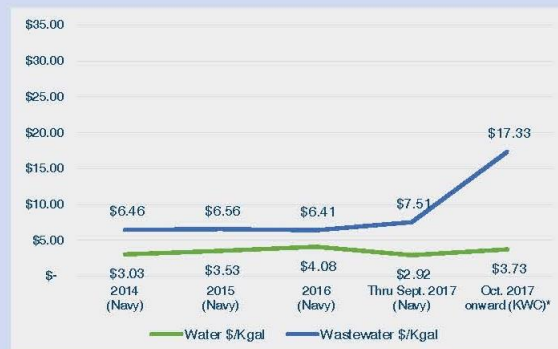
### Navy Cost Recovery

- Navy's stabilized rates are set 2 years in advance for planning and budgeting purposes. Navy rates may fluctuate from year to year, depending on costs.

## KWC WATER AND WASTEWATER RATES

Utility	Unit	2014 (Navy)	2015 (Navy)	2016 (Navy)	Thru Sept. 2017 (Navy)	Oct. 2017 onward (KWC)*
Water	\$/Kgal	\$ 3.03	\$ 3.53	\$ 4.08	\$ 2.92	\$ 3.73
Wastewater	\$/Kgal	\$ 6.46	\$ 6.56	\$ 6.41	\$ 7.51	\$ 17.33

\* Current BWS water rate is \$4.42/Kgal and ENV wastewater rate is \$4.63/Kgal.



	KWC Monthly Meter Connection Fee	Compare to BWS/ENV
Water	\$ 9.00	\$ 9.26
Wastewater	\$ 67.08	\$ 77.55

## BILLING

**KWC**  
KALAELOA WATER COMPANY

**Your New Utility Statement**  
Billing Date: 6/28/2016  
Account Number: 0223-105-00145-00  
Resident: ACTVA KAUAIANA  
Service Address: 3233 W DALLAS ST APT 305  
DUE DATE: 7/14/2016  
AMOUNT DUE: \$61.50  
Balance due after 7/14/2016: \$61.50

**THE ROVERDON AT RESIDENT SQUARE**  
ACCOUNT SUMMARY  
PREVIOUS BALANCE: \$0.00  
CURRENT CHARGES: \$61.50  
TOTAL AMOUNT DUE: \$61.50

**ACTVA KAUAIANA**  
ACCOUNT SUMMARY  
PREVIOUS BALANCE: \$0.00  
CURRENT CHARGES: \$61.50  
TOTAL AMOUNT DUE: \$61.50

### What to Expect:

- Customers will receive a monthly bill for water and wastewater
- No advanced payment/deposit
- Historical bills from Navy will not be retained
- Additional billing details will be provided during the 90-day O&M period

## Mahalo for your support!

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