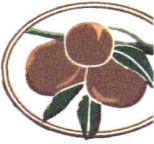


EDMUND C. OLSON TRUST No.2

HILO: 26-238 Hawai'i Belt Road · Hilo, Hawai'i 96720 KA'U: PO Box 280 · Pahala, Hawai'i 96777



October 7, 2019

Board of Land and Natural Resources
Department of Land and Natural Resources
1151 Punchbowl Street, Conference Room 132
Honolulu, Hawaii 96813

Re: October 11, 2019 BLNR Meeting, regarding Agenda items D-1 and D-2. Extension of Revocable Permits Statewide and Development of Implementation of Watershed Management Plans for leases of water rights.

Dear Members of the Board;

Please except this letter supporting the agenda items listed above. The Edmund C. Olson Trust No. 2 has held Revocable Permit S-7432 for many years and is diligently working on conversion of the R.P. to a long term lease. We have read the D-1 narrative and have no objections and support the recommendations made therein.

Regarding item D-2 on Watershed Management Plans, the Trust stands ready to assist and help implement the goals of the Ka'u Forest Reserve Management Plan. We have had DLNR DOFAW staff and DLNR Land Division staff visit our Keaiwa Water System several times in the past few years. On these trips we showed how Olson Trust *hanawai* men have been trained in clearing the areas around our water system of invasive species such as Himalayan Ginger, Night Blooming Jasmine and Strawberry guava. In addition to these actions we allow the public access through Trust Lands to access the Forest Reserve for subsistence hunting and gathering, (weekend permits).

The Trust looks forward to working with DOFAW on implementing an interactive Watershed Management Plan that involves water lessees such as the Trust and the other R.P. holders looking to gain leases as well. The current R.P. holders in Ka'u are supportive of each other and we work well as a group. All of us will be there to help protect our Forest and the Watershed into the future.

If you have any questions I can be available by phone at 808-987-4229 or email at cross.johnc@gmail.com

Sincerely,

A handwritten signature in blue ink that reads "John C. Cross". The signature is fluid and cursive, with a large initial "J" and "C".

John C. Cross
Land Consultant
On behalf of the Edmund C. Olson Trust No. 2

CC: Ian Hirokawa, DLNR
Edmund C. Olson
Paul Alston

TESTIMONY ON A REVOCABLE PERMIT FOR EAST MAUI DIVERSIONS
DLNR LAND BOARD
October 11, 2019

ITEM D-1; D-7

Good morning Chair and Land Board members. My name is Jeff Pearson, and I am the Director of the Department of Water Supply (DWS), for the County of Maui, under the leadership of Mayor Michael Victorino. The DWS is in full support of A&B obtaining a revocable permit (RP) to allow for a reasonable and beneficial use to provide drinking water, a public trust, to the Upcountry residents of Maui.

Mahi Pono has shared with me their schedule for not only the EIS, but for the long-term lease. Of course, there are many factors within the schedule that are beyond their control, however, I feel that they are sincere with their efforts in obtaining a long-term lease. This would also provide benefits to DWS, where we would enter into an agreement with Mahi Pono for a longer term for reliable surface water supply.

From the Decision and Order, signed by the Water Commission on June 20, 2018 for the contested case for East Maui Streams, it states: "The public interest includes not only protecting in-stream values but also preserving agricultural lands and assuring adequate water supplies for Maui." The resolution of the contested case allows 10 streams to be fully restored, while returning water to most other streams addressed in the contested case. After this decision, water can be diverted for public trust purposes and for off stream beneficial uses. The petitioners in the contested case agree that Maui DWS has a legal right to the water for domestic uses. But without the revocable permit holder managing the diversions and transporting the water through their ditch system, water will not be delivered to our Kamole WTP, and on to our customers after treatment. We need A&B to obtain this revocable permit.

Based on current agreements with EMI, and referencing the 1973 MOU, for water use at the Wailoa Ditch, Maui DWS can receive 12 mgd, with an option for an additional 4 mgd. Stated in the Conclusion of Law for the East Maui contested case, Kamole Water Treatment Facility averages 3.6 mgd with a capacity to produce 6 mgd. Kula Agricultural Park's average use is 3.5 mgd with future expansion of the agricultural park on the horizon.

Water diverted into the Wailoa Ditch, for agricultural use, and more importantly to provide Maui DWS with surface water for treatment at our Kamole Water Treatment Plant, is crucial to supply drinking water to our 36,000 Upcountry customers. Without this water source, Maui DWS has a much less reliable source of water, especially during times of less rain and drought conditions. This would lead to severe restrictions for these residents.

There has been discussion about Maui County or Maui DWS obtaining their own revocable permit, as earlier suggested by Senator Kahele. There also was discussion in obtaining the EMI system. While these suggestions are well meaning, they would cause great financial hardship on Maui County and Maui DWS. Obtaining the revocable permits without the infrastructure to divert, manage, maintain, and transport the water, short of purchase or condemnation of the ditch system, would not improve the current situation. To purchase the system would be overwhelming and would make poor financial sense at what would be at a very high cost.

Therefore, Maui County and Maui DWS supports this Land Board in allowing a revocable permit be granted to A&B, while Mahi Pono finalizes their EIS, and moves towards a long-term lease. We will work with Mahi Pono and EMI through existing and future agreements, to ensure that with water available in the Wailoa Ditch, will continue to be provided to our Kamole Water Treatment Plant for treatment and use by our Upcountry customers.

Thank you for allowing me to testify on this most important issue.

JEFFREY T. PEARSON, P.E., DIRECTOR
Department of Water Supply
County of Maui