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BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of	)	Docket No. A99-728
	)	
HOUSING AND COMMUNITY	)	HASEKO (EWA). INC.'S
DEVELOPMENT CORPORATION OF	)	SUBMISSION OF WITNESS AND
HAWAII, STATE OF HAWAII	)	EXHIBIT LISTS; WITNESS
	)	STATEMENT OF NELSON LEE;
To Amend the Agricultural Land Use	)	EXHIBITS 1 TO 8; CERTIFICATE OF
District Boundary into the Urban Land Use	)	SERVICE
District of Approximately 1,300 Acres of	)	
Land at Honouliuli, 'Ewa, O'ahu, Hawai'i,	)	
TMK Nos. 9-1-16: 8, 108, 109; 0-1-17: 71,	)	
86; and 9-1-18: 3, 5.	)	

**HASEKO (EWA). INC.'S SUBMISSION OF WITNESS AND EXHIBIT LISTS**

Pursuant to the Prehearing Order dated May 2, 2007, HASEKO (Ewa), Inc. (HASEKO), by and through its attorneys, hereby submits its witness and exhibit lists and the written witness statement of Nelson Lee. HASEKO reserves the right to amend its witness and exhibit lists at a later date.

DATED: Honolulu, Hawaii, May 8, 2007.

  
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DOCKET NO./PETITIONER: A99-728 HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII, STATE OF HAWAII (Oahu)

PARTY: HASEKO (Ewa), Inc.

LIST OF WITNESSES

NAME/ORGANIZATION/POSITION (List in Order of Appearance)	TO BE QUALIFIED AS AN EXPERT IN:	SUBJECT MATTER	WRITTEN TESTIMONY (Yes or No)	EXHIBIT NUMBER(S)	LENGTH OF DIRECT
Nelson W.G. Lee Consultants Plus, Inc. President	N/A	Status of Kalo'i Gulch Drainage Improvements	Yes	1 - 8	

DOCKET NO./PETITIONER: A99-728 HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII, STATE OF HAWAII (Oahu)

PARTY: HASEKO (Ewa), Inc.

LIST OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	PARTY: OBJECTIONS	ADMIT
1	Kalo'i Gulch Drainage Basin and Land Ownership Map prepared by Wilson Okamoto Corporation, as of August 2006		
2	Application for Special Management Area Use Permit and Shoreline Setback Variance for the Kalo'i Gulch Drainage Improvements at One'ula Beach Park, District of Ewa, Oahu, Hawai'i, December 2006, prepared by Wilson Okamoto Corporation, Agent for HASEKO (Ewa), Inc.		
3	Conservation District Use Application for the Kalo'i Gulch Drainageway Improvements at One'ula Breach Park, District of Ewa, O'ahu, Hawai'i, February 2007, prepared by Wilson Okamoto Corporation, Agent for HASEKO (Ewa), Inc.		
4	City Council, City and County of Honolulu, Resolution No. 07-118, introduced on April 11, 2007, for the granting of a Special Management Area Use Permit and Shoreline Setback Variance for Portions of the Kalo'i Gulch Drainage Improvements Project		
5	Findings of Fact, Conclusions of Law, and Recommendation of the Department of Planning and Permitting of the City and County of Honolulu, In the Matter of the Application of HASEKO (Ewa), Inc. for a Special Management Area Use Permit and Shoreline Setback Variance, File No. 2006/SMA-54 and File No. 2006/SV-8		
6	Conservation District Use Permits Notice on Portion of the Kalo'i Gulch Drainage Way Improvements Located at One'ula Beach Park, 'Ewa, island of O'ahu(CDUA OA-3412), published in The Environmental Notice by the Office of Environmental Quality Control, April 23, 2007		

DOCKET NO./PETITIONER: A99-728 HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII, STATE OF HAWAII (Oahu)

PARTY: HASEKO (Ewa), Inc.

LIST OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	PARTY: OBJECTIONS	ADMIT
7	Ocean Pointe Previous Master Plan		
8	Delineation of East and West Drainage Subsystems, Proposed Master Plan for Ocean Pointe		

## WITNESS STATEMENT OF NELSON LEE

Q: Please state your name and your relationship to Haseko (Ewa), Inc.

A: Nelson Lee. Currently, I am a consultant to Haseko. Primarily, I am responsible for advising Haseko on regional drainage issues and obtaining land use approvals and entitlements for the ocean outlet for the Kaloi drainage system. Before I became a full-time consultant late last year, I spent over 15 years as executive vice president of Haseko (Ewa).

Q: What is Haseko's interest in this docket?

A: The Petition Area for this docket lies within the 7000-acre Kaloi Gulch drainage basin. Haseko's Ocean Pointe project is at the seaward end of this drainage basin. It's understood that when land is developed and land forms are changed, drainage patterns change in terms of volume, velocity, location, and water quality. The one thing that doesn't change is that water flows down hill. That means that Haseko is potentially affected by any changes in drainage patterns that occur on lands within the Kaloi basin on lands mauka of Ocean Pointe. As the purpose of this docket is to allow for the development of lands within the Kaloi Gulch drainage basin, Haseko has an interest in protecting not only its property, but especially the lives and property of more than 2000 households currently living at Ocean Pointe.

Q: Please give us some background on the drainage issues involved.

A: Let me start by describing the Kaloi Gulch drainage basin, which is depicted in Haseko's Exhibit I. It is about 7000 acres, which is a very large drainage basin by Hawaii standards. It begins mauka of the H-1 Freeway, where it begins as mountainous steep terrain then semi-mountainous agricultural land. The H-1 Freeway crosses the Kaloi Gulch drainage basin at an elevation of approximately 200 feet. Just makai of the Freeway, the land first drops rapidly to Farrington Highway, then more gently through the 1300 acres that was the original Petition Area in this docket (what I still refer to as East Kapolei) and through Ewa Villages. The natural grade of the land becomes even flatter in the vicinity of Renton Road, dropping to a grade of one-half of one percent, and remains relatively flat through the Ewa by Gentry development, the as-yet undeveloped future site of Ewa Makai-West, Ocean Pointe One'ula Beach Park and to the ocean.

As is typical in the leeward areas of Hawaii, there's a lot of rainfall in the mauka regions, but very little as you get close to the ocean. The Ewa plain, in fact, is one of the driest parts of Oahu with only 18-20 inches of rainfall a year, on average.

Until relatively recently, hardly any surface flows reached the ocean. For one thing, because the land is naturally flat makai of Renton Road, surface runoff would find its way into small depressions in the ground and sit there until it infiltrated into the ground or evaporated. Additionally, most of the Kaloi Gulch drainage basin, from mauka of the Freeway through most of the Ocean Pointe property, was planted in sugar cane. The last

cane in the area was harvested, I believe, in 1994. Because of the plants and soil, surface flows were generally absorbed through infiltration and didn't reach the ocean.

With progressing urbanization, significantly more stormwater is expected to be carried downstream. Land forms are altered to direct surface flows away from buildings and into drainage channels, so water that would have been thinly spread out over large tracts of land are concentrated into relatively narrow channels. Additionally, the increase in the amount of hard surfaces means that there is less opportunity for infiltration and evaporation. Something has to be done with this collected runoff, and the traditional solution is to send it downstream for eventual discharge into the ocean.

Because of the flatness of the terrain, there is no natural channel to direct runoff into the ocean, so we have to create a man-made channel into which stormwater has to be directed for eventual discharge into the ocean.

Traditionally, these man-made channels would be concrete lined ditches like the Ala Wai Canal that would be owned and maintained by the City. For Kaloi, however, the "channel" takes the form of large grassed open spaces largely incorporated into golf courses and alongside roadways, which are owned and maintained by various landowners and not monolithically by the City. Environmentally and aesthetically this is a much better way to handle regional drainage than concrete lined channels, but it does create some real challenges in coordinating among all the landowners and developers in the drainage basin.

Q: How much additional storm water flows are we talking about with full development of the Kaloi drainage basin?

A: There's not a simple answer to that question because it depends on the kinds of retention and detention facilities that are in place throughout the drainage basin. So let me first explain how City standards operate, which is the standard to which developers are required to build.

The City figures potential discharge based on the size of the drainage basin (acreage) and rainfall. The City standard does not take into account any retention or detention facilities that are, or may be put, in place. For Kaloi, the City estimates that the potential runoff in a 100-year storm is 11,500 cubic feet per second (cfs). So the Ocean Pointe development is required to have storm drainage infrastructure large enough to handle a total of 11,500 cfs.

But let's go back to when the Ewa plain was mostly in agriculture, which was less than 20 years ago. At that time, it was estimated that the amount of storm water runoff coming through the Ocean Pointe property was only about 550 cfs, which was the capacity of the irrigation ditch that the sugar company used. The size of the drainage basin hasn't changed and neither has rainfall data. But because of all the infiltration and evaporation going on mauka of Ocean Pointe, there was very little surface water actually making it down to Ocean Pointe. Whatever couldn't be contained in the irrigation ditch

spilled over and sheet flowed, pooled in whatever depressions there were, and either infiltrated into the ground or evaporated.

Over the past 20 years there's been a significant amount of development within Kalo'i. Ewa Villages, Ewa by Gentry and Ocean Pointe – each of these developments have significantly altered the land forms and drainage patterns. However, the amount that gets down to, and past, Ocean Pointe is purposely being held to less than 2,500 cfs. That's because there are significant retention and detention basins within each of these developments, primarily in the form of golf courses, that slow the flow of water, allowing silt to settle out, and allowing much of the water to infiltrate into the ground and evaporate instead of being passed on downstream towards the ocean.

The point is, the amount of water that is eventually discharged into the ocean depends on the extent of retention and detention facilities that are put in place. Nevertheless, because the City requires storm drainage facilities to be able to accommodate 100-year storms as if there are no retention/detention facilities, Ocean Pointe is constructing drainage facilities that will be able to handle a total of 11,500 cfs.

There will be two drainage systems within Ocean Pointe. The West system will collect some drainage from Barbers Point golf course and the western section of the Ocean Pointe project – a total of about 700 cfs – through underground culverts that will discharge into the marina. The larger East System will be able to handle 10,800 cfs. It is the East System that will be connected with the majority of the upland developments in the Kalo'i drainage basin.

Q: What are coordination issues?

A: Obviously, the location of the drainage channel has to be coordinated with upstream and downstream neighbors. But the biggest challenge we've had in Kalo'i is timing. Segments of the drainage channel are incorporated into each development's master plan and consequently different parts of the channel are being built at different times. Before being able to pass along flows downstream from one development to the next, you have to make sure that the downstream development is capable of, and ready to, accept those flows. Of course, each development is not going to accept flows from upstream unless it can, in turn, pass along flows to the next downstream property.

Our concern with respect to the development of the West Oahu property is that the developments will channelize flows and pass them along downstream before the downstream properties are ready.

Q: I take it then that the properties downstream of the UH-West Oahu land are not presently capable of, and ready to, accept stormwater flows resulting from the development of UHWOC?

A: Today, the properties downstream of Ewa Villages are capable of, and ready to, accept as much as 2500 cubic feet per second (cfs) of channelized surface water flows, which is far

less than the estimated flows from these properties at full build out. Let me explain why it's 2500 cfs.

When the east Ewa plain started being developed, the policy was that every development would not pass down any channelized flows until an ocean outlet was constructed. Ewa Villages built the Ewa Villages golf course where all the water coming through and from the Ewa Villages development was to be retained. Coral Creek Golf Course served the same function for Ewa by Gentry and the Hoakalei Golf Course for Ocean Pointe.

But there was a big flood on election day in 1996 and several homes in Ewa Villages were flooded, which, in essence meant that the drainage infrastructure within Ewa Villages and Ewa Villages golf course was not adequate to handle the flood event brought by the sustained rains we experienced in November 1996. To prevent Ewa Villages from being flooded again, a temporary emergency drainage channel was constructed to allow 2500 cfs to exit Ewa Villages. In 2002, a bridge was installed at the old railroad tracks that was to eventually allow the full 100 year storm event to pass down stream. Currently the width of the channel at the railroad tracks has been restricted to limit flows to 2500 cfs. This constricted emergency channel was continued through Ocean Pointe and into One`ula Beach Park. There is no ocean outlet. Once the water gets to One`ula Beach Park, it sits there until it infiltrates into the ground or evaporates. That temporary emergency channel exists today.

Q: Why is this a temporary emergency, and not a permanent, channel?

A: It is temporary until an ocean outlet is constructed. And it is sized to provide emergency relief to Ewa Villages; it is much smaller than the ultimate channel size. The ultimate channel size, which is determined in accordance with City storm drainage standards, has to be able to accommodate a 100-year storm, which, for this drainage channel, is estimated to be 10,800 cfs.

Q: When will this ultimate channel be built?

A: The first thing that needs to happen is to have the ocean outlet permitted. Haseko has taken on the responsibility for obtaining the Special Management Area Use Permit and the shoreline setback variance, and the conservation district use permit needed to construct the ocean outlet through One`ula Beach Park. Each of these applications has been submitted and is currently being processed. The SMP and SSV application is now pending in the City Council with the DPP Director having issued the Findings of Fact, Conclusions of Law and Recommendation of the Department of Planning and Permitting. (Haseko Exhibits 2 – 5.) The CDUP application has been accepted as complete and notice of the application has been published in the OEQC bulletin. (Haseko Exhibit 6.) We're hoping that we can obtain all of these permits by the end of this summer. That's, of course, assuming that there is no contested case on the CDUP application. After these permits are obtained, grading and construction plans need to be prepared and processed through the City. Once approved, it will take approximately 6 – 12 months to construct the ocean outlet.



My understanding is that by the time the ocean outlet is constructed, drainage infrastructure in the Ewa by Gentry development, Coral Creek golf course, Ocean Pointe, and the Hoakalei golf course, will have been completed and these properties will be able to accommodate flows of 10,800 cfs. Constraints at the railroad bed will have to be removed to allow 10,800 cfs to pass. I don't know whether improvements need to be made within Ewa Village or the Ewa Villages golf course to accommodate 10,800 cfs.

Q: You mentioned that the temporary emergency channel goes through One'ula Beach Park. What else needs to be done for the ocean outlet?

A: The channel through the park needs to be widened to accommodate the larger flows. The plan is to define a 500-foot-wide shallow channel through the park that won't be very distinguishable from the rest of the park so that it can be utilized as park space when it's not flooded. Additionally there is a natural sand berm at the shoreline that needs to be lowered. If this berm is not lowered, flood waters will reside at the park and eventually the backwater may flood the park, homes in the older Ewa Beach neighborhood and some of the homes at Ocean Pointe.

Q: Are you saying that development of UH-West Oahu cannot proceed before the ocean outlet is constructed and the railroad bed is opened up otherwise Ocean Pointe will be flooded during heavy rains?

A: No, I'm not saying that. UH can proceed with development before the ocean outlet is constructed so long as it limits channelized flows exiting its boundaries to 2500 cfs. As I noted, this is what Ewa Villages, Ewa by Gentry and Ocean Pointe have done. There just has to be enough retention and detention facilities within the UHWOC property to adhere to this limitation. It may mean that some land that UH wants to ultimately develop has to be set aside for a time for storm drainage facilities, but UH can probably develop to a considerable extent within this limitation.

Furthermore it will not be Ocean Pointe that will initially be at risk of flooding if current controls are removed. It will be Ewa Villages that will sustain the initial flooding. As noted earlier, the railroad bed at the makai end of Ewa Villages is constricted to limit flows to 2,500 cfs. Flood waters generated by storm events that exceed 2,500 cfs will reside mauka of Ewa Villages and be released down stream at 2,500 cfs.

Q: You were with Haseko when this docket was originally opened back in 1999 – when HCDCH had applied for land use reclassification?

A: Yes, I was. I was called as a witness in the case back then also.

Q: At that time, didn't Haseko raise the same issues and concerns?

A: Yes. And I believe that it was Haseko, along with the City, that was instrumental in securing the regional drainage conditions imposed by the Land Use Commission,

including the provision that limits channelized flows to 2500 cfs until an ocean outlet is constructed.

Q: That was nearly eight years ago. Why is it taking so long to construct the ocean outlet?

A: Back in 1999, the proposed marina at Ocean Pointe had a very different configuration. It was 120 acres with an arm that reached up towards the northeastern portion of the project. (Haseko Exhibit 7.) Regional drainage was supposed to be directed into the marina at this upper arm. The marina would serve as the final drainage basin before storm water flows exited the marina's channel entrance at the southwestern end of the project. This marina configuration straddled the Honouliuli sewer outfall, a pipe that is 7 feet in diameter which runs north-to-south through the middle of Ocean Pointe. In order to be able to navigate over the outfall, an inverted siphon was proposed in the outfall to allow the marina to flow over it. This configuration was made a part of the master plan for the region long before Haseko acquired the project. The concept of the inverted siphon had been approved by the City in 1980 and Haseko acquired the project with the intent to exercise its best efforts to implement it. By the mid-1990s, however, there were concerns over environmental regulations and the risk of constructing a siphon in a major piece of regional infrastructure. Consequently the City requested Haseko to examine alternatives to resolving this issue.

Not long after the 1999 HCDCH proceedings before the LUC, the City and Haseko agreed to eliminate the portion of the marina east of the outfall, thereby eliminating the issue of siphoning the outfall pipe in order to have a navigable marina. Subsequent studies continued to seek a solution that would direct regional surface drainage into the marina, which was now reduced to about half its original size. (Haseko Exhibit 8.) By that time the hydrologic grade line was established by regional drainage infrastructure already built in Ewa by Gentry, Ewa Villages and Ewa-Makai West. The existing elevations made it difficult to engineer a channel for storm water to flow over the outfall. The subgrade elevation of the outfall still conflicted with the hydraulic grades established by projects already built. This meant that to get surface water flows from east of the outfall over to the marina on the west side, the outfall would still have to be lowered, although it wouldn't have to be siphoned.

The inevitable conclusion was that lowering the outfall came with a lot of the same environmental and health and safety concerns as siphoning the outfall. Consequently, to avoid the possibility of a disaster experienced in Waikiki last year, a consensus was reached with the City that the most sensible solution is to construct the ocean outlet through One'ula Beach Park which is the natural terminus for stormwater flows. (Haseko Exhibit 8.) The One'ula Beach Park alternative will eliminate the conflict between surface flows and the sewer outfall.

Going through these different alternatives has just eaten away the years. (Although, I have to note parenthetically that if the marina were to serve as the ocean outlet, we don't expect the marina to be open to the ocean for another few years.) But I think we are now very close to the end. As I said, the discretionary permit applications are actively being

processed at this time, and if there is no contested case on the CDUP, the ocean outlet could be completed late this year or early next year.

Q: What if the discretionary permits are denied?

A: Well, I think the environmental and health and safety concerns about crossing the outfall are serious enough that there is no longer a practical ocean outlet alternative. The only real alternative is for each of the projects in the drainage basin to provide enough retention and detention infrastructure within their developments to limit the amount of channelized flows that exit each of their makai boundaries, just as the current developments have done without an ocean outlet

Q: What is Haseko's objection to UHWOC's motion to amend the drainage conditions?

A: First of all, let me state that Haseko fully supports the development of UH West Oahu. It is long overdue and we are glad to finally see signs of development activity. Having a university campus at this location will be a significant step in truly creating a secondary urban center on the Ewa plain.

As to the proposed amendment, I'm not sure I would frame it as an objection. Haseko's concern is that channelized flows be limited to 2500 cfs until an ocean outlet is constructed, or an alternative solution is implemented. I'm not a lawyer so I don't know the effect of UH's proposed change to the drainage conditions. We just want to make sure that this limitation remains in place in the D&O.

Q: Does this complete your testimony?

A: Yes.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this date, a copy of the foregoing document was duly served on the following parties via United States mail:

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