

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

August 22, 2014

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.: 14HD-134

HAWAII

Grant of Perpetual, Non-Exclusive Easement to the Water Board of the County of Hawaii (WBCOH) for Water Pipeline Purposes; Authorize the Issuance of a Management and Construction Right-of-Entry to WBCOH, Makaula-Kalaoa 1<sup>st</sup>-4<sup>th</sup>, North Kona, Hawaii, Tax Map Key: (3) 7-3-010: 042 & 044.

APPLICANT:

Water Board of the County of Hawaii, whose business and mailing address is 345 Kekuaaoa Street, Hilo, HI 96720.

LEGAL REFERENCE:

Section 171-95, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Makaula-Kalaoa 1<sup>st</sup>-4<sup>th</sup>, North Kona, Hawaii, identified by Tax Map Key: (3) 7-3-010: 042 & 044, as shown on the attached map labeled Exhibit A.

AREA:

12.42 acres, more or less.

ZONING:

State Land Use District: Urban  
County of Hawaii CZO: A-5A

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:  
YES \_\_\_\_ NO x

CURRENT USE STATUS:

Vacant.

CHARACTER OF USE:

Right, privilege and authority to construct, use, maintain, repair, replace and remove water transmission pipeline over, under and across State-owned land.

COMMENCEMENT DATE:

To be determined by the Chairperson.

CONSIDERATION:

Gratis

RENTAL REOPENINGS:

Not applicable.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Assessment for the subject project was published in the OEQC's Environmental Notice on August 8, 2014 with a finding of no significant impact (FONSI).

DCCA VERIFICATION:

Not applicable to a government agency.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1. Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost.

REMARKS:

At its meeting of January 28, 2000, Item D-3, the Board of Land and Natural Resources approved the issuance of a revocable permit to the Kona Palisades Estates Community Association (KPECA) for parking lot purposes. Revocable Permit No. S-7207 is contained in an area of one-half acre, portions of Parcel 42 of TMK: 3<sup>rd</sup>/ 7-3-10.

At its meeting of February 22, 2002, Item D-1, the Land Board approved the cancellation of Revocable Permit No. S-7207 and reissuance of a new revocable permit to KPECA for parking with temporary fire station.

At its meeting of February 13, 2004, D-16, the Board approved to amend its prior Board actions of February 22, 2002, D-1, to change the permittee from KPECA to County of Hawaii.

On May 11, 2007, the Chairperson of the Board of Land and Natural Resources approved a right-of-entry to Hiluhilu Development, LLC, for conducting surveys and other studies necessary to prepare an environmental assessment, for the construction of a connector road along the boundaries of the abutting State parcels. Plans were to extend the Ane Keohokalole Street (formerly known as the Mid-Level Road) from Kaiminani Drive to the Palamanui Subdivision to the north. This roadway was constructed using private funds, with the intent of later dedicating it to the County of Hawaii.

By letter dated June 4, 2014, Mr. Bart W. Howk, Bays Lung Rose & Holma, representing Palamanui Global Holdings LLC (PGH), on behalf of the County of Hawaii (County), is requesting an easement for water pipeline purposes through parcels that are owned by the State of Hawaii. PGH and the County are parties to a water agreement which contemplates an easement in favor of the Water Board of the County of Hawaii (WBCOH) for a water pipeline over parcels at Makaula-Kalaoa 1<sup>st</sup>-4<sup>th</sup>, North Kona, Hawaii, identified as Tax Map Keys: (3) 7-3-010:042 and 044, which are under the State of Hawaii, and Tax Map Key: (3) 7-3-010:039, which is under the Department of Hawaiian Home Lands (DHHL). The County is working on a separate request to DHHL for an easement over lands under its jurisdiction.

PGH will be constructing the pipelines using private funds. Upon completed construction of the water pipelines by PGH, satisfactory inspection and acceptance of the system by WBCOH, PGH will dedicate the system to WBCOH.

The County of Hawaii has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

No comments were solicited as comments were already obtained in the processing of the Final Environmental Assessment dated August 2014.

**RECOMMENDATION:** That the Board:

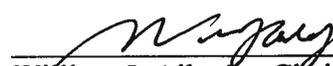
1. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a perpetual non-exclusive easement to the Water Board of the County of Hawaii, covering the subject area for Pipeline purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

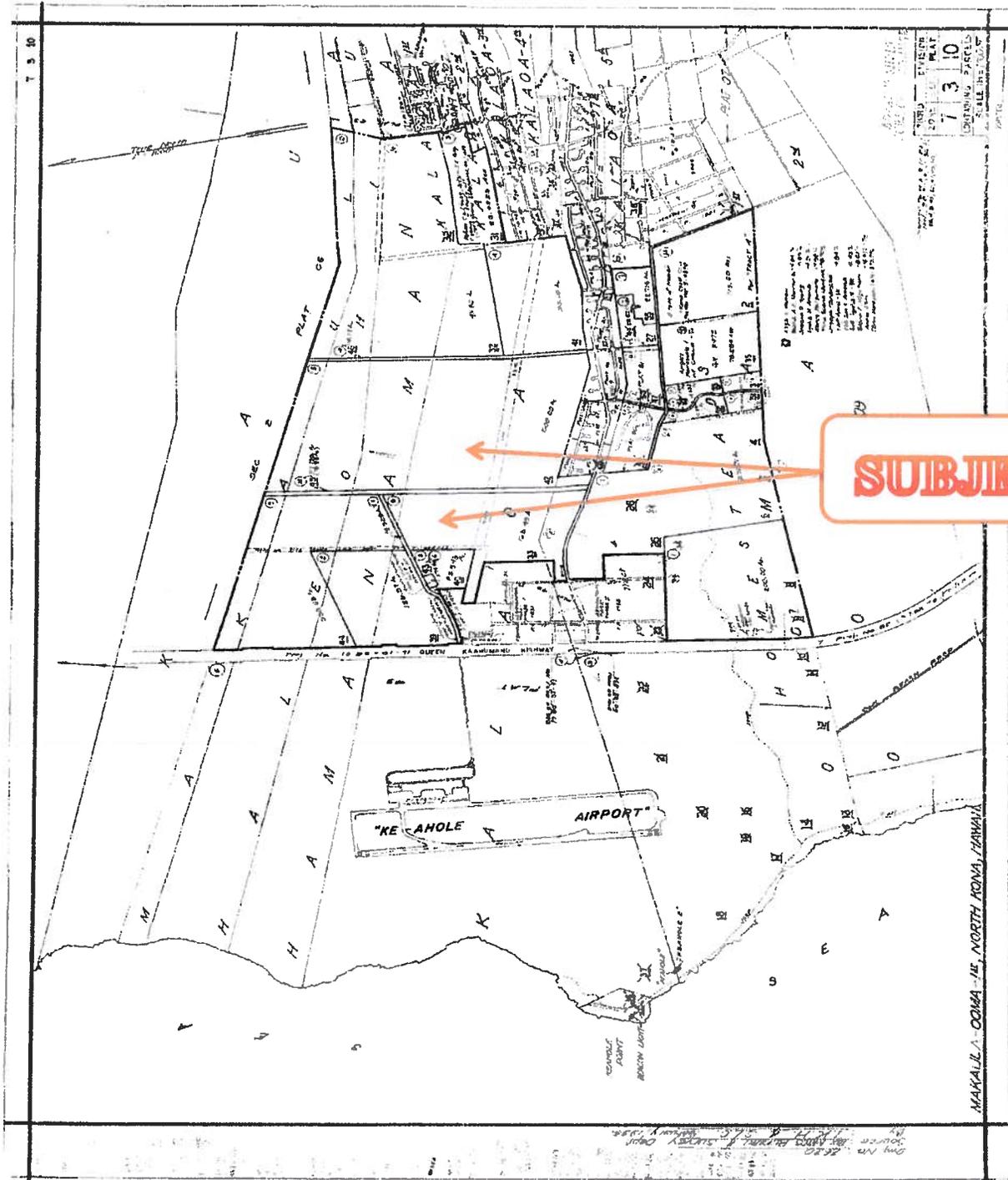
- A. The standard terms and conditions of the most current perpetual easement document form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
2. Authorize the issuance of an immediate management and construction right-of-entry to the Water Board of the County of Hawaii for the purposes of operating and maintaining the subject water transmission lines and related improvements, subject to the following terms and conditions:
- A. The standard terms and conditions of the most current management right-of-entry document form, as may be amended from time to time;
  - B. The term of the right-of-entry shall commence immediately and end upon the issuance of the easement document;
  - C. Review and approval as to form by the Department of the Attorney General; and
  - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

  
\_\_\_\_\_  
Wesley T. Matsunaga  
Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
William J. Aila, Jr., Chairperson 



**EXHIBIT A**

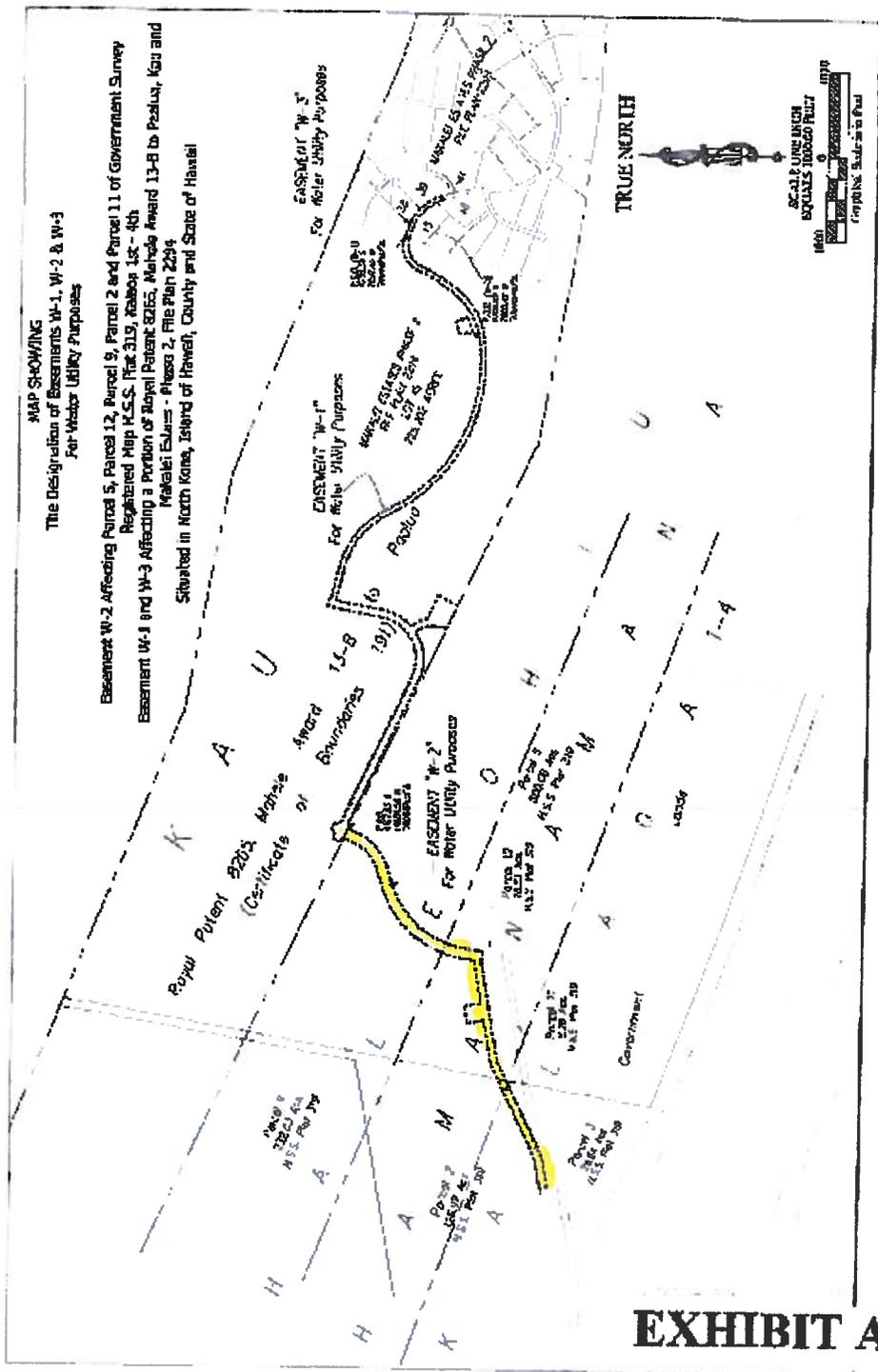


EXHIBIT A