

On June 15, 2015, the parties submitted a status report to the Board regarding the initiation of discussions between the parties. Nā Moku re-confirmed the withdrawal of its objection to A&B preparing the environmental review documents in connection with its application for a lease. The parties also agreed on a framework for initiating work on the environmental review process. The parties were still in discussion regarding the disposition of the 2015 lawsuit. Nā Moku was to request the BLNR to defer action on Petitioner's Motion while the parties continue discussions on beginning the environmental review process prior to the Commission on Water Resource Management's (CWRM) final decision on the petitions to amend interim instream flow standards (IIFS) in east Maui. No further filings were received from the parties.

Petitioner's Motion argued that the contested case should be reconvened for the Board to require the timely preparation of an environmental assessment to disclose the impacts of the diversion of water from the four license areas (Honomanu, Keanae, Huelo and Nahiku) pursuant to revocable permits S-7263 (Honomanu), S-7264 (Huelo), S-7265 (Keanae) and S-7266 (Nahiku). Petitioner's Motion also urged to Board to reconvene the contested case in order for the Board to address its obligations pursuant to Hawaii Revised Statutes chapter 171.

During oral argument it became apparent that the key issue was the commencement of the environmental review process. Based on the records in this case and the argument presented to the Board, the Board orders A&B to commence the environmental review process in support of A&B's application for a lease of water from the license areas of Honomanu, Keanae, Huelo and Nahiku. The Board will defer decision making on Petitioner's Motion at this time.

Within sixty (60) days of this order A&B must provide to the Board a scope of work for the preparation of an environmental assessment or an environmental impact statement. The scope of work should distinguish those portions that can be undertaken prior to CWRM's final

decision on the petitions to amend IIFS in east Maui from those that require a decision from the CWRM prior to completion.² The scope of work should address, at a minimum, the content requirements contained in Hawaii Administrative Rules § 11-200-10 for an environmental assessments or § 11-200-17 for an environmental impact statement. Accompanying the scope of work should be a tentative schedule for commencement and completion of the various portions of the scope of work.

SO ORDERED this 14th day of April, 2016.



SUZANNE D. CASE³
Presiding Officer
Board of Land and Natural Resources

² The Board notes that on January 5, 2016 A&B announced that it would be transitioning out of farming sugar and would instead pursue a diversified agricultural model for its HC&S plantation on Maui. To the degree that the decision to transition away from sugar cane cultivation affects the ability of or timing for A&B to complete portions of the environmental review documents that should be noted in the scope of work.

³ The Board members have delegated authority to Suzanne Case to sign this Order on behalf of the Board.

BOARD OF LAND AND NATURAL RESOURCES
STATE OF HAWAI'I

In the Matter of Contested Case Regarding) DLNR File No.: 01-05-MA
Water Licenses at Honomanu, Keanae,)
Nahiku, and Huelo, Maui)
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the following document:

1. ORDER FOR A & B TO COMMENCE THE ENVIRONMENTAL REVIEW PROCESS AND DEFERRING DECISION ON PETITIONERS' MOTION TO ESTABLISH SCOPE OF RECONVENED CONTESTED CASE PROCEEDINGS.

was duly served upon the following parties as indicated, by means of State Messenger or U.S. Mail, postage prepaid on April 14, 2016, addressed as follows:

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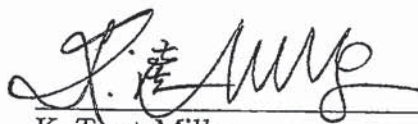
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Dated: Honolulu, Hawai'i,

April 14, 2016



K. Tiger Mills
Department of Land & Natural Resources
State of Hawai'i

Civil No. 19-1-0019-01 (JPC)

Defendant A&B/EMI's Exhibit AB-19

FOR IDENTIFICATION _____

RECEIVED IN EVIDENCE _____

CLERK _____