

**MINUTES FOR THE
MEETING OF THE
BOARD OF LAND OF NATURAL RESOURCES**

DATE: FRIDAY, MARCH 28, 2014
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

Chairperson William Aila called the meeting of the Board of Land and Natural Resources to order at 9:04 a.m. The following were in attendance:

MEMBERS

William J. Aila, Jr.
Dr. Sam Gon
Reed Kishinami

Robert Pacheco
David Goode
James Gomes

STAFF

Julie China/ Deputy AG
Russell Tsuji/ LAND
Molly Schmidt/ DOFAW
Kevin Moore/ LAND

Sam Lemmo/ OCCL
Sheri Mann/ DOFAW
Dan Quinn/ PARKS
Carty Chang/ ENG

OTHER

Patti Miyashiro / DOT-Harbors
Harold Brohstein/ K-1
Terry Lilley/ K-1
Andrew Nelson/ K-4
Mike Hannemann/ K-3
Chuck Baker/ D-15
Kamana Beamer/ C-1
Morgan Bucanian/ C-1
Consultant for B T Kawahara LLC./ D-8
Wayne Hedani/ K-5

Randy Grune/ DOT-Harbors
Dan Purcel/ K-1
Bill Whynhoff/Supervising AG
Ross Tsukenjo / E-3
Isaac Hall/ D-11
Lea Hong/ C-1
Laura Ka'akua/ C-1
Reggie David/ C-3
Mayor Billy Kenoi/ E-4

Item A-1 Approval of February 14, 2014 Minutes

Minutes deferred.

Item A-2 Approval of February 28, 2014 Minutes

Minutes deferred.

Item E-1 Request Approval of the Kīholo State Park Master Plan, Acceptance of the Final Environmental Assessment, and Issuance of a Finding of No Significant Impact for the Proposed Project, TMK:7-1-02: 02, 08; 7-1-03: 02, 07, Kīholo, North Kona, Hawai‘i.

Deferred.

Item E-2 Requesting Approval to Issue a Revocable Permit to Hui Aloha Kīholo for the Management and Improvements of a House at Kīholo State Park Reserve for Adaptation and Re-Purposing as a Public Interpretive Center, Kīholo, Hawai‘i, Tax Map Key: 7-1-02: 02, 08; 7-1-03: 02, 07.

Deferred.

Item M-1 Issuance of Right-of-Entry Permit to Hawai‘i Pacific University, Hawai‘i Lifestyle Retail Properties LLC and Swinerton Builders on State Lands to Install Construction Barricades, Provide Access Routes for Forklifts, Roll-Off Trucks and Other Equipment for Debris Removal and Hauling and Pedestrian Access to the Aloha Tower Market Place Situated at Piers 8 and 9, Honolulu Harbor, Honolulu, O‘ahu Tax Map Key: (1) 2-1-001:001 and 063 (Portion).

Patti Miyashiro representing DOT- Harbors along with Deputy Director Randy Grune were present to answer any questions about item M-1 and noted that representatives from HPU and Swinerton were present. All applicants were satisfied with the staff submittal.

Unanimously approved as submitted (Pacheco, Gomes)

Item M-2 Issuance of a Revocable Permit, CPM III, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.

Item M-3 Issuance of a Revocable Permit, Jack Harter Helicopters, Inc., Līhu‘e Airport, Tax Map Key: (4) 3-5-01: Portion of 8.

Item M-4 Issuance of a Revocable Permit, Hawaiian Airlines, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.

Item M-5 Issuance of a Revocable Permit for Parking, To Richard A. Gould, Honolulu International Airport, Tax Map Key: (1) 1-1-76:23 (Portion).

Item M-6 Issuance of a Revocable Permit, George’s Aviation Service, Inc., Honolulu International Airport, Tax Map Key: (1) 1-1-76:22 (Portion).

- Item M-7** Amendment No. 6 to Lease No. DOT-A-92-0014, Restaurant and Lounge Concession, Host International, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.
- Item M-8** Issuance of a Revocable Permit, Island Helicopters Kauai, Inc. Lihue Airport, Tax Map Key: (4) 3-5-01: Portion of 8.
- Item M-9** Issuance of a Revocable Permit for Parking, Air Ambulance Specialist, Inc. Moloka'i Airport, Island of Moloka'i, State of Hawai'i, Tax Map Key: (2) 5-2-04: Portion of 8.
- Item M-10** Issuance of a Revocable Permit, Sunshine Helicopters, Inc., Lihue Airport Tax Map Key: (4) 3-5-01: Portion of 8.
- Item M-11** Issuance of a Revocable Permit for Parking, Ronald W. Trumble, Hilo International Airport, Tax Map Key: (3) 2-1-12: Portion of 90.
- Item M-12** Issuance of a Revocable Permit, Windward Aviation, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.
- Item M-13** Issuance of a Revocable Permit, U.S. General Services Administration For Transportation Security Administration, Lāna'i Airport, Tax Map Key: (2) 4-9-02: Portion of 55.
- Item M-14** Issuance of a Revocable Permit, Hawaiian Airlines, Inc. (Office Space), Lāna'i Airport, Tax Map Key: (2) 4-9-02: Portion of 55.
- Item M-15** Issuance of a Revocable Permit, Hawaiian Airlines, Inc. (Ticket Counter) Lāna'i Airport, Tax Map Key: (2) 4-9-02: Portion of 55.
- Item M-16** Issuance of a Revocable Permit, Alexair, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.
- Item M-17** Issuance of a Revocable Permit, Mauna Loa Helicopter Tours LLC., Lihue Airport Tax Map Key: (4) 3-5-01: Portion of 8.
- Item M-18** Issuance of a Revocable Permit, Safari Aviation, Inc., Lihue Airport, Tax Map Key: (4) 3-5-01: Portion of 8.

- Item M-19** Issuance of a Revocable Permit, US General Services Administration for, Transportation Security Administration, Moloka'i Airport, Tax Map Key: (2) 5-2-04: Portion of 8.
- Item M-20** Issuance of a Revocable Permit, Oxford Electronics, Inc., Kahului Airport, Tax Map Key: (2) 3-8-01: Portion of 19.
- Item M-21** Issuance of Revocable Permits, Exelis, Inc.
 Honolulu International Airport, Tax Map Key: (1) 1-1-72-5 (Portion)
 Dillingham Air Field, Tax Map Key: (1) 6-8-14-23
 Hilo International Airport, Tax Map Key: (3) 2-1-12:90 (Portion)
 Kona International Airport at Ke'āhole, Tax Map Key: (3) 7-3-43-1 (Portion)
 Hāna Airport, Tax Map Key: (2) 1-3-03-22 (Portion)
 Moloka'i Airport, Tax Map Key: (2) 5-2-04-8 (Portion)
 Lihu'e Airport, Tax Map Key: (4) 3-5-01-8 (Portion)
 Port Allen Airport, Tax Map Key: (4) 1-8-08-4 (Portion).

Ross Smith representing DOT- Airports reviewed items M-1 through M-21 and had no changes.

Unanimously approved as submitted (Gon, Gomes)

- Item K-1** Enforcement Action Regarding Unauthorized Structures and Vacation Rentals Within the Conservation District Protective Subzone, by Lance Laney, Located at Hanalei District, Island of Kaua'i, Tax Map Key: (4) 5-4-002:032.

Sam Lemmo, Administrator of the Office of Conservation and Coastal Lands (OCCL) explained that this involved unauthorized construction and that the recommendation is to impose fines for unauthorized structures, to impose a fine for the vacation rentals, to ask the land owners to immediately cease and desist any further renting for vacation purposes and to seek the Board's recommendation for any rectification. The fines total at \$31,000.

Harold Bronstein representing Lance Laney testified that he doesn't agree with the staff recommendation's and said that the activity ceased two months ago when they were told there was a violation. Bronstein gave background and history of the property. He asked the Board to defer this item because the Laney's want to work with the department to resolve this issue. When asked how much time he needed to get this resolved, Bronstein said that was hard to answer, but he would try to get this resolved in 30 days. He said he's not trying to delay this; he wants to get it right.

Board member Pacheco and member Goode asked Bronstein when he was retained and what was going on with the land owners the last two months before he was retained. Bronstein said he was retained earlier that same week and he couldn't answer what was done before.

Lemmo explained to the Board that the violation notice was mailed on January 3rd, 2014 and the staff report was sent to the land owner 3 to 4 weeks prior to the board meeting. Lemmo said he was okay with the deferral, but a deferral for only 30 days. The Board members agreed that 30 days was enough.

Dan Purcel testified that he would like to have the Public Utilities Commission's Chair present to answer questions and discouraged the Board from going through with the deferral.

Terry Lilley a biologist from Hanalei, Kauai, testified that in his opinion, the Laney's are professionally in violation of the clean water act and the endangered species act. He gave an overview of studies he's done on reef systems and mud coverage. Lilley found that one of the four definite sources of the mud coverage on coral in Hanalei bay came from Lance Laney's Bed and Breakfast. He has documented mud coming directly off the property, referring to a breach. This mud is killing coral. After doing further research, Lilley has documentation that the Laney's are building illegally in wetlands and are committing federal crimes.

Chair made the announcement that the contract for repairing the breach has been let out and the department is waiting for the bids to come in and waiting for the final approvals from the Army Core and the Department of Health. The breach is separate from the action today. Chair Aila told Lilley that the department is looking into his concerns.

Member Goode said he would like to go with the deferral to give due process for the applicant, all the staff to address concerns that were raised , and so the Board can make a more informed decision when it takes this up again during the second meeting in April. Member Gomes seconded.

Member Pacheco questioned the breach. Carty Chang, Chief Engineer explained that the breach occurred in 1995 and was a natural event that caused the water to divert from the normal flow in the Hanalei River, essentially creating its own path. In 2010/2011 the breach was repaired, however because there is a breach now, there is less flow within the normal river. It is critical that this be repaired because if the breach continues to widen, there is going to be less flow in the normal path of the river and less flow through the refuge. It is hopeful that this will be repaired by the summer, after seeking financial help from the legislature.

Bronstein suggested 45 days, to give them 30 days to work on this and 15 days for Lemmo to get this back on the agenda/calendar. Member Pacheco agreed that 30 wasn't a realistic.

Member Goode changed the motion to defer the item for 45 days. Member Gomes seconded.

Deferred for 45 days. (Goode, Gomes)

Item K-4 Conservation District Use Application (CDUA) OA-3694 for Public Purpose Subdivision by Earl Donovan Pfeiffer and Approval of Proposed Settlement Located at 2399 Kuahea St., Pālolo Valley, Wai`ōma`o, O`ahu, Tax Map Key: (1) 3-4-015:027.

Sam Lemmo introduced Supervising Deputy Attorney General Bill Wynhoff who explained a residential development was built on a property with a known rock fall. There is an on-going attempt to partition the property from one parcel into two parcels, to take the back portion of the parcel out of service as a means of rock fall mitigation. The front parcel would be retained by the Pfeiffers. Lemmo explained that because this is a public purpose the Board is authorized to approve the subdivision. Wynhoff explained that there is a settlement agreement that involves the subdivision as one of the pre-conditions and involves payment of sums of money for the land that is being condemned. The unsafe half of the property is going to be condemned and the other half will have fencing to make the property safer, which the Pfeiffers will undertake. Their intention is to build up or rebuild their existing house, so they will have to come back to the Board at a later date.

Member Gomes questioned the quarry and if there have been any environmental issues. Wynhoff said that a private party owned the quarry and ended up selling it to the state and there are no environmental issues that he was aware of.

Russell Tsuji, Land Division Administrator gave a summary of the history adding that his involvement was assisting Forestry and Wildlife in connection with this rock fall situation. Tsuji said that the lands above the quarry were was all forest reserve and many years ago, after the developer subdivided the lots, he offered the quarry to the state. The state paid money to buy the quarry. Tsuji explained that this is why we now take due diligence seriously. The department has been trying to do mitigation to prevent future rock fall. Tsuji explained that there is a mitigation fence dividing where the state would purchase and the Pfeiffer's private property.

Member Gomes asked who would assume liability if someone got into the fenced area of the quarry side and gets hurt. Wynhoff said that we would still be liable for the portion we would continue to own, however the extent of that liability would lesson.

Tsuji added that what DOFAW did for structures that have been acquired was to build raised fencing to prevent trespassing to properties. He also said the back side of this property is heavily overgrown, so many of the rocks have been captured before they hit the residential site. Tsuji said this property has natural benches, but wasn't benched when it was quarried.

Andrew Nelson representing the Pfeiffers noted that item #5 on the board submittal states that no physical structures are proposed and that is correct in the context of the proposed subdivision. The Pfeiffers intended to pursue a future CDUA to hopefully construct a home. Whynhoff clarified that there aren't any physical constructions proposed in the action by the Board today, however the Pfeiffers will be back asking for permission to build a new house; which. Nelson is okay with the recommendations.

Unanimously approved as submitted (Kishinami, Gon)

Item E-3 Acquisition of Private Lands for Park Purposes, Waikapū, Wailuku, Maui, Tax Map Key: (2) 3-8-007:104.

Written testimony was submitted by the Office of the Lieutenant Governor.

Dan Quinn, Administrator for State Parks briefed the Board on item E-3 and noted that the property manager and representatives from the attorney general's office were present to answer questions.

Member Goode asked if the project just received land use approvals. Quinn confirmed yes, there is a Maui County issued special use permit and he believes they have had good public support.

Ross Tsukenjo from the Lt. Governor's office testified that he stood on his written testimony in support.

Unanimously approved as submitted (Gomes, Goode)

Item K-3 Time Extension Request for Conservation District Use Permit (CDUP) MO-3537 for the Kawela Stream Bridge Replacement Project by the Department of Transportation-Highways Division Located at Kawela, Moloka'i, Tax Map Key: (2) 5-4-001:027.

Lemmo conveyed item K-3 and Mike Hannemann with Kai Hawaii Inc. had nothing to add and agreed with staff's recommendations.

Unanimously approved as submitted (Gomes, Gon)

Item D-11 Consent to Assign General Lease No. S-5310, Kevin J. O'Donnell and Frederick Frelinghuysen, Administrators of the Estate of Peter H.B. Frelinghuysen, as Assignor, to Adaline H. Frelinghuysen, Rodney P. Frelinghuysen, Frederick Frelinghuysen, and Beatrice Frelinghuysen van Roijen, as Assignee, Kalena, Kīpahulu, Hāna, Maui, Tax Map Key:(2) 1-6-007:010.

Tsuji had nothing to add. Isaac Hall representing Fredrick Frelinghuysen and Kevin O'Donnell testified that they agree with staff's recommendations and gave some background on Peter H.B. Frelinghuysen that he asked to leave 25% of the land to Adaline Frelinghuysen, Rodney Frelinghuysen, Frederick Frelinghuysen, and Beatrice Frelinghuysen van Roijen.

Member Gon asked Hall to summarize the nature of the conservation action. Hall explained that Maui land agents did an inspection report and noted that the land is in compliance, which is being used as pasturage primarily.

Unanimously approved as submitted (Gomes, Gon)

Item D-15 Re-Submittal: Approval-in-Concept for Grant of a 65-Year Term, Non-Exclusive Easement to Hoku Kai Biofuels LLC for an Underground Transmission Pipeline to Transfer Biofuels from Cargo Ships to an Off-Site Privately-Owned Storage Facility with Issuance of an Immediate Right-of-Entry to Conduct an Environmental Assessment, Baseline Soil Sampling and

Pipeline Inspection and Cleaning, Hilo Harbor, Waiākea, South Hilo, Hawai‘i, TMK: (3) 2-1-009: portion of parcels 007 & 031.

Written testimony was submitted by kcalprez.

Tsuji reviewed item D-15 and said that this is approval-in-concept so there are certain conditions that will need to be made before final approval is given but it will come back to the Board.

Chuck Barker representing Hoku Kai Biofuels LLC. explained that their basic request was to be allowed to commence a full environmental assessment of the pipeline as well as the site which it serves. Barker gave some history of the site, as well as the location. The restoral of the site will be for biofuel restoration, and he would like to preform baseline soil sampling all along the pipeline so they have a point of origin of any environmental issues. They are not aware of any leakage right now. Barker said they would assume 100% of the economic responsibility for the maintenance of the pipeline. They have been accepted into the voluntary response program with the Department of Health.

Member Pacheco asked where they were in response to the other land owners, Barker said that there is a 5ft parcel that was deeded from DLNR to the county, and the county wants to grant them a perpetual right of access and that’s all they need.

Member Gon asked if their intent to make use of the existing pipeline and make use of the portion that was removed in 2008. Barker confirmed yes, there intent is to use the existing pipeline and the portion that runs under the pier was removed. They want to install new stainless steel, which would allow them to serve pier 2 and pier 3.

Member Gomes asked what kind of biofuel they plan on pumping and during what time frame. Barker said that the biofuel is 100% vegetable based 0 sulfur content fuel intended for multiple uses. They will initially pump twice monthly for about 6 hours. Barker explained that part of this application is giving them approval to run cameras through to test to make sure everything is intact.

Chair Aila said that at the last meeting someone asked if they would have the capability should biofuels on the Big Island become economically feasible in the future to go the opposite way. Barker said yes, that would be the unique feature of this pipeline, is that it would have two way protection valves to not only import directly to the Big Island, but to transship to neighbor islands fuel that is produced on the Big Island.

Member Gomes asked if there would be safety precautions if a pipe exploded, what the safety measures would be, or how would it be cleaned. Baker said that staff and fire control would be present at all times, even though volatility is lower with biofuels compared to everything else; there is never an open air transmission of fuel.

Member Gon asked if there were existing operations anywhere else in the state or elsewhere. Baker said they are the only ones who know how to produce on island biofuels and make use of the ability to transport. Baker said their associate company has 8 years of biofuel training

experience worldwide, however this is the only opportunity to be able to own a storage tank facility.

Member Gomes asked if there were containments. Baker said they will increase the height of the containment walls up by 15 inches. The containments will have solid linings..

Unanimously approved as submitted (Pacheco, Gomes)

Item C-1 Review and Approval of Project Recommendations for Funding from the Fiscal Year 2014 Legacy Land Conservation Program (Land Conservation Fund) and Approval of the Following Grants:

Kuamo'o; Mōhala Hou Foundation, at \$3,000,000 for Purchase of 47 Acres in Kona, Island of Hawai'i

Hakipu'u Lo'i Kalo; Ka Huli O Hāloa, at \$350,000 for Acquisition of 1.5 Acres of Coastal Lands in Ko'olaupoko, Island of O'ahu

Ho'oulu Ola; Kōkua Kalihi Valley Comprehensive Family Services, at \$900,000 for Acquisition of 11.44 Acres in Honolulu, Island of O'ahu

Helemano; Department of Land and Natural Resources, Division of Forestry and Wildlife, at \$350,000 for Acquisition of 1,613 Acres in Waiālua, Island of O'ahu.

Written testimony was submitted by; Kamana Beamer, Richard Creagan, Neil J. Kaho'okele Hannahs and Lea Hong.

Sheri Mann representing the Division of Forestry and Wildlife (DOFAW) briefly presented item C-1, then Molly Schmidt also with DOFAW summarized the approval process and noted that they are recommending conservation easements not be imposed with these projects and just continue with the deed restrictions that have been imposed since 2006/2007.

Chair Aila recognized Kamana Beamer as a member of the Water Commission, as well a professor at University of Hawaii.

Lea Hong the State Director for The Trust for Public Lands presented a summary of the project.

Beamer testified that he was in support the recommendations and explained that they are seeking to acquire the lands that were the battle site of Kuamo'o-one of the most pivotal changes in Hawaiian history. Beamer explained how they want to preserve that site and preserve cultural integrity.

Hong played a video of Beamer's grandmother explaining the history of the place and the main focus was the belief that the world should live in love and keep your love of the Battle in 1819.

Member Gon noted that the majority of the acquisitions have been for agricultural purposes, however this one has huge cultural significance and he glad to see this group taking advantage of that aspect of the Legacy provisions.

Laura Ka'akua provided a summary of both Hakipu'u Lo'i Kalo and Ho'oulu Ola. Beginning with Ho'oulu Ola, Ka'akua explained that they are assisting the 40 year old nonprofit health center, Kokua Kalihi Valley and comprehensive and family Services who are partners with the state, whose goal is to build and strengthen that community. Some of the elders have wanted to see their vision of a Rainbow Park come to fruition. The Rainbow Park was meant to connect the East side of Kalihi Valley with the West Side. Kokua Kalihi Valley wants to take back the land for the benefit of the community, to remove the threat of drug use and to continue the good work that they have been doing. The mission is to bring health and propagate connections between land and people.

Member Gon commented that this is amazing and makes him proud to see this happening. There was discussion about the overpass connecting the two ends; this overpass is part of the property.

Ka'akua then summarized that the Hakipu'u Lo'i Kalo was much smaller; 1.5 acres . They would like to partner with area schools to steward the property. The goal is to keep the Lo'i Kalo in active cultivation and have it be a community resource and a way to teach and carry on those practices. They are partnering with Hakipu'u learning center.

Sheri Mann with DOFAW explained that Helemano is a much larger project; 1,613 acres. This is a larger acquisition that they are seeking funds for and there are a lot of resources that would be involved. There is an important recreational component, not a lot of lands have recreational access to native forest in the heart of O'ahu. There's lots of potential for restoration of important natural resources and it's a very important diversity habitat as well.

Schmidt added that this would also provide an important public access to Poamoho.

Morgan Buchanan on behalf of the Legacy Lands Commission Molokai said that she would give the Board Member Gon's message; that the Land Board really likes the projects, and like what they see.

Unanimously approved as submitted (Gon, Pacheco)

**Item C-3 Request for Delegation of Authority to the Chairperson to Negotiate, Approve, Execute, Amend, and Extend Memoranda of Understanding (MOU) with the Kaua'i Island Utility Cooperative (KIUC) for the Division of Forestry and Wildlife to Implement Conservation Actions, Including but Not Limited to Seabird Monitoring, Predator Control, Auditory Surveys, and Underline Monitoring on the Island of Kaua'i
And**

Request Approval of Declaration of Exemption to Chapter 343, HRS Environmental Compliance Requirements for the Activities Funded by the Subject MOU Agreements.

Sherry Mann representing DOFAW went over item C-3 and explained that this is an ongoing project with KIUC and it is necessary to extend the MOU every year. Mann said that DOFAW is working on a larger project with the research that is coming out of these studies.

Reggie David, a consulting biologist for KIUC said that all of this research is used to manage these areas, control predators, learn about birds themselves and all of this information is going to roll into an island wide program that the state is preparing right now for many other applicants that need this kind of legal protection. David said that part of this research is to quantify and minimize the amount of birds that collide with utility lines.

Member Gomes asked how many years they have been doing this research and how many birds collide with utility lines. David said 5 or 6 years and there was always very little information. They don't know exactly how many birds collide with utility lines, but they do know that a very large number of the birds fly out to sea in the middle of the night and get confused by lighting and fly into stadium lights, etc. This research will assist agencies about appropriate mitigations in the future about other entities that have other intake.

Member Pacheco noted that David was a discoverer of a new species of bird on Midway.

Unanimously approved as submitted (Pacheco, Gomes)

Item D-8 Issuance of Right-of-Entry Permit to B T Kuwahara LLC for Road Construction Purposes, Keonepoko Homesteads, Puna, Hawai'i, Tax Map Key: (3)1-5-07:55.

Kevin Moore representing the Land Division conveyed item D-8 and explained that this has been before the Board previously. The Board formerly allowed the developer an environmental assessment (EA) for this project. This latest development will allow the developer to start constructing the road. Staff recommendation is to grant the right-of-entry.

The consultant for B T Kuwahara LLC. said that they have been getting good feedback from the community. They have to have the Right of Entry to complete the project. He was okay with staff's recommendations.

Unanimously approved as submitted (Pacheco, Gomes)

Chair announced that the mayor of Hawaii Island was present.

Item E-4 Request Approval to Enter Into a Memorandum of Agreement (MOA) and a Right-of-Entry (ROE) with the County of Hawai'i on the Transfer of

Management for a Portion of the Mauna Kea State Recreation Area (MKSRA); and

Request Approval to Delegate the Chairperson of the Department of Land and Natural Resources (DLNR) for the Approval to Enter Into a Memorandum of Agreement and a Right-of-Entry with the County of Hawai'i on the Transfer of the Management for a Portion of the Mauna Kea State Recreation Area; and

Request Approval In Concept for the Withdrawal of Lands from the Mauna Kea Forest Reserve and Set Aside to the County of Hawai'i for Park Purposes; Mauna Kea State Recreation Area, Mauna Kea Forest Reserve, Kahoe, IV, Hāmākua, Island and State of Hawai'i, Tax Map Key: (3) 4-4-016:003 (Portion).

Written testimony was submitted by Jim Albertini, Shantee Brown, Shane DeMotta, Jeremy & Lanette Ganzagan, Donna Garbow, Cory Harden, Stevern L. Hurt, Diane Kubo, Toby Macanas, Mike Merelex, Shannon Randolph, Dillion Slevin, Mike Swevallow and Sam Warren. A petition with approximately 345 signatures was also submitted.

Dan Quinn, Administrator for State Parks presented item E-4 and noted that there was much discussion at the legislature on this. The County has now expressed interest, particularly, in Mauna Kea State Recreation Area (MKSRA). Mr. Quinn gave some history of the forest reserve and explained that only the cabin areas would be transferred to the County. The approval in concept for withdrawal will come back to the Board later after the land is surveyed. The real constraint is the water source which has continued to decrease. It yields only about a couple hundred gallons a day which is not sustainable to provide water to the cabins, and is the reason State Parks has decreased the use of the cabins. The Army uses the same water, but has had to truck water up for a period of time, and the County will probably do the same.

Member Gomes asked why the water is the way it is when in 1965 there was about 20,000 gallons of water. Mr. Quinn explained that it's likely due to climate change. Member Pacheco agreed that the aquifers are changing.

Member Gomes then asked why in 2011 the Governor was urging not to transfer the Park. Quinn said that the Department went back and forth many times, but worked out an MOA and new interest in the transfer is renewed.

Hawaii Island Mayor Billy Kenoi thanked the Board for the partnership and introduced other members of his staff: The Director for Parks and Recreation, Clayton Honma, Corporation Council, Renee Schoen, staff members Kevin Dayton and Reese Hirokawa were all present. Mayor Kenoi said they have been taking note of petitions, and their goal is to work together to strategically allocate their resources. The County has committed \$405,000 to the Park for improvements including trucking water. He said a few months ago they had a meeting with DLNR staff and a geologist who said he hit quality water at 800 ft. Initially, it was thought that would be cost prohibitive to provide water to MKSRA. But, due to his representations, it's

possible there could be high quality, plentiful water at a reasonable cost. The County is interested in this Park because there is nowhere else in Hawaii where you can travel for 50 miles and take a beautiful, scenic, and majestic drive. They just want to help upgrade, maintain, operate, and provide a wonderful recreational area for residents and visitors. First they would re-do the bathrooms, bring in water, restore sinks and showers to the cabins for community use, upgrade the parking lot, repave the areas and have it be a full service recreational area with high quality amenities and services to the community. It's important to honor their kupuna by having a wonderful facility there. Parks are the number one priority to the County. They think working together is very important to achieve their goals. Mayor Kenoi asked the Board to support staff's recommendations.

Member Gon asked Mayor Kenoi whether he had an opinion on the petition and Mayor Kenoi said he speculates the hunting community has primary use of the facility right now and that park would still be open to the hunting community.

Member Pacheco commented that he has gotten an ear full regarding this item. There are three main arguments:

1. The County will take the Park away from the people;
2. Concern that the County has long-term commercial intentions; and
3. PTA and training, Member Pacheco said this needs to be done in the best way.

Member Pacheco asked both Mayor Kenoi and Quinn how much staff they have. Mayor Kenoi has over 400 (in Hawaii County) and Quinn has 100 statewide with 25 or 30 on Hawaii Island. Member Gon commented that a partnership would be a good thing.

Member Pacheco asked what the plan was after they get the water. Mayor Kenoi said the plan is to check capacity, truck in water, open the park up on the weekends, put in showers and sinks, and see what the water usage cost is. Mayor Kenoi wants to eventually open the park up every day.

Member Gomes asked if any of the water testing been decided and how much water they have per day. Mayor Kenoi said the conversation with the geologist was just preliminary. Member Pacheco explained that the drilling project has been going on for a while and they found perches of fresh water under lava flow sets, under the ocean, and they believe they found a wide source of water that is extensive.

Member Gomes asked whether the money the County has allotted would be enough. Mayor Kenoi said yes, they have CIP money set aside to invest capital improvement money and operational dollars. They will move as expeditiously as possible.

Mayor Kenoi said a farmers market would be nice to support local farmers, ranchers, etc. The plan at this time does not include any gas stations; the main thing is to restore water, improve amenities, facilities, and security.

Unanimously approved as submitted (Pacheco, Gomes)

Item K-5 Request Land Board Authorization to Enter Into a Memorandum of Understanding Between the State of Hawai‘i, Department of Land and Natural Resources, by its Board of Land and Natural Resources, and the Ka‘anapali Operators Association to Help Fund the Ka‘anapali Beach Restoration Project Design and Permitting.

Sam Lemmo, Administrator for the Office of Conservation and Coastal Lands reviewed Item K-5, explaining that over the years there has been a desire to fix issues at Ka‘anapali Beach. OCCL feels this would be a good private/public partnership, being a huge beach resource. Lemmo explained that the recommendation is to delegate the chairperson to sign the MOA for \$800,000 for the planning and permitting aspects. At a later time they would seek additional money for construction; the total cost of the project is 7.87 million dollars.

Members Pacheco and Gomes asked where the sand was coming from. Lemmo said the sand would be borrowed from onshore.

Lemmo explained there is a pending request for a CIP to support this, the CIP is for \$800,000.

Member Pacheco asked who the Operations Association was.

Wayne Hedani President of Ka‘anapali Operators Association explained that they are a nonprofit organization and membership is comprised of 6 hotels, 5 condominiums plus the golf course and a shopping center. Restoring the beach would be beneficial to the public as well as the DLNR.

Lemmo said that there are still other things that need to get done along with the Environmental Assessment. Hedani said they identified 16 permits they still need to get.

Unanimously approved as submitted (Gon, Gomes)

Member Pacheco stepped out 11:24 AM.

Item D-4 Set Aside to County of Kauai for Affordable Housing, Various lots in Wailua Houselots, Kapa‘a, Hanapēpē, Waimea, Kaua‘i. Tax Map Keys: (4) 4-1-011:016,020, (4) 4-1-009:054, (4) 4-5-008:009,012, (4) 4-5-011:007, (4) 1-9-009:006,007,008,009, (4) 1-9-010:003, and (4) 1-6-004:003.

Kevin Moore representing the Land Division explained that his item deals with 12 lots that are largely unused. The idea was to transfer these parcels to Kauai County who could make use of these parcels and make use of these lots. At this time, they are just asking for the approval of the set asides to the counties.

Kamuela Cobbs-Adams, the housing director for the County of Kauai agreed that this was planned to create affordable housing, initially they re-did their admin rules to provide special lending for single families who what to build a single family house on possible state lands. Their intent now is to do what it takes then issue a lease to a homeowner where a loan program and a contractor builds a house for them. Also to keep these homes in perpetuity for affordable housing,

the county would use the lease, the prospective homeowner would buy the house and there would be restrictions in order for them to qualify. The intent would be to partner with USDA and do a 20% loan (USDA pays 80%), and use local builders to build these houses one at a time.

Member Pacheco returned 11:27 AM.

Member Gomes asked what kind of income families live in the surrounding areas. Cobbs-Adams believed the families surrounding are the same; rural. There was only one complaint from someone in Hanapēpē but they decided not to go with that area because it would be extremely costly. They did analysis on each lot and all have small issues. 71% of the houses are for families of 80% and below the median income on Kauai.

Unanimously approved as submitted (Gon, Gomes)

11:34 AM RECESS

11:46 AM RECONVENE

- Item D-1 Approval in Concept of Acquisition of Easement on Private Lands for Menehune Road Rockfall Mitigation Project, Waimea Valley, Waimea, Kaua‘i, Tax Map Key: (4) 1-6-003:056 and (4) 1-6-010:001, 002 & 003 (portions).**
- Item D-2 Request to Set Aside to Department of Land and Natural Resources, Division of Forestry and Wildlife for DLNR Westside Baseyard Purposes, Hanapēpē, Waimea, Kaua‘i, Tax Map Key: (4) 1-8-008:por. of 020.**
- Item D-3 Request for Issuance of Revocable Permit to Keith A. Ruiz for Pasture Purposes, por. of, Hanapēpē, Waimea, Kaua‘i, Tax Map Key: (4) 1-8-08: 7 & 32.**
- Item D-5 Amend Prior Board Action of October 12, 2012, Item D-1, To Add an Immediate Construction Right of Entry to the Withdrawal from Governor’s Executive Order No. 2380 to the Department of Accounting and General Services and Reset Aside to County of Kauai, Department of Public Works for Sidewalk and Parking Modifications, por. of Līhu‘e Town, Līhu‘e, Kaua‘i, Tax Map Key: (4) 3-6-005:011.**
- Item D-6 Request for Set Aside to County of Kaua‘i for Drainage Purposes; Issuance of Immediate Construction and Management Right-of-Entry to the County of Kaua‘i, Wilikō Homes Tract, Unit I, Hanamā‘ulu, Līhu‘e, Kaua‘i, Tax Map Keys: (4) 3-7-008:023.**

- Item D-7** Consent to Assign General Lease No. S-5440, Yuk Lin Maile Moulds-Carr, Assignor, to Yuk Lin Maile Moulds-Carr and James Ka'amoku Moulds, Assignee, Kikala-Keokea, Puna, Hawai'i, Tax Map Key: (3) 1-2-043:040.
- Item D-9** Issuance of Right-of-Entry Permit to the World Triathlon Corporation on State-Owned Lands at Lālāmilo, South Kohala, Hawai'i, Tax Map Key: (3) 6-9-001: portion of 015.
- Item D-10** Rescind Prior Board Action of August 24, 2012, Agenda Item D-5, Issuance of a Direct Lease to Ka'analike, also known as Ka'analike*, for Educational Purposes, Kalaoa 4th, North Kona, Hawai'i Tax Map Key: (3) 7-3-04:05.
- Item D-12** Amend Prior Board Action of May 27, 2011, agenda Item D-6: Issuance of Revocable Permit to Wanda Vierra, Lurlyn Scott, and Beatrice Kekahuna; to Issuance of Revocable Permit to Lurlyn Scott, and Sanford Kekahuna for General Agricultural Purposes, Honopou, Hāmākualoa, Makawao, Maui, Tax Map Key: (2) 2-9-001:018.
- Item D-14** Consent to Sublease General Lease No. S-5805, Waikīkī Community Center, Lessee, to Healthy Mothers Healthy Babies Coalition of Hawai'i, Sublessee, Waikīkī Honolulu, O'ahu, Tax Map Key: (1) 2-6-025:008.

Kevin Moore had no changes to items D-1, D-2, D-3, D-5, D-6, D-7, D-9, D-10, D-12 and D-14.

Unanimously approved as submitted (Pacheco, Gomes)

- Item E-5** Approval to Enter Into a Grant-In-Aid Agreement with The Friends of 'Iolani Palace.

Dan Quinn had no changes to item E-5.

Unanimously approved as submitted (Gon, Kishinami)

- Item C-2** Request for Approval of the Division of Forestry and Wildlife Placement of Act 82, Warning and Management Signs at Waihe'e Ridge Trail and Waihou Spring Trail on the Island of Maui, Hawai'i
And
 Request Approval to Exempt the Placement of Act 82 Signs from Chapter 343 HRS, Environmental Compliance Requirements.

Sheri Mann had no changes to item C-2. Mann said some signs have been put up and some still need to be put up; there was a request from State Parks to change the wording from "WARNING" to "DANGER". Mann said the signs have to go through the Risk Assessment Working Group (RAWG) who authorizes the signs, which are reviewed on a quarterly basis.

Member Goode asked how often staff does a walk-through of the area. Mann wasn't sure; she thought it was several times a year because this is something the RAWG group looks at quarterly.

Member Gomes commented that the company he works for is right below this trail and there is a problem with the dirt bikers who go and tear up the trail, then cut the fence. That then leads to wild cattle getting in. Mann said that they do rely a lot on the public for notifying them when something goes on.

Unanimously approved as submitted (Pacheco, Gomes)

Item K-2 Request Land Board Authorization to Contract Qualified Professionals for Development of a Programmatic Environmental Assessment for Small-Scale Beach Restoration Projects, Statewide.

Sam Lemmo reviewed item K-2, he said there was something like this in the past, but everything needs to be renewed. This would streamline permitting for smaller scale beach restoration projects up to 10,000 cubic yards of sand. This is an attempt to streamline and be more efficient.

Unanimously approved as submitted (Gon, Gomes)

Item L-1 Certification of Elections of Michael Fernandes and Thomas Oi to Serve as Directors of the East Kaua'i Soil and Water Conservation District.

Item L-2 Request for Authorization to Enter into a Memorandum of Agreement (MOA) Between the City and County of Honolulu (City) and the State of Hawai'i, Department of Natural Resources (DLNR), to Plan, Design and Construct Drainage Improvements in the Puhawai Stream Area on O'ahu.

Carty Chang, Chief engineer had no changes to items L-1 and L-2.

Unanimously approved as submitted (Gomes, Gon)

Adjourned

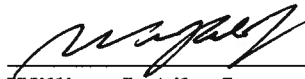
There being no further business, Chairman William Aila adjourned the meeting at 11:57 am. Recording(s) of the meeting and all written testimonies submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Ku'ulei Moses
Land Board Secretary

Approved for submittal:



William J. Aila, Jr.
Chairperson
Department of Land and Natural Resources