

MINUTES OF THE
MEETING OF THE
BOARD OF LAND AND NATURAL RESOURCES

DATE: December 18, 1981

TIME: 9:00 A. M.

PLACE: DLNR Board Room

Kalanimoku Building

Honolulu, Oahu

ROLL
CALL

Chairman Susumu Ono called the meeting of the Board of Land and Natural Resources to order at 9:10 A. M. The following were in attendance:

MEMBERS

Mr. Stanley W. Hong

Mr. Takeo Yamamoto

Mr. Roland Higashi

Mr. Thomas Yagi

Mr. J. Douglas Ing

Mr. Susumu Ono

STAFF

Mr. James Detor

Mr. Roy Sue

Mr. Robert T. Chuck

Mr. Manabu Tagomori

Mr. Kenji Ego

Mr. John Corbin

Mr. Roger Evans

Mr. Maurice Matsuzaki

Mr. Edgar A. Hamasu

Mr. Sam Lee

Mr. Herbert Yanamura

Mr. Melvin Young

Mrs. Joan K. Moriyama

OTHERS

Dep. A. G. Dona Hanaike

Dep. A. G. William Tam

Dep. A. G. Johnson Wong

Mr. Mitchell Werth and Mr. Jimmy Torres
(Item F-1-h)

Mr. Gerald Sumida (Item F-26)

Mr. Harold Masumoto (Item F-27)

Mr. Ronald Y. K. Leong (Item F-27)

Mr. Ken Foley and Mr. Edward Keliikoa
(Item F-1-d)

Mr. Fred Shimabukuro (Items F-20 to F-25)

Mr. Donald A. Bremner (Item H-6)

Mr. Fred Rohlfing (Item H-4)

Mr. O. K. Stender (Item D-4)

Mr. Peter Garcia

MINUTES

The minutes of November 20, 1981 were unanimously approved as circulated.
(Hong/Yagi)

Added
Items

Mr. Hong moved, which was seconded by Mr. Yagi, and the board unanimously approved to add the following items to the board agenda:

Administration

Item H-7 -- Request for Staff to Attend the 1982 Conference of the California Aquaculture Association in Sacramento, California

Other State Departments

Item J-9 --- Consent to Assignment of Lease No. 62 and Lease No. A-66-17, Honolulu International Airport, Honolulu Harbor, Oahu (Shell Oil Company to Honolulu Fueling Facilities Corporation)

Item J-10 -- Assignment, Consent and Conveyance of Lease No. A-68-16, Honolulu International Airport, Oahu (Union Oil Company of California to Honolulu Fueling Facilities Corporation)

Mr. Ono questioned whether Items J-9 and J-10 are considered dispositions and can be legally added to the board agenda.

Mr. Peter Garcia said he discussed this matter with Deputy Attorney General Johnson Wong. He was assured by him that because these are nondisposition transactions, that they are nonconveyance of property, that it is a matter of changing from one lessee to another lessee, and that legally these two items can be added to the board agenda.

The board took up the items in the following order in order to accommodate those people who were present at the meeting.

Item F-1-h WAIMANALO TEEN PROJECT, INC. APPLICATION FOR R. P. COVERING
LAND AT WAIMANALO, OAHU

This was an application by Waimanalo Teen Project, Inc. for a permit covering some twenty acres of land in Waimanalo. They want to conduct an educational-crime prevention program.

The subject area is the same area which was formerly under lease to the Waimanalo Council of Community Organization, who had an eighteen-month lease for an agricultural project. The lease was then extended for six months, so they occupied the area for two years.

Mr. Detor said a question arose as to how many acres were actually under cultivation out of the twenty-three acres. The answer to that is, there are six acres of the twenty-three acres that have been in cultivation.

Mr. Higashi asked whether there are any major improvements on the site.

Mr. Detor said there are no major improvements on the site. This is purely an agricultural project. They wanted a long-term lease but staff is still looking into that. What they want to do is to continue growing crops and harvest the crops that are now on the premises.

Mr. Ono asked what happened to the previous project, and what kind of success did they have.

Mr. Detor didn't have much information on how successful it was. However, he said they did do some actual tilling of the land and planting crops. But what effect that had, insofar as the aims of their program, he didn't know.

Mr. Yagi asked whether the former lessee gave up the crops and what the rent was.

Mr. Detor said some of the same people are involved in this and there was no rent.

Mr. Higashi asked whether the former lessee was notified of this request. Mr. Detor said yes.

Mr. Hong noted in the remarks column that presently only five or six acres of the twenty-three acres are under cultivation, and that is primarily due to the assistance of the Waimanalo Community Garden Association. He asked what assurance will we get that this group (Waimanalo Teen Project, Inc.) will do any better.

Mr. Detor said that is the reason we are going with a permit. If nothing happens, the permit can always be cancelled.

Mr. Hong suggested that they have some kind of a program so we can be assured that there is some indication of the use of the land. If not, he said, you might as well lease it to someone else who can utilize it.

Mr. Detor said we can make that a requirement.

Mr. Mitchell Werth, President of the Teen Project, and Mr. Jimmy Torres, the Director of the project, were present and briefly addressed the board. Mr. Torres said one of the reasons the land is not totally utilized is that the Waimanalo Council of Community Organization is totally a voluntary community organization, which is not really designed to run a big program. However, because they got the Federal Grant eighteen months previous, they felt that the community group was the best group to facilitate this since it was designed for multi-purpose, community organization to be involved. That was the only reason it was a lease to the Waimanalo Council of Community Organization, Mr. Torres said.

According to Mr. Torres, the Waimanalo Teen Project was the originator of the entire farm component. The Community Gardens Association is an active part of the Waimanalo Teen Project.

Mr. Torres further stated that only about six acres are under cultivation now, but farming is only one part of this proposal. There is a whole ethnic Hawaiiana cultural packet, and there are other after-school kinds of programs and even during-school programs.

The Waimanalo Teen Project, Inc., is an Aloha United Way agency and also receives funds from private trusts and foundation, and they also do various community fund raising themselves. Mr. Torres said they submitted their 1981-82 budget when they originally came to the staff so that should be filed in the office files.

Mr. Ono said this was originally for agriculture purposes, however, he noted that Mr. Torres mentioned a broader use than agriculture activities.

Mr. Torres said it will primarily be agriculture. However, they are trying to tie in as many different activities so the children can get not only agricultural credits but also earn history credit, etc. He said as soon as they get the approval from the state, they can put approximately 60 children there. They prefer a long-term lease but they are willing to take a month-to-month permit now and prove to the state what the program can do.

Mr. Hong said the project services 400 teen and young adults. He wanted to know up to what age.

Mr. Torres said it services 428 people from the age group of 10 to 18 years. However, they also have the community garden people and there are 128 families and they are adults.

Mr. Hong asked what kinds of crops they grow. Mr. Torres said papayas, beans, corn and all kinds of other things in the community group section.

Mr. Hong further asked whether they have a need for the entire twenty-three acres. Mr. Torres said they have a need for the entire 23 acres. In fact they see a need of even more, but they are willing to prove with what they have and then ask for a bigger parcel later. They feel that the program will sell itself.

Mr. Higashi wanted to know what happens to the commodity, and whether all of the commodities that are grown are distributed among the families. He asked whether anything is sold on a wholesale basis. Mr. Torres said no.

ACTION Unanimously approved as submitted. (Hong/Ing)

ITEM F-26 REQUEST FOR AUTHORIZATION TO INSTALL WIND GENERATOR, KAMUELA VACUUM COOLING FACILITY, KAMUELA, HAWAII

This was a request for permission to install a wind power system at Waimea on the property that is set aside by executive order to the Department of Agriculture, who has in turn issued a revocable permit for the vacuum cooling facility that is operated there.

Mr. Detor explained what they want to do is to install a windmill, operate it, and to sell the power to the Coop that runs the vacuum cooling plant as its primary customer at a rate lower than Hilo Electric charges. Any surplus will be sold to HELCO.

Mr. Detor said there was one change that came in after this submittal was prepared. He said Wind Power Pacific would install it, but they are not going to operate it. They are going to be investors.

Attorney Gerald Sumida explained the way this is going to be arranged. Wind Power Pacific itself will not own the windmill nor will the Cooperative. The windmill will be technically and legally owned by a third party.

Mr. Higashi's only concern was to see that proper names of the partnership or company be reflected as to the owners of the windmill, who will be selling the power to the Coop, when the document is drafted so we won't have any technical defect in the document.

Mr. Higashi said as he understood it, the proposal is to sell the power approximately 20% below the PUC prevailing price and if the increase in

the PUC goes up 2¢, they will only escalate 50% of any escalation in the price. So in effect the farmers will be benefiting even more if the price goes up.

Mr. Ing noted that the Attorney General's Office has raised some questions whether it would be done under the existing permit and said he would like to review Deputy Attorney General William Tam's opinion.

Mr. Ono asked Mr. Tam to summarize his opinion.

Mr. Tam said there is an existing executive order that set aside the area to the Department of Agriculture. This board then issued a revocable permit in 1966 for a vacuum cooling plant. The permit would allow the existing plant to continue the activity. Mr. Tam didn't think it would allow a third party to come in to use that facility. The permit itself says that the right to use that land cannot be assigned. Further, he said the board could issue a new revocable permit that would indicate this, or issue two separate permits that would take into account separate functions.

Mr. Tam said eventually the board should be considering using a lease for this kind of process rather than a revocable permit, especially if they want to get financing, etc.

Mr. Higashi said there is no assignment of ground or property to anybody else. The lease remains in the name of the Coop. Being that there is no assignment in any real estate transaction, only the use of the land for the benefit of the Coop, he asked whether this is permitted use.

Mr. Tam says Condition No. 11 of the revocable permit says, "the permit or any rights hereunder shall not be sold, assigned, conveyed, leased, mortgaged, or otherwise transferred or disposed of."

Mr. Higashi said since there is no assignment, no mortgage, no lease, or anything that Mr. Tam mentioned, he asked Mr. Tam to look at it favorably.

Mr. Tam thought they might be able to resolve it. He said he would like to look at it more closely to decide whether it's an encumbrance on the property or not.

Mr. Ing asked whether there is any problem issuing a different permit.

Mr. Detor said no. However, it would require a separate action. He suggested that the board approve this, subject to legal review, with an added condition that if it is necessary to join the other people that a new permit be issued under both names.

Mr. Higashi said the advantages for the farmers are great and for the people who are putting it up for tax purposes. He said he would like to act on it today since it takes time to actually put it up. He said the sense of urgency is to have it constructed by December 31.

Mr. Tam saw no objection to that and appreciated the need for action before the end of the year.

Mr. Higashi suggested one amendment. He asked that Item No. 1 under the recommendation (The Department of Agriculture must first declare the

ground areas needed for said alternate energy system excess to the needs of the vacuum cooling facility.) be deleted. As he looked at the long-range master plan, he said we are trying to acquire the easement in the future on the Kona side and have an area that would be operational. By declaring it excess, he said we will have on record that there is no need for this place. He said there is a need in the future.

Mr. Detor said that could be deleted.

Mr. Ono asked what the Department of Agriculture's position is on this.

Mr. Detor said it would be subject to the approval of the Department of Agriculture.

Mr. Tam pointed out to Item 2 on page 2 of his memorandum on Mr. Suwa's memorandum dated November 25, 1981. Mr. Suwa was in accord with the purpose in one of the conditions that they suggested imposing that the energy equipment be actually owned by the Coop, also that any surplus energy go to the benefit of the Coop to reduce their cost rather than to the investors.

Mr. Higashi said the benefit will be to the farmers because if he used only when he needs it and the excess power will be sold only by the investor.

Mr. Ono said his concern is the Department of Agriculture who has custody of the land under an executive order.

Mr. Sumida said as he understood it the Coop first of all is not a proper organization, and secondly they are not in a financial position to buy the machines. He said even if they were able to do so, being a nonprofit organization, they will not be able to take advantage of any tax benefits. So if there is a requirement that the Coop be the owner of this machine, then the Coop would not only get no benefit other than owning the machine but they get no tax benefit also.

Mr. Higashi said it was his understanding that in the agreement at the end of the lease period they have the option to buy the machine after the depreciation has taken place because under the new tax law it will be written off in five years. He said if the windmill is going to be removed, it would be at the expense of the owner, not the Coop. So the Coop will not be liable for any construction or removal.

Mr. Sumida said that is right. Those expenses will not be the Coop's expenses.

ACTION Mr. Higashi moved, seconded by Mr. Ing, and the board unanimously approved the request as amended by deleting Item No. 1 of the recommendation; revocable permit to be subject to the approval of the Department of Agriculture; financial report to be submitted to the board on periodic basis so the program can be assessed; and also subject to the Attorney General's approval, with the understanding that modifications can be made to the names of the permit, if necessary.

ITEM F-27 U. H. REQUEST FOR APPROVAL OF CONTINUANCE OF R. P. TO UNIVERSAL TELEVISION, COVERING LAND AT DIAMOND HEAD ROAD AND 18TH AVENUE, HONOLULU, OAHU (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

Mr. Ing disqualified himself because of a possible conflict of interest.

This was a request from the University of Hawaii for approval for an extension of revocable permit which is held by Universal Television who is doing the Magnum, P. I. series. They need another thirty days, which will take them to the end of January in order to finish the film.

The terms and conditions listed in the submittal were the ones which the University had suggested.

Mr. Hong asked whether a representative from the Universal Television was present at the meeting. He read some adverse comments in the newspapers--adverse to this Land Board, adverse even to the Governor--when the end of the permit term came up. It reflected very badly, especially to the Governor, he said. Over the years this department and this administration have always been very helpful and cooperative to the Magnum, P. I. series in trying to locate them and to find facilities to accommodate their operation. The board went out of the way to extend the permit, he said.

Mr. Hong said he would like the record made straight and asked their attorney, Mr. Ronald Leong, who was present at the meeting, to get that message back to them. He said he would like to have a statement from them.

Mr. Leong said he would certainly pass that on to his client.

Mr. Yagi said the board will be waiting for that statement.

ACTION Mr. Hong moved to approve the continuance of the permit as recommended. Mr. Yagi seconded and the motion was carried. (The record showed that Mr. Ing was excused and did not vote.)

Item F-1-d RESUBMITTAL - DOH REQUEST FOR CONSENT TO ISSUANCE OF R. P. (BY DOH), COVERING PORTION OF THE WAIMANO HOME LANDS, WAIMANO, EWA, OAHU

This was a request by the Department of Health (DOH) for consent to issuance of a permit by DOH covering some 100 acres at Waimano Home, which would be used for construction of an animal menagerie to be used by the Waimano Training School and Hospital residents and instructors as a therapeutic program and for cattle grazing, raising and breeding of horses.

This matter was deferred at the last meeting. A question had come up at that time whether it was going to be a commercial operation in nature which would justify a lowered rental rate.

It was Mr. Detor's understanding that the permittee will graze his animals there. In return the patients at the hospital will participate in this program.

Mr. Ono asked what the prevailing rate would be assuming it was a commercial operation.

Mr. Detor didn't know and said he would have to refer that to his staff.

Mr. Ken Foley, Assistant to Dr. Yanagi, Director of Waimano Home, said as far as the benefits to the patients are concerned, the people in the care of mentally-retarded residents have found in recent years that association with small animals seems to have therapeutic effect on mentally retarded.

Therefore, when these people agreed to put a menagerie, they felt that it will be a tremendous boom to their program.

Mr. Foley said the benefit that they derive from this project would be enough to offset whatever financial value. The subject area that they are talking about is on the diamond head side outside of the fenced area and encloses the area where the residents are residing. He said up to now there are no firebreaks out there. In fact ever since Waimano Home ceased to raise its own cattle, that place has become pretty much of a wilderness.

Mr. Ing said it was his understanding that compensation include maintenance of the animal menagerie. He asked whether there are any specifications as to what is to be included in the animal menagerie, the types of animals, number of animals, etc.

Mr. Detor said he didn't have that information. Mr. Foley said they received a list of the types of animals that they intend to put in.

Mr. Edward N. Keliikoa said the area they propose and have grubbed was along side the fence line. To build this menagerie, financing of the continued maintenance of the area to the exclusive use of the patients of Waimano Home, they felt was their contribution and in return have the use of the land.

Mr. Yagi asked what they are doing with the subject parcel at the present time. Mr. Detor said it is vacant.

ACTION Mr. Yagi moved for approval. Mr. Yamamoto seconded the motion.

Mr. Ono said he didn't think the staff really answered the basic question. He said this is a permit so we can still bring it back to the board.

Mr. Detor asked Mr. Herbert Yanamura, staff agricultural specialist, what rate we are using. Mr. Yanamura said roughly \$40.00 per annum. You divide that by 12 to get your monthly rate. So you are talking about \$3.50 per head per month.

Mr. Ono still felt that the staff failed to answer the basic question and asked the staff to follow up on this. He said he would also like to have DOH submit a more detailed report on this.

On the call of the question, the motion was unanimously carried.

ITEM F-6 RESUBMITTAL - COUNTY OF HAWAII REQUEST FOR CONVEYANCE OF ROADWAY PARCEL AT PONAHAHAWAI, SOUTH HILO, HAWAII

Mr. Higashi indicated conflict of interest and did not participate in any action taken by the board on this item.

ACTION Mr. Yagi moved for approval, Mr. Yamamoto seconded and the motion was carried. Mr. Higashi was excused and did not vote.

ITEM F-20 RESUBMITTAL - DSS&H REQUEST FOR APPROVAL OF CANCELLATION OF LEASE COVERING ROOM 504 OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

RESUBMITTAL - DSS&H REQUEST FOR APPROVAL OF CANCELLATION OF LEASE COVERING ROOM 616 OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

RESUBMITTAL - DSS&H REQUEST FOR APPROVAL OF CANCELLATION OF LEASE COVERING ROOMS 611, 613, 615 AND 617 OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

RESUBMITTAL - DSS&H REQUEST FOR APPROVAL OF CANCELLATION OF LEASE COVERING ROOMS 602, 604, 606 AND 608 OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

DSS&H REQUEST FOR CONSENT TO MODIFICATION OF LEASE COVERING OFFICE SPACE ON THE 6TH FLOOR OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

DSS&H REQUEST FOR APPROVAL OF CANCELLATION OF LEASE COVERING ROOMS 501, 503, 506, 507, 508 AND 509 OF THE BETHEL-PAUAHI BUILDING, HONOLULU, OAHU

Items F-20 to F-25 were requests from DSS&H for cancellation of leases covering office spaces in the Bethel-Pauahi Building. They were deferred at the November 20, 1981 meeting since there were some questions.

Mr. Hong said one of the concerns the board had was that there are always new provisions in the lease and the maintenance costs keep going up and up. He asked whether that can be negotiated. He said it becomes very vague as to what they are exactly going to be paying.

Mr. Fred Shimabukuro from the Division of Public Welfare of DSS&H explained that a whole new air conditioning unit was recently installed at the Bethel-Pauahi Building and they were still being charged 59¢. Now it has come up to 61¢.

Mr. Hong said another one of the board's concern is that the board finds it difficult to accept the fact that many of the governmental agencies are located in the central downtown area where the rental is very high. He said the board would prefer to see the agencies moving out to the outskirts of Honolulu.

Mr. Shimabukuro said he had to differ with Mr. Hong in this particular case since at the Bethel-Pauahi Building they are paying 61¢, whereas they are paying \$1.10 to \$1.25 on the outskirts.

ACTION The board, on Mr. Hong's motion and seconded by Mr. Ing, unanimously voted to approve Items F-20 to Item F-25, inclusive.

ITEM E-5 IOLANI PALACE COMPLEX RESTORATION PHASE X (CORONATION STAND AND PARTIAL FENCE AND GATES), HONOLULU, OAHU

ACTION The board, on Mr. Ing's motion and seconded by Mr. Hong, unanimously granted the chairman the authority to negotiate and to execute a contract document with the Friends of Iolani Palace as presented.

ITEM E-6

APPROVAL OF GRANT-IN-AID FOR THE HULIHEE PALACE RESTORATION
PHASE IV, KAILUA-KONA, HAWAII

Mr. Hong thought he might have a possible conflict because his wife is a member of the Daughters of Hawaii. Mr. Ono ruled that there is no conflict.

ACTION Unanimously approved as submitted. (Hong/Yagi)

ITEM E-7

STUDY OF ACQUISITION OF BIG BEACH, MAKENA, MAUI

Since the board members just received the report, Mr. Ing asked Mr. Sue to review the priorities.

This item was in response to House Concurrent Resolution 147 which required this department to make a study on the acquisition of the Big Beach at Makena. The staff had undertaken a study of that area. Makena Beach is contiguous to the Puu Olai Beach, which we are acquiring at the present time, and it is a broad sandy beach of 3,000 feet in length

Mr. Sue said they would like to purchase the area fronting the beach but because of fiscal constraints they are unable to do so.

Mr. Hong thought perhaps the owners might want to donate the land to the State of Hawaii for park use. Mr. Sue said they did not look into that. They looked only into the possibility of a land exchange.

Mr. Yagi noted that according to Summary C of the board submittal, an informal staff update of the land value was prepared. He asked how the staff arrived at the \$17.85 per square-foot figure.

Mr. Sue said they took into consideration all the lands that were sold along this beach area and the appraisal prices in 1978-79. The high figure was \$22.78 and the low was \$12.78. So they averaged it out to \$17.85.

Mr. Ing asked the staff to look into the possibility of obtaining a strip running from the road to the beach, which would allow access to the beach instead of taking just a single parcel.

ACTION Mr. Yagi moved for approval, subject to the board's further review of the report before submitting it to the governor.

Mr. Ing said he would like to see the report expanded to include some other alternatives. He said the area selected is rather narrow and that there might be other possibilities. Mr. Yagi so amended his motion.

Mr. Ono said this area has been under review for sometime. In fairness to the landowners, he said we should give the land owners some indication as to what is going to happen.

Mr. Higashi said as far as the board is concerned, it is not taking any definite action at this time.

Mr. Ono said this is a report prepared in conformance with the resolution which was adopted by the legislature. It was an effort to bring all the pieces together to focus on the problem so some kind of decision can be reached.

Mr. Ing seconded the amended motion and it was unanimously carried.

ADDED
ITEM J-9

CONSENT TO ASSIGNMENT OF LEASE NO. 62 AND LEASE NO. A-66-17
HONOLULU INTERNATIONAL AIRPORT, HONOLULU HARBOR, OAHU (SHELL
OIL COMPANY TO HONOLULU FUELING FACILITIES CORPORATION)

ADDED
ITEM J-10

ASSIGNMENT, CONSENT AND CONVEYANCE OF LEASE NO. A-68-16,
HONOLULU INTERNATIONAL AIRPORT, OAHU (UNION OIL COMPANY
OF CALIFORNIA TO HONOLULU FUELING FACILITIES CORPORATION)

These two submittals were submitted at the last board meeting as one submittal but Mr. Garcia withdrew it because of defects in the submittal.

Mr. Garcia asked to make one correction under Item J-10. Under area, the satellite storage area should correctly read 44,550 square feet, and pipeline easement of 920 square feet.

Mr. Garcia informed the board that in both of these leases there is no renegotiation.

Mr. Ono asked whether these are consistent with the presentation made earlier to the board by DOT.

Mr. Garcia said yes. This is part of the presentation that was made to the board.

ACTION

Added Items J-9 and J-10 were unanimously approved as amended.
(Hong/Ing)

ITEM H-6

REPORT AND RECOMMENDATION ON WAIKIKI NATATORIUM AND WAIKIKI
AQUARIUM IN RESPONSE TO SENATE RESOLUTION NOS. 208 AND 209,
1981 SESSION (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

Mr. Hamasu made the presentation in the absence of Mr. Gordon Soh who was ill at home.

The Department of Land and Natural Resources was asked to prepare a report (a) by Senate Resolution 208, S. D. #1, 1981 Session, on the future of the Waikiki Aquarium, including rebuilding and any possible joint venture with a private sector along with any affected project; and (b) by Senate Resolution 209, S. D. #1, 1981 Session, on the future of Waikiki Natatorium, including disposition of and jurisdiction over the facilities respectively.

The resolutions also mandated the Chairman of the Board of Land and Natural Resources to submit the reports to the Legislature twenty days prior to the convening of the 1982 Regular Session.

The department held a public meeting in Waikiki, at the Waikiki Aquarium, on October 19, 1981 to obtain ideas and suggestions from the public. Minutes of that public meeting were attached to the submittal for the board's information.

The staff of the department also formed an advisory ad hoc advisory group on the future of both the aquarium and the natatorium. Four members of this group submitted a separate report to the chairman. This report was also attached for the board's information and will be forwarded to the legislature for their review, Mr. Hamasu stated. It was their recommendation

(1) for the immediate demolition of the natatorium; (2) to reject any proposal for commercial of the natatorium; and (3) to continue to evaluate the future of the aquarium in order to assess all possible alternatives. This report as submitted to the board will be forwarded to the governor for his consideration and transmittal to the legislature.

Based on the analysis and alternatives as set forth in the two reports attached, staff recommended that the Waikiki Aquarium (1) be designed and rebuilt within the present 2.35-acre site; (2) be built, operated and maintained by private enterprise under tight controls by the State government; and (3) rebuilding be tied closely to the restoration of the natatorium as a joint development project.

As far as the recommendation of the Waikiki Natatorium is concerned, Mr. Hamasu said the recommendation is similar to the Waikiki Aquarium: (1) that it be restored for recreation-commercial use; (2) that it be designed, restored, operated and maintained by private enterprise under tight control by the State government; and (3) that restoration be tied closely to the restoration of the aquarium as a joint development project.

Mr. Hong said the key to all of this is, where is the money going to come from?

Mr. Hamasu explained that the Constitutional Convention established the expenditure ceiling on the state funding. Consequently, this is really the problem. He said this is the reason staff was proposing this.

He said staff's estimation on the demolition of the structure and restoration of the area for sandy beach is \$3.3 million. As far as the restoration to the facility, the estimate is \$5.5 million. So whichever way the project is to go, the cost is in the millions of dollars, Mr. Hamasu said.

Mr. Hong said we have heard of one proposal from a private group. He asked whether there have been others submitted for the board's consideration.

Mr. Hamasu said they have listed two others in the report that were proposed to the department.

ACTION Mr. Yagi moved for approval, and Mr. Yamamoto seconded.

Before voting on the motion, Mr. Ono asked Mr. Donald Bremner, who served on the committee and who was present at the meeting, whether he had any comments to make.

Mr. Bremner said it is clear that they took exactly the opposite views, on the strength of their concern that this is a \$35 million public resource that we are dealing with, and the best use in their view is to restore it to public use by demolishing the natatorium and extend the beach area. He said it is clear now that the alternative will cost less also.

Mr. Ono asked Mr. Fred Rohlfing, who was also in the audience, for his comments since he, too, was involved in this matter. Mr. Rohlfing said it is a sound approach and should be explored as to what can be done, using private funds with cooperative efforts with the state. He said at least we should try.

On the call of the question, the motion was unanimously carried.

ITEM II-4

RESUBMITTAL - CDUA FOR CONNECTION WALKWAY AND AFTER-THE-FACT ADDITIONS TO RESIDENCE AT TANTALUS, HONOLULU, OAHU (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

This matter was deferred at the last board meeting because the board members had expressed an interest in visiting the site and also wanted to meet with staff, together with the applicant's attorney and the Department of Health and the Board of Water Supply staff to see if the matter could be resolved.

Mr. Evans said this meeting was held with the staff, applicant, as well as the Board of Water Supply and the Department of Health staff.

Mr. Evans said they intended to focus to see if they could move the unit that exists now back to workshop-type unit rather than a residence. It was the general understanding of the staff that DOH and BWS concurred. However, they didn't have that assurance from Mr. Rohlfing. Mr. Rohlfing said that he would get back to his client and discuss the matter with him.

Mr. Evans said the Board of Water Supply sent in a letter dated December 16, 1981 indicating that they concur with the recommendation of the staff to require the applicant to remove the existing kitchen, $\frac{1}{2}$ bath and all appurtenant plumbing in the illegally converted second residence. Mr. Evans said that statement from the Board of Water Supply is consistent with what the staff was recommending this morning.

Staff recommended that the kitchen be removed; plumbing for the kitchen be removed; the second bathroom be removed; the plumbing for the second bathroom be removed.

Mr. Evans said this represents a sincere effort on the part of the staff, considering the guidance from the board, to see if something could be worked out. As a result, there is a degree of change from the original recommendation. He said if the proposed recommendations are not acceptable to the applicant, then they would go back to the original recommendation as was presented at the last board meeting.

Mr. Ono asked whether it is clear to all parties and all government agencies involved what is to be removed.

Mr. Evans said yes. In his mind, they are talking about the removal of the $\frac{1}{2}$ bathroom, the removal of the kitchen facilities and the plumbing of each of these functions.

Mr. Rohlfing highlighted his letter which was distributed to the board members. The first part of the letter relates to the discussion area that they had between the staff of the department, two members of the board, and members from other state and county agencies. The portion which is related to the approach today starts on page 2, Mr. Rohlfing said, and read into the records, as follows:

"The applicants are willing to remove all kitchen appliances and will agree to permanently cap the pipes to the kitchen in the 'workshop', all work to be performed within a reasonable time (e.g., 60 days).

"Applicants will only be able therefore to use the unit as an extension of their main residence. (It should be noted that the kitchen was in place in the 'workshop' when the applicants purchased the premises 8 years ago). They will not use hot plates or other devices to in any way attempt to circumvent the intent of the Board's action.

"Applicants do not, however, agree voluntarily to the removal of the upstairs $\frac{1}{2}$ bath as is the anticipated position of the staff. Continued existence of the upstairs $\frac{1}{2}$ bath is not inconsistent with the use now proposed for the unit as an integral part of the main residence. The upstairs $\frac{1}{2}$ bath has no negative effect on occupancy/water usage/or sewer load of the unit. Removal is, in our view, not a necessary consequence of the future designated use of the addition and hence should not be ordered by the Board."

Mr. Rohlfing said their contention is that the half bath upstairs is not in any way going to damage the conservation zone. However, he said they submit to whatever this board decides on this matter.

Mr. Hong said Mr. Rohlfing makes a point in his letter, second paragraph, as to why he feels it should not be removed.

Mr. Evans responded to that by saying that statement may be a valid statement from Mr. Rohlfing's prospective, but staff is not recommending approval of a residence. He said staff's entire focus was not to have the workshop used as a residence, and the staff made that representation to Mr. Rohlfing.

Mr. Rohlfing said for the record they are not willing to concede because they have no evidence that there was any continued work after the citation. He asked whether they are still being penalized for something that his client did in the years between 1974 and 1980, or is that over with and are we trying to live within the single-family residence concept, which is the underlying thing within the rules and regulations of the Department Health, the Board of Water Supply and the underlying problems of the conservation district. He said that is the only basis for his contention that the $\frac{1}{2}$ bathroom removal is not necessary to the underlying purpose and reason behind this. He said if it is a matter, however, that the board feels where it wants to impose another penalty or whatever, then he would say yes, then the $\frac{1}{2}$ bath should come out.

Mr. Ing asked whether under Recommendation No. II, Item No. 7, the exterior pipes are limited to above ground. Mr. Evans said that would be a reasonable expectation. He said they could amend that.

Mr. Higashi asked whether it is a double wall. He said the pipes don't have to be removed if there is a double wall.

Mr. Hong said he totally agree that the kitchen and plumbing should be removed.

ACTION Mr. Ing moved for approval as recommended by staff, with the amended Condition No. 7 as discussed above. Mr. Yagi seconded and the motion was carried.

Mr. Hong voted no.

ITEM E-4 APPOINTMENT OF KAHANA VALLEY ADVISORY BOARD, OAHU

Submitted was a listing of candidates from both the residents, as well as nonresidents of Kahana Valley. Subsequent to this listing, Mr. Sue said they did further research on the status of the permittees in the valley. They found out that several of them don't even have permits. So in order for them to be on the advisory board, Mr. Sue said their status should be straightened out. He recommended that this be done by the Land Management Division.

ACTION Mr. Ing moved to approve the submittal as submitted and amended, with a provision that the submittal to include that the members to serve on the board be residents that are in good standing with the department's rules and regulations and that the chairman be given the authority to appoint the members of this advisory board, or to designate, if he so chooses, a group or groups to so appoint or elect members to serve on the advisory board.

Mr. Yagi seconded and the motion was unanimously carried.

ITEM D-4 RESUBMITTAL - CAMPBELL ESTATE WATER USE PERMIT APPLICATION, PEARL HARBOR GROUND WATER CONTROL AREA

This item was deferred at the last meeting on Kauai. This had to do with the ground water control area at Pearl Harbor. The board in its actions approved the exploratory drilling of the Makakilo well with a proviso that Campbell Estate must come back to the board for a withdrawal permit.

Staff recommended to the board that this permit be approved.

Mr. Ing said the point of the deferral was to clarify certain of the board's prior action and to determine whether or not in fact this type of brackish water is subject to control. He asked Mr. Chuck to brief the board what his findings were.

Mr. Chuck said their findings were that ground water control law controls all waters, brackish as well as agricultural, as well as domestic and industrial and this definitely comes under the control of the laws and rules and regulations of this board.

Mr. Ing said as he understood it, the Pearl Harbor Ground Water Control Area is regulated by the board, and the board has set a sustainable yield of 225 mgd, and the board has also certified withdrawals of up to 225 mgd.

Mr. Chuck said that is correct with a slight clarification. The certification is conditional, but it did come up to the 225 mgd. Conditional to be reviewed after a three-year period and after certain management plans are carried out.

Mr. Ing said as he further understood it, there is presently existing certified withdrawals up to that amount. This additional withdrawal of 1.5 mgd would then take us only to that 225 mgd sustainable yield.

Mr. Chuck said in the context that we have the 225 mgd for the whole designated area. They have brought up to the board hydrological, geological information that actually 225 mgd was set for the Koolau aquifer,

which is a portion of the total designated area, and that this withdrawal of 1.5 mgd is in a different hydrological basin.

Mr. Ing said the problem that he sees with this request is that despite the fact that there is available water, that available water is within an area that is subject to control by the board. The board has set a maximum withdrawal of 225 mgd. As its means of control by the withdrawal from that area, which includes both aquifers, and then to allow the withdrawal would then take us over that limit or that sustainable yield that we have established, he said.

He said the real long-term solution to this is to designate subareas that would provide additional capacity for withdrawal of water, but not to exceed the limit that we have already established the means of controlling both of these aquifers in this particular ground water control area.

It was Mr. Ing's feeling that it would be a bad policy to set a limit and then to exceed it by allowing withdrawals in excess of the limit. He said we should either change the limit or designate subareas which draw from different aquifers as a means of controlling the withdrawals.

Mr. Ing asked whether there is anything preventing the board from designating different sustainable yield within the ground water control area but without designating the subarea. Mr. Chuck said no.

He further asked whether we could have in the Pearl Harbor Ground Water Control Area a sustainable yield for the Koolau aquifer and have another sustainable yield for the Waianae aquifer. Mr. Chuck said we could.

Mr. Ing said the sustainable yield that we presently have is based entirely on the data from the Koolau aquifer. He said maybe we should investigate that possibility without going into a subarea designation.

Mr. Yagi asked whether we are anticipating any more other new wells. Mr. Chuck said he didn't know of any specific ones but it probably may lead to other requests.

Mr. Ing moved that the submittal be denied because of the technical limit that we have placed on this ground water control area, with a proviso to that denial that the department immediately take measures to see what could be done with regard to the sustainable yield in the limits they have set of the Pearl Harbor area to provide more capacity so we can anticipate. As population grows, there is going to be a higher demand for water since that area is presently under control, and since the limit has now reached we're going to have to have more capacity of water that can be certified. He said if there is water available, then it should be made available.

Mr. Yagi asked Mr. Chuck whether we have to go back to the public and notify them with respect to the 225 mgd. Mr. Chuck said yes. Mr. Yagi said then we should get a good reason why we are raising the 225 figure.

Mr. Ing said we should look for more flexibility since there is additional water capacity there with regards to the limits that we have set in regulating that area.

Mr. O. K. Stender of Campbell Estate said as he understood the question, the question is whether or not we can change the 225 mgd to 226.5 mgd.

Mr. Ing said not necessarily. He said the 225 is based on the Koolau aquifer. What we are suggesting is whether or not we can establish a more flexible limit and have a sustainable yield for the Waianae aquifer and one for the Koolau aquifer that will allow us more capacity in which we can certify the withdrawals.

Mr. Stender said going back to the hearings that were held in the designation of the Pearl Harbor Ground Water Control Area, they were involved in many of these meetings and hearings when the study commission started and they have had many discussions with the hydrologist or the committee who worked on the volumes in the hearings for the adoption of the ground water control area. They had made a point that the line that was drawn was a matter of convenience and not that it related in anyway to the study area. In the adoption of the regulation, the 225 mgd relates to the Pearl Harbor basin. It is not an inflexible number. It is a policy question with the board.

Mr. Stender continued that the board wanted to establish a number that would commit the people who are drawing water to continue drawing water. Anything in excess of that, the board wanted to have some control as to where they took it, how much they took it, and when they took it. They feel that the board has that right to make that change.

Mr. Higashi said obviously they are going to do a blending process. He asked how much of the water from the Pearl Harbor area are they blending to bring that 1.5 mgd to a potable water.

Mr. Stender said they are using the present allocation. They are not taking any more water out of the Pearl Harbor basin.

Mr. Higashi asked what their total commitment is.

Mr. Stender said they have no real commitment. The Board of Water Supply has 77 mgd plus the 5% and they are staying within that limit. All they are saying is that they are adding 1.5 mgd to that.

Mr. Yagi asked why staff recommended approval of the 1.5 mgd. He said the motion is to deny Campbell Estate's request.

Mr. Chuck said staff's recommendation was that this 1.5 mgd was coming out of a basin and doesn't affect the 225 mgd.

Mr. Ono said staff was not accurately reflecting the previous action. He said the previous action was that 225 mgd covers the entire area.

Mr. Ing said it does affect the 225 mgd because that is the limit that the board set in the entire ground water control area.

Mr. Hong said the thrust of Mr. Ing's motion is if we can confirm that there are other sources within the area (colored in blue), then we can be justified in raising the 225 mgd. Another possibility, he said is to separate them by aquifer.s.

Mr. Yagi asked whether we have to have a public hearing again in raising that 225 mgd.

Mr. Ing said that would have to be referred to the Attorney General's Office.

Mr. Yagi said the designation and 225 mgd have been the key figure. He said he would like to grant Campbell Estate this 1.5 mgd.

There was a motion on the floor and the chairman asked whether there was any second. The motion died for lack of second.

Mr. Yagi asked the deputy attorney general whether we would need to go through a public hearing again. Mr. Johnson Wong said they did not have an answer for that.

Mr. Hong asked Mr. Chuck what his feeling was on the public hearing. Mr. Chuck said if they change this designation boundaries in any way, they must come out with public hearings, but the board has the power to act as long as they are not changing the designation or redesignation.

Mr. Yagi said as he recalled the public hearing the key issues were on the designation and the 225 figure. He asked whether we are going to lift that without notifying the public?

Mr. Ing said the problem that he has is that we set the 225 mgd and now staff is asking the board to certify the withdrawal of 226.5 mgd.

Mr. Yagi asked for Campbell Estate's timetable for this well.

Mr. Stender said the critical part is that the water tank has already been built and they need 130,000 gallons in April.

Mr. Yagi asked the staff what our timetable would be in trying to meet Campbell Estate's timetable.

Mr. Manabu Tagomori said their estimate is about a year to look at the data all over again and look at the boundaries in a more critical way.

During the course of the discussion, a suggestion was made whether Campbell Estate can work out with the owners and users the borrowing of 1.5 mgd out of the 225 mgd that the board has certified.

Mr. Stender said they did try and they intend to continue this effort with Oahu Sugar. He said the 225 mgd figure has become such a number that nobody is willing to give up one gallon. He said it is becoming an inflexible number.

Mr. Yagi asked Mr. Chuck whether the staff can assist them on this.

Mr. Chuck said staff can certainly look into that.

Mr. Yagi suggested deferring this matter.

ACTION

Mr. Hong moved for deferral, with instructions to the staff to look into these alternatives of how we can accommodate Campbell Estate's request and yet still stay within the legality of our ground water rules and regulations.

Mr. Yagi seconded the motion.

Mr. Ono instructed the staff to work out and explore immediately all of the alternatives that were suggested and get together with all affected parties

in trying to work out the suggested solutions and report back to the board at its next meeting.

Mr. Chuck said he would prefer to have it ready for the second meeting in January. Mr. Ono said he would like at least a status report by the first meeting in January.

On the call of the question, the motion was unanimously carried.

ITEM C-1 FILLING OF FORESTER WORKER II POSITION NO. 2919, OAHU

ACTION Mr. Hong moved, seconded by Mr. Yagi, and the board unanimously approved the appointment of Elton Miyagawa to fill the vacant Forestry Worker II position, Oahu District.

ITEM C-2 PLANT SANCTUARY (SESBANIA ARBOREA) LICENSE AGREEMENT NO. 132 WITH HAWAIIAN HOMES COMMISSION

ACTION This matter was withdrawn at the request of Mr. Landgraf. There was no objection by the board.

ITEM B-1 TERMINATION OF A COOPERATIVE PUBLIC FISHING DEVELOPMENT AND MANAGEMENT AGREEMENT BETWEEN ALEXANDER AND BALDWIN, INC., AND THE BOARD OF LAND AND NATURAL RESOURCES

ACTION Unanimously approved as submitted. (Yagi/Hong)

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Mr. Ego said since within a period of two weeks he will be retiring, this was his last opportunity to address this board. He extended his deep appreciation to the board for the assistance that was extended to him, for the concern and countless hours that each member of the board has personally sacrificed to better understand, not only his problems and programs but that of the entire department. He said he wanted to share with the board whatever success his division might have achieved. In so doing, he reminded the board that within the staff of the Division of Aquatic Resources they have the best available. Because of the excellence of staff within that division, he said that he can and will be leaving the department fully confident that the projects and programs of the division will be discharged properly and also the wishes of the board will be carried out fully.

He said it has been a pleasure and an honor working for the board and with the board.

Mr. Ing said in the short time that he has been with the board, he has been impressed with Mr. Ego's performance at the annual meeting of the Western Association of the Fish and Game Association.

The rest of the board members joined Mr. Ing with the praises, and the chairman, on behalf of the board and the entire department, wished Mr. Ego well and thanked him for all of his efforts.

ITEM D-1 ELECTRICAL SERVICE FOR JOB NO. 44-HA-3, KE-AHOLE AGRICULTURAL PARK, PHASE II, KE-AHOLE, NORTH KONA, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Hong)

ITEM D-2 REGIONAL WATER USERS CONFERENCE

Mr. Chuck explained that this is a nonbudgeted item trip. Funds would come from the Federal funds, Title III, Water Resources Council.

ACTION The board, on Mr. Hong's motion and seconded by Mr. Higashi, unanimously approved the out-of-state travel for Takeo Fujii as submitted.

ITEM D-3 RIGHT-OF-ENTRY AGREEMENT FOR ENTRY INTO PUU PULEHU RESERVOIR, WAIMEA, HAWAII

ACTION Unanimously approved as submitted. (Higashi/Hong)

(See pages 15 to 19 for Item D-4.)

ITEM D-5 SOIL AND WATER CONSERVATION DISTRICT DIRECTOR

ACTION The board, on Mr. Hong's motion and seconded by Mr. Yamamoto, unanimously approved the appointment of Kwong S. Paik to serve as a Director of the Kona Soil and Water Conservation District, for the term ending June 30, 1984.

ITEM E-1 FILLING OF GENERAL LABORER I POSITION NO. 30395, WAIMANALO STATE RECREATION AREA, OAHU PARKS SECTION

ACTION Donnalee Lani was unanimously appointed to fill Position No. 30395, General Laborer I, assigned to the Waimanalo State Recreation Area, on the motion of Mr. Yagi, seconded by Mr. Yamaoto.

ITEM E-2 REQUEST TO USE HAPUNA BEACH STATE PARK, HAWAII, FOR A ROUGH-WATER SWIMMING EVENT

ACTION Unanimously approved as submitted. (Higahsi/Hong)

ITEM E-3 AWARD OF CONTRACT, JOB NO. 23-HP-23, HANDRAILS, AKAKA FALLS STATE PARK, HONOLULU, HAWAII

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Hong, unanimously approved to award the subject contract to include the basic bid with three additive Alternatives to Railings Incorporated for the total bid sum of \$28,350.00.

(See page 15 for Item E-4, page 9 for Item E-5 and page 10 for Items E-6 and E-7.)

ITEM F-1 DOCUMENTS FOR CONSIDERATION

KAUAI

Item F-1-a REVOCABLE PERMITS

HORMEL COMPANY - portion of a state-owned ditch right of way at Kapaa, Kawaihau - for parking and landscaping - \$10 per month

MAUI

Item F-1-b REVOCABLE PERMIT

LESTER S. YOKOTE - Government remnant, Waiakoa, Kula - for agriculture cultivation of vegetables and flowers - \$10.00 per month

KAUAI

Item F-1-c ASSIGNMENT

JOSEPH JULIAN DECOSTA and ELEANOR L. DECOSTA (divorced), Assignors, to JEAN E. NADATANI, whose husband is Dean T. Nadatani, and CAROL ANN DECOSTA SHINAGAWA, whose husband is Steven M. Shinagawa, Assignees Nonexclusive easement for all purposes located from the northwest side of Waha Road to the southerly boundary of Grant No. 8056 at Kalaheo - GL No. S-3957

(See pages 7 and 8 for Item F-1-d.)

KAUAI

Item F-1-e LAND LICENSE

OLAF THRONAS dba O. Thronas, Inc. - Kekaha Sanitary Landfill Site, Kekaha - \$3.00 per cubic yard

Mr. Yamamoto said under "remarks", the submittal reads that "the material will be used as construction material in connection with the applicant's business." He asked what was meant by "construction material."

Mr. Detor said it means concrete.

Mr. Ono suggested that we make this one of the recommendations that it be specifically used as a concrete mix.

It was suggested, and the board unanimously agreed to amend this submittal to add Condition No. 13, that the product is to be used for concrete products only.

HAWAII

Item F-1-f MORTGAGE

PACIFIC NURSERIES, INC., Mortgagor, to Federal Land Bank of Sacramento, Mortgagee - Keonepoko Nui, Puna - GL No. S-4671

MAUI

Item F-1-g REVOCABLE PERMITS

HAWAII OMORI CORPORATION - Government land at Lahaina - for landscaping and maintenance - \$22.50 per month

(See pages 2 to 4 for Item F-1-h.)

Item F-1-i ARTHUR T. SUEHIRO - Government land, Alamihi Tract, Lahaina - for diversified agriculture, landscaping and maintenance - \$11.50 per month

ACTION The board, on Mr. Yagi's motion and seconded by Mr. Yamamoto, unanimously approved Item F-1 as submitted and as amended above.

ITEM F-2 STAFF RECOMMENDATION FOR REPURCHASE OF LOT 56, UNIVERSITY HEIGHTS, 3RD INCREMENT, WAIAKEA, SOUTH HILO, HAWAII

ITEM F-3 STAFF RECOMMENDATION FOR SALE OF LOT 56, UNIVERSITY HEIGHTS, 3RD INCREMENT, WAIAKEA, SOUTH HILO, HAWAII

ACTION Items F-2 and F-3 were unanimously approved as submitted. (Higashi/Hong)

ITEM F-4 DAVID DELUZ, ET AL REQUEST FOR RIGHT OF ENTRY, OLAA, PUNA,
HAWAII

ACTION Unanimously approved as submitted. (Higashi/Yagi)

ITEM F-5 REVIEW OF REVOCABLE PERMITS COVERING STATE LAND ON THE ISLAND
OF HAWAII

ITEM F-11 REVIEW OF REVOCABLE PERMITS COVERING STATE LAND ON THE ISLANDS
OF MAUI AND MOLOKAI

ITEM F-16 REVIEW OF REVOCABLE PERMITS COVERING STATE LAND ON THE ISLAND
OF KAUAI

Mr. Detor asked to take up Items F-5, F-11 and F-16 since they were all lists of permits for Hawaii, Maui and Molokai, and Kauai. He said the Oahu permits are a little bit more complicated so they are not ready yet. They anticipate bringing them in at the next board meeting.

Mr. Detor said the law requires that revocable permits be reviewed by the board and reconfirmed each year. Insofar as the rental recommendations were concerned, they brought up to the \$10.00 minimum those that were not covered previously, except they left the ones that are free, for example to the government agencies. They haven't really touched the residential permits except to bring those that were out of line up to the standards.

Mr. Higashi said most of the rates, at least the ones that he has reviewed, are pretty fair rentals. He proposed that at least on the Big Island permits that we maintain the same rental for one year, with the exception of those that were below \$10 that were brought up. He cited bad economic situation as the reason and the fact that we have brought everybody up to par.

He said we don't need the appraisal once we get them all up to the fair market value.

Mr. Ing said the problem with that suggestion is that some of these permittees are getting behind, especially in Sand Island where we have been considering fair rental value. Lots of people are trying to get in there and it takes a long time to increase the rent. He said he would not be in favor of doing that across the board for the permits because permits are reviewed on a yearly basis and you can increase only so much.

Mr. Higashi realized Sand Island may be a difficult question. He said he doesn't have that kind of problem, like Sand Island, on the Big Island. The permits that he has seen actually are all based on fair market value. He didn't think there were sales or comparables that necessitate an increase.

Mr. Detor said the Sand Island is a case all by itself. It is a peculiar situation.

Mr. Ing said we have the Sand Island situation then we also have revocable permits on the mauka areas where we have for communications and utilities facilities. He said those are separate situations.

Mr. Ono asked Mr. Detor whether the land agents feel that the 10% increase is justifiable.

Mr. Detor said each of the agents went over all of these, and he thought that the land agents felt that they were justifiable.

Mr. Yamamoto asked why the Oahu permits were not on the board agenda today.

Mr. Detor said we don't have the Oahu Land Agent. It is still vacant, and he said we have peculiar situations like the Sand Island permits. He said they will try to get it on the agenda at the next meeting.

Mr. Ono said he sympathizes with the business people because they are having a rough time due to the economic situation, but whether this board has the authority to consider the economic condition by relief through this kind of action is a question that he would like to explore. He said if we do it for permittees, why couldn't we give the same consideration for the lessees.

Mr. Higashi said leases rentals are set, based on the fair market value, whereas the permittees take a penalty and get their rent raised every year.

Mr. Ono said if the land agents feel this is justified, he didn't know what rationale the board will have in saying not to increase the rent across the board. He said if there is anything that gives the board this kind of authority to lower the rent, he said that is fine.

Mr. Detor said he can check that out. He suggested that in the meantime that the board approve continuance of the permits and leave that question open.

Mr. Yagi said if you are going to give exception to one county you have to give the same consideration to other counties, including Oahu.

Mr. Ing suggested that perhaps the attorney general's office can look into this problem from the suggestions given.

Mr. Tam said they would be glad to look into it if that is put in writing.

Mr. Ing asked Mr. Detor whether we have any regulation on this.

Mr. Detor said not on this, but under Section 171, it specifically gives the board the authority to give free rent, under certain conditions, for youth athletic activities, camp sites, etc., but it doesn't say for others.

Mr. Ing said the issue is raised by the chairman whether or not the board has the authority to take into account the general economic climate in setting the prices for revocable permits.

Mr. Detor recommended that the board authorize the continuance of the permits while the staff check this out.

ACTION Mr. Yagi moved, seconded by Mr. Ing, and the board approved Items F-5, F-11 and F-16 as submitted.

Mr. Yamamoto and Mr. Higashi voted no.

(See page 8 for Item F-6.)

ITEM F-7 RESUBMITTAL - STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING CONVEYANCE OF LAND FOR PUBLIC UTILITY PURPOSES AT KAUMANA AND PONAHAHAWAI, SOUTH HILO, HAWAII

Mr. Detor suggested that we convey the subject easement to the County of Hawaii and that the submittal be amended accordingly.

ACTION Unanimously approved as amended above. (Higashi/Hong)

ITEM F-8 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF ROAD EASEMENTS AT KAALA AND PUUMAILE GULCHES, HAMAKUA, HAWAII

Mr. Detor said now that we can sell the easements directly to the applicant, rather than going to auction, the recommendation is to sell the easement to them.

ACTION Approved as submitted. (Higashi/Yagi)

Mr. Hong was excused and did not vote on this matter.

ITEM F-9 RESUBMITTAL - HAWAII ELECTRIC LIGHT COMPANY, INC. APPLICATION FOR TRANSMISSION LINE EASEMENT, HONOKAA, HAMAKUA, HAWAII

ACTION Approved as submitted. (Higashi/Yagi)

Mr. Hong was again excused and did not vote on this matter.

ITEM F-10 HAWAIIAN TELEPHONE COMPANY REQUEST FOR AMENDMENT OF PREVIOUS BOARD ACTION (12/14/79, AGENDA ITEM F-7) AUTHORIZING SALE OF EASEMENT AT WAIAKOA, MAKAWAO, MAUI

ACTION Unanimously approved as submitted. (Yagi/Higashi)

(See pages 22 and 23 for Item F-11.)

ITEM F-12 GRANT OF DRAINAGE, UTILITY AND FLOWAGE EASEMENTS TO THE CITY AND COUNTY OF HONOLULU, TMK: 3-8-11:POR. 1, KULIOUOU VALLEY, HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Yagi/Hong)

ITEM F-13 RESUBMITTAL - MARK M. MORITA, ET AL, REQUEST FOR CONFIRMATION OF ACCESS AND UTILITY EASEMENT OVER AND ACROSS KUNAWAI PARK, HONOLULU, OAHU

ACTION Mr. Detor said he was still not satisfied with this submittal and asked for deferral again. The board had no objection to the deferral.

ITEM F-14 RESUBMITTAL - CITY AND COUNTY OF HONOLULU, BOARD OF WATER SUPPLY REQUEST FOR AMENDMENT OF PREVIOUS BOARD ACTION GRANTING PIPELINE EASEMENTS AT ALOHA STADIUM, HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Ing/Hong)

ITEM F-15 RESUBMITTAL - POIPU BEACH CO. REQUEST FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF EASEMENT AT WELIWELI, KOLOA, KAUAI

Mr. Hong said he asked earlier to see whether Poipu Beach Co. (now the community association) was honoring our agreement to give public access to the beach.

Mr. Sam Lee said they have given the county a recorded document granting this easement.

Mr. Hong asked whether there in fact is a sign informing the public of this.

Mr. Ing suggested that we make it subject to proper sign being posted to inform the public that there is public access to the beach.

Mr. Detor said he doesn't know what the county is requiring because actually the easements are in favor of the county. He said they would have to check that out.

Mr. Hong said we can state the board's concerns.

ACTION Unanimously approved as submitted and as amended above. (Hong/Yagi)

(See pages 22 and 23 for Item F-16.)

ITEM F-17 STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF A LEASE COVERING THE KUWAAWAA PASTURE RESERVE AT KALAHEO, KOLOA, KAUAI

ACTION Unanimously approved as submitted. (Hong/Higashi)

ITEM F-18 RESUBMITTAL - DOH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING SUITE 210 OF THE POLYNESIAN BLDG., HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Hong/Ing)

ITEM F-19 DSS&H REQUEST FOR APPROVAL OF MODIFICATION OF LEASE COVERING OFFICE SPACE AT 770 KAPIOLANI BLVD., HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Ing/Hong)

Mr. Higashi asked the staff to use this type of narrative format for such requests. He said it is easier for the board.

(See pages 8 and 9 for Items F-20 to F-27.)

ITEM F-28 DISCUSSION ON PROPOSED CONCURRENT RESOLUTIONS

Mr. Detor said three of the resolutions involved the Land Management Division. These are concurrent resolutions which are proposed to be submitted to the legislature. What these would do would be to get legislative approval by means of concurrent resolutions authorizing the Department of Land and Natural Resources to enter into a development contract with private developers to develop particular areas of land.

Mr. Hong called the attention to a typo on the title of the Justification Sheet. The word should correctly read capital and not capitol.

Mr. Detor said one resolution was submitted last year but it did not pass. This was a request to develop approximately 300 acres of submerged land at Keehi Lagoon. This was the Hadley-Pruyn proposal. Mr. Detor said during that session, the legislature amended Section 171-53 which dealt with the leasing of underwater area to require legislative approval.

Another one that they propose to put in is to develop for industrial park, with private capital and developers, approximately 70 acres on Sand Island where the present permits are.

Mr. Detor said \$70,000 was appropriated for plans and study. It doesn't appear likely, however, that further money will be appropriated to go ahead with this, which is the reason we are looking towards private developers.

Mr. Ono said for the Sand Island property, this may be going through revenue bonds, depending on what the bond counsel will be advising. He said that's being checked out now.

Mr. Detor said if that is the case we don't need this. Mr. Ono said to have this ready just in case the revenue bond doesn't go through.

The third one dealt with the natatorium and the aquarium and the adjacent one-acre near the state park area, to go ahead and develop these two areas with private developers and capital. He said what we want here is authority to negotiate. Hadley-Pruyn has submitted their plans for the two areas.

The other two resolutions had to do with the Division of State Parks.

Mr. Sue said they want legislative support to develop, operate and maintain camping and cabin rental facilities in various state parks as concession contracts through a concession arrangement. Mr. Sue said they already have a concessionaire at Kokee on Kauai.

Mr. Ono said this is actually to have the concessionaire build, operate and maintain the facilities. He said in Malaekahana, Kaiaka and the Wahiawa Freshwater Park, there are lands set aside for camping sites, but it's a long way down the road before we actually get into this because of the tight money situation.

The other resolution is the designation of Korean and Vietnam War Memorial State Parks. Mr. Ono said the Pacific War Memorial Commission was disbanded but the functions were transferred to this department this year. This request is to have the Sand Island Park designated as a memorial for the Korean and Vietnam veterans to men and women who gave their lives during those two wars and conflict.

Mr. Ono said other states and other governmental jurisdictions are moving in this direction, having a living memorial being designated. Right now we don't have anything set aside here in the state honoring the Korean and Vietnam war and conflict participants. He said we have some preliminary proposals from veteran organizations. What we have received so far is supportive and it may result in one of the first efforts on the part of private

sector to adopt a park to help maintain certain portions of the Sand Island Park. We don't have a final agreement yet but at least the interest is there, Mr. Ono said.

Mr. Ono informed the board that the package really focuses on private sector participation because of the tight CIP situation and the fact that plans already called for certain improvements to be put in. All of these resolutions will be forwarded to the governor for his review and disposition.

This matter was submitted to the board for their information and no formal action was required by the board at this time.

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Mr. Hong asked for a quick report on the volleyball situation.

Mr. Detor said they went down and looked at the area again. The consensus was that the present location where they were playing is too narrow. The beach is too narrow. The use of that area would interfere with the people using the beach.

Mr. Detor said generally the feeling is that if at all possible, to get them off completely off the beach. The beach should be for beach activities.

Mr. Detor said one of the suggestions made was the Fort DeRussy area. There are already two courts in operation which have sand on them which are opened to the public for use. He said they met with the Post Commander and looked at the two courts, as well as the diamond head area of Fort DeRussy. Mr. Detor said there is enough room for one or maybe even two additional courts.

Mr. Detor said they are making the official request now. He said the only problem is that they have to find the sand. They did talk to the HC&D people, however, and they apparently have sand.

Mr. Hong asked Mr. Detor to pursue that and try to resolve this. He also asked the staff to communicate with the people involved so that he and Mr. Ing can stay off the telephone.

ITEM H-1 CDUA FOR CONSOLIDATION AND RESUBDIVISION OF PRIVATE LAND WITH FUTURE HOUSING PLANS AT TANTALUS, OAHU

Mr. Evans asked to amend the Recommendation on page 5, line two, to read, "That this application for consolidation, resubdivision, and future maximum of five single-family residences be approved, which is a maximum of one house per lot, subject to the following conditions: "

Mr. Higashi suggested that Condition No. 11 then be deleted (That no more than three additional single family dwellings shall be permitted in the future.)

ACTION Mr. Hong moved, seconded by Mr. Higashi, and the board unanimously approved Item H-1 as amended.

AMENDMENT TO A PREVIOUSLY APPROVED BOARD SUBMITTAL FOR THE PURPOSE OF MODIFYING A CONDITION FOR CONSERVATION DISTRICT USE APPLICATION FOR SINGLE-FAMILY RESIDENTIAL USE AT HAENA HUI, HAENA, KAUAI

ITEM H-2

ACTION Unanimously approved as submitted. (Yamamoto/Hong)

AMENDMENT TO A PREVIOUSLY APPROVED BOARD SUBMITTAL FOR THE PURPOSE OF CLARIFYING THE RECOMMENDATION FOR A PROPOSED ALENAIO STREAM FLOOD CONTROL PROJECT, FILE NO. TV-HA-82-3 (ITEM H-6, NOVEMBER 6, 1981 BOARD MEETING)

ITEM H-3

ACTION Unanimously approved as submitted. (Higashi/Hong)

(See pages 13 and 14 for Item H-4.)

REQUEST TO FILL VACANT LABORATORY ASSISTANT II POSITION, AQUACULTURE DEVELOPMENT PROGRAM

ITEM H-5

ACTION The board, on mr. Hong's motion and seconded by Mr. Yamamoto, unani-
mously approved the appointment of Ron Shimojo to Position No. 21848E,
Laboratory Assistant II.

(See pages 11 to 13 for Item H-6.)

ADDED
ITEM H-7

REQUEST FOR STAFF TO ATTEND THE 1982 CONFERENCE OF THE CALIFORNIA AQUACULTURE ASSOCIATION IN SACRAMENTO, CALIFORNIA

ACTION Unanimously approved as submitted. (Hong/Higashi)

ITEM I-1

FILLING OF POSITION NO. 33298, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (OAHU)

ITEM I-2

FILLING OF POSITION NO. 33297, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (OAHU)

ITEM I-3

FILLING OF POSITION NO. 33294, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (HAWAII)

ITEM I-4

FILLING OF POSITION NO. 33293, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (HAWAII)

ITEM I-5

FILLING OF POSITION NO. 33292, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (HAWAII)

ITEM I-6

FILLING OF POSITION NO. 02900, CONSERVATION AND RESOURCES ENFORCE-
MENT OFFICER II (HAWAII)

Mr. Matsuzaki asked to make one correction on Item I-6. The correct
Position number should be 02891.

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Hong, unanimously
approved Items I-1 to I-6 and made the following appointments respectively:

Dean Yamashita (Oahu)
Patricia Edwards (Oahu)
Charles Nahale (Hawaii)
Reginald Lee (Hawaii)
Sandy Sugiyama (Hawaii)
Kimo McTavish (Hawaii)

ITEM J-1 MODIFICATION NO. 4 TO LEASE NO. DOT-A-73-30, HONOLULU INTERNATIONAL AIRPORT, OAHU (BRANIFF AIRWAYS, INCORPORATED)

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

ITEM J-2 MODIFICATION NO. 11 TO LEASE NO. DOT-A-73-35, HONOLULU INTERNATIONAL AIRPORT, OAHU (WESTERN AIRLINES, INC.)

ACTION Approved as submitted. (Yagi/Yamamoto)

The record showed that Mr. Ing did not participate in any action taken by the board on Item J-2.

ITEM J-3 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, NEAR KEEHI LAGOON, HONOLULU, OAHU (PACIFIC SUPPLIERS, LTD.)

ACTION Unanimously approved as submitted. (Yagi/Hong)

ITEM J-4 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, HALEIWA SMALL BOAT HARBOR, HALEIWA, OAHU (SEA VIEW INN, LIMITED)

ACTION Unanimously approved as submitted. (Ing/Yagi)

ITEM J-5 USE OF HARBORS DIVISION FACILITIES, PIER 9 PASSENGER TERMINAL, HONOLULU, OAHU (INTERNATIONAL LONGSHOREMEN'S AND WAREHOUSEMEN'S UNION)

ACTION Approved as submitted. (Higashi/Hong)

Mr. Yagi excused himself and did not participate in any action taken by the board on this item.

ITEM J-6 USE OF HARBORS DIVISION FACILITIES, PIER 9 PASSENGER TERMINAL, HONOLULU, OAHU (HALE MCHALU OHANA)

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

ITEM J-7 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, MAALAEA HARBOR, MAUI (DALE NAPORA)

ITEM J-8 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, MAALAEA HARBOR, MAUI (JAMES J. SERVICE)

ACTION Items J-7 and J-8 were unanimously approved as submitted. (Yagi/Yamamoto)

(See page 11 for Added Items J-9 and J-10.)

ITEM E-6 PERSONNEL MATTER PERTAINING TO PARK CARETAKER II, EXECUTIVE SESSION REQUEST (VERBAL)

Mr. Melvin Young, Personnel Officer, said an executive session was requested because of the confidentiality of this matter.

ACTION It was not necessary to go into executive session, and following a brief discussion, the board, on Mr. Higashi's motion and seconded by Mr. Yagi,

unanimously approved staff's recommendation to approve the Park Caretaker II's request for a year's leave of absence.

ADJOURNMENT: There was no further business and the meeting adjourned at 1:30 P. M.

Respectfully submitted,



JOAN K. MORIYAMA
Secretary

APPROVED



SUSUMU ONO
Chairman

jkm