

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

DATE: July 9, 1982
PLACE: Kauai County Council Chambers
County Office Building
Lihue, Kauai

ROLL
CALL

Chairman Susumu Ono called the meeting of the Board of Land and Natural Resources to order at 9:05 A. M. The following were in attendance:

MEMBERS
Mr. Takeo Yamamoto
Mr. Roland Higashi
Mr. Thomas S. Yagi
Mr. J. Douglas Ing
Mr. Moses W. Kealoha
Mr. Susumu Ono

STAFF
Mr. James Detor
Ms. Sherrie Samuels
Mr. Henry Sakuda
Mr. Libert Landgraf
Mr. Robert T. Chuck
Mr. Wayne Hirata
Mr. Maurice Matsuzaki
Mrs. Joan K. Moriyama

OTHERS
Dep. A. G. William Tam
Mr. Peter Garcia
International Life Support Ambulance
Service Rep. (Item F-1-c)
Mr. Carl Smith (Item H-6)
Hawn. Tel. Representative (Item H-7)
Mr. Matthew Ihara (Item F-5)

MINUTES The minutes of May 28, 1982 were unanimously approved as submitted.
(Higashi/Yamamoto)

Added
Items Mr. Higashi moved, seconded by Mr. Yamamoto, and the board unanimously approved to add the following items to the board agenda:

Land Management

Item F-1-d Gem of Hawaii, Inc. request for consent to assign and mortgage (under 1st and 2nd mortgages), General Lease No. S-4643, covering portion of Government (Fort) land of Kuwili, Parcel A, Kuwili, Honolulu, Oahu

Administration

Item H-8 Request for Out-of-State Travel for board members and staff to visit the geothermal sites in California

The board deviated from the printed agenda and took up the items in the following order to accommodate the people in the audience:

INTERNATIONAL LIFE SUPPORT AMBULANCE SERVICE REQUEST FOR
R. P. FOR UHF RADIO REPEATER AND ANTENNA, LEAHI HOSPITAL,
HONOLULU, OAHU

Item F-1-c

This was an application from International Life Support Ambulance Service for a revocable permit covering the installation of a UHF radio repeater and antenna at Leahi Hospital, which is covered by a General Lease to the University of Hawaii, for hospital and related uses and the University of Hawaii Medical School. The applicant is in the business of operating an ambulance service and already has an identical type repeater setup. They would like to install the antenna and UHF radio repeater at Leahi which serves as a backup to their regular system. The Department of Health and the University of Hawaii have indicated that they have no objection.

ACTION Mr. Ing moved for approval and Mr. Higashi seconded.

Mr. Ono asked Mr. Detor whether there was any comment from other agencies.

Mr. Detor said the Director of the City Health Services has expressed some concerns. However, since a detailed written documentation of those concerns has not been submitted, Mr. Detor said it is pretty difficult for him not to recommend approval.

The board was informed that the permit can actually be terminated upon 30-day written notice. They also have to get any permit that might be required by the City and County of Honolulu for the installation of the device. Insofar as the city is concerned, the service that International Life Support gives is not really areawide. It is concentrated only in specific areas, whereas the city has to furnish areawide service.

Mr. Ing asked whether the city's concern was more to do with the service provided by the ambulance service, or with the installation of this particular repeater and antenna.

Mr. Detor thought it had to do more with the service, not with this particular request.

Mr. Ono wanted to know what kind of arrangement they have now and asked whether they are currently using an antenna.

Mr. Detor said they are sharing antenna space with Mauna Kea Broadcasting at Wiliwilinui Ridge.

Mr. Ono said Wiliwilinui Ridge is the same area where some of the board members have expressed some concern. He asked what has been done about that.

Mr. Detor said they are trying to come up with a lease proposal as soon as they can. Mauna Kea Broadcasting put up the facility there on the basis of a right of entry issued by the board and subsequently a permit was issued, which has been in effect for quite sometime. That is supposed to be followed up with a lease arrangement.

On the call of the question, the motion was carried. Mr. Ono cast the only no vote. He said there were too many unanswered questions.

ITEM J-15

CONSENT TO ASSIGNMENT OF LEASE NO. DOT-A-74-5, LIHUE AIRPORT,
KAUAI (ISLANDER U-DRIVE, INC. TO ROYAL RAINBOW, INC.)

ACTION

Unanimously approved as submitted. (Yamamoto/Yagi)

ITEM H-6

RESUBMITTAL - AMENDED CDUA FOR CONSTRUCTION OF ROADWAY AND
INSTALLATION OF UTILITIES FOR AN APPROVED NONCONFORMING SINGLE
FAMILY RESIDENCE TO BE CONSTRUCTED ON ONE OF THE TWO LOTS TO
BE CONSOLIDATED

This was a resubmittal of an amended CDUA for construction of roadway and installation of utilities for an approved nonconforming, single-family residence to be constructed on one of two lots which were to be consolidated. The land is owned by Mr. Iida and consists of two parcels. These parcels are located within the general subzone and Parcel 51 consists of two lots, Lot 238-B and Lot 253. Mr. Iida owns Lot 253.

The board, at its February 22, 1980 meeting, approved the nonconforming use on Parcel 51. Initially, the applicant intended to construct two houses-- one on Parcel 80 and one on Lot 253, which is a portion of Parcel 51. The applicant's intent was to sell the subject property, and staff considered this to be speculation. As such, staff recommended denial for the initial proposal. The recommendation for denial was to have been presented to the board at its meeting on June 10, 1982. However, at the applicant's request, this matter was deferred until the June 25 meeting in order to give them an opportunity to examine the recommendation and seek alternatives.

Ms. Samuels said the applicant requested a change to the original application. He wants to utilize the existing approval for nonconforming single-family residential use for Lot 253, and withdraw his request to construct a single-family dwelling on Parcel 80. The applicant still feels that it is not necessary to consolidate the lots. He maintains that Parcel 80 is actually a remnant of Mikiola Subdivision. This subdivision was created in the early 1960's, and as such it does not qualify as a nonconforming use.

In addressing the nonconforming use on Parcel 80, Ms. Samuels said Conditions 23, 24 and 25 were provided in the submittal as follows:

23. That by acceptance of this approval, the applicant agrees to waive any future nonconforming use on TMK 4-4-20:80, including any structures;
24. That Condition 23 above will act as a covenant to run with the land regardless of ownership;
25. That prior to departmental approval of the specific access alignment, the applicant shall have this action, as it relates to TMK 4-4-20:80 and TMK 4-4-413:51 (portion), recorded at the Bureau of Conveyances.

Mr. Carl Smith, representing the applicant, said they have established that Lot 253 and Lot 238-B are nonconforming, and the board has agreed with that. The board has approved the development of both parcels with access coming out from Kokokahi Place, through Lot 238-B to Lot 253. In order to take access across there, they are going to chop up very visible hillside. If they take access on the other end, it is going to be much lower on the hillside. They feel that this access is far less damaging to the conservation district than from Kokokahi Place. That is the reason for their request.

Mr. Higashi asked Mr. Smith whether he is saying that Parcel 80 is a nonconforming use also. Mr. Smith said they have made no representation at all. Their request is for a conditional use across Parcel 80 to take access into Lot 253. He said they make no claim to any nonconforming status on that parcel.

Mr. Higashi asked whether they agree with Condition No. 23 to waive any future nonconforming use.

Mr. Smith said they would prefer to have those three conditions stricken inasmuch as he had clearly stated that they do not claim any nonconformity on that parcel. However, if those conditions get recorded, he said that is going to put a cloud on the title. So the whole issue of nonconformity, it seemed to him, is extraneous to what they are talking about. As a matter of logic, he was objecting to Conditions 23, 24 and 25.

Mr. Kealoha asked whether Parcel 80 and Lot 253 are lots of record before the conservation district regulation was in effect.

Mr. Smith was sure that they were.

Mr. Kealoha further asked whether that was the reason he was asking that Conditions 23, 24 and 25 be stricken from the recommendation.

Mr. Smith said no. What he was saying is that Parcel 80 does not qualify under DLNR's rules and regulations as being a nonconforming lot, because it would have to be in existence prior to January 31, 1957. He said they would freely admit that that lot was not in existence prior to January 31, 1957. They never claimed that it was in existence.

Mr. Ing asked whether their proposal is to build on Lot 253 and take access across Parcel 80, instead of from Kokokahi Place, across two other parcels and down.

Mr. Ono added, "and reserve the right to come back in the future with reference to Parcel 80."

Mr. Smith said he felt that they always have the right to come back for conditional use of Parcel 80 regardless of what the board does.

Mr. Ono asked whether this is true even with the conditions attached.

Mr. Smith said for a conditional use, not a nonconforming use.

Mr. Higashi asked whether they plan to consolidate that easement with the property upon taking survey. He further asked whether the applicant would subdivide Parcel 80, consolidate it with Lot 253 and create a flag lot in effect.

Mr. Smith said no. He said they would just create an easement giving Lot 253 a right of passage across Parcel 80.

ACTION Mr. Ing moved for approval as recommended by the staff, but with the elimination of Conditions 23, 24 and 25. The reason for this, he said, is that it would put a cloud on the title. In any event, before anything is done with Parcel 80, he said the applicant would have to come back to the board, whether he is going to apply for nonconforming use or for conditional use. Mr. Higashi seconded the motion.

Mr. Ono asked Mr. Smith whether his client can meet Condition No. 21 on the February 1983 cut-off date.

Mr. Smith said that doesn't seem to be a problem.

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

ITEM H-7

RESUBMITTAL - CDUA FOR SUBDIVISION AND ESTABLISHMENT OF A RADIO STATION SITE AT SUMMIT CAMP WITH PERMISSION TO LAND HELICOPTERS FOR CONSTRUCTION AT WAILUA, KAWAIHAU, KAUAI (SUBMITTAL WAS DISTRIBUTED AT BOARD MEETING)

This was a resubmittal of a CDUA for subdivision and establishment of a radio station site at the Summit Camp with permission to land helicopters for construction.

Ms. Samuels said on June 25, they were prepared to come before the board to recommend approval with eleven conditions. One of the conditions (Condition No. 5), which was requested by the State Department of Defense, was for the nonexclusive shared government use of the site. The Department of Defense made the request with respect to DAGS memorandum that addressed the need to accommodate the state telecommunication systems at site such as this. The reason for their concern was that in the past there have been occasions when the state has been unable to utilize the site for emergency and civil defense type of communication systems.

Ms. Samuels said they are proposing that this type of agreement between the state and the public utilities be handled at the time the land is disposed of by our Division of Land Management, which would follow the approval of the CDUA.

Mr. Yamamoto asked how often the helicopter will be going up to do the maintenance.

Ms. Samuels said maybe once or twice a year for maintenance-type purpose. This is a solar-power repeater.

ACTION Unanimously approved as recommended. (Yamamoto/Yagi)

ITEM B-1

REQUEST FOR APPROVAL TO ACCEPT CUSTODIAL ASSIGNMENT OF THE OTEC-1 BUOY/MOORING SYSTEM AS PART OF THE STATEWIDE FISH AGGREGATING BUOY PROGRAM

ACTION Unanimously approved as submitted. (Yagi/Yamamoto)

ITEM B-2

APPROVAL TO ENTER INTO AGREEMENT WITH INDIVIDUALS TO OBTAIN SERVICES FOR THE DIVISION OF AQUATIC RESOURCES

ACTION Unanimously approved as submitted. (Yagi/Higashi)

ITEM B-3

PROPOSED ADDENDUM TO THE AGREEMENT FOR THE ESTABLISHMENT AND OPERATION OF A COOPERATIVE FISHERY UNIT

ACTION Unanimously approved as submitted. (Yagi/Ing)

RESUBMITTAL - PHILIP GRAY, ET AL, APPLICATION FOR ROAD AND UTILITY EASEMENTS AT KUKIO 2ND, NORTH KONA, HAWAII

This was an item which was deferred at the last meeting. It was an application for grant of easement for road and utility purposes. The question that arose at that meeting was whether the alignment of the easement and the location of the parking spaces coincided with those that were adopted in the CDUA.

Mr. Detor said the terms and conditions of the CDUA, which was adopted by the board and which this is a follow-up of, indicated that the exact alignment would be established on the basis of (1) an archaeological survey; and (2) an actual on-the-ground survey. The department would determine the exact location of the parking lot. This particular submittal included a request for right of entry to go ahead and make those two surveys, at the conclusion of which that alignment would be approved by the department, as well as the fixing of the location of the parking spaces.

Just so that there is no misunderstanding, Mr. Higashi asked how many stalls they were proposing.

Mr. Detor said the map that they submitted shows four. However, the CDUA submittal does not mention the exact number of spots. Mr. Detor seemed to recall at that meeting that they were talking about somewhat in excess of four spots.

Mr. Higashi believed they were talking between six and eight parking stalls. He asked whether we can just determine it as eight parking stalls.

Mr. Matthew Ihara, the attorney representing the applicant, had no objection to that.

Mr. Higashi said on the final disposition, and the area of parking, he asked the staff to make sure that the area would accommodate at least eight cars and a turn-around area.

Mr. Detor recommended that the terms and conditions be as indicated in the submittal, that the exact alignment and the location of the parking area be determined by the department and that it be no less than eight spots.

Mr. Ihara said at the suggestion of Mr. Leonard Bautista of the Land Management Division, they've gone ahead on the temporary access and had an archaeological survey done and had it staked out, subject to the final okay of the archaeologist. They actually went ahead and submitted all this to the department.

Mr. Higashi said in the future they should come in for a right of entry first and then do the work. He wanted to make sure that this is handled in a correct manner.

ACTION Unanimously approved as submitted. (Higashi/Ing)

Mr. Higashi asked the staff to make sure that all of the conditions are covered. If they are not, he suggested that it be included under the terms and conditions prescribed by the chairman.

ITEM C-1 DISTRICT FIRE WARDEN, ISLAND OF HAWAII

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Yamamoto, unanimously approved the appointment of Mr. Walter Fisher for Fire Warden District No. 12.

ITEM C-2 APPLICATION FOR FISCAL YEAR 1982 RURAL COMMUNITY FIRE PROTECTION (RCFP)

Staff requested board approval for an application from the County of Kauai Fire Department for the 1982 Rural Community Fire Protection Funds.

Through a program called Title 36, a Federal law, the U. S. Department of Agriculture, specifically the U. S. Forest Service, is empowered to make available funds for rural fire fighting equipment for training, communications, etc., to assist the rural communities. The Division of Forestry and Wildlife is the processing agency and processes the papers and see that everything is done correctly, and the county follows through.

Mr. Landgraf pointed out that no figure was mentioned in the submittal because he did not have the specifics when this submittal was prepared. He said they have been averaging about \$24,000 to \$27,000 a year since 1976. However, because of hard times, funds were cut to \$13,000. So specifically they would be making available to the County of Kauai \$13,000 for the fire equipment and the purchasing as so indicated in the submittal. This would be as earmarked to go to their Hanalei district.

Staff requested that the board allow them to process this application whereby they may transfer this \$13,000 to the Kauai County Fire Department.

Mr. Ono asked the staff whether the Kauai County is aware of the \$13,000 and whether they are still interested. He said he didn't want to go ahead and process this and find out later that Kauai County cannot put up the remaining money.

Mr. Landgraf said he has been in direct contact with them so they are aware of this and they are still interested.

ACTION Unanimously approved as submitted. (Yamamoto/Yagi)

ITEM C-3 AWARD OF CONTRACT, PROJECT NO. DFW-18, FURNISHING AND DELIVERING HELICOPTER TRANSPORT SERVICE, KAHIKINUI FENCE CONSTRUCTION PROJECT, KAHIKINUI FOREST RESERVE, MAUI

ACTION The board, on Mr. Yagi's motion, seconded by Mr. Yamamoto, unanimously voted to award the subject contract to the low bidder, Ag Helicopters, Inc. at the bid price of \$6,500.00.

ITEM D-1 SOIL AND WATER CONSERVATION DISTRICT DIRECTOR

ACTION The board, on Mr. Yagi's motion and seconded by Mr. Yamamoto, unanimously approved the appointment of Mr. Patrick Sugai to serve as director of the Central Maui Soil and Water Conservation District, for the term ending June 30, 1984.

ITEM D-2 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 22-HW-30, DRILLING
PANAWEA WELL NO. 3 (4003-03), WAIAKEA, SOUTH HILO, HAWAII

ACTION Big Island Drilling was unanimously awarded the subject contract for their low bid of \$189,385.00, subject to receiving approval from the Governor, on a motion by Mr. Higashi and seconded by Mr. Yamamoto.

ITEM D-3 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 8-HW-50, DRILLING
HOLUALOA WELL (3657-01), HOLUALOA, NORTH KONA, HAWAII

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Ing, unanimously voted to award the subject contract to Water Resources International, Inc. for their low bid of \$546,610.00, subject to receiving approval from the Governor.

ITEM D-4 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 2-HW-20, PRESSURE
REDUCING UNIT FOR WAIMEA IRRIGATION SYSTEM, SOUTH KOHALA,
HAWAII

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Yamamoto, unanimously voted to award the contract for the subject project to H. Harada Contractor, Inc. for their low bid of \$30,800.00, subject to receiving approval from the Governor.

ITEM D-5 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 3-9W-46, RENOVATING
GRATING OF INTAKE STRUCTURE NO. 1, WAIKOLU VALLEY, MOLOKAI

ACTION The board, on Mr. Yagi's motion and seconded by Mr. Yamamoto, unanimously voted to award the contract for the subject project to Railings, Inc. for their low bid of \$27,000.00, subject to receiving approval from the Governor.

ITEM D-6 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 3-9W-45, INSTALLATION
OF STRAINERS, MOLOKAI IRRIGATION PROJECT, MOLOKAI

ACTION The board, on Mr. Yagi's motion and seconded by Mr. Yamamoto, unanimously voted to award the contract for the subject project to Friendly Isle Contracting & Equipment, Inc. for their low bid of \$80,717.00, subject to receiving approval from the Governor.

ITEM D-7 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 4-OW-19, DRILLING
MANOA II WELL (1948-01), HONOLULU, OAHU

ACTION The board, on Mr. Ing's motion and seconded by Mr. Yagi, unanimously voted to award the contract for the subject project to Roscoe Moss Company for their low bid of \$229,600.00, subject to receiving approval from the Governor.

ITEM D-8 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 4-OW-23, DRILLING
KULIOUOU WELL (1843-02), HONOLULU, OAHU

ACTION The board, on Mr. Ing's motion and seconded by Mr. Yamamoto, unanimously voted to award the contract for the subject project to Roscoe Moss Company for their low bid of \$148,900.00, subject to receiving approval from the Governor.

ITEM D-9 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 4-OW-9, DRILLING
WAIALAE NUI WELL (1747-03), HONOLULU, OAHU

ACTION The board, on Mr. Ing's motion and seconded by Mr. Higashi, unani-
mously approved to award the contract for the subject project to Roscoe
Moss Company for their low bid of \$215,100.00, subject to receiving
approval from the Governor.

ITEM D-10 APPROVAL FOR AWARD OF CONTRACT - JOB NO. 51-KW-28, IMPROVE-
MENTS TO PEEKAUAI DITCH, WAIMEA, KAUAI

Mr. Kealoha asked whether this requires a CDUA.

Mr. Chuck said it does require a CDUA. He assured the board that they
will not proceed with the construction until the CDUA is approved by this
board. Mr. Chuck said they are going through this process of award at
this time, which is a little unusual, in order to save the lapsing of funds
on June 30, 1982. The contractor will not proceed until he receives the
notice to proceed from the department.

Mr. Yagi asked whether the contractor will hold his rate until that time.

Mr. Chuck said they will work with him on that. The contractor has the
option of not taking the job if he is not given the job by sixty days. If
he still wants the job later on he may take the job if it is mutually agreeable
to the department and the contractor.

Mr. Chuck said their division did file a CDUA as soon as the project
started.

ACTION Unanimously approved as submitted. (Yamamoto/Yagi)

ITEM F-1 DOCUMENTS FOR APPROVAL

HAWAII

Item F-1-a REVOCABLE PERMIT

JOHN N. LOO and MARGARET L. LOO - Ili of Kaohia, Waipio Valley,
Hamakua - for diversified agriculture - \$17.00 per month

Item F-1-b 2ND MORTGAGE

ROY O. SATO, Mortgagor, to HAWAII PRODUCTION CREDIT ASSOCIATION,
Mortgagee - Lot 4, Keonepoko Iki Farm Lot Subdivision (Pahoa Agricul-
tural Park), Keonepoko Iki, Puna - GL No. S-4418

(See page 2 for Item F-1-c.)

OAHU

Added Item F-1-d CONSENT TO ASSIGN AND MORTGAGE (UNDER FIRST AND SEUOND
MORTGAGE) G. L. NO. S-4643 HELD BY GEM OF HAWAII, INC.
GEM OF HAWAII, INC., and FIRST HAWAIIAN BANK - portion of Govern-
ment (Fort) land of Kuwili, Parcel A. Kuwili, Honolulu

ACTION The board, on Mr. Higashi's motion and seconded by Mr. Kealoha, unani-
mously approved Item F-1 as submitted.

COUNTY OF HAWAII, DEPARTMENT OF WATER SUPPLY, REQUEST FOR EXECUTIVE ORDER SETTING ASIDE WELL SITE AT HAKALAU IKI, SOUTH HILO, HAWAII

ITEM F-2

ACTION Unanimously approved as submitted. (Higashi/Ing)

K. K. RANCH, INC. REQUEST FOR EXTENSION OF TIME WITHIN WHICH TO CURE BREACH, G. L. NO. S-4475, COVERING PARCELS 7A AND 7B OF THE GOVERNMENT LAND OF KALOPA & KAOHE 3, HAMAKUA, HAW.

ITEM F-3

This was a request from K. K. Ranch, Inc. who holds a lease on Hawaii. The lessee has been served with a notice of default for rental delinquency. They are in arrears in the amount of \$114,300.00. That time limit with which to cure the breach runs out next week, July 17. They want sixty additional days in which to cure the breach. The rental is \$77,600.00 a year. The upset at the original auction was \$21,800.00, so there was considerable bidding on this.

Staff recommended that the lessee be given additional time.

Mr. Higashi said he did talk to the manager of Hawaii Production Credit Association to get some idea on what's happening. He believed this problem occurred last year with the drought and the unavailability of people buying meat from Hawaii Meat. In any case, he said, they already have some beef sent to Hawaii Meat and the instruction was that Hawaii Production Credit Association receive their share, and by the extension date would have paid us in full, or make arrangements for payment satisfactory to the department.

ACTION Mr. Higashi moved for approval as submitted. Mr. Ing seconded the motion.

Mr. Ono said if we have lessees who are habitually delinquent (he said he was not referring to this particular case), and just near the deadline they pay us just so there is no default, and falls back again, the state should charge them interest. He realized that the leases that were entered into do not provide for interest being charged, but he said we should tack on a new condition, or at least look at it as a possible condition to be tacked on.

Mr. Ono said when the staff makes its assessment and recommendation to the board, staff should look at the track record of the particular lessee to see whether he is using the public's money to operate. If it is a legitimate hardship case, the board can be so informed, he said.

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

STAFF RECOMMENDATION FOR AMENDMENT OF AREA DESCRIPTION AND KAAPAHU SCHOOL LOT, KAAPAHU, HAMAKUA, HAWAII

ITEM F-4

ACTION Unanimously approved as submitted. (Higashi/Yamamoto)

(See page 6 for Item F-5.)

FLORENCE HA APPLICATION TO PURCHASE ABANDONED TRIANGULATION STATION LOT, WAIAKEA HOMESTEADS, 2ND SERIES, WAIAKEA, SOUTH HILO, HAWAII

ITEM F-6

ACTION Unanimously approved as submitted. (Higashi/Kealoha)

ITEM F-7

HILTON HAWAIIAN VILLAGE REQUEST FOR PERMISSION TO HOLD VOLLEYBALL MATCHES AT DUKE KAHANAMOKU BEACH, HONOLULU, OAHU

This was a request from the Hilton Hawaiian Village Hotel for permission to hold volleyball matches on Duke Kahanamoku Beach. This is in connection with Paul Masson Vineyards Convention that is being held on Thursday, July 22, 1982. What they want to do is to hold three concurrent volleyball matches between 2 o'clock and 4 o'clock in the afternoon. They want three courts. Since Duke Kahanamoku Beach in front of the hotel is too narrow, staff recommended that they hold the matches in front of Fort DeRussy. Mr. Detor said the hotel is agreeable to this. Specific location within that section of the beach is to be determined later.

ACTION

Mr. Ing moved for approval. Mr. Yagi seconded the motion. On the call of the question, the motion was carried. Mr. Kealoha voted no.

ITEM F-8

ELVIN KAIKAPU REQUEST FOR EXTENSION OF TIME WITHIN WHICH TO SATISFY BUILDING REQUIREMENT, LOT 12, BRODIE LOTS, HANAPEPE, WAIMEA, KAUAI

This was a request for an extension of time to satisfy building requirement. The lot was sold in 1979. They have three years to build but have not been able to start as yet because they have had trouble getting financing. Under the law, they can get a total of five years, including the initial three years. However, the board can only grant extensions for six months at a time. This particular request was for an extension of six months. It is their first six months' request.

ACTION

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

Mr. Ono said they are coming in for extension because of economic condition, yet we are tacking on a stringent condition, the filing of a \$5,000 compliance bond to guarantee completion of the residence by January 24, 1983. He said this is an almost impossible condition.

Mr. Detor said when we require a bond we have to include the time. The difficulty is that we can't say "two years from now" because we are allowed to give him only six months' extension.

Mr. Ing asked whether he has done some preliminary work that doesn't require lots of money, such as building plans, etc.

Mr. Detor didn't think that he has his plans yet.

Mr. Detor said he would like a little time to possibly talk to the legal people because the chairman's concern is very legitimate. He said Mr. Kaiakapu may not be even be able to get a bond. If the board would prefer to defer this until the next meeting, July 23, he said this matter can be brought back at that time.

Mr. Yamamoto withdrew his original motion and asked to defer this matter until the next meeting. The board had no objection.

ITEM F-9

STAFF RECOMMENDATION FOR ADOPTION OF POLICY ON EVALUATION OF SUBLEASE RENTALS

This was a recommendation for adoption of a sublease evaluation policy.

In processing a consent to a sublease, the law allows the board to raise the basic rent, based on the sublease rental, if the rental being charged of the sublessee is such that the state should come in for a share of that.

In the past, a number of these have been processed and we've had some disagreement from lessees as to the methods used and the amounts that we've arrived at based on these methods. Mr. Detor said we have had a procedure that we have used in the past, but it was never formally adopted by the board. In essence what it did was to take into consideration who pays the taxes, who pays the electricity, etc., in arriving at a decision whether to recommend a rental boost or not.

Mr. Detor said there are two basic methods which the staff has been using, and they were outlined in the submittal. The essential difference has been in one method which has been used in the past, the depreciation and the return on investment were taken separately. In other cases, and this is what we are going with now, they were lumped together in one overall figure. Mr. Detor asked his staff appraiser, Mr. Wayne Hirata, to elaborate on this.

Mr. Hirata said what is before the board is an explanation of the history behind what we were trying to do today, and tried to explain the reasons why we are proposing the specific recommendations.

Mr. Ono interrupted Mr. Hirata's presentation and said he was not addressing the agenda. He seemed to be defending his actions. He reminded Mr. Hirata that this is not what the agenda calls for.

Mr. Hirata said he was trying to explain why the overall was used instead of a breakdown between depreciation and the return on the investment.

Mr. Detor said staff is recommending that Policy B, which lumps together depreciation and return, be adopted as the official board sublease evaluation policy. As indicated earlier, he said there has never been an official declaration by the board as to what method is to be followed although there have been variations.

Mr. Kealoha asked whether this is applicable to pasture lands as well as to industrial lands, or would Policy A apply favorably to pasture lease than industrial lease.

Mr. Hirata said it should be applicable if the overall rate would be relative to that particular type of investment. If you're looking at agriculture, he said it would have to be based on agriculture investment also.

ACTION Mr. Yagi moved to approve Item F-9 as submitted, that is to adopt Sublease Evaluation Policy B. Mr. Higashi seconded and the motion was unanimously carried.

Mr. Ono said there still remains the question of whether Policy B should be applied retroactively.

Mr. Detor explained that there are a number of cases existing in which we used Policy B in the past. They then started to use Policy A.

Mr. Detor said the particular submittal which is before the board today refers to just establishing an official policy. It does not really address or solve cases like Mr. Chester Hunt.

Mr. Ing asked what the staff intends to do about those.

Mr. Detor said he would like to check those out a little more. He didn't think there is going to be that much difference as far as those cases were concerned, and he was inclined to go ahead and leave them as they were decided. Using Mr. Hunt as an example, Mr. Detor said as long as there is any question at all, and apparently there is some question because we did not have an officially adopted policy, he said in all fairness we should give a good hard look.

Mr. Hunt was in the audience and said he would like to address that issue.

Mr. Ono said Mr. Hunt is not on the agenda, and he did not wish to have an open discussion at this time. He did not permit Mr. Hunt to address the board.

Mr. Hirata said he would like to apologize to the board for stepping out of line. Mr. Ono didn't think an apology was necessary, but he reminded Mr. Hirata that he did discuss this matter with him several times.

JOSEPH HARRIS, JR. REQUEST FOR EXTENSION OF TIME WITHIN WHICH TO SATISFY BUILDING REQUIREMENT, LOT 47, ANAHOLA LOTS, ANAHOLA, KAWAIIHAU, KAUAI

ITEM F-10

ACTION Unanimously approved as submitted. (Yamamoto/Yagi)

SMITH'S MOTOR BOAT SERVICE, INC. REQUEST FOR AMENDMENT OF G. L. NO. S-4659, WAILUA, KAUAI

ITEM F-11

This was a request from Smith's Motor Boat Service for an amendment to a prior board action which resulted in the issuance of a lease.

Just recently the board, in approving the issuance of a new lease to Waialeale Boat Service, agreed to a change in the liability insurance requirement. The previous requirement, and the one that's presently in Smith's lease, is that the lessee carry a liability insurance covering the entire park. They operate only from the marina, go upstream and then go into the fern grotto. However, the park includes the beach in front of the Coco-Palms Hotel, the various falls above, and various other areas in which these boat operators do not operate. What Smith Motor Boat Service is asking for, as an amendment to its lease, is that they have the same requirement that Waialeale has, that it cover only those areas of operation in which they are involved.

Staff recommended approval to this request with a provision that the appraiser in establishing the price will review this requirement to see the result in the increase in rent.

ACTION Unanimously approved as submitted. (Yamamoto/Yagi)

JAMES BLACKWELL REQUEST FOR APPROVAL OF RELOCATION OF DITCH RIGHT OF WAY, CONVEYANCE OF ROADWAY TO COUNTY OF KAUAI, AND CONSTRUCTION RIGHT OF ENTRY, WAILUA, KAUAI

ITEM F-12

This was a request for relocation of a ditch right of way and conveyance of a road right of way. The ditch right of way is owned by the state in

fee simple and the private owner owns the balance of the lot. The private owner plans to subdivide it. Mr. Detor explained that this ditch right of way is not in use and has not being used for a long time and is a part of East Kauai Water Company license.

The proposal is to move the subject ditch right of way to the boundary of the lot so that it will not interfere with their subdivision, and to convey that portion of the area that bounds the road which is owned by the state to the county for the fair market price.

Mr. Detor said the question that has come up is can we just relocate this ditch right of way. If it is an easement, Mr. Detor thought that we could do it without a problem. However, since the state owns it in fee simple, the question is whether this is an exchange. If it is, there is a different procedure to follow.

Mr. Detor said because this ditch right of way is part of East Kauai Water Company license and because there is a specific provision in that water license of not disposing of any of these sections, the attorney general's office has advised us that we couldn't do it. East Kauai Water Company, however, has no objection but there still may be a problem because of the fact that there is a question of whether this is an exchange, or can you legally just move it.

Mr. Kealoha said that is the primary question and suggested that this matter be deferred and referred to the Attorney General's Office.

Mr. Ono asked whether this ditch right of way serve as any kind of a drainage. If you start changing the alignment, he said it may affect the drainage of that whole area. He asked Mr. Detor to have our DOWALD staff check this out.

Mr. Detor said he talked to the attorney who represents the applicant, and he is agreeable to deferring this matter.

The board had no objection to deferring this until we check it out with the Attorney General's Office.

<u>ITEM F-13</u>	<u>DOH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING OFFICE SPACE AT 911 FRASER AVENUE, LANAI CITY, LANAI</u>
ACTION	Unanimously approved as submitted. (Yagi/Yamamoto)
<u>ITEM F-14</u>	<u>DLIR REQUEST FOR APPROVAL OF AMENDMENT OF LEASE COVERING OFFICE SPACE IN THE QUEEN EMMA BUILDING, HONOLULU, OAHU</u>
ACTION	Unanimously approved as submitted. (Ing/Yagi)
<u>ITEM F-15</u>	<u>DSS&H REQUEST FOR APPROVAL OF AMENDMENT OF LEASE COVERING OFFICE SPACE AT 87-2102 FARRINGTON HIGHWAY, NANAKULI, OAHU</u>
ACTION	Unanimously approved as submitted. (Kealoha/Yamamoto)
<u>ITEM F-16</u>	<u>PUBLIC UTILITIES COMMISSION REQUEST FOR APPROVAL OF RENEWAL OF LEASE, COVERING OFFICE SPACE IN THE OLD GARDEN ISLAND MOTORS BUILDING, LIHUE, KAUAI</u>
ACTION	Unanimously approved as submitted. (Yamamoto/Yagi)

ITEM F-17 PUBLIC UTILITIES COMMISSION REQUEST FOR ACQUISITION OF LEASE COVERING SUITE 909, 1164 BISHOP STREET BUILDING, HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)

ITEM F-18 PUBLIC UTILITIES COMMISSION REQUEST FOR ACQUISITION OF LEASE COVERING SUITE 911, 1164 BISHOP STREET BUILDING, HONOLULU, OAHU

ACTION Unanimously approved as submitted. (Kealoha/Yamamoto)

ITEM Z-1 ADDED RESULT OF THE AUCTION SALE OF GOVERNMENT HOUSE LOT AND IMPROVEMENTS ON THE ISLAND OF KAUAI

This was a result of auction sale of a house and lot at Kekaha which was conducted by Mr. Detor yesterday. The upset price was \$76,251.00 and the bid price was \$90,500.00. The successful purchaser was Mr. Dexter James Takashima.

ITEM H-1 PERMISSION TO CONTRACT WITH THE UNIVERSITY OF HAWAII TO CONTINUE A PROJECT ON ANALYSIS OF POTENTIAL ORGANIC AND INORGANIC TOXICANTS IN HAWAIIAN SHRIMP AND PRAWN AQUACULTURE SYSTEMS

ACTION Unanimously approved as submitted. (Ing/Kealoha)

ITEM H-2 CDUA FOR LOADING DOCK IMPROVEMENTS OF HEEIA-KEA BOAT RAMP AT HEEIA, KOOLAUPOKO, OAHU

ACTION Mr. Ing moved for approval and Mr. Higashi seconded the motion.

Mr. Ono asked whether Condition No. 2 on the hold harmless clause was necessary since the applicant is also the State of Hawaii.

Mr. Ing amended his motion to include the deletion of Condition No. 2. Mr. Higashi seconded the amended motion. On the call of the question, the amended motion was unanimously carried.

ITEM H-3 CDUA FOR RECONSTRUCTION OF AN EXISTING HEADWALL OUTLET AND DRAINAGE PIPES AT LANIKAI BEACH, OAHU

ACTION Unanimously approved as submitted. (Ing/Higashi)

ITEM H-4 REQUEST FOR RECONSIDERATION OF AFTER-THE-FACT CDUA FOR ONE CONNECTING WALKWAY AND TWO ADDITIONS TO RESIDENTIAL USE AT TANTALUS, HONOLULU, OAHU

Mr. Ono said he received a verbal request from the applicant's attorney to have this matter taken up at the next Oahu meeting. The next Oahu meeting is scheduled for August 27, 1982.

ACTION The board had no objection to deferring this matter until the next Oahu meeting.

ITEM H-5 RESUBMITTAL - CDUA FOR ARBORETUM AND BOTANICAL GARDEN USE AT SOUTH HILO, HAWAII

This was a resubmittal of a CDUA for arboretum and botanical garden

use. The land is owned by Pyramid Holding Company. The applicant is Hilo Hawaiian Garden, which is a part of Pyramid Holding Company.

A copy of the SMA permit which was issued several days ago by the county was handcarried by Mr. Higashi. Ms. Samuels said she didn't have a chance to review the permit in detail.

Mr. Higashi said the area of parking was a major concern to the county. The applicant has changed their approach and will be using mini buses at given points. They will not be allowed single-vehicle parking along the road and the method of parking will be limited to drop offs and pickups.

On the public access, Mr. Higashi said access is provided right now on the abutting property. What the county has asked the applicant to do is to provide an alternate plan in case that access is either damaged by flood or closed.

Mr. Higashi said a small sliver of state land, Parcel 27, hasn't been determined whether that is conservation land.

Ms. Samuels said from the maps that they have utilized, they could not determine exactly where the conservation boundary is. They will have to go to the Land Use Commission and ask for a boundary interpretation.

Mr. Higashi said the applicant is not applying for the use of state land so that concern should not be addressed now. The applicant has indicated that because he has solved this parking problem, that they would not need to use that area for parking.

Ms. Samuels said since we have received the SMA permit and it appeared that all of our concerns have been addressed, staff would be willing to recommend approval with our standard conditions and the comments that were provided in the reviews.

Mr. Higashi said besides the standard conditions and other terms and conditions as may be prescribed by the chairman, the concerns of the Aquatic Resources, as indicated on page 5 of the board submittal, should be incorporated as a condition. Another condition that should be included is in the area of public health, especially in the low area where the applicant intends to put a restroom.

Mr. Higashi said the subject area is mainly cliff, and if it is dangerous for the public to traverse, then he would ask the abutting land owners to take precaution and not allow people within the area. On the access which leads to state land, we may want to reserve and determine at a later date whether we want to impose a condition to allow or not allow people along state land.

Mr. Ing asked about Condition D on the violation portion.

Mr. Higashi said he would like to treat the violation part separately. He would like to visit the site first and see what's there now. He had some reservation about certain violations, whether in fact they are violations or not. He, therefore, asked that Condition D be deleted and treated separately as an after-the-fact violation.

Recognizing the deadline for decision on this application is the 17th of July, Mr. Ono asked Deputy Attorney General William Tam whether we can withhold and defer the fine portion beyond the 180-day deadline to see whether there was a violation or not.

Mr. Tam said violation is an ongoing thing and it can be considered at any time.

ACTION Mr. Higashi moved for approval as submitted and as discussed above. Mr. Yagi seconded the motion.

Mr. Higashi said there may be a jurisdictional question in the SMA permit. He asked the staff to iron this out with the county so we won't have double standards.

Mr. Ing said he would like to know more about the public access on the adjoining property. Is it usable and safe? If it is not, then the applicant should provide that public access to the beach because there is really no way to get down there, and it should be marked, "public access."

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

Mr. Higashi moved to defer the violation portion to a subsequent meeting until he has a chance to visit the site, together with the Hawaii Land Agent and the enforcement officer who wrote the report. Mr. Yamamoto seconded the motion. On the call of the question, the motion was unanimously carried.

(See pages 3 to 5 for Items H-6 and H-7.)

ADDED
ITEM H-8

REQUEST FOR OUT-OF-STATE TRAVEL FOR BOARD MEMBERS AND APPROPRIATE STAFF MEMBER OR MEMBERS TO VISIT GEOTHERMAL SITES (VERBAL)

This was a verbal request by the chairman for out-of-state travel, sometime this month or next month, for board members and appropriate staff member (or members) to visit geothermal sites for orientation purposes. Possible sites to be visited would most likely be in California.

ACTION Unanimously approved as submitted. (Higashi/Ing)

ITEM I-1 OUT-OF-STATE TRAVEL FOR NOAH PEKELO, JR.

ACTION Unanimously approved as submitted. (Higashi/Yamamoto)

ITEM J-1 LEASE - OFFICE AND READY ROOMS, HONOLULU INTERNATIONAL AIRPORT, OAHU (FEDERAL AVIATION ADMINISTRATION)

ACTION Unanimously approved as submitted. (Ing/Kealoha)

ITEM J-2 LEASE - OFFICE, EQUIPMENT ROOMS, WORKSHOPS, EQUIPMENT STORAGE, RADAR OPERATIONS, COMMUNICATIONS AND AIR TRAFFIC CONTROL, HONOLULU INTERNATIONAL AIRPORT, OAHU (FEDERAL AVIATION ADMINISTRATION)

ACTION Unanimously approved as submitted. (Ing/Kealoha)

ITEM J-3 CONSENT TO SUBLEASE, HONOLULU INTERNATIONAL AIRPORT, OAHU
(HAWAIIAN AIRLINES, INC. TO TRANS AMERICAN AIRLINES)

ACTION Unanimously approved as submitted. (Ing/Kealoha)

ITEM J-4 CONSENT TO SUBLEASE, WAIMEA-KOHALA AIRPORT, HAWAII (HAWAIIAN
AIRLINES, INC. TO PRINCEVILLE AIRWAYS, INN.)

ITEM J-5 CONSENT TO SUBLEASE, WAIMEA-KOHALA AIRPORT, HAWAII (HAWAIIAN
AIRLINES, INC. TO FLIGHT EXECUTIVE, LTD. DBA HAWAII LANDAIR)

Mr. Higashi asked whether Hawaiian Airlines is pulling out of Waimea.

Mr. Garcia said yes. However, they are obligated to pay rental until November 1, 1982. So Hawaiian Airlines want to recoup some of their losses by subleasing spaces to Princeville Airways and Flight Executive, Ltd.

Mr. Higashi asked who else services the Waimea-Kohala Airport.

Mr. Garcia didn't know but he said he could get that information for the board.

Mr. Higashi asked to have Items J-4 and J-5 deferred. He said he would like to know how many airlines are servicing the airport now.

Mr. Ono asked what happens after November 1, 1982. What are DOT's plans?

Mr. Garcia said as far as DOT is concerned, they don't have any plans. After the Hawaiian Airlines' lease is terminated, they'll just go ahead and enter into some type of lease arrangement with Princeville and Flight Executive.

Mr. Ono said it would be helpful to the board to see which direction DOT is going. He said it is difficult for the board to act on these two requests not knowing how much area is remaining. He also wanted to know what other kinds of requests do they have pending for this area.

Mr. Garcia said he will try to obtain as much information as he can for the board at the next Land Board meeting.

ACTION The board had no objection to deferring Items J-4 and J-5.

ITEM J-6 APPLICATION FOR ISSUANCE OF REVOCABLE PERMITS, AIRPORTS DIV.

ACTION Unanimously approved as submitted. (Ing/Higashi)

ITEM J-7 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, NAWILIWILI
HARBOR, KAUAI (YOUNG BROTHERS, LTD.)

ACTION Approved as submitted. (Yamamoto/Yagi)

The record showed that Mr. Ing did not vote on this item because of possible conflict.

- ITEM J-8 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, PIER 32 TRANSIT SHED AREA, HONOLULU HARBOR, OAHU (CHARLES S. OTA, DBA HONOLULU AGENCY)
- ACTION Unanimously approved as submitted. (Ing/Higashi)
- ITEM J-9 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, PIER 19, HONOLULU HARBOR, OAHU (MCCABE, HAMILTON & RENNY CO., LTD.)
- ACTION Unanimously approved as submitted. (Ing/Higashi)
- ITEM J-10 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, PIERS 1, 2, 19, 31A, 31, 32, 40 AND 51A, HONOLULU, HARBOR, OAHU (CASTLE & COOKE TERMINALS, LTD.)
- ACTION Unanimously approved as submitted. (Ing/Higashi)
- ITEM J-11 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, KAWAIHAE HARBOR, KAWAIHAE, HAWAII (ERWIN L. MYHRE, DBA PACIFIC RIM METALS)
- ACTION Unanimously approved as submitted. (Higashi/Yamamoto)
- ITEM J-12 ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, KEEHI LAGOON, HONOLULU, OAHU (SKYWAY AUTO BODY & PAINT CORP.)
- ACTION Mr. Kealoha asked to have this matter deferred. The board had no objection.
- ITEM J-13 ISSUANCE OF REVOCABLE PERMIT NO. HY-82-688, HIGHWAYS DIVISION, HONOLULU, OAHU (GEORGE OKANO ELECTRICAL CONTRACTING CORP.)
- ACTION Unanimously approved as submitted. (Ing/Higashi)
- ITEM J-14 CONTINUANCE OF REVOCABLE PERMITS, HARBORS DIVISION
- ACTION Approved as submitted. (Kealoha/Higashi)
- Mr. Ing informed the board of possible conflict and did not vote on Item J-14.
(See page 3 for Item J-15.)
- ITEM J-16 USE OF HARBORS DIVISION FACILITIES, PIER 9 PASSENGER TERMINAL, HONOLULU, OAHU (REHABILITATION ASSOCIATION OF HAWAII)
- ACTION Unanimously approved as submitted. (Ing/Yagi)

ADJOURNMENT: There was no further business, and the meeting was adjourned at 11:35 A. M.

Respectfully submitted,

Joan K. Moriyama

JOAN K. MORIYAMA
Secretary

APPROVED

S. Ono
SUSUMU ONO
Chairman

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