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

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

STAFF:  
- Mr. James Detor  
- Mr. Eddie Ansai  
- Mr. Roger Evans  
- Mr. Libert Landgraf  
- Mr. Wesley Wong  
- Mr. Henry Sakuda  
- Mrs. LaVerne Tirrell

OTHERS:  
- Deputy A.G. Johnson Wong  
- Mr. Tom Bodden (Item H-4)  
- Messrs. Eddie Tangen and Red Johnson (Item H-7)  
- Messrs. John Chanin and Cornelius Johnson (Item H-8)  
- Mr. Peter Garcia, DOT

Mr. Ing moved for approval of both the November 4, 1983 and November 18, 1983 minutes as submitted. Motion carried unanimously with a second by Mr. Kealoha.

Mr. Ing moved to add the following item to the agenda:

Administration

Item H-10  Request for Public Hearings for Use of Lands Within Conservation District for Commercial/Subdivision/Protective Subzone Use.

Mr. Kealoha seconded and motion carried unanimously.

Items were taken up as follows in order to accommodate those applicants present at the meeting:

ITEM E-2  
MILITARY REQUEST FOR A PERMIT TO HIKE THROUGH KAENA POINT STATE PARK, OAHU.

Mr. Ono explained that staff has met with representatives of the military and gone over some of the areas of concern and have been able to work these concerns out, so staff's recommendation is approval subject to those terms listed in the submittal.
In answer to Mr. Ono's question a representative of the military said that he did have a chance to look over the conditions listed in the submittal and that they were acceptable to them.

ACTION

Mr. Ing moved for approval of both Items E-2 and F-13 as submitted. Mr. Kealoha seconded and motion carried unanimously.

ITEM F-13

U. S. MARINE CORPS REQUEST FOR RIGHT OF ENTRY TO PERFORM MILITARY TRAINING AT KEKAHA, KAULI.

(See Action for Item E-2 and F-13 listed above.)

ITEM H-7

VIOLATION OF LAND USE WITHIN THE STATE CONSERVATION DISTRICT ON THE ISLAND OF MAUI.

Mr. Evans stated that Title 13, Chapter 2, is an administrative law which provides for someone wanting to establish a land use to go through the process, which in the case of a commercial entity, involves a public hearing, so that the public can list their concerns before the board and allow the staff to make a more informed analysis leading to a recommendation to the board.

In this case, said Mr. Evans, a number of complaints were received relating to the landing of helicopters in the conservation district. Staff's review indicated that no board approval or permission had been authorized for such landings. As a result, going back as far as 1978, staff did provide Papillon Helicopters with a notice of illegal activity in the conservation district. We specifically said that the general use subzone does not permit helicopter landing without the written permission of the board. In the same letter we asked them to cease any further activities.

Roger presented the board with a list of DLNR's notification of actions in the conservation district. However, even after being notified several times, Papillon Helicopters continued to land illegally not only at Mt. Waialeale, Kauai, but at Kopiliula Bay, Maui. Further, the public continued to complain about these landings.

Staff feels that we have provided the proper notice as required under the law. As such, and considering our last contact with them in June of 1981, we feel that we did procedurally comply with all proper notices. This brings us, said Mr. Evans, to the instant case before the board this morning.

Mr. Evans said that even after Papillon was issued a Cease and Desist Order at the Maui Lu Hotel on June 22, 1981, four days after that, on June 25, 1981 there were illegal landings at Kopiliula Bay. Exhibits 20 to 68 indicate only those landings documented by the department that could not be construed under any reasonable circumstances to be emergency in nature or for the transportation of government employees in carrying out their functional responsibility.

Further, in staff's view, as the exhibits demonstrate, Papillon continued to remain a public nuisance both in terms of the communities and individuals of the general public. Additionally, the evidence demonstrates to staff that Papillon expanded their illegal landings on Maui even though a specific written Cease and Desist had been issued. These areas were pointed out on a map by Mr. Evans.
Finding that subsequent to June 22, 1981, Papillon Ltd. had engaged in 74 illegal landings in the State Conservation District on Maui, each a violation, staff is recommending that the board impose a financial sanction of $500.00 per violation for a total of $37,000.00 payable to the State of Hawaii. This is 66-1/6% of a total of 123 landings. Of those 123 landings, the total administrative cost for that was $24,823.00.

Lastly, said Mr. Evans, if Papillon fails to remit these financial sanctions and costs, the matter will be referred to the Department of Attorney General and they will be requested to pursue the matter to any appropriate means including the incorporation of Section A which is seizure.

I note, said Mr. Yagi, that the last Cease and Desist order sent to Papillon was on June 22, 1981. Why did the department fail to confiscate the helicopter, especially with all the prior violations by Papillon?

As we understand the law, said Mr. Evans, before we can confiscate, the act has to be one of public nuisance. We wanted it to be clear in our mind that, indeed, this was a public nuisance. We also wanted to insure that Papillon had every opportunity to comply with the law. However, they did not comply with the law so we felt that by coming to the board and asking the board to declare Papillon a public nuisance it would give us much flexibility in terms of any future action by the board.

What I can't understand, said Mr. Yagi, is that Papillon violate even after our June 22, 1981 letter. Starting from June 25, 1981 up to November 17, 1983. I feel that this should have come before the board within a month or two after the violations so we could confiscate the helicopters.

Was there any response from Papillon's attorney when the Cease and Desist order was sent, asked Mr. Yagi?

Our records do not indicate any response, said Mr. Evans. However, there may have been one.

As I go through the list of alleged violations, I count 74 illegal landings of a total of 123 landings. Why did it take so long for this to come before the board? I feel that we should have taken action earlier. Why did it take 2-1/2 years to come before the board, asked Mr. Higashi?

I would say that for two reasons. One is staff's concern for caution, and secondly the public nuisance aspect.

If we had taken stronger action earlier, said Mr. Higashi, then the violations would not have totaled 74.

Your statement is valid, said Mr. Evans and any responsibility for this delay rests with me.

Is there anything prohibiting the DOCARE officers from issuing a ticket to the offenders at the time of the violation, e.g. police officers issue them for speeding, etc., asked Mr. Kealoha?

Mr. Evans said that prior to answering this question, he would like to consult with the Attorney General's office.

-3-
What is the exact nature of the violation, asked Mr. Ing? Is it because they don't have a CDUA, or is it that they don't have a right of entry?

The exact nature of the violation is that any firm or individual desiring to make use of land in the conservation district must first get permission from the Board of Land and Natural Resources. In this particular case, we have a commercial entity making use of conservation district lands without firstly getting Board of Land and Natural Resources approval. The particular areas where the landings are established are also State land, so the process would require, firstly, that one go through the CDUA process. Should the board approve that CDUA, then a second step would be entailed, which would be a land disposition aspect to consider the question of a right of entry to State lands.

What you're saying, said Mr. Ing, is that in the first instance, there is unauthorized activities in the conservation district and secondly, no disposition for use of the land has been given by the Division of Land Management.

Will you briefly explain the exhibits which you have presented to the board, asked Mr. Ono?

There are two things before the board, said Mr. Evans. Yesterday afternoon we received a petition from Paul Fagan of Hana which reflects the feelings of a number of people in the Hana area and it relates to the noise created by the helicopter flights. It does not center on land use in the conservation district or landing on the beach.

Mr. Eddie Tangen, appearing before the board as a consultant for Papillon Helicopter, made the following statement:

"I didn't accept this role easily. I reviewed the files, had discussions with many people and came to some conclusions.

'The conclusions I came to, I truly believe, are fair and in the best interests of both the State and my client and will make it possible for an important part of our visitor industry to continue and be successful -- within the law. I decided only a few days ago to be involved in this matter and I did so on one basic premise -- that Papillon would accept my recommendations and agree that for one year I would monitor their operations to see that they carry out their obligations. After that, if they so desire, they are on their own, Mr. Johnson accepted that premises and that's why I am prepared to make commitments to this Board.

'We don't come before this Board with "clean hands." We admit guilt on some of the charges made and there are some which we could deny and go through a long hassle over those. We are not going to do that. We will not argue with the staff's 74 complaints against us because we want to get this thing over with. We want to start with a clean slate and operate our business within the law, and the conditions imposed by this Board, with the intent that the Board will have no further serious problems with Papillon Helicopter.

'We will pay the dollar penalties assessed and immediately apply for CDUAs. We would appreciate an expression by this Board that whatever wrongs we might have committed in the past would not be used against us in those applications.
Because Papillon is a relatively small company we respectfully ask that we not be fined the maximum amount and instead ask that you decide a $100.00 fine, for each of the 74 charges, be assessed. We are not certain of the exact basis for the assessment of administrative charges but obviously there have been extra costs to the State in monitoring our activities. We ask that the assessment be the amount of $3,000.00 In view of the total amount of money involved, we would appreciate the opportunity to pay off our obligations in installments. We ask that we be allowed to pay on the following basis:

$5,000.00 on February 1, 1984
$8,000.00 on April 1, 1984
Balance on June 1, 1984

In order to assure this Board that the payments will be made as scheduled, Papillon is willing to provide a Bank of Hawaii Letter of Credit, approved by this Board, to guarantee the payments as scheduled.

In addition, we are prepared to put up a Performance Bond in the amount of $5,000.00 in the unlikely event we should fail to live up to the conditions of the CDUAs.

Having been in a similar position for many years, I fully understand your concerns and your responsibilities to the people of our State. I sincerely believe the kind of settlement I have proposed is in the best interest of all concerned and that no mockery has been made of your jurisdiction. I know that I am sticking my neck out with these personal commitments and I would not do that unless I was convinced they will be lived up to.

I assure you that if they are not lived up to I will cancel my contract and be the first to come before this Board and tell you where it is and how it is and Papillon knows that.

Eddie, said Mr. Yagi, I am putting it very strongly when I say that you are putting your ass on the line with the commitment that you made, with respect to one of the recommendations, where you agree to monitor their operations. In the event Papillon fails to comply with or violate any of the conservation laws, are you aware that they can confiscate the helicopter?

I know all of that, said Mr. Tangen, and I would not make this commitment if I did not feel that the board would not be plagued with these kinds of operations in the future as much as they have been in the past.

Also, said Mr. Yagi, this outfit has been consistently disregarding the Board's order to cease and desist. This firm has also consistently defied this board. In fact, they have made a monkey of this board while they were operating on Kauai. At that meeting, I specifically made it known that they take this board very cheaply. We did not make the laws, we just enforce the laws. With all of this, said Mr. Yagi, you are still willing to put your ass on the line?

Yes, said Mr. Tangen. I understand all you have said and that is one of the reasons my recommendation, which was accepted by the company, is that we plead guilty. There is no question in my mind -- and I do say in my statement that we don't come before this board with "clean hands", that there are instances which have occurred that shouldn't have, and that will not occur in the future, as long as I have the opportunity to call the shots.

From what you have indicated, said Mr. Ono, you have been in touch with Mr. Johnson on a very close basis. Can you tell us why your client kept violating this board's cease and desist order. I just want to know why a businessman who must be aware of some of the requirements, continues to violate a very direct order from this board, or anybody for that matter.
I am very concerned with the consistent violations by Papillon and yet on the other hand I sympathize with them as a businessman. I would not like to see a business destroyed because of this board's decision. What sticks in my mind is whether we should go all the way because of this company's consistent violations and destroy this man's business because of his defiance of this board. Yet, on the other hand, whether to have compassion and give him another opportunity to run his business in a legitimate fashion for the benefit of the Maui people as well as for the benefit of our tourism industry. These are the mixed feelings I have, said Mr. Yagi.

What is the status of Papillon, asked Mr. Ing? Are they continuing to fly -- are they continuing to land?

I don't think so since I came on board, said Mr. Tangen. At least I haven't heard that they are.

There has to be a number of changes within the company itself. For example, said Mr. Tangen, we had three cases of pilot lack of consideration and doing something which the company did not authorize him to do. There will be a whole list of matters which will be mostly do's and do not's for the actual pilots and also to the ground personnel. They will be required to sign that they have read the document which says what the company's policy is and what they can and cannot do. It will include that a violation of these things will result in dismissal. A whole number of things like that. In addition, there will be reporting to me of violations or possible violations that no one has complained about. We will report it and say what steps we've taken to correct it. If at all possible, we're going to play the game straight.

Let me repeat again, said Mr. Yagi, that if they ever violate again, their helicopter will be confiscated.

I won't argue about that, said Mr. Tangen. The only thing that is an issue is the amount of money. I sincerely hope that you can see your way clear to not sign the maximum penalties as established by the staff. That amount of money would have a serious affect on this company and I suppose it would follow that if there are further violations that the maximum would be assessed and the other action that you mention would be taken. On the other hand, the amount of money will not make any difference in an appropriation by the legislature. It will not be substantial in any way, but it will be substantial to this company.

In view of knowing you for many, many years, said Mr. Yagi, Mr. Chairman, I would like to amend Condition No. C. that the Board impose a financial sanction of $200.00 per violation instead of $500.00, making a total of $14,800 and amend Condition D. that instead of $14,934.00, that it be $5,000.00 for administrative costs, and add Condition I of posting a performance bond of $5,000.00.

We have no objections if you include in there a Letter of Credit to guarantee payments. We would appreciate it if we could get this schedule of payments, and we are backing it up with a Letter of Credit so the State can be guaranteed to get it's money.

That is one of the reasons that I came to the conclusion that we don't have "clean hands", said Mr. Tangen, because there was no excuse in some cases. In other cases, there was an excuse of a lack of knowledge and ignorance of procedures, termination of what land was what, and many others. I'm making no pitch to this board that any of the 74 violations had some excuse.

Mr. Ono called to Mr. Tangen's attention that he was not the first person to represent Mr. Johnson. Others have given us similar kinds of commitments and yet right after that we've seen the violations continue.

I am very concerned with the consistent violations by Papillon and yet on the other hand I sympathize with them as a businessman. I would not like to see a business destroyed because of this board's decision. What sticks in my mind is whether we should go all the way because of this company's consistent violations and destroy this man's business because of his defiance of this board. Yet, on the other hand, whether to have compassion and give him another opportunity to run his business in a legitimate fashion for the benefit of the Maui people as well as for the benefit of our tourism industry. These are the mixed feelings I have, said Mr. Yagi.

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Who owns the helicopters, asked Mr. Ing?

Mr. Tangen said that Papillon Helicopter, Ltd. owns the helicopters.

In answer to Mr. Ing's question, Mr. Johnson said that he does not own outright any of the helicopters. They are all financed.

Would you be willing to provide the State with a secured interest in the helicopters? We are looking for some hard security instead of paper security, said Mr. Ing.

Attorney for Papillon said that they will have a Letter of Credit backed up by cash with an expiration date upon payment of fines, which is probably better collateral.

Mr. Ono said that he was voting against the motion but would like to give some back background on what Papillon has done over the years. Mr. Ono said that he felt that the full penalty should be assessed. Even though comments have been made about staff not coming to the board earlier, he felt that the burden is on the company and not on the staff. Mr. Ono remarked to Mr. Tangen that it's not what he's proposing that he had no confidence in, but the manner in which the company has operated over the years does not warrant a leniency.

Mr. Kealoha acknowledged Mr. Tangen's humility before the board -- his agreement for a settlement rather than drag the case on. However, he felt personally that this is not an instant occurrence. It has been going on from before the permit was first issued. It's been going on after the permit was issued, continued during the hearings of the permit application and it has continued after the permit was issued. So I feel very strongly about this case and the only reason I have not expressed myself more strongly is because of your presence. Notwithstanding our vote, I want you to know that I appreciate your presence and your humility.

Mr. Ing said that he is voting no also, but for a different reason. He said that he would like to have the matter deferred in order that a more specific agreement could be worked out before taking final action. In particular, if we're going to come to some kind of reduction in the amount of the fine, I would like to have the details more specifically worked out before the board acts on it. I would like to suggest that we take a break from this matter and allow the Attorney General to discuss the details along the lines of Mr. Yagi's suggestions and, included in that, specific payment dates with specific amounts to be paid and the forms of security to be posted.

Let me throw in another alternative we might want to pursue, said Mr. Ono. Whether the fine is $100, $200, $300, or the maximum, let that be. However, as far as the administrative costs, that cost was already incurred. For the State to pick up a portion of that cost is asking the taxpayer to pick up the tab for expenses originated because of your client's activities. That part, said Mr. Ono, I don't feel is negotiable. We've already spent the money to bring this case to where it is. The fine, I agree, is negotiable.

I have another suggestion. While you're negotiating, if it's possible, we may be able to work an equivalent community service or governmental assistance as part of the consideration for the fine, said Mr. Ing.
This matter was deferred to later on in the meeting.

Recess: 10:30 a.m.

Reconvene: 10:35 a.m.

ITEM H-8

VIOLATION OF LAND USE WITHIN THE STATE CONSERVATION DISTRICT ON THE ISLANDS OF MAUI AND LANAI.

At one point in time, Mr. Evans, there was a right of entry issued to Kenai Helicopters for landing at certain areas on Kauai. However, because of a number of violations of the conditions of that right of entry by the board, on May 29, 1981, did cancel that right of entry.

The Right of Entry stipulated a Notice of Intent in which Kenai was informed that they had no right to land on State lands, or, anywhere within the State Conservation District, with the exception of emergency landings or the travel of government employees on official business. In either case, a report was required.

According to the minutes of the May 29, 1981 meeting, Counsel for Kenai stated that it was not Kenai's intention to violate the law and that they would certainly like to rectify whatever problems are existing so that these problems will not occur again. Yet, subsequent to issuing the cancellation of right of entry and the notice of intent, more public concerns surfaced.

As a result, on June 22, 1981, the Department issued a written Cease and Desist order to the president of Kenai Helicopters, Ltd. and its legal counsel. The same written notice was issued to Kenai Maui operations.

Staff feels that, subsequent to the issuance of the Cease and Desist document on June 22, 1981, Kenai Helicopters, Ltd. continued to land without Board of Land and Natural Resources approval. Exhibits 14 through 49 indicate only those landings documented by the department that could not be construed, under any reasonable circumstances, to be emergency in nature, or, for the transportation of government employees in carrying out their functional responsibilities.

Additionally, said Mr. Evans, the evidence demonstrates that Kenai, by adding to the helicopter fleet, expanded their illegal landings on Maui and Lanai even though a specific written Cease and Desist had been issued. They also continued to advertise these services.

Staff is of the opinion that they have properly and clearly provided written notification to Kenai Ltd., and, that notwithstanding this notification Kenai Ltd. has continued to function as a public nuisance to both the general public and other commercial helicopter operators by continuing to land in defiance of the Board's written order. This is further aggravated by Kenai's apparent justification through their complaints to our department on actions of other commercial helicopter companies, that their operation is somehow no different than everyone else's.

Mr. Evans said that the evidence, which indicates the position of our Department relating to seizure of helicopters, has been ignored and is in conflict with the statements made by Counsel at the May 29, 1981 Board meeting. This evidence is the continuation of landings on Maui and expansion of illegal landings to Lanai.

As such, staff has recommended several conditions, two of which are:

1. That the Board impose a financial sanction of $500.00 per violation for a total of $24,500.00 payable to the State of Hawaii; and
2. That the Board impose Administrative costs of $9,687.00 (39.02 percent), in reviewing and bringing this matter to the Board, payable to the State of Hawaii, Department of Land and Natural Resources. (48 landings/123 total landings).

To answer your question, Mr. Yagi, our files do not indicate any response from Counsel for Kenai after the Cease and Desist order was issued, said Mr. Evans. However, there may have been one that has not yet been filed.

In answer to your next question, said Mr. Evans, Mr. John Chanin was their Counsel at the May 29, 1981 Board meeting and has continued to be their Counsel.

For the record, said Mr. Higashi, I would like to again state that I am disappointed that it took so long for this matter to come before the board. Without a doubt, do you feel that the violations were definitely in the conservation district?

Yes, said Mr. Evans.

Are heliports established, or do they just land on the sand, asked Mr. Higashi?

A CDUA was done by the Division of State Parks which established heliports at Kalalau and Milolii. None, however, have ever been established on the island of Maui to my knowledge, said Mr. Evans.

In answer to Mr. Higashi's question, Mr. Evans said that the petition which was presented to the board at the time Papillon's submittal was presented is a general petition and applies to helicopters, and not limited to any particular firm.

Can you bring the board up-to-date on correspondence which the department has had with the attorney for Kenai Helicopters since the submittal was prepared, asked Mr. Ono?

On December 8, 1983, a notice was sent to both Counsel Chanin and Mr. Johnson that we would be having this meeting. That correspondence was acknowledged and there was concern expressed on the part of Counsel that he personally did not own any helicopters but he would be contacting his client.

On January 6, 1984, staff did provide the principle, through his Counsel, a copy of this morning's submittal. After reviewing the submittal Counsel, on January 9th, did communicate with us. The basic difficulty of that was that they did ask for a continuance for thirty days and the request specifically related to: one, of subpoenaing; and two, of our enforcement officers.

On January 10, 1984, we provided them a corrected copy of page 4 (our last page) of the submittal and we responded to their January 9th correspondence on January 11th.

Mr. John Chanin, Counsel for Kenai Helicopters, thanked the board for the opportunity to present their side of this case.

Mr. Chanin said that Kenai is a company that only wants to do what is appropriate in the law. He said that they have not in the past, they do not in the present, and they will not in the future, in any way knowingly, intentionally, or even negligently violate the law. There is no real reason for me to articulate the same kinds of sentiments Mr. Tangen so eloquently indicated on behalf of Papillon.
Our attitude before this board is our intent to do exactly what the board tells us to do.

Mr. Chanin asked that their objections to this proceeding, marked as Exhibit A and dated January 13, 1983, be incorporated into the record as though fully set forth as part of their testimony. The comments are limited to a rebuttal of the allegations made by DLNR staff as contained in the staff submittal and exhibits. Mr. Chanin said that they had not had a chance to check Kenai's records and affirmatively deny or verify the allegations of the Department of Land and Natural Resources.

Mr. Chanin asked that when the board is reviewing the exhibits that it take a look at the exhibit attached to their motion because it points out the other side of Kenai Helicopter's community services in this state.

Over a number of years, said Mr. Chanin, it has flown people to hospitals under certain circumstances where there would be no other method for getting these people to these hospitals, and they have also rescued people lost in the mountains.

Are you still submitting to the board your Motion to Dismiss and Objections and Motion for Clarification and Declaratory Ruling, asked Mr. Higashi?

Mr. Chanin said that he would withdraw the Motion for Clarification and Declaratory Rule because that relates to a contested case issue. We would preserve our records in terms of any right that we might have in the future to raise those issues but we will withdraw right now because we are not asking for a contested case right now.

Then you have no objection to the administrative costs, said Mr. Higashi?

It's not a question of raising an objection, said Mr. Chanin. We were merely trying to get a clarification. You asked Mr. Tangen earlier that if we could come to an agreement, would that be the end of it? Mr. Tangen answered yes, and the answer is also yes in this case. So it would be the end of all of these issues if we could arrive at an agreement.

Sometime ago, Mr. Chanin, you received, on behalf of your client, a Cease and Desist Order from DLNR, said Mr. Yagi. Did you ever respond to that Order?

Mr. Chanin said that he did not have a writing in his file and could not recall whether there were telephone conversations or not with the department. I do know in fact that I communicated with my client. My only recollection was that there were telephone conversations. My client's position was that we had no specificity as to what it was we were being asked not to do. My client took the position that he didn't think that he was doing anything wrong at that time. If you will look at the materials presented, you can see the confusion. It has never been our intention to violate the law.

Mr. Chanin, if that were the case, wouldn't it have been proper to seek clarification, either from you or the owner of the company, asked Mr. Ono?
If it is found that my client was violating the law, said Mr. Chanin, he is willing to accept any penalties the board deems appropriate.

Mr. Chanin, said Mr. Yagi, this is not only a question of penalty. We are not looking forward to penalize people because they made an error or because they have some violation of the law. We are not in this position to penalize people and fine them. The fact is that we would prefer to prevent the violations. Isn't Counsel's position, also, to try to prevent their client from performing any illegal activities?

Absolutely, said Mr. Chanin.

Yet, from the time you received the letter until now, your client has been illegally landing in the conservation district. Have you been counseling your clients?

There is no question that I have counseled my client with regard to this matter of late. If that is inadequate, then all we ask is that the board indicate to us what procedures it deems appropriate.

For the record, is it your intention to apply for a CDUA, asked Mr. Higashi?

Absolutely, said Mr. Chanin.

I should have mentioned it earlier, when the Papillon case was being discussed, that there is no assurance that the CDUA would be automatically approved, said Mr. Ono. I don't want to give anybody that false impression.

For the record, too, said Mr. Yagi, as far as I'm concerned, these violations will not be held against the parties at the time they apply for the CDUA.

In answer to Mr. Higashi's question, Mr. Chanin said that his client, Cornelius Johnson, was present at this morning's meeting.

I just wanted it shown on the record that Mr. Johnson was here this morning and is aware of the conversation that has been going on, said Mr. Higashi. The principal owner of Kenai Helicopter has got to understand where everyone is coming from.

Just so that there is no misunderstanding, said Mr. Ono, as of right now one simple guideline we can offer is for you to advise your clients not to land in the conservation district. That is as simple and as basic as we can get. We thought this message was conveyed the last time, but apparently not.

What does your client intend to do between now and the time he applies for a CDUA in order to insure that his helicopters do not land on conservation lands, asked Mr. Ing?

I will advise him accordingly, said Mr. Chanin. And if he has any doubt at all as to where those lands are that he is to get it clarified before he even comes remotely close to any of those areas. We will also do whatever you recommend to assure that we do not violate the law.

For the record, as I had mentioned to Mr. Tangen, I have a mixed feeling about Kenai going out of business. I'd like to see the business prosper. It is a service to the community as well as the tourist business on Maui.
Are you asking for the same treatment as Papillon, asked Mr. Higashi?

What we are asking is that if there is a discussion with Papillon, we would ask for a similar discussion in negotiating with the understanding that whatever they agree to in terms of numbers, we would certainly agree to, also. We just want the same consideration, that's all.

Item H-8 was deferred to later on in the meeting.

**ITEM H-6**

**TEMPORARY VARIANCE FOR SOILS TEST BORING FOR A SITE SELECTION STUDY FOR A NEW 100,000 GALLON DOMESTIC WATER TANK AND WATER TRANSMISSION LINE AT PALOLO, OAHU (PALOLO ESTATES PARTNERSHIP).**

When asked by Mr. Ono, a representative of the applicants remarked that the conditions listed in the submittal were acceptable to him.

**ACTION**

Unanimously approved as submitted, subject to the terms and conditions listed in the submittal. (Ing/Kealoha)

**ITEM J-8**

**APPLICATION FOR ISSUANCE OF REVOCABLE PERMIT No. 3824, LIHUE AIRPORT, KAUA'I, NON-CONFORMING USE (THE LIHUE PLANTATION CO.).**

Mr. Yamamoto moved for approval as submitted. Motion carried with a second by Mr. Yagi.

Mr. Ing was disqualified from voting on this item.

**REQUEST FOR TIME EXTENSION TO COMENCE CONSTRUCTION OF ONELOA BEACH DRAINING IMPROVEMENTS AT KAPALUA, MAUI (KAPALUA LAND CO., LTD.).**

The board, on September 10, 1982, approved a CDUA for this project. Condition 29 of that approval requires that work or construction shall be initiated within one year and completed within three years of the date of approval. However, deviation from this condition may be considered by the Board when supported by written justification.

Staff considers the request to be reasonable since the applicant has already initiated work on the drainage system outside the Conservation District in an effort to at least partially improve drainage conditions within the Conservation District.

**ACTION**

Mr. Yagi moved that the board approve a one (1) year time extension for the proposed use, such that the applicant/owner has one year from the date of this extension in which to initiate construction; and that no further extensions for this purpose be allowed. Mr. Yamamoto seconded and motion carried unanimously.

**ITEM H-9**

**REQUEST FOR A TIME EXTENSION TO COMPLY WITH THE REQUIREMENT TO MODIFY THE PASSIVE MICROWAVE REFLECTOR AT MT. KAHLIL, AT TMK: 2-4-09:POR. 3, AT KOLOA, KAUA'I (HAWAIIAN TELEPHONE COMPANY.)**

Unanimously approved as submitted, subject to those terms and conditions listed in the submittal. (Yamamoto/Yagi)

**ITEM H-1**

**CDUA FOR EXPLORATORY WELL DRILLING AND RIGHT-OF-WAY AT KALAHEO, KAUA'I (DIVISION OF WATER AND LAND DEVELOPMENT).**

In answer to Mr. Ing's question, Mr. Evans said that Condition Nos. 2 and 3 do not apply to this item and should therefore be deleted.

**ACTION**

Mr. Yamamoto moved for approval as amended. Mr. Yagi seconded and motion carried unanimously.

-12-
REQUEST FOR PUBLIC HEARING FOR USE OF LAND WITHIN CONSERVATION DISTRICT FOR COMMERCIAL/SUBDIVISION/PROTECTIVE SUBZONE USE.

In addition to those listed in the submittal, Mr. Evans asked also to add the following application:

- OA-1638 Community Planning, Agent for Iolani School Kaneohe, Oahu for Commercial Use.

ACTION

Unanimously approved as amended. (Higashi/Yamamoto)

CDUA FOR AN AFTER-THE-FACT INSTALLATION OF PIPELINE AND/OR MASONARY AND FLUMES WITHIN AN EXISTING AUWAI AT KAHAKULOA, MAUI (KAHAKULOA ACRES).

A public hearing was held on this CDUA and staff incorporated the results of the public hearing into staff's analysis and basically, said Mr. Evans, it resulted in Condition Nos. 21, 22 and 23.

Because of concerns expressed at the public hearing, an Attorney General's opinion was requested as to whether or not this CDUA was the proper vehicle by which the question of water rights or water removal from the auwai would be addressed. This request that staff sought emanated from a request for a contested case hearing on the issue itself. Our answer from the Attorney General's office was that basically there are two separate matters here.

First, there is the question of land use. And, secondly, there is the question of water rights. Because the request was made on water rights, notwithstanding that a contested case hearing may occur in the future, that the land use issue was not a vehicle by which that contested case hearing would come about. If in the future a request was to come before the board for the taking of water via a water license, then, at that time, a contested case would be considered.

Because of staff's concern, Condition No. 10 was included which states that no work commence until the applicant has successfully obtained any required water approvals. Our normal condition says that the applicant shall start work within one year and be completed within three years. However, staff felt that it might be inappropriate in this case because, in terms of conservation, we did not want to imply because of our actions, what kinds of deliberation the board may come to on a later question of water approval.

Another rationale staff had was that if we allowed the applicant to go ahead now and make changes to the natural environment and then the applicant comes in and applies for a water license and the board denied it, then we would have had this damage done to the land. So rather than go ahead and do it now, we felt we should hold up.

I need to inform the board, as it relates to this condition, said Mr. Evans, that when we used the term "water license", we had a response from the Attorney General's office as it related to our question on the contested case. A statement was made in their response that "until Kahakuloa Acres establishes a pertinent water rights or obtains a water license from the State, no property interest in the water is raised by this application. This response was dated December 12th.

On December 5, 1983, it was brought to staff's attention that there has been an opinion signed by the Attorney General which states that the termination of water rights is vested in the Circuit Court, which have jurisdiction to determine water rights between individuals and between individuals and the State. Since this is a water related question, but with some relationship to the CDUA, Mr. Evans asked for some clarification which would guide staff for a recommendation to the board.
What happens if the applicant does change the amount of water diverted from Makamakaole Stream and he does interfere with or reduce the existing diversion of water from the auwai flowing to neighboring parcels, asked Mr. Yagi?

Then, my recommendation, said Mr. Evans, is that the applicant argue that today. If, on the other hand, the applicant does not know that that is going to happen, and he subsequently accepts these conditions, and at a future date finds out that that is going to happen, in staff's view it would be up to the applicant to come back into this board to show why he cannot comply with that condition.

The question, said Mr. Ono, is what if he does it anyway?

I think the people at Kahakuloa have encountered difficulty with this applicant, said Mr. Yagi. There is a question of trust in the eyes of the residents at Kahakuloa. In view of this, some assurance must be given to the residents that, if in the event the applicant does not abide by Conditions 21 & 22, what then? They would like to know what the board plans to do.

If a complaint were to come in to our office, said Mr. Evans, we would treat a complaint as a part of our standard enforcement process. We would review the complaint to see if there was substantiation to the complaint. If it turns out that there was substantiation to the complaint, the enforcement process would provide us an opportunity to come before this board with a violation of a condition of land use based upon this CDUA.

The question, said Mr. Ono, is what would you do? Cancel the approval?

I haven't given much thought as to what our recommendation would be, said Mr. Evans.

The question here, said Mr. Yagi, is not so much the auwai but the amount of water. As far as fixing the auwai, there's no objection to that. But later on, because of the auwai, water transported through that auwai will be the question. Condition No. 21 says that the applicant will not change the amount of water diverted from Makamakaole Stream. But the residents concern is what if it is diverted? If this applicant was favorable in the eyes of the Kahakuloa residents -- all fair play -- in the past as well as now, then there would be no questions. But the residents do not trust the applicant and that is why they are reluctant to even have the auwai repaired because it would be really only for the benefit of the applicant. The amount of water he will be taking from the auwai is also another question.

Part of the reason why it is difficult for staff to provide you with a recommendation at this time is that this project is larger than just the repair of the auwai, said Mr. Evans. It is our understanding that the purpose of the repair is to build up the total amount of water in the stream and that the applicant eventually does want to take water from the stream so that water, as we understand it, is going to be used among other things, for a development on agricultural lands outside of the conservation district and that on the development there may be houses that people live in.

We have that information here, said Mr. Ono. Somehow, you're not answering the question.

What is the nature of the improvements to be accomplished by the applicant, asked Mr. Ing?
Concreting of the auwai, said Mr. Evans, somewhere down the line of Makamakaoel Stream.

You've labeled this as an after-the-fact installation of pipeline. Was something installed there that you're asking us to approve, asked Mr. Ing?

We understand that prior to this CDUA coming in, said Mr. Evans, there was a pipeline that was laid on the State lands in the Conservation District without land board approval.

How about the concrete and the wooden flumes, asked Mr. Kealoha?

I don't believe there was any concreting done, said Mr. Evans. What had happened was that the board had approved previously an application to clean it and also put in a rubber lining. My recollection is that they would like to put in the rubber lining but then it didn't work. That is why they now want to go into concrete.

Roger, can you turn to page 2, 3rd paragraph, said Mr. Kealoha. It says that the applicant attempted to repair the auwai using concrete and wooden flumes. These methods were not approved by the board. In other words, said Mr. Kealoha, what I'm trying to say is what do we do to stop the applicant from making things worse than it already is.

The board granted the application for using the rubber lining, said Mr. Evans. The rubber lining did not work so the applicant then went in and he attempted to repair the auwai using concrete and the wooden flumes. This action was not approved by the board. So when we went out with our normal Cease and Desist to stop it, he stopped and he was told to file a CDUA, and this is the application that we are taking up this morning. However, I don't believe that all of the concreting that he wanted to do has been done.

How do we cross-section after-the-fact, asked Mr. Higashi? You usually do it before and you do it after. But how can you do it before in this case when it's already been taken out?

I understand that the project is not completed so we will have to cross-section with what we have now, said Mr. Evans.

If action is taken on this today, is there a second step before the work is done, asked Mr. Kealoha?

Yes, said Mr. Evans. Under Condition 10 we are specifically not allowing him to start work until he completes any water license requirements.

Besides that, what I'm trying to get at is that there is still a question as to whether or not he is entitled to use any portion of the water in the auwai, said Mr. Kealoha. What I can't understand is why he would want to clean this river voluntarily if he has no interest.

We think that he does plan to use the water and we also think that he plans to make application to our department for that, said Mr. Evans.

Roger, said Mr. Yagi, can we break this thing up into two parts. One is an after-the-fact, which is a violation, and the other is on the basis of the auwai.

We have at the present time, said Mr. Evans, Recommendation under "A" on page 12, relating to the land use. Then on page 14-15, under Recommendation "B", that is where we're discussing the issue of the violation.
I'm not too clear as to the applicant's reason for cleaning the auwai, said Mr. Yagi. Is it for his usage or for the taking of water?

Mr. Yagi moved first, to withdraw his earlier motion and, secondly, moved for approval of staff's Recommendation "B" and "C" and disapproval of staff's Recommendation "A", which in effect means disapproving the CDUA request. Mr. Higashi seconded the motion.

Regardless of whether this item is approved or disapproved, said Mr. Ono, the applicant would not be able to do any work on the premise until the question of water rights and the water license is cleared up. So, to the applicant, it does not matter that much at this point in time. The applicant, if he wants to pursue this, has to pursue two things simultaneously: 1) get a CDUA approval; and, 2) get a water license.

Before taking a vote, Mr. Ono asked if the applicant had anything to say.

Mr. Tom Bodden, representing the applicant, felt that there was some misunderstanding as far as exactly what the application is for. I would like to clarify briefly, if I may. Secondly, I would like to call your attention to why I'm involved in a lack of a better word for fairness down here.

In your staff's opinion, they pointed out that at this point there are two neighboring landowners who do have permits issued by the State to install pipe on State land. Your staff went on to point out that neither of those landowners has any permission whatsoever from this board or from the State to extract one ounce of water from the auwai or from the stream. I don't challenge that and I didn't raise it —- your own staff raised it.

You've gone through eight different agencies in your department and unfortunately none of those people are here and it's left to Roger to decipher all of that. Well I did go through it and talked to those departments. And to now impose upon Kahakuloa Acres, number one, a different standard from what you are in fact de facto accepting for other neighboring landowners and, number two, to accept the recommendation from your staff which would be to "amend existing permits to allow the extraction of water" and then to impose upon us an entire process, to me, seems horribly unfair if not illegal and I must disagree with that. Not because I challenge for one moment the neighbors use of the water. We have tried to make it very clear to those two affected neighbors and to the other neighbors our willingness to work with them and our desire not to interfere with their use. But for you now to "amend their permits to allow them to extract water" you are in fact creating a legal right or purporting to create a legal right which the attorney general has said you don't have the right to do —- only the courts can do it. To allow that condition to continue for two landowners and to disallow it for a third landowner is equally unfair.

Mr. Bodden, asked Mr. Ono, where in the proposed motion that is on the floor, does it say this?

Mr. Bodden apologized that he couldn't find it in the submittal but said that it was in it.

Mr. Bodden said that the board's inaction, or by its proposed denial to Kahakuloa Acres, are allowing two other landowners to extract water without permission. I'm saying that you are being unfair to one landowner and are applying unequal treatment to two different landowners.

Is Kahakuloa Acres now drawing water from Makamakaole Stream, asked Mr. Ing?

Kahakuloa Acres now, said Mr. Bodden, is not drawing any water from State lands.
Mr. Ing asked again whether or not Kahakuloa Acres was taking water from the stream.

Mr. Bodden said no, it is not taking it from the stream. But, yes it is, for one residence, taking water from the auwai on Kahakuloa Acres parcel.

While it's not taking it directly from the stream, it is taking it from the auwai which runs from the stream, said Mr. Ing?

Yes, said Mr. Bodden. But that is not the subject matter of this application, however.

Mr. Bodden, said Mr. Yagi, you make the accusation that we are not fair. Just before the attorney general's opinion, the water rights has to be determined by the circuit court. Granting you this would compound this. Two mistakes don't make a right.

Mr. Yagi, I don't think it will. I recognize your concern and many of these other people's concern relative to the conduct of Kahakuloa Acres in the past and the general distrust. And, frankly, I can sympathize and understand that. There has been abuses and there has been violations. I think your staff has tried to recognize that in part "A" and tried to address it by being very specific in its requirement and clearly you have previously exercised a Cease and Desist order and those orders have been adhered to.

As far as what has been proposed by Kahakuloa Acres, it will not in any way alter the diversion dam. That dam is there and it has existed for many, many years. It is already diverting the water. The concern Kahakuloa Acres has is once that water is diverted, it is then, much of it, simply going over the side of a cliff. It is not going back directly into Makamakaoole Stream.

Kahakuloa Acres recognizes the second legal ownership of the water. I don't see how the improvement of the auwai would in any way injure anyone because Kahakuloa Acres ultimately had no right to extract. It would merely cross its property to the adjoining landowners. We have also offered to those other owners the right, if they wish to extend pipes across our property, to facilitate their extraction of the water if it is determined that they had the water rights.

That is between you and the other owners and has nothing to do with this board, said Mr. Yagi.

I agree and for precisely that reason I think that the board is allowing it to affect its judgement, said Mr. Bodden. The question being raised relative to water use rather than the application to construct certain repairs on the State land and to allow one condition to exist for certain landowners and to impose dramatically different requirements on a second landowner I think is unfair. I would also point out that, requiring us to go through a licensing procedure when other people have been allowed to go through a permit procedure, I think, also, is unfair.

Besides the unfairness of the motion, are there are any other points you would like to point out, asked Mr. Ono?

I think the main concerns, said Mr. Bodden is one of unfairness. Secondly, I am concerned as to the recommendation in part "A" with respect to a license as opposed to a permit. The law creates a permit process and for this board or its staff to require something of Kahakuloa Acres or to say that that's going to be a requirement for later approval, again I think is contrary to what the law permits, and what has been permitted for other property owners and, number 3, contrary to what the law permits.

Why is it contrary to what the law permits, asked Mr. Ono? Isn't there a licensing provision?
There is a licensing provision, remarked Mr. Bodden. There is also a permit provision.

But it doesn't say that we have to go the permit route. We could go either way, said Mr. Ono. If we decide to go the licensing route, it's not illegal.

It's not illegal, said Mr. Bodden. But I question the fairness of the board to impose the choice when it has not imposed it on other property owners.

If the conditions were exactly alike, I can see your argument. But maybe the conditions and factors concerned are not identical. So you're making a very general kind of accusation. If you come down to specifics and say that you guys did this under similar conditions or identical conditions and how come you're treating me in this fashion, I can buy that, said Mr. Ono.

Vote was taken and motion carried unanimously.

ITEM B-1

ADOPTION OF CHAPTER 51, ADMINISTRATIVE RULES OF THE DLNR RELATING TO REGULATING FISHING ACTIVITIES IN PORTIONS OF "KAHULUI HARBOR, MAUI".

ACTION
Unanimously approved as submitted. (Higashi/Kealoha)

ITEM B-2

REQUEST FOR APPROVAL TO CONDUCT PUBLIC MEETING(S) AND HEARING ON MARINE FISHERIES MANAGEMENT TO CONTROL FISHING ACTIVITIES WITHIN MANELE BOAT HARBOR, LANAI.

ACTION
Unanimously approved as submitted. (Higashi/Yagi)

ITEM B-3

REQUEST FOR APPROVAL TO CONDUCT PUBLIC HEARING ON AMENDMENT OF ADMINISTRATIVE RULES, CHAPTER 89, SPINY LOBSTER OR ULA.

ACTION
Unanimously approved as submitted. (Yagi/Higashi)

ITEM C-1

AUTHORITY TO NEGOTIATE FOR TIMBER (LAND) LICENSES.

Mr. Landgraf asked that Recommendation No. 1 be amended by eliminating the island of Molokai, thus negotiations for selected timber stands would only be on the islands of Hawaii, Maui and Kauai.

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

ITEM D-1

PERMISSION TO ADVERTISE FOR BIDS AND APPROVAL FOR AWARD OF CONTRACT - JOB NO. 4-ON-29, DRILLING MILILANI-MAUKA EXPLORATORY WELLS, OAHU.

In answer to Mr. Ing's question, Mr. Ono said that money for this project is available.

ACTION
Unanimously approved as submitted, subject to approval from the Governor. (Yagi/Kealoha)

ITEM D-2

PUU LUA-KOKEE HYDROPOWER PROJECT, KAULUI.

Mr. Ono explained that this is a status report and conclusion as to what to do with the Kokee Hydroelectric Power project.

ACTION
Mr. Higashi moved for the board to accept the report submitted by consultants, Wally Hira and Associates, and direct the staff to file the report for future reference. Mr. Yagi seconded and motion carried unanimously.
REQUEST FOR RENEWAL OF A PERMIT TO USE THE OLD KONA AIRPORT STATE PARK FOR FLYING RADIO CONTROLLED MODEL AIRPLANES.

ACTION
Mr. Higashi moved that the board grant the Kona Radio Flyers a one year permit, the time and place to be identical to that of the previously approved permit. Mr. Yagi seconded and motion carried unanimously.

DOCUMENTS FOR CONSIDERATION


REVOCABLE PERMIT. RICHARD H. S. LEE, INC. request for por. of govt. land at Fort Armstrong, Kaakaukukui, Honolulu, Oahu, TMK: 2-1-60:por. 8 containing 7.0+ acres for storage of soil, coral, asphalt and other aggregate material purposes commencing September 1, 1981. Monthly Rental: To be determined by appraisal, same subject to approval by the Chairperson.

Mr. Detor said that although the applicant has been using the property since September 1, 1981, he also has done quite a bit of work insofar as cleaning the area of the rubbish dumped there by others.

Mr. Detor asked that a retroactive permit be issued to the applicant to cover the use of this area and to give him a credit in the amount of $3,000.00, which is the expenditure accrued for removing the materials which were dumped on the property. Mr. Detor wanted to specify that this rental be applied only to back rentals and not for future use.


Mr. Ing moved for approval of Items F-1-a, b, c and d as amended.
Mr. Kealoha seconded and motion carried unanimously.

HAWAIIAN INVESTMENT CO., INC. APPLICATION (FOR MAUNA KEA SUGAR CO., INC.) TO PURCHASE REMNANT PARCELS AT KAWAINUI, SO. HILO, HAWAII.

Finding the parcels in question to be, on the basis of location, size and shape, economically and physically unsuitable and undesirable for development or utilization as separate units, the board, upon motion by Mr. Higashi and a second by Mr. Yagi, unanimously authorized the sale of said remnants, described as Parcels 3a, 3b and 4 to the adjoining landowner, Mauna Kea Sugar Company, Inc., subject to the terms and conditions listed in the submittal.

DEPARTMENT OF AGRICULTURE REQUEST FOR ACQUISITION OF LAND FOR MARSHALLING YARD, NO. KONA, HAWAII.

Mr. Higashi moved for the board to rescind its previous action of July 23, 1982 under agenda Item F-3 and authorize the Chairperson to acquire the subject parcel by negotiation, or if necessary, through condemnation proceedings. Upon completion of the acquisition, authorize transmittal of a request to the Governor for the issuance of an executive order setting aside the acquired property under the control and management of the Department of Agriculture for Marshalling Yard purposes. Mr. Yagi seconded and motion carried unanimously.

-19-
### ITEM F-4

**DR. JOHN LOWREY APPLICATION FOR PIPELINE EASEMENTS, LALAMILO. SO. KOHALA, HAWAII.**

What appraisal method was used for this?

Mr. Detor said that he wasn't sure but he didn't think a before and after method was used for these easements.

Mr. Ono asked why not? He felt that some degree of enhancement should be recognized.

Mr. Detor said the only reason that this application went through a CDUA process was that the pipeline crosses conservation land but the property being subdivided is their own land.

Mr. Higashi said that staff should look into the overall prospective. If it's within the principal of the appraisal, then that should be pursued.

**ACTION**

Unanimously approved as submitted, subject to those terms and conditions listed in the submittal. (Higashi/Yagi)

### ITEM F-5

**STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF AN EASEMENT TO RICHARD SMART AT PUUKAPU, WAIMEA, SO. KOHALA, HAWAII.**

Mr. Detor asked that the following corrections be made:

- The very first line says June 25, 1983. It should be 1982.
- The third paragraph where it says November 45, 1982. It should be November 5.

**ACTION**

The board voted unanimously to amend Item F-6, dated June 25, 1982, by also granting right of entry for construction purposes to the applicant to TMKs 6-3-01:7 and 6 and State-owned portion of TMK 6-5-01:7 subject to applicable conditions imposed under agenda Item H-1, dated November 5, 1982, which are incorporated herein by reference and further subject to the terms and conditions approved under Recommendation C of agenda Item F-6, dated June 25, 1982, and as amended above. (Higashi/Kealoha)

### ITEM F-6

**COUNTY OF HAWAII APPLICATION FOR SEWER EASEMENT, HONUAULA, NO. KONA, HAWAII.**

**ACTION**

The board voted unanimously to authorize the direct sale of the subject easement to the County of Hawaii subject to the terms and conditions listed in the submittal and also authorized the issuance of a construction right-of-entry to the applicant subject to the standard indemnity and hold-harmless clause and other terms and conditions as may be prescribed by the Chairperson. (Higashi/Kealoha)

### ITEM F-7

**DEPARTMENT OF AGRICULTURE REQUEST FOR EXTENSION OF LEASE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE, KA&KAKUKUKUI, HONOLULU, OAHU.**

**ACTION**

Mr. Kealoha moved for approval of this request for a change in the termination date of the foregoing lease agreement from March 14, 1984 to September 30, 1984 subject to the terms and conditions contained in Item F-16, March 13, 1981 and such other terms and conditions as may be prescribed by the Chairperson. Mr. Higashi seconded and motion carried unanimously.

### ITEM F-8

**CAROL SHINSATO, ET AL, APPLICATION TO PURCHASE HIGHWAY REMNANT PARCEL H-106-A OF THE LUNALILO FREEWAY, FAP NO. F-59(2), HONOLULU, OAHU.**

Mr. Detor asked that the submittal be amended by adding also parcel no. H-107-A and that the area be corrected by adding 137 sq. ft. to the area listed, making a total area of 1482 sq. ft., more or less.
ACTION Finding the subject highway parcels to be physically unsuitable for development as a separate unit because of its size and shape and is a remnant by definition, the board, upon motion by Mr. Kealoha and a second by Mr. Yagi, voted to approve the sale of the subject remnants as listed and amended above, subject to the terms and conditions listed in the submittal.

HILTON HAWAIIAN VILLAGE REQUEST FOR RIGHT OF ENTRY TO PORTION OF DUKE KAHANAMOKU BEACH, HONOLULU, OAHU.

The Hotel has by letter dated December 9, 1983, requested a blanket right of entry covering the year 1984 for luau, BBQ and steak fry parties purposes.

Have we had any problems with the amount of area they use at any particular occasion, asked Mr. Ing?

Mr. Detor said that he doesn't recall having any real problems with them.

Why don't you have them make a report as to the area they will be using, asked Mr. Kealoha?

Mr. Detor said that staff will come in with a sketch showing the subject area to be used.

ACTION The board unanimously approved Hilton Hawaiian Village's December 9, 1983 request for a 1984 blanket right of entry to the subject area for luau, BBQ and steak fry parties purpose, subject to the terms and conditions listed in the submittal. (Ing/Kealoha)

LINCOLN CHING REQUEST FOR WAIVER OF LEASE BOND REQUIREMENT, GENERAL LEASE NO. S-4746, KAPAA, KAUAI.

ACTION The board unanimously voted to waive the lease bond requirement applicable to G. L. No. S-4746, reserving the right, however, to reinstate the bond at any time throughout the term of the lease. (Higashi/Yagi)

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

ACTION The board unanimously approved an extension from January 24, 1984 to July 23, 1984, of the construction deadline contained in SSA No. S-5559, subject to the vendees furnishing an updated building compliance bond in an amount of not less that $500, guaranteeing completion of the residence by July 23, 1984; such bond to be posted within thirty (30) days from notification of receipt of the extension. (Higashi/Yagi)

STAFF RECOMMENDATION FOR SALE OF A LEASE COVERING LOTS D & E OF THE WAILUA RESORT LOTS, WAILUA, LIHUE, KAUAI.

ACTION Finding the area to be an economic unit in terms of the intended use and that the area is not suitable for hunting nor will it become so during the term of the lease, the board, upon motion by Mr. Yagi and a second by Mr. Higashi, unanimously approved the public auction sale of a lease for general agriculture purposes under the terms and conditions listed in the submittal.

U. S. MILITARY MARINE CORPS REQUEST FOR RIGHT OF ENTRY TO PERFORM MILITARY TRAINING AT KEKaha, KAUAI.

(See Page 2 for Action)
ITEM F-14

STAFF RECOMMENDATION FOR AMENDMENT OF PREVIOUS BOARD ACTION AUTHORIZING SALE OF ABANDONED RAILROAD RIGHT OF WAY SEGMENT AT WAILEA, KAUAI.

ACTION

The board voted unanimously to amend its action of November 10, 1977 (Item F-23) by naming Mr. Minoru Osaki as the abutting owner eligible to purchase Remnant Parcel 3, identified by C.S.F. Map No. 16716-16719, being a portion of an abandoned railroad right of way containing an area of 4,707 sq. ft. at Wailua, Kauai. All other terms and conditions of the original action to otherwise remain in full force and effect. (Yagi/Higashi)

ITEM F-15

DEPARTMENT OF HEALTH REQUEST FOR APPROVAL OF RENEWAL OF LEASE COVERING ROOMS 209 & 210 OF THE WESTGATE SHOPPING CENTER, WAIPAHU, OAHU.

ACTION

Unanimously approved as submitted, subject to the review and approval of the lease document by the Office of the Attorney General. (Higashi/Yagi)

ITEM F-16

DEPARTMENT OF SOCIAL SERVICES AND HOUSING REQUEST FOR CONSENT TO RENEWAL OF LEASE COVERING OFFICE SPACE ON THE 5TH FLOOR OF THE GASCO BLDG., HONOLULU, OAHU.

ACTION

Mr. Ono reminded Mr. Detor that the board had previously asked that all of the rentals -- the basic rental, plus any additional rents, be incorporated into one figure so the board can compare.

Unanimously approved as submitted, subject to the review and approval of the lease document by the Office of the Attorney General. (Yagi/Kealoha)

ITEM F-17

BUDGET & FINANCE REQUEST FOR APPROVAL AMENDMENT OF LEASE COVERING OFFICE SPACE AT 560 HALEKAUWILA STREET, HONOLULU, OAHU.

ACTION

Unanimously approved as submitted. (Ing/Yagi)

ITEM F-18

OFFICE OF THE GOVERNOR REQUEST FOR APPROVAL OF EXTENSION OF LEASE COVERING SUITE 205 OF THE QUEEN EMMA BUILDING, HONOLULU, OAHU.

ACTION

Unanimously approved as submitted, subject to review and approval of the lease agreement by the Office of the Attorney General. (Yagi/Ing)

ITEM F-19

DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT REQUEST FOR ACQUISITION OF LEASE COVERING SUITE NO. 252 OF THE CENTRAL PACIFIC PLAZA BUILDING, HONOLULU, OAHU.

ACTION

Mr. Ing asked if there was any space available at the old Federal Building. He said that he could understand DPED wanting the area at the Central Pacific Plaza Building being that it is close by, but he also felt that the rental being asked was rather high.

Mr. Detor said that this was something discussed at the staff meeting. Although his staff hasn't done so yet, he said that they would be checking out the availability of space at the old Federal Building.

Deferred to the January 27, 1984 meeting in order that staff may have time to check on the availability of space within the old Federal Building.

ITEM H-1

CDUA FOR EXPLORATORY WELL DRILLING AND RIGHT-OF-WAY AT KALAHEO, KAUAI. (See Page 12 for Action)

ITEM H-2

REQUEST FOR TIME EXTENSION TO COMMENCE CONSTRUCTION OF ONELOA BEACH DRAINING IMPROVEMENTS AT KAPALUA, MAUI. (See Page 12 for Action)
ITEM H-3  CDUA FOR THE ESTABLISHMENT OF THE WEST MAUI AND THE HANIWI NATURAL AREA RESERVES AT VARIOUS LOCATIONS ON MAUI.

ACTION  (See Page 25 for Action)

ITEM H-4  CDUA FOR AN AFTER-THE-FACT INSTALLATION OF PIPELINE AND/OR MASONRY AND FLUMES WITHIN AN EXISTING AHWAI AT KAHAKULOA, MAUI.

(See Page 16 for Action)

ITEM H-5  CDUA FOR CONSTRUCTION OF A GROUTED RIPRAP GULLY LINING ADJACENT TO HAWAII LOA RIDGE SUBDIVISION AT NIU, OAHU (PAUL R. CASIDY, ET AL).

(See Page 25 for Action)

ITEM H-6  TEMPORARY VARIANCE FOR SOILS TEST BORING FOR A SITE SELECTION STUDY FOR A NEW 100,000 GALLON DOMESTIC WATER TANK AND WATER TRANSMISSION LINE AT PALOLO VALLEY, OAHU.

(See Page 12 for Action)

ITEM H-7  VIOLATION OF LAND USE WITHIN THE STATE CONSERVATION DISTRICT ON THE ISLAND OF MAUI.

(See Page 29 for Action)

ITEM H-8  VIOLATION OF LAND USE WITHIN THE STATE CONSERVATION DISTRICT ON THE ISLANDS OF MAUI AND LANAI.

(See Page 29 for Action)

ITEM H-9  REQUEST FOR A TIME EXTENSION TO COMPLY WITH THE REQUIREMENT TO MODIFY THE PASSIVE MICROWAVE REFLECTOR AT MT. KAHILI, AT TMK: 2-4-09:POR. 03, AT KOLOA, KAUAI.

(See Page 12 for Action)

ADDED  REQUEST FOR PUBLIC HEARINGS FOR USE OF LANDS WITHIN CONSERVATION DISTRICT FOR COMMERCIAL/SUBDIVISION/PROTECTIVE SUBZONE USE.

(See Page 13 for Action)

ITEM J-1  OPERATION OF THE AUTOMOBILE PARKING FACILITIES AT HONOLULU INTERNATIONAL AIRPORT, OAHU.

Can anybody bid on this, asked Mr. Higashi?

Mr. Garcia said as long as they meet the minimum qualification. This is a very large operation and they need to have people in there who have experience in this type of operation otherwise they just add to the problems that they already have.

If someone had experience, say like with a company like APCOA, in a very responsible management capacity, he won't qualify even though he had the resources or is able to start his own corporation, asked Mr. Higashi?

Mr. Garcia said that he wasn't really sure about that particular point. The manager could come from some other location and own a new business, but the corporation itself must have been in this type of business for at least five years.

In answer to Mr. Ing's question, Mr. Garcia said that the rates charged are monitored and have to be approved by the Department of Transportation.

ACTION  Unanimously approved as submitted. (Ing/Kealoha)
ITEM J-2  FLORIST CONCESSION, LIHUE AIRPORT, KAUA'I.
ACTION Unanimously approved as submitted. (Kealoha/Yagi)

ITEM J-3  NEWSVENDING CONCESSION, HONOLULU INTERNATIONAL AIRPORT, OAHU (STATE OF HAWAII, DEPARTMENT OF SOCIAL SERVICES AND HOUSING).
ACTION Unanimously approved as submitted. (Kealoha/Ing)

ITEM J-4  RESUBMITTAL - LEASE, INSTALLATION, AND OPERATION OF ONE INSTANT TRANSFER AUTOMATIC TELLER MACHINE TERMINAL, HONOLULU INTERNATIONAL AIRPORT, OAHU (SLH, INC.).
ACTION Unanimously approved as submitted. (Kealoha/Ing)

ACTION Unanimously approved as submitted. (Ing/Kealoha)

Mr. Garcia explained to the board that this is a move to get all of the local airlines out of the main terminal and back to the Inter-island terminal.

ACTION Unanimously approved as submitted. (Ing/Kealoha)

Mr. Garcia said that Aloha Airlines is giving up some of their space at the Inter-island Airport for use by Mid-Pacific Airlines.

ITEM J-7  APPLICATION FOR ISSUANCE OF REVOCABLE PERMITS NOS. 3815, 3820, 3821, AIRPORTS DIVISION.
ACTION Unanimously approved as submitted. (Ing/Kealoha)

ITEM J-8  APPLICATION FOR ISSUANCE OF REVOCABLE PERMIT NO. 3824, LIHUE AIRPORT, KAUA'I, NON-CONFORMING USE (THE LIHUE PLANTATION CO.).
(See Page 12 for Action)

ITEM J-9  RENEWAL OF REVOCABLE PERMITS, CONFORMING USE, AIRPORTS DIVISION.
ACTION Mr. Kealoha moved for approval as submitted. Motion carried with a second by Mr. Yagi.

Mr. Ing was disqualified from voting on this item.

ITEM J-10  RIGHT-OF-ENTRY, KAHALUI HARBOR, MAUI (CORPS OF ENGINEERS).
ACTION Unanimously approved as submitted. (Yagi/Ing)

ITEM J-11  ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, MAALAEA SMALL BOAT HARBOR, MAUI (DALE NAPORA).
ACTION Unanimously approved as submitted. (Yagi/Ing)

ITEM J-12  ISSUANCE OF REVOCABLE PERMIT, HARBORS DIVISION, PIER 9, HONOLULU HARBOR, OAHU (AMERICAN HAWAII CRUISES).
ACTION Unanimously approved as submitted. (Ing/Yagi)

-24-
Mr. Evans said that Mr. Wong, at the end of the discussion period, did ask me to attend because a specific question was asked of me and that was that in the future if there is a place where they wanted to land would it be proper for them to contact the Planning Office staff and have them tell the applicant if the proposed area was in the conservation district or not. To that question I answered yes.

The second question that was asked of me was that in the future if we receive a complaint that they have landed, would it be o.k. for the conservation staff to call them and tell them we have received a complaint and again I answered yes. Nevertheless we would continue our investigation into the complaint. Insofar as anything else, it would be up to Mr. Wong.

Mr. Ono said that deciding whether a specific area is in a conservation zone or not, isn't that a function of the Land Use Commission instead of your office? I don't want to take on any responsibility that is not within the department's scope. Not that I disagree with the approach, I'm just trying to make sure that we don't get ourselves into a bind.

We do have survey maps in our office that would indicate the land use districts of the State, including the conservation districts, said Mr. Evans. While staff could give a general answer, you are correct, Mr. Ono, in stating that the only people who can definitively answer the question is the Land Use Commission. We would supplant any comment we made to them with that advice.
What is the proposal, asked Mr. Ing?

Mr. Tangen said that there was an agreement by both of the companies that they would agree to a $100 fine per violation, plus provide $200 fine per violation for governmental services (supplying helicopter services) and pay the total administration cost of $14,000, which gives Papillon a total of $37,134.00. What this does in effect, said Mr. Tangen, is make the fine $300.00. $100.00 in cash and $200 going into government services to be provided to DLNR for whatever services it wants. That's the money part.

Mr. John Chanin said that there are a number of other factors involved. We have 48 violations. Therefore the agreement that was arrived at was $100 per violation plus total amount of administrative costs -- ours came out to $9,700.00 or $14,500.00 total cash.

It was agreed by both Kenai and Papillon that in both instances there would be an irrevocable letter of credit to be provided to Mr. Evans within a ten day period. That letter would stand to make certain to the board that the entire amount of the fine (the cash portion) if not paid by the client, would be drawn out of the letter of credit.

Installment payments would break down in our case to immediate payment of $5,000, an additional payment of $5,000 on 4/1/84, and on 6/1/84 the balance, which is $4,500.00.

In addition, we have 48 violations. To provide the additional fine of $200 we will provide $9600 more in terms of government services -- specifically for the DLNR. $14,800 of helicopter time will be provided by Papillon. The commercial rate is $750 per hour and the terms would be up till 4 hours per month. In Kenai's case, that works out to approximately 13 hours devoted to DLNR. If you don't use the 4 hours in any given month, it can lap out into any other month as long as we don't have it overloaded.

That is the money portion. $300 fine -- $100 in cash, $200 in governmental services, and cash payment of the entire administrative costs.

What is the $750 figure, asked Mr. Ono?

I understand from both Helicopter owners that that is the appropriate rate which would be charged for like services.

For what capacity helicopter, asked Mr. Ono?

That is for a six passenger helicopter, said Mr. Red Johnson.

If you carry other paying passengers, should the full $750 be charged against the State, asked Mr. Wong?

No, said Mr. Chanin, it would be pro-rated out per seat basis.

As far as landing, aside from applying for a CDUA, Mr. Evans informed us that we are to get in touch with him and ask if we might land in any specific area.

The understanding in that, said Mr. Ing, is that you will provide him the time to do the necessary investigation and if he is not able to do it, you will then go the Land Use Commission before you went to that area to land.

Absolutely, said Mr. Chanin. The point behind this is that there is an honest misunderstanding or disagreement or a need for clarification. We are committed now. There is no doubt whatsoever. The doubt goes two ways. One, may we land there; and, two, are we legally entitled to land there? So we will go to Mr. Evans and we will not do anything until we have an appropriate response from him.
So we now have the fines, we now have the CDUA, and we now have the request for clarification for permission to land or a landing designation.

The next area is notice of complaints. One of the difficulties we've got is that if there is an extended period of time before we find out we're in a difficult position. If we were to be contacted as soon after the complaint as possible, we will immediately make our best efforts to get together with the pilot involved and resolve that problem so that we will never have to come before this board again with that kind of problem.

On that point, Mr. Chanin, what if after you sit down with your staff and check everything out and find that it was in fact a violation, what happens then, asked Mr. Ono?

I think at that point we, meaning myself and Mr. Tangen, will come before the board with a recommendation to impose the $500 fine.

If this agreement which we have proposed is in agreement with this board, we will waive any other objections of every way, shape, or form or perspective. In other words, whatever legal rights we might have been able to pursue regarding this matter, we will waive, said Mr. Chanin.

When asked by Mr. Ing, Mr. Chanin said that he could probably have the written agreement ready for review in about a week.

Was there any discussion that, if there should be any violation in the future, the board would come back and assess the maximum penalty, asked Mr. Ono?

There was a great deal of discussion about that, said Mr. Chanin. The reason why we arrived at this approach as opposed to that is because we found that in all likelihood the idea of suspending a portion of the fine in assessing a future violation would be almost an impossible thing to administer.

I do have some concerns about not suspending a portion of the fines. You're saying that because it's going to cause an administrative headache, that we dispense with that approach, asked Mr. Ono?

We sat down with Mr. Wong and tried to work out a plan for implementing that particular approach and we found out that it would be horrendous, said Mr. Chanin.

I have my basis, said Mr. Ono. Otherwise, I'd shoot for the maximum penalty.

In your proposal, asked Mr. Yagi, in the event a new violation arrives from now on -- say sometime next month -- what you're saying is that you will bar us from going to the limit of $500 per violation?

It's not a question of barring you, it's a question of if we arrive to an agreement today with respect to those violations that are outstanding, we feel this approach is the best one all the way around because we will be working with Mr. Evans. If a complaint comes in next month, we will come before this board and say we did it, and we're wrong, and you already have more money than the original proposal was in terms of actual cash, together with government services, and I'm assuming that you have every conceivable right available to you. If Mr. Evans comes in and proves a hard case against us for violation, that the actions that you take may be without mercy, so you've got available to you as much of a deterrent as you can possibly have, said Mr. Chanin.
Another thing that was offered earlier by you was a performance bond. I wouldn't want to forego that, said Mr. Higashi.

The discussion was in terms of a letter of credit or a performance bond. One or the other. We thought the letter of credit made more sense because rather than having conditions where you have to define performance here you have an absolute letter of credit and the only terms of the letter is that payment is to be made on such and such a date, which I thought was the whole point behind the bond, said Mr. Chanin.

I thought the bond was in case there was a violation at least we have something to hit you guys with, said Mr. Ono.

On that one there, said Mr. Wong, if and when you approve the CDUA permit and the landing permit, we'll crank in there a performance bond.

I would like to tie it in with this series of violations, said Mr. Ono, not to something in the future.

You're talking about a bond that would cover them in the event that they were to land in a conservation district in between now and the time a CDUA is approved, asked Mr. Ing?

That's right, said Mr. Ono. Assuming you violate something, we need some means to get back to you.

How would you apply it, said Mr. Chanin? Supposing you have a $1000 performance bond and there is a violation, would we come before the board and once a figure is arrived at then that bond would be used to satisfy that obligation?

You either pay up, or if you don't pay up we'll get the money from the bonding company, said Mr. Yagi.

There is another question, said Mr. Yagi. Future violations of CDUA -- you are saying that we should follow this formula to arrive at a cost. Isn't this formula only for this past incident?

Yes, said Chanin.

What we are trying to say is that there might be some other violations which are presently outstanding so this is what we're concerned about.

Mr. Tangen said that they have no problem with the bond. It can be structured so that in the event that we are found guilty by the board, either we give you money now or you get it out of the bond.

So that we can have an understanding, said Mr. Higashi, as of today we're not talking about any violations that happens after this date that may be brought up again.

What will be the amount of the bond, asked Mr. Ing?

We offer $5,000 said Mr. Tangen.

This is a proposal which we would like to see in writing before we take a final vote, said Mr. Ono. I think we have all been given enough information to decide whether the proposed approach and the specifics would be acceptable to the board, still subject, however, to the review of the final document by the Attorney General's Office and the board.
ACTION

Mr. Yagi moved to accept the proposal by the subcommittee, which is:

1. $100.00 in cash per violation
2. $200.00 in governmental services per violation.
3. Payment of total administrative costs.
4. Kenai Helicopter and Papillon Helicopter to check with the Planning Office before landing to see if it's O.K. to land in that particular area and/or check with the Land Use Commission.
5. Performance Bond for future violations in the amount of $5,000.00.
6. Subject, also, to review of the final written proposal by the Office of the Attorney General and the Board of Land and Natural Resources.

Motion carried unanimously with a second by Mr. Ing.

Mr. Ono said that he would like to take final action on this matter at the next meeting of the board.

RESOLUTIONS

Resolutions, acknowledging the retirement of the following DLNR employees, was adopted by the board.

Mr. Morita Ota - Division of Forestry
Mr. Benjamin Samson, Sr. - Division of State Parks
Mrs. Alicia Tanigawa - Division of State Parks
Mr. Mitsukazu Nakayama - Division of Forestry & Wildlife
Mr. Harry Fergerstrom - Division of Forestry & Wildlife

ADJOURNMENT: There being no further business, the meeting adjourned at 1:50 P.M.

Respectfully submitted,

LaVerne Tirrell
Secretary

APPROVED

SUSUMU ONO
Chairperson