

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

DATE: June 28, 1996  
TIME: 9:00 a.m.  
PLACE: Board Room  
Kalanimoku Building, Room 132  
1151 Punchbowl Street  
Honolulu, Hawaii 96813

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Chairperson Michael D. Wilson called the meeting of the Board of Land and Natural Resources to order at 9:09 a.m. The following were in attendance:

MEMBERS:

Mr. Herbert K. Apaka  
Mr. Colbert Matsumoto  
Mr. Michael D. Wilson

Mr. William Kennison  
Mr. Michael Nekoba

STAFF:

Ms. Charlene Unoki  
Mr. Dean Toda

Mr. William Devick  
Mr. Lawrence Cobb

OTHERS:

Ms. Linnel Nishioka, Esq.  
Deputy Attorney General  
Ms. Meredith Ching, A&B  
Hawaii  
Mr. Jack Sayles, Planning Branch,  
State Department of Accounting  
and General Services  
Mr. Michael Furukawa, Lihue  
Plantation, Co.  
Mr. Charles McKay, Keehi Marine  
Inc.

Mr. Peter Garcia, State  
Department of Transportation  
Mr. Garrett Hew, East Maui  
Irrigation, Co.  
Mr. Gary Kawasaka, Department of  
Water, County of Hawaii  
Mr. Alton Miyamoto, Citizens  
Utilities, Kauai Electric, Co.  
Mr. Steven Ching, Keehi Marine,  
Inc.

Prior to the start of the morning's agenda, Chairperson Wilson noted that the meeting would be Mr. Herbert Apaka's last meeting as a member of the Board of Land and Natural Resources. Chairperson Wilson thanked Member Apaka, and expressed his personal, as well as the Administration's, sincere appreciation for Mr. Apaka's years of service.

Business:

K-1 MASSAGE THERAPY CONCESSION, HONOLULU INTERNATIONAL AIRPORT,  
OAHU

No public testimony was presented.

By a unanimous vote of the five members present, Item K-1 was approved as submitted (Matsumoto/Nekoba).

K-2 CONSENT TO ASSIGNMENT OF LEASE NO. DOT-A-95-2, HONOLULU  
INTERNATIONAL AIRPORT, OAHU (MISSIE INVESTMENTS,  
INC./CATHERINE SHINE, TRUSTEE)

No public testimony was presented.

By a unanimous vote of the five members present, Item K-2 was approved as submitted (Nekoba/Matsumoto).

K-3 CONSENT TO SUBLEASE, HONOLULU INTERNATIONAL AIRPORT, OAHU,  
(THOMAS COOK CURRENCY SERVICES, INC./MJR CORPORATION)

No public testimony was presented.

By a unanimous vote of the five members present, Item K-3 was approved as submitted (Nekoba/Matsumoto).

D-10 REQUEST AN ISSUANCE OF A REVOCABLE PERMIT BY A & B HAWAII,  
INC. FOR WATER DEVELOPMENT, DIVERSION AND USE PURPOSES ON  
GOVERNMENT LAND, DESIGNATED BY TAX MAP KEY: 1-1-01: 44, KOOLAU  
FOREST RESERVE, HONOMANU, HANA, MAUI

Ms. Meredith Ching, representing A&B Hawaii, and Mr. Garrett Hew, representing East Maui Irrigation, Co. (EMI), addressed Items D-10, D-11, D-12, and D-13; Ms. Ching specifically addressed two issues of concern:

Ms. Ching expressed concern over a new condition requiring the permittees to conduct hazardous waste evaluation and disposal. She testified that, because the permittees do not have control over public access to the watershed, it would be prohibitive to require that the permittees be responsible for all potential hazardous waste found on the site. She testified that hunters, hikers, and vehicles are all allowed access to the site, and that neither A&B nor EMI had control over ingress or egress. She further stated that the permittees would be more than willing to take responsibility for any and all waste that they may cause.

Ms. Ching also noted that an appraisal was being recommended as part of the renewal of the permit; she requested that the rates be compared to agricultural water rates as opposed to urban rates.

Item D-10 cont.

Member Kennison moved to resolve the meeting into executive session in order to discuss matters with legal counsel; the motion was seconded by Member Apaka. The meeting resolved into executive session at 9:28 a.m.

Chairperson Wilson reconvened the meeting at 9:38 a.m.

Member Kennison moved to delete the condition requiring the hazardous waste evaluation and mitigation and approve Items D-10, D-11, D-12, and D-13.

By a unanimous vote of the five members present, Items D-10, D-11, D-12, and D-13 were approved as amended (Kennison/Apaka).

D-11 REQUEST AN ISSUANCE OF A REVOCABLE PERMIT BY EAST MAUI IRRIGATION CO., LTD. FOR WATER DEVELOPMENT, DIVERSION AND USE PURPOSES ON GOVERNMENT LANDS, DESIGNATED BY TAX MAP KEY: 1-2-04: 05 AND 07, KOOLAU FOREST RESERVE, NAHIKU, HANA, MAUI.

See Item D-10.

D-12 REQUEST AN ISSUANCE OF A REVOCABLE PERMIT BY A & B HAWAII, INC. FOR WATER DEVELOPMENT, DIVERSION AND USE PURPOSES ON GOVERNMENT LANDS, DESIGNATED BY TAX MAP KEY: 1-1-01:50 AND 2-9-14:01, 05, 11, 12 AND 17, KOOLAU FOREST RESERVE, HUELO, HANA, MAUI.

See Item D-10.

D-13 REQUEST AN ISSUANCE OF A REVOCABLE PERMIT BY A & B HAWAII, INC. FOR WATER DEVELOPMENT, DIVERSION AND USE PURPOSES ON GOVERNMENT LANDS, IDENTIFIED BY TAX MAP KEY: 1-1-02:PORTION 02, KOOLAU FOREST RESERVE, KEANAE, HANA, MAUI

See Item D-10.

D-16 REQUEST FOR AUTHORIZATION TO ACQUIRE LAND FOR THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES' (DAGS) LIHUE DISTRICT OFFICE AND BASEYARD, AND SUBSEQUENT SET ASIDE TO DAGS FOR CONTROL AND MANAGEMENT OF THE LAND; LIHUE, KAUAI, TMK: (4) 3-3-12:17, 18, 19, AND 20

Mr. Jack Sayles, Planning Branch, Department of Accounting and General Services, presented background on the request. No public testimony was presented.

By a unanimous vote of the five members present, Item D-16 was approved as submitted (Apaka/Kennison).

D-3 CONSENT TO ASSIGNMENT OF LALAMILO WINDFARM TO HAWAII ELECTRIC LIGHT COMPANY AND FACILITY MAINTENANCE FUND AGREEMENT EXECUTED ON SEPTEMBER 29, 1995 BETWEEN THE WATER COMMISSION OF THE COUNTY OF HAWAII UNDER GENERAL LEASE NO. S-5240 AND HAWAII ELECTRIC LIGHT COMPANY, INC. (HELCO), PORTION OF THE GOVERNMENT LANDS OF LALAMILO, SOUTH KOHALA, HAWAII - TAX MAP KEY: 3RD/6-6-01:2, 71 AND 72

Mr. Gary Kawasaka, representing the Hawaii County Water Department testified that the County would benefit from the consent, and requested the Board's approval.

Member Matsumoto's recusal on Item D-3 was duly noted by the Board.

By a unanimous vote of the four members present, Item D-3 was approved as submitted (Kennison/Apaka).

D-18 BOARD APPROVAL OF DIRECT SALE OF REMNANT TO LIHUE PLANTATION COMPANY, LTD., POR. OF NAWILIWILI, LIHUE, KAUAI, TMK: 3-8-05:12

Mr. Michael Furukawa, representing Lihue Plantation, and Mr. Alton Miyamoto, representing Kauai Electric, displayed an aerial photograph of the subject site. Ground-level photos were also passed to Board members.

In response to questions by Board members, Mr. Furukawa and Mr. Miyamoto stated that the subject request was the outcome of various meetings, discussions, and negotiations between Lihue Plantation, Kauai Electric and representatives of the Department's Land Division.

By a unanimous vote of the five members present, Item D-18 was approved as submitted (Apaka/Nekoba).

B-1 ADOPTION OF AMENDMENTS TO ADMINISTRATIVE RULES OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES, TITLE 13, SUBTITLE 4, CHAPTER 13-74

No public testimony was presented.

By a unanimous vote of the five members present, Item B-1 was approved as submitted (Kennison/Matsumoto).

D-1 ASSIGNMENT OF GENERAL LEASE NO. 3165, LOT 32, OCEAN VIEW LEASE LOTS (SECOND SERIES), WAIAKEA, SOUTH HILO, HAWAII, TAX MAP KEY: (3) 2-1-07:31

No public testimony was presented.

By a unanimous vote of the five members present, Item D-1 was approved as submitted (Kennison/Nekoba).

D-2 ASSIGNMENT OF GENERAL LEASE NO. S-3837, LOT 18, BLOCK 601, WAIAKEA, SOUTH HILO, HAWAII, TAX MAP KEY: 2-2-44:4

No public testimony was presented.

By a unanimous vote of the five members present, Item D-2 was approved as submitted (Kennison/Matsumoto).

D-4 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 80-HP-M, WATER SYSTEM IMPROVEMENTS, HAPUNA BEACH STATE RECREATION AREA, SOUTH KOHALA, HAWAII

In response to a question by Chairperson Wilson, Ms. Unoki stated that the subject request was submitted on behalf of the Division of State Parks. Mr. Hiram Young presented a detailed description of the project.

No public testimony was presented.

By a unanimous vote of the five members present, Item D-4 was approved as submitted (Matsumoto/Nekoba).

D-5 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 63-HF-F EMERGENCY POWER GENERATOR, MAUNA LOA, HAWAII

No public testimony was presented.

By a unanimous vote of the five members present, Item D-5 was approved as submitted (Apaka/Kennison).

- D-6 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 44-MA-A, MAUI LIVESTOCK EXPORT /STAGING AND IMPORT/QUARANTINE FACILITY

No public testimony was presented.

By a unanimous vote of the five members present, Item D-6 was approved as submitted (Kennison/Apaka).

- D-7 REQUEST TO AMEND THE BOARD'S SEPTEMBER 29, 1995 AGENDA ITEM F-12 APPROVAL REGARDING THE DIRECT ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT TO MR. DAVID CREEKMORE, ET AL FOR ACCESS PURPOSES ON GOVERNMENT LAND, DESIGNATED BY TAX MAP KEY: 2-2-04: PORTION 66, WAIOHULI-KEOKEA, KULA, MAKAWAO, MAUI

No public testimony was presented.

By a unanimous vote of the five members present, Item D-7 was approved as submitted (Kennison/Apaka).

- D-8 REQUEST TO AMEND THE BOARD'S APRIL 12, 1996 AGENDA ITEM D-7 APPROVAL REGARDING THE DIRECT ISSUANCE OF A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR UTILITY PURPOSES BY THE COUNTY OF MAUI, DEPARTMENT OF PUBLIC WORKS ON BEHALF OF MAUI ELECTRIC COMPANY, LIMITED, AND AN IMMEDIATE RIGHT OF ENTRY FOR SITE CONTROL PURPOSES, OVER, UNDER ACROSS AND ON GOVERNMENT LADS DESIGNATED BY TAX MAP KEY: 4-6-01: PORTION 09 AND 4-6-07:PORTION 02, LAHAINA, MAUI

Ms. Unoki stated that the Division had received a letter from the County of Maui requesting the withdrawal of the item.  
No public testimony was presented.

By a unanimous vote of the five members present, Item D-8 was withdrawn (Kennison/Apaka).

- D-9 REQUEST AMENDMENT TO PRIOR BOARD ACTION OF JANUARY 12, 1996 (AGENDA ITEM F-1-G), ISSUANCE OF A LAND PATENT IN CONFIRMATION OF LAND COMMISSION AWARD, UKUMEHAME, MAUI, TAX MAP KEY: (2) 4-8-02:POR. 9

No public testimony was presented.

By a unanimous vote of the five members present, Item D-9 was approved as submitted (Kennison/Apaka).

D-14 REQUEST AUTHORIZATION TO WITHDRAW LAND FROM GOVERNOR'S EXECUTIVE ORDER NO. 571 AND CONVEYANCE IN FEE TO THE CITY AND COUNTY OF HONOLULU, DEPARTMENT OF PUBLIC WORKS, ONE PARCEL ALONG THE CORNER OF DILLINGHAM BOULEVARD AND PUUHALE ROAD BEING A PORTION OF OAHU COMMUNITY CORRECTIONAL CENTER (OCCC) AT KALIHI-KAI, HONOLULU, OAHU, TMK: 1ST/1-2-13:02 (POR)

No public testimony was presented.

By a unanimous vote of the five members present, Item D-14 was approved as submitted (Nekoba/Apaka).

D-15 APPROVED FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 80-OP-M2 RECONSTRUCTION OF TRAIL, DIAMOND HEAD STATE MONUMENT, HONOLULU, OAHU

In response to a question by Chairperson Wilson, Mr. Young stated that the public trail would be closed for two days a week for 3-4 months during the improvement period.  
No public testimony was presented.

By a unanimous vote of the five members present, Item D-15 was approved as submitted (Nekoba/Matsumoto).

Chairperson Wilson requested that the area neighborhood boards, the Friends of Diamond Head and the Diamond Head Advisory Committee be notified about the schedule for improvements.

D-17 FORFEITURE OF GENERAL LEASE NO. S-5076, LOT 46, PUU KA PELE, WAIMEA, KAUAI, TMK: 1-4-02:36

No public testimony was presented.

By a unanimous vote of the five members present, Item D-17 was approved as submitted (Apaka/Matsumoto).

D-19 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 93-KP-B6, SEWER SYSTEM IMPROVEMENTS AT KOKEE STATE PARK, WAIMEA, KAUAI, HAWAII

No public testimony was presented.

Item D-19 was initially approved as submitted. However, following additional questioning during the discussion of Item D-20 (water improvements), it was revealed that the bid proposal amounts for Item D-19 (sewer improvements) were incorrect.

Item D-19 cont.

Item D-19 was revisited: Member Matsumoto moved to defer Item D-19 until the submittal reflected the correct bid proposal amounts.

By a unanimous vote of the five members present, Item D-19 was deferred (Matsumoto/Kennison).

**D-20 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 93-KP B5, WATER SYSTEM IMPROVEMENTS AT KOKEE STATE PARK, WAIMEA, KAUAI, HAWAII**

No public testimony was presented.

Questioning by Board members revealed that, although the bid proposal amounts for Item D-20 seemed to be correct, all of the bidders were not listed in the submittal; Chairperson Wilson expressed his desire to see all of the bid proposals before making a decision.

By a unanimous vote of the five members present, Item D-20 was deferred (Kennison/Matsumoto).

Chairperson Wilson requested that the Land Division notify the Mayor of the County, the State legislators representing the area, and the Kauai branch of the Chamber of Commerce when Items D-19 and D-20 are approved, and improvements are scheduled to begin.

**D-21 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 80-KP-M, ACCESSIBILITY IMPROVEMENTS TO WAIMEA CANYON LOOKOUT, WAIMEA, KAUAI, HAWAII**

No public testimony was presented.

By a unanimous vote of the five members present, Item D-21 was approved as submitted (Apaka/Kennison).

Chairperson Wilson requested that the Land Division notify the appropriate people about the schedule of improvements.

**D-22 APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT - JOB NO. 49-KH-B, SITE IMPROVEMENTS TO HANAPEPE SALT PONDS, HANAPEPE, KAUAI, HAWAII**

No public testimony was presented.

By a unanimous vote of the five members present, Item D-22 was approved as submitted (Apaka/Kennison).



J-1 CONTINUANCE OF REVOCABLE PERMIT NO. B-93-19, KEEHI LAGOON,  
ISLAND OF OAHU (KEEHI MARINE, INC.)

Mr. Cobb provided a summary of the situation: Keehi Marine, Inc. and the State are currently in arbitration over the harbor lease rental re-opening. Of the total delinquency, \$78,960 was attributable to the subject revocable permit. He requested that the revocable permit be continued to such a time as the lease rent question was settled.

Board members discussed accounting procedures relating to payments toward the delinquencies. Members also expressed concern regarding the Boating Division's lack of knowledge with regards to the lessee's income from the harbor lease. Chairperson Wilson, along with members Matsumoto and Nekoba, expressed the position that knowledge of the lessee's income flow is crucial to determining their ability to pay off the delinquencies.

Mr. Charles McKay opened by offering the Boating Division a \$20,000 payment towards Keehi Marine's arrearage. He testified that subleases, slip fees and drydock fees were currently up to market rates. He further stated, however, that payment of the total arrearage still required financing, and that banks would not finance until the lease rent was settled. He reiterated his suggestion that the State do a second appraisal, along with continuing the arbitration process. He felt that a 30% increase in the lease rent was justifiable, however, the current 500% increase was not.

Member Nekoba reiterated the Board's position that the lease rent would best be left to arbitration. Noting the lessee's "good faith" offer of payment, Member Nekoba moved to approve Item J-1.

By a unanimous vote of the five members present, Item J-1 was approved as submitted (Nekoba/Kennison).

J-2 ISSUANCE OF REVOCABLE PERMIT TO COVER ALL BOAT LAUNCHING RAMPS  
ON THE ISLAND OF OAHU (PHILIP SUI TENN DANG dba SPECTRONIC)

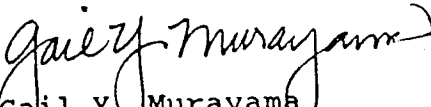
No public testimony was presented.

By a unanimous vote of the five members present, Item J-2 was approved as submitted (Nekoba/Matsumoto).

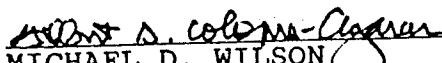
There being no further business, Chairperson Wilson adjourned the meeting at 11:32 a.m.

Tapes of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,

  
Gail Y. Murayama  
Secretary

Approved for submittal:

  
MICHAEL D. WILSON  
Chairperson  
Board of Land and Natural Resources