

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

DATE: FRIDAY, MAY 28, 1999
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII

Chairperson Timothy Johns called the meeting of the Board of Land and Natural Resources to order at 9.07 a.m. The following were in attendance:

MEMBERS:

Mr. Timothy Johns
Mr. Colbert Matsumoto
Ms. Kathryn Inouye

Mr. William Kennison
Ms. Lynn McCrory
Mr. Russell Kokubun

STAFF:

Ms. Dede Mamiya, Land Division
Mr. Sam Lemmo, Land Division
Mr. Andy Monden, Land Division
Ms. Charlene Unoki, Land Division

Mr. Paul Conry, Division of Forestry
and Wildlife (DOFAW)
Mr. Curt Cottrell, DOFAW
Mr. Nelson Ayers, DOFAW

OTHERS:

Ms. Pamela Matsukawa, Department of the
Attorney General
Mr. Steven Karbank, D-8
Mr. David Boynton, D-6
Mr. Donald Okimoto, D-1
Ms. Ann Liew, D-1
Mr. Gary Takeuchi, D-20
Mr. Louis Herman, D-20

Mr. Peter Garcia, Department of
Transportation
Ms. Julie Tulang, D-8
Mr. Glenn Hirata, D-19
Mr. Walter Liew, D-1
Mr. Gerry Silva, D-20
Dr. Chip Fletcher, D-20

**ITEM D-8: CONSENT TO ISSUANCE OF A LEASE TO THE ORANGUTAN
FOUNDATION INTERNATIONAL (OFI), BY THE COUNTY OF HAWAII,
UNDER GOVERNOR'S EXECUTIVE ORDER NO. 3663 (PANAWEA ZOO),
WAIAKEA, SOUTH HILO, HAWAII, TMK: 3RD/2-4-04: POR. OF 1**

Ms. Dede Mamiya, Assistant Administrator of the Land Division briefed the Board and recommended that the Board authorize the consent of the lease by the County of Hawaii, to OFI, subject to 3 terms and conditions.

Member Kokubun asked what kinds of provision are in place if OFI decides that this is not a worthwhile endeavor. Mr. Steven Karbank, representing OFI, explained that under their lease, they are required to provide an escrow account of \$150,000.00. Ms. Julie Tulang, representing the County of Hawaii, Department of Parks and Recreation, requested that an additional condition be added to the remarks section of the staff submittal -- that the escrow account be established for approximately \$150,000.00 for the duration of the lease to care for the animals and placement, in case it goes in reverse and OFI is not able to keep their end of the commitment.

Member Kokubun made a motion to add an additional condition to the remarks section of the staff submittal that reads: "6. That an escrow account for \$150,000.00 run with life of the lease to be used in the event that the animals need to be relocated and/or the facility closes".

Unanimously approved as amended (Kokubun/McCrory).

ITEM D-18: ISSUANCE OF A REVOCABLE PERMIT TO THE COUNTY OF HAWAII AND A RIGHT-OF-ENTRY AT WAIAKEA, HAWAII, TMK: 3RD/2-2-32: 63

Ms. Mamiya presented the staff submittal recommending that the Board authorize the issuance of a revocable permit to the County of Hawaii covering the subject area for government office and allied use purposes under the terms and conditions stated in the staff submittal.

Unanimously approved as submitted (Kokubun/Kennison).

ITEM D-6: FORFEITURE OF GENERAL LEASE (GL) NO. S-5034, MR. DAVID BOYNTON, LESSEE, WAIMEA, KAUAI, TMK: 1-4-02: 62

Ms. Mamiya said this is a forfeiture of GL No. S-5034 to Mr. David Boynton for failure to pay rent and the current delinquency is \$4,000.00. She mentioned that the lease had a rental reopening which is currently in arbitration and according to appraisal staff has not heard from the lessee since April 1988 in which the lessee indicated that he was going to hire an appraiser. She noted that the lessee has sent letters to the Board dated May 7, 1999 and May 24, 1999. Staff's recommendation is that the Board approve the forfeiture of GL No. S-5034.

Mr. David Boynton explained the background of his lease and his track record of late payments. He said he is expecting a tax refund within a month, at which time would be able to pay the lease payment. He felt that his annual rent that was increased to \$5,190.00 should remain at \$4,000.00 because the appraisal that was dated February 9, 1996 was not done 6 months prior to the January 1, 1996 reopening date, as required by the terms of the lease. He noted a typo in his May 24, 1999 letter, third paragraph from the end, that should read March of 1998 instead of March of 1988. He

said he has not been able to afford the cost of a reappraisal as indicated to staff in April 1998.

Member McCrory agreed with the lessee that the State was late in appraising the property, however indicated that it was the lessee's responsibility, since April 1998, to get a reappraisal of the property. She was concerned that the lessee did not have the money for a reappraisal, which is needed in order to move this issue forward.

Mr. Boynton felt that his argument of leaving the lease at \$4,000.00 was not accepted by the Board. He mentioned that he is in the process of refinancing his home in Hanalei and through this will acquire the funds, sometime this summer, to proceed with the reappraisal of the lease. He also mentioned another possibility, for future consideration, in giving up or turning over the lease to Hui O Laka Kokee Museum which has a program that involves conservation of the forest resources in Kokee State Park. He said in the past couple years this program has generated tens of thousands of volunteer work hours from college aged interns and this would be a suitable place for the interns to stay while they are involved in these work projects. He said if this is possible, he would like to request that the Board consider revising the lease amount to something that recognizes the tremendous value that this program offers to the State. He mentioned that it would probably cost him approximately \$20,000.00 if he was to terminate his lease. Mr. Boynton said he is willing to either make an effort to reassign the lease or follow through with the reappraisal if the extension is granted by the Board.

The Board amended staff's recommendation as follows: "The lessee shall have until July 31, 1999 to pay the delinquent rent, including the retroactive rent resulting from the 1996 rental reopening, subject to the lessee: 1) accepting the new rent of \$5,190.00 and 2) assigning the lease within the next six months. If these conditions are not met, GL No. S-5034 shall be automatically cancelled, according to the conditions set forth in staff's recommendation, without having to come back to the Land Board."

Unanimously approved as amended (McCrory/Kennison).

ITEM D-19: AMENDMENT OF GL NOS. S-4601 AND S-4604, HILO ASSOCIATION TO HELP RETARDED CITIZENS, LESSEE, WAIAKEA, SOUTH HILO, HAWAII, TMK: 2-4-56: 2 & 20, AND KAUMANA, SOUTH HILO, HAWAII, TMK: 2-5-04: 2, RESPECTIVELY

Ms. Mamiya presented the staff submittal recommending that the Board authorize the amendment of GL Nos. S-4601 and S-4604 to amend the rent amounts to \$1.00 per year for the entire 75-year terms of the leases (with no rental reopening), subject to the lessee's continued compliance with Section 171-84, Hawaii Revised Statutes (HRS), subject to 2 conditions.

Member Matsumoto thought there should be more of a monitoring component on the lessee's part to ensure compliance with Section 171-84, HRS. Mr. Glenn Hirata, Hilo Association To Help Retarded Citizens, agreed that they could provide annual inspection reports which they receive from the Department of Housing and Urban Development.

The Board amended staff's recommendation as follows: "That the Board authorize the amendment of GL Nos. S-4601 and S-4604 to amend the rent amounts to \$1.00 per year for the entire 75-year terms of the leases (with no rental reopening), subject to the following: 1) The lessee shall submit annual reports from the Department of Housing and Urban Development to the Land Division to verify continued compliance with Section 171-84, HRS; 2) Review and approval by the Department of the Attorney General; and 3) Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State."

Unanimously approved as amended (Kokubun/Matsumoto).

The Land Board recessed at 10:07 a.m. The meeting was reconvened at 11:47 a.m.

ITEM D-1: CONSENT TO ASSIGN GL NO. S-4298, U.S.A., ACTING THROUGH FARM SERVICE AGENCY, FORMERLY KNOWN AS FARMERS HOME ADMINISTRATION, ASSIGNOR, TO WALTER AND ANN LIEW, ASSIGNEES, AND CONSENT TO MORTGAGES, WAIMANALO, OAHU, TMK: (1) 4-1-10:3

Ms. Mamiya presented the staff submittal recommending that the Board consent to the assignment of GL No. S-4298 from the Farm Service Agency, Assignor, to Mr. and Mrs. Walter Liew, Assignees, and consent to the mortgages between Mr. and Mrs. Liew, Mortgagor, and the Farm Service Agency, Mortgagee. She mentioned that there is a current delinquency of \$20,521.00 which will be taken care of by the Farm Service Agency when escrow closes.

Mr. Donald Okimoto, Farm Service Agency said they would like to dispose of the property and the Liew's would do a good job of utilizing it.

Unanimously approved as submitted (Inouye/McCrory).

ITEM D-20: REQUEST FOR A TIME EXTENSION ON CONSERVATION DISTRICT USE PERMIT (CDUP) OA-2874 TO CONSTRUCT TWO GROINS EXTENDING FROM THE WAIKIKI NATATORIUM, TO IMPROVE WATER CIRCULATION AND QUALITY WITHIN THE POOL, TMK: 1-3-28: 11 (SEAWARD)

Mr. Sam Lemmo, Staff Planner for the Land Division briefed the Board and recommended that the Board approve the City & County of Honolulu's request for a 9-month extension to the project's 1-year initiation deadline to begin construction, and to the 3-year project completion deadline that was imposed by CDUP No. OA-2874, subject to 2 conditions.

Mr. Gerry Silva, Managing Director for the City & County of Honolulu explained that they had been caught up in construction contract negotiations that had taken longer than anticipated and this deadline unfortunately slipped.

Mr. Lemmo testified on behalf of Dr. Chip Fletcher who was against staff recommendation.

Mr. Louis Herman representing the Kaimana Beach Coalition urged the Land Board to use this opportunity to prevent more damage and disrespect to the ocean.

The Board approved staff's recommendation subject to review of the extension by the Department of the Attorney General.

Unanimously approved as amended (Inouye/Kennison).

ITEM D-12: AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE STATE OF HAWAII AND THE HONOLULU BOARD OF WATER SUPPLY REGARDING THE PURCHASE OF WATER ALLOCATION CREDITS FROM THE KAHUKU (MALAEKAHANA) WELLS DEVELOPMENT FOR STATE PROJECTS

Mr. Andy Monden, Chief Engineer for the Land Division briefed the Board and recommended that the Board authorize the Chairperson to sign the Intergovernmental Agreement for the purchase of water allocation credits from the Kahuku (Malaekahana) Wells development and other necessary documents pertaining to the project, subject to the Attorney General's approval as to form.

Unanimously approved as submitted (Inouye/Kokubun).

ITEM A-1: APRIL 23, 1999

The minutes of April 23, 1999 were deferred due to lack of quorum.

ITEM C-1: REQUEST FOR APPROVAL OF A MEMORANDUM OF AGREEMENT (MOA) BETWEEN DLNR AND MAUI LAND & PINEAPPLE COMPANY, INC., TO PROVIDE INDEMNIFICATION FOR PUBLIC USE OF A SHORELINE ACCESS STAIRWAY AND SCENIC OVERLOOK, TMK: 4-2-04, PARCEL 32 AT MOKULEIA BAY, HONOLUA, MAUI AND TO AUTHORIZE THE CHAIRPERSON TO APPROVE FUTURE MOA'S FOR INDEMNIFICATION

Mr. Paul Conry, Wildlife Program Manager for DOFAW presented the staff submittal recommending:

1) That the Board accept DOFAW's proposed MOA providing indemnification to Maui Land and Pineapple for authorized public access along the Mokuleia Bay Shoreline Stairway and Scenic Overlook, and 2) That the Board authorize the Chairperson to approve potential future MOA's that provide indemnification for authorized public access, pursuant to Chapter 198D and the general criteria outlined in this submittal.

There was some discussion about the American Disability Act (ADA) requirements. Mr. Curt Cottrell, Na Ala Hele Program Manager for DOFAW said that in working with ADA consultants, the option was to provide a mobility impaired or physically challenged "overlook" to the beach that's ADA accessible. Member Kokubun asked if there was a legal opinion that this satisfies ADA requirements. He felt that it would be safer to have something in writing. Mr. Cottrell explained that there are no ADA requirements currently in the books for trails. He said he will check with Maui Na Ala Hele staff to see if there was anything in writing.

Unanimously approved as submitted (Kennison/McCrory).

ITEM C-2: REQUEST FOR SOLE SOURCE APPROVAL OF DLNR RADIO SYSTEM MAINTENANCE CONTRACT WITH PACIFIC SERVICE TECHNOLOGIES

Mr. Conry briefed the Board and recommended that the Board authorize the Chairperson to approve, subject to necessary approvals, execute the radio maintenance contract for the DLNR "green net" with the Pacific Services Technologies.

Unanimously approved as submitted (Inouye/Kokubun).

ITEM C-3: REQUEST APPROVAL OF CONTRACT WITH MS. JAQUELINE RALYA TO COORDINATE THE FEDERAL FUNDED VOLUNTEER/TECHNICAL ASSISTANCE FUNCTION OF THE URBAN AND COMMUNITY FORESTRY PROGRAM FOR THE DIVISION OF FORESTRY AND WILDLIFE

Mr. Conry briefed the Board and recommended that the Board approve the contract with Ms. Jacqueline Ralya to coordinate volunteer/technical assistance function of Hawaii's Urban and Community Forestry Program for the State of Hawaii.

Unanimously approved as submitted (Kokubun/Kennison).

ITEM K-1: AMENDMENT NO. 2 TO LEASE DOT-A-93-11, HONOLULU INTERNATIONAL AIRPORT, OAHU (MANUIWA AIRWAYS, INC.)

Mr. Peter Garcia, Property Management Officer for the Department of Transportation (DOT) briefed the Board and recommended that the Board approve Amendment No. 2 to Lease No. DOT-A-93-11.

Unanimously approved as submitted (Inouye/Kokubun).

ITEM K-2: ISSUANCE OF REVOCABLE PERMIT, PIER 34, HONOLULU HARBOR, OAHU (TESORO HAWAII CORPORATION) TMK: 1-5-33-1

Mr. Garcia presented DOT's submittal and recommended that the Board authorize the Director of Transportation to issue a revocable permit to Tesoro Hawaii Corporation.

Unanimously approved as submitted (Inouye/Kokubun).

ITEM D-21: REQUEST FOR AN EXTENSION TO THE 180-DAY DATE ON CONSERVATION DISTRICT USE PERMIT APPLICATION FOR THE CONSTRUCTION AND OPERATION OF A TWENTY (20) MEGAWATT WINDFARM AND ASSOCIATED FACILITIES TO SUPPLY WIND-GENERATED ELECTRICITY AT KAHEAWA PASTURES, UKUMEHAME, MAUI, TMK: 4-8-01: POR. 01

Mr. Lemmo said staff is recommending that a second extension of 120-days be granted to Zond Pacific Inc., however, felt that the applicant would need a longer extension to complete their Environmental Impact Statement.

The Board amended staff's recommendation by changing the second extension period to 1-year.

Unanimously approved as amended (Kennison/McCrory).

ITEM D-11: APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT – JOB NO. 93-KP-B9, REMOVAL OF FUEL STORAGE TANKS AT KOKEE STATE PARKS, WAIMEA, KAUAI

Mr. Monden presented the staff submittal recommending that the Board award the contract for Job No. 93-KP-B9, Removal of Underground Fuel Storage Tanks at Kokee State Park, Waimea, Kauai to Mid Pacific Environmental for their low bid of \$16,395.00, and authorize the Chairperson to sign the necessary documents to implement the project.

Unanimously approved as submitted (McCrory/Kennison).

ITEM D-2: FORFEITURE OF GL NO. S-5074, ROBERT L. STEVENS, J.S. ROBERTSON, III, JAMES TUCKER AND HENRIETTA P. KAOHELALUII, LESSEES, KAUAI, TMK: 1-4-2: 39

Ms. Mamiya said this is a forfeiture of GL No. S-5074 and the current delinquency is \$2,533.49. Staff's recommendation is that the Board authorize the cancellation of GL No. S-5074, subject to standard conditions.

Unanimously approved as submitted (McCrory/Kennison).

ITEM D-3: FORFEITURE OF GL NO. S-5073, DAMASCIO AND THELMA RUIZ,

LESSEES, KAUAI, TMK: 1-4-2: 26

Ms. Mamiya requested that this item be withdrawn. The lessee has subsequently paid in full and is current with the lease rental payments.

Unanimously approved to withdraw (McCrary/Kennison).

ITEM D-4: FORFEITURE OF GL NO. S-4859, DALE M. NAGAMINE, LESSEE, KAUAI, TMK: 1-9-3:10

Ms. Mamiya said this is a forfeiture of GL No. S-4859 and the current delinquency is \$1,620.00. She said the tenant is no longer interested in keeping the lease and understands the consequences.

Unanimously approved as submitted (McCrary/Inouye).

ITEM D-5: FORFEITURE OF GL NO. S-5063, ROBERT MILLER HARRIS, KENNETH RICHARD WOOD AND SHERYL ANN WOOD, LESSEES, KAUAI, TMK: 1-4-2: 26

Ms. Mamiya said this is a forfeiture of GL No. S-5063 and the current delinquency is \$250.05. She distributed a letter from the applicant to the Board requesting reconsideration.

The Board amended staff's recommendation as follows: "The lessee shall have an additional 60 days to cure the rental delinquency. If this delinquency is not cured within this time period, GL No. S-5063 shall be automatically cancelled, according to the conditions set forth in staff's recommendation, without having to come back to the Land Board."

Unanimously approved as amended (McCrary/Kokubun).

ITEM D-7: REQUEST BY LAFAYETTE YOUNG, V, ASSIGNOR, FOR CONSENT TO ASSIGN PORTIONS OF A PERPETUAL, NON-EXCLUSIVE EASEMENT (LOD NO. S-28093) TO HALAULA ROAD ASSOCIATION, ASSIGNEE IDENTIFIED AS TMK: (2) 2-9-03: POR. 16, 17, 20 & 39, HONOPOU-HOOLAWA, HAMAKUALOA, MAKAWAO, MAUI

Ms. Mamiya briefed the Board and recommended that the Board consent to the assignment of one-third interest of portions of perpetual, non-exclusive access and utility easement from Mr. Lafayette Young V, to Halaula Road Association.

Unanimously approved as submitted (Kennison/Kokubun).

ITEM D-9: RECONSIDERATION OF RENT PURSUANT TO THE NON-PROFIT

LEASING POLICY, GL NO. S-4560, EASTER SEALS SOCIETY OF HAWAII, INC., LESSEE, KEWALO, HONOLULU, OAHU, TMK: 2-1-39: 19 AND AMENDMENT OF THE POLICY REGARDING THE LEASING OF STATE LANDS BY NON-PROFITS

Ms. Mamiya briefed the Board and recommended that the Board amend its action of September 11, 1998 under agenda item D-14 by amending Step 9A, item 1) to read as follows: "If POS funds are made available for the proposed services, then fair market rent shall be charged, provided that if the lease already exists, then less than fair market rent may be charged."; Rescind its action of August 21, 1997, under agenda item D-23; and Authorize staff to establish the rent amount for the period July 17, 1997 to July 16, 2007 at the rate of \$1.00 per year.

Member McCrory made a motion to defer this item due to concerns regarding the Non-Profit Leasing Policy, including the appropriate agency to be making funding and qualification determinations, analysis of the non-profit's funding sources if the Land Division does provide nominal rent and looking at outcome-based methods of measuring a non-profit's performance.

Ms. Mamiya agreed with Member McCrory that perhaps it would be appropriate to revisit the policy having run through the policy on a few of the leases and encountering difficulties.

Unanimously approved to defer Item D-9 (McCrory/Kennison).

ITEM D-10: FORFEITURE OF REVOCABLE PERMIT NO. S-6904, MID-PACIFIC OF HAWAII, INC., HONOLULU, OAHU, TMK: 1-5-07: 15

Ms. Mamiya requested that this item be withdrawn. The permittee has paid in full and is current with all obligations.

Unanimously approved to withdraw (Kennison/Kokubun).

ITEM D-13: ISSUANCE OF REVOCABLE PERMIT TO RICHARD JASPER, POR. KAPAA TOWN LOTS, KAWAIIHAU, KAUAI, TMK: 4-5-13: 29

Ms. Mamiya briefed the Board and recommended that the Board authorize the issuance of a revocable permit and an immediate right-of-entry for management purposes to Mr. Richard Jasper.

Member McCrory was concerned that because the public has been parking on the neighboring property for a number of years, the public may not understand why they cannot park there should the lessee have plans for that area. She amended the recommendation to make sure that the permittee could not place any temporary or permanent structures to ensure that the use is only for parking and landscaping.

The Board added one condition to staff's recommendation as follows: "7. Permittee shall not place any temporary or permanent structure within the permit area."

Unanimously approved as amended (McCrory/Kennison).

ITEM D-14: FORFEITURE OF GENERAL LEASE NO. S-3999 TO DIVACO COOPERATIVE, LESSEE, LOTS 8 & 9, HILO INDUSTRIAL DEVELOPMENT, POHAKU STREET SECTION, WAIAKEA, SOUTH HILO, HAWAII, TMK: 3RD/2-2-58: 29 & 30

Ms. Mamiya said DIVACO Cooperative has subsequently paid their delinquent special installment agreement of \$1,822.50. She mentioned that they are also delinquent in the amount of \$29,000.00 for regular rent and \$4,800.00 for a delinquent performance bond. She distributed a letter from DIVACO and explained to the Board that the lender and USDA has only been notified of the breach shortly before this meeting and is working to refinance DIVACO's loan. Since the lessee is trying to fix all the delinquencies, staff amended the recommendation as follows:

"That the Board:

1. Authorize the issuance of a second Special Installment Agreement for the rental due for the period of 11/16/96 to 8/15/99 (approximately \$29,000.00 to be confirmed by fiscal) with interest to be begin as of 6/1/99. The payment shall be structured as a single payment of the entire amount with interest due in 6 months.
2. Lessee shall provide the Chairperson with written evidence of a financing commitment for the satisfaction of its total obligations under the lease including the 2 Special Installment Agreements totaling in excess of \$60,000.00 and the provision of an acceptable security for the performance bond requirement. In the event lessee is unable to provide the Chairperson with such written evidence by 8/31/99 or fails to satisfy the obligations, the Board authorizes the following actions:
 - A. Authorize the cancellation of GL No. S-3999 in the manner specified by law;
 - B. Authorize the retention of all sums heretofore paid under GL No. S-3999 as liquidated damages;
 - C. Terminate all rights and obligations of the lessee effective upon notification by the Chairperson;
 - D. Authorize the Department of the Attorney General and/or the Department's private collection agency to collect all monies due the State under GL No. S-3999; and
 - E. Such other terms and conditions as may be prescribed by the Chairperson to protect the State's interest."

Unanimously approved as amended (Kokubun/Kennison).

ITEM D-15: FORFEITURE OF GENERAL LEASE NO. S-4311, INDUSTRIAL STEEL CORPORATION, LESSEE, WAIAKEA, SOUTH HILO, HAWAII, TMK: 3RD/2-2-58: 27 & 28

Ms. Mamiya said this is a forfeiture of GL No. S-4311 to Industrial Steel Corporation. The current delinquency amount is \$6,720.00 for lease rent payments and \$26,880 for a delinquent performance bond. She distributed a letter from the lessee stating that they have a listing agreement with Ala Kai Realty to sell the lease and that they are requesting that the Board delay this so they could negotiate a sell of the lease.

The Board amended staff's recommendation as follows: "The lessee shall have an additional 60 days to cure the rental delinquency. If this delinquency is not cured within this time period, GL No. S-4311 shall be automatically cancelled, according to the conditions set forth in staff's recommendation, without having to come back to the Board."

Unanimously approved as amended (Kokubun/McCrory).

ITEM D-16: FORFEITURE OF GENERAL LEASE NO. S-4307, GEO' CO., INC., LESSEE, LOT 3, HILO INDUSTRIAL DEVELOPMENT, POHAKU STREET SECTION, WAIAKEA, SOUTH HILO, HAWAII, TMK: 3RD/2-2-58: 03

Ms. Mamiya requested withdrawal of this item. The permittee has paid in full and is current with all obligations.

Unanimously approved to withdraw (Kokubun/Inouye).

ITEM D-17: FORFEITURE OF GENERAL LEASE NO. S-5001 TO RUS SHO DEN, LESSEE, AT PARCEL A, WAIAKEA, SOUTH HILO, HAWAII - TMK: 3RD/2-2-32: 10

Ms. Mamiya said this is a forfeiture of GL No. S-5001 to Rus, Sho, Den, Inc., for failure to pay: \$3,051.00 on their special installment agreement, \$51,840.00 to post their performance bond, and \$15,120.00 for their lease rent payments. She distributed a letter to the Board from the lessee, indicating that they are working with Mid-Pacific Hawaii Fishery, Inc. on the sale of this lease and is requesting 2 - 3 months to work out the sale.

The Board amended staff's recommendation as follows: "The lessee shall have an additional 60 days to cure the rental delinquency. If this delinquency is not cured within this time period, GL No. S-5001 shall be automatically cancelled, according to the conditions set forth in the staff's recommendation, without having to come back to the Board."

Unanimously approved as amended (Kokubun/McCrory).

ITEM D-22: AFTER-THE-FACT REQUEST BY J. WALTER CAMERON CENTER, ON BEHALF OF MAUI ELECTRIC COMPANY, LTD., (MECO) FOR ISSUANCE OF A PERPETUAL, NON-EXCLUSIVE ELECTRIC TRANSMISSION EASEMENT, AN IMMEDIATE RIGHT-OF-ENTRY FOR SITE CONTROL PURPOSES, AND TO DELETE EASEMENT "B" FROM GOVERNOR'S EXECUTIVE ORDER NO. S-3295 ON STATE LANDS IDENTIFIED AS TMK: (2) 3-8-46: POR. 14, KALUA, WAILUKU, MAUI

Ms. Mamiya presented the staff submittal recommending that the Board authorize the issuance of a perpetual non-exclusive utility easement to Maui Electric Company, Ltd., approve an immediate right-of-entry for site control purposes, and authorize the deletion of Easement "B" in Governor's Executive Order No. 3295, and replace with proposed subject easement.

Member Kennison asked for the Board's indulgence by amending the consideration to gratis given that the easement services State projects, and the J. Walter Cameron Center provides public benefits.

The Board amended staff's recommendation by amending the consideration at gratis.

Unanimously approved as amended (Kennison/Kokubun).

There being no further business, Chairperson Johns adjourned the meeting at 1:22 p.m.

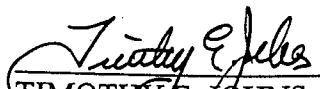
Tapes of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Kimberly C. Keliioomalu

Approval for submittal:



TIMOTHY E. JOHNS
Chairperson

Board of Land and Natural Resources