

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

DATE: FRIDAY, JUNE 8, 2001
TIME: 9:00 A.M.
PLACE: HILO HONGWANJI
SANGHA HALL
398 KILAUEA AVENUE
HILO, HAWAII 96720

Chairperson Gilbert Coloma-Agaran called the meeting of the Board of Land and Natural Resources to order at 9:06 a.m. The following were in attendance:

MEMBERS:

Mr. Gilbert Coloma-Agaran	Mr. William Kennison
Mr. Timothy Johns (from 1:15 p.m.)	Ms. Lynn McCrory
Ms. Kathryn Inouye	Dr. Fred Holschuh (excused at 3:30 p.m.)

STAFF:

Mr. Glenn Taguchi, Division of State Parks	Mr. Harry Yada, Land Division
Mr. Gary Moniz, Division of Conservation & Resources Enforcement	Dr. Kimberly Lowe, Division of Aquatic Resources
Mr. Michael Buck, Division of Forestry & Wildlife	Mr. Sam Lemmo, Land Division

OTHERS:

Ms. Yvonne Izu, Department of the Attorney General	Mr. Peter Garcia, Department of Transportation
Ms. Diane Ley, E-1, C-3	Mr. Walker Sanders, D-7
Mr. Dwight Vicente, D-7	Ms. Pat Tummons, D-8, C-2, C-3
Ms. Athena Peanut, D-8, C-3	Mr. Steven Araujo, C-2, C-3
Ms. Karen Blue, C-2, C-3	Mr. Donald Bryan, C-3
Mr. Gordon Boyd, C-3	Ms. Dixie Kaetsu, C-3
Mr. Dominic Yagong, C-3	Ms. Julie Jacobsen, C-3
Mr. Barry Taniguchi, C-3	Ms. Bonnie Bator, C-3
Ms. Lisa Barton, C-3	Ms. Elizabeth Murph, C-3
Mr. Jim Albertini, C-3	Mr. John Ray, C-3

Ms. Paula Helfrich, C-3
Ms. Dolores Watson, C-3
Mr. George Martin, C-3
Mr. G.B. Hajim, C-3
Mr. Mark McNett, C-3
Ms. Kristan Hunt, C-3
Mr. Zack Gibson, C-3
Ms. Joan Philipp, C-3
Mr. Michael Bass, C-3
Ms. Vericonica Rose, C-3
Mr. Alfred Wilson, C-3
Ms. Linda Lyerly, C-3
Mr. Thomas Crabb, C-3
Mr. John Barber, C-3
Mr. Sid Quintal, C-3
Mr. Mashuri Wait, C-3
Mr. Peter Simmons, C-3
Ms. Colleenah Lawrence, C-3
Mr. Ed Winkler, C-3

Mr. K. Yamada, C-3
Mr. Jerry Broughton, C-3
Ms. Maryann Broyles, C-3
Ms. Gemma Ley, C-3
Mr. Dave Perry, C-3
Mr. Abraham Kamakawiwoole, C-3
Mr. Yasha Pulin, C-3
Ms. Sally Rice, C-3
Mr. Pat Linton, C-3
Ms. Ann St. Johns, C-3
Mr. Jim Thain, C-3
Ms. Joan Maute, C-3
Mr. Shawn Souza, C-3
Ms. Susan Gordan, C-3
Mr. Bob Marr, C-3
Ms. Alice Suncloud, C-3
Ms. Chris Barbaur, C-3
Mr. Clint Chandler, C-3
Mr. Mark O'Dell, C-3

ITEM D-8: REQUEST TO AMEND PREVIOUS BOARD ACTION OF JANUARY 12, 2001, (ADDED) AGENDA ITEM D-13, CONSENT TO LEASE OF PRIVATE PROPERTY AGREEMENT BETWEEN MR. WILLIAM SEIFERT, LESSOR, AND THE STATE OF HAWAII, BY ITS BOARD OF LAND AND NATURAL RESOURCES, ON BEHALF OF AND FOR THE DEPARTMENT OF HEALTH, LESSEE, COVERING A GEOTHERMAL MONITORING STATION SITE AT KEAHIALAKA, PUNA, ISLAND OF HAWAII, TMK: (3) 1-3-046: POR 007

Motion made to include this item on the agenda (Holschuh/Inouye).

See page 7.

ITEM K-1: CONSENT TO SUBLEASE, HONOLULU INTERNATIONAL AIRPORT, OAHU (DFS GROUP, L.P./AIRPORT ELECTRONICS), TMK: (1)-1-03-1P

Mr. Peter Garcia, Property Management Officer for the Department of Transportation, amended page 2 of the Board submittal, last paragraph, to read: "...sublease is to be calculated as follows: Gross Receipts for the [sub]leased premises...". The Department of Transportation's recommendation is that the Board authorize and grant a Consent to Sublease for the Disadvantage Business Enterprise sublease, subject to review and approval of the Department of the Attorney General.

Unanimously approved as amended (Inouye/McCrory).

ITEM K-2: ISSUANCE OF REVOCABLE PERMIT TO AMERICAN BOXCAR COMPANY, INC., NEAR PIER 32, HONOLULU HARBOR, OAHU, TMK: (1)-1-5-35-7

Mr. Garcia briefed the Board and recommended that the Board authorize the Director of Transportation to issue the Applicant a revocable permit, subject to terms and conditions.

Unanimously approved as submitted (Inouye/McCrory).

ITEM K-3: REPORT ON REVOCABLE PERMITS ISSUED OR RENEWED BY THE DEPARTMENT OF TRANSPORTATION FOR CONSISTENT USES

Mr. Garcia indicated that this is a report for the Board's information and no action is required.

No action.

ITEM K-4: ISSUANCE OF REVOCABLE PERMIT TO ROBERT'S TOUR AND TRANSPORTATION, INC., PIER 29, HONOLULU HARBOR, OAHU, TMK: (1)-1-5-38-P2

Mr. Garcia briefed the Board and recommended that the Board authorize the issuance of a revocable permit to the Applicant for the purposes of parking tour vehicles, subject to terms and conditions.

Unanimously approved as submitted (Inouye/Holschuh).

ITEM K-5: ISSUANCE OF REVOCABLE PERMIT TO MR. ROY W. JOAQUIN, JR., NEAR PIER 42, HONOLULU HARBOR, OAHU, TMK: (1)-2-2-25-42P

Mr. Garcia briefed the Board and recommended that the Board authorize the issuance of a revocable permit to the Applicant for the purpose of storing a boat on a trailer, carpentry tools, and related items, subject to terms and conditions.

Unanimously approved as submitted (Inouye/McCrory).

ITEM E-1: REQUEST FROM THE BIG ISLAND FARM BUREAU TO USE A PORTION OF THE OLD KONA AIRPORT STATE RECREATION AREA IN KAILUA-KONA, HAWAII, FOR A BIG ISLAND FARM FAIR

Mr. Glenn Taguchi, Hawaii District Superintendent for the Division of State Parks, briefed the Board and recommended that the Board approve the issuance of a special use permit, subject to conditions.

Ms. Diane Ley, Administrative Assistant for the Hawaii Farm Bureau, asked for the Board's consideration in deleting condition no. 1 to allow for the exchange of monies, and amending condition no. 18 to allow the payment requirement for the use of facility, as allowed in previous years, for the actual days of the event, and not for the pre-event set up and post-event break down and clean up.

In response to a question raised by the Board, Mr. Taguchi indicated that in previous submittals they have charged the Applicant from the time they go in and make an impact, until they leave and there is no longer an impact to the park. The Applicant is given exclusive use, and other people are not allowed to use the park.

The Board amended the staff's recommendation by deleting condition no. 1 only.

Unanimously approved as amended (Holschuh/McCrory).

ITEM D-7: CONSERVATION DISTRICT USE APPLICATION VIOLATION AND FORFEITURE OF GENERAL LEASE NO. S-5551, HAMAKUA-NORTH HILO AGRICULTURAL COOPERATIVE, LESSEE, HONOKAIA, HAMAKUA, HAWAII, TMK: 3RD/4-6-03: 01, 02, & 20

Mr. Harry Yada, Acting Administrator for the Land Division, explained that this submittal is in 2 parts. The first action is an imposition of a \$2,000 fine in connection with a Conservation District Use Application for unauthorized grading and grubbing within the conservation district on the property. The second action concerns various defaults in connection with General Lease No. S-5551. Staff's recommendation is that the Board authorize the consent to a list of sub-lease agreements submitted by the lessee, that the Board allow the lessee until June 15, 2001 to bring the lease into compliance with the performance bond requirement, and that should the lessee fail to comply with the performance bond requirement, or penalties of the Conservation District Use Application violation, within the prescribed time, that the Board authorize the cancellation of General Lease No. S-5551, in accordance with terms and conditions.

Mr. Walker Sanders, representing the Co-op, gave explanation on the violations and the default notices. He felt that the charging of the maximum fine for the violations were excessive, that the Co-op did not deserve this as it was one member's unauthorized actions who had confessed to the violations.

Mr. Dwight Vicente, was in favor of the fines being imposed.

There was some discussion regarding the fine being imposed. Member Holschuh inquired about reducing the fine, given the water situation and other problems raised by Mr. Walker. Mr. Yada explained that the amount of time and effort that's put in by the Division of Conservation and Resources Enforcement Officers, and everyone else in terms of documents and establishing fines, it has been a practice, in something like this, to charge the maximum fine of \$2,000. If the Board chooses to do

something less, it would be the Board's decision. Member McCrory commented that the charges do not even come close to covering all the costs of the default notices. Member Inouye commended the Co-op and Mr. Sanders, but felt that there needs to be a penalty for the violation. She hoped that the Co-op would seek recourse from the violator. Member Holschuh recognized that there is a balance for the good of the State in that the Co-op is making an effort to assist people who are displaced from prior jobs to get their lives together in agriculture. He made a motion to approve staff's recommendation with an amendment that the fine be reduced to \$1,000. There was no second. Member Inouye subsequently made a motion to approve staff's recommendation as submitted. Member McCrory seconded.

Unanimously approved as submitted (Inouye/McCrory).

ITEM I-1: REQUEST BOARD APPROVAL TO ENTER INTO A REVISED COOPERATIVE ENFORCEMENT AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNITED STATES DEPARTMENT OF TRANSPORTATION, UNITED STATES COAST GUARD, AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES, DIVISION OF CONSERVATION AND RESOURCES ENFORCEMENT

Mr. Gary Moniz, Enforcement Chief for the Division of Conservation and Resources Enforcement, briefed the Board and recommended that the Board approve the Cooperative Enforcement Agreement and that the Chairperson be authorized to sign the agreement provided that the Attorney General's Office first approves the content of the agreement or makes substantive changes to the agreement in order to meet all State requirements.

Member Holschuh made an amendment to the agreement, page 2, last paragraph, to read: "Such documents shall include[d], but not be limited..."

Unanimously approved as amended (Kennison/Holschuh).

ITEM B-1: REQUEST FOR APPROVAL TO AMEND FOUR AGREEMENTS WITH THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII FOR STUDIES UNDER THE MAIN HAWAIIAN ISLANDS-MARINE RESOURCES INVESTIGATION

Dr. Kimberly Lowe, Marine Hawaiian Islands-Marine Resources Investigation Coordinator, briefed the Board and recommended that the Board authorize the Chairperson to negotiate and execute, subject to the Governor's approval, the subject amendments with the Research Corporation of the University of Hawaii for Fiscal Year 2001-2002.

Unanimously approved as submitted (Kennison/Holschuh).

ITEM D-1: TIME EXTENSION REQUEST – CONSERVATION DISTRICT USE PERMIT MA-2837 FOR SINGLE FAMILY RESIDENCE, HONOLUA, LAHAINA, MAUI, TMK: 2/4-2-04: 32

Mr. Sam Lemmo, Staff Planner for the Land Division, briefed the Board and recommended that the Board approve an extension of 6-months to initiate the project, and 18-months to complete construction, subject to conditions.

The Board was concerned about the numerous time extensions requested by the applicant, and asked that a condition be added that there be no more extensions.

Member Kennison made a motion to amend staff's recommendation by adding a condition that this be the last extension granted.

Unanimously approved as amended (Kennison/McCrory).

ITEM D-2: CONSERVATION DISTRICT USE APPLICATION NO. OA-3016 FOR KAWAI NUI COMMUNITY PARK IMPROVEMENTS, KAILUA, OAHU, TMK: 1ST/4-2-16: PORs. 01 & 08

Mr. Lemmo briefed the Board and recommended that the Board approve the improvements to the Kawai Nui Community Park, subject to conditions.

Member Holschuh, in relation to comments of the Engineering Branch in the staff submittal that mentions anchoring portable sanitary structures to prevent them from floating away during a flood, made a motion to add this to condition no. 5. He felt it a fair and important thing to do in terms of sanitation in high waters.

Unanimously approved as amended (Inouye/Holschuh).

ITEM D-3: AMEND PRIOR BOARD ACTION ON JULY 14, 1995 (AGENDA ITEM F-12), GRANT OF TERM, NON-EXCLUSIVE EASEMENT AND ISSUANCE OF CONSTRUCTION RIGHT-OF-ENTRY TO INTERNATIONAL CHURCH OF THE FOURSQUARE GOSPEL FOR ACCESS ROADWAY AND UTILITY PURPOSES, KANEOHE, KOOLAUPOKO, OAHU, TMK: (1) 4-5-23: 2 & 3

Mr. Yada briefed the Board and recommended that the Board authorize the release of the construction performance bond in the amount of \$450,000., subject to terms and conditions.

Unanimously approved as submitted (Inouye/McCrory).

**ITEM D-4: FORFEITURE OF CERTIFICATE OF OCCUPATION NO. 115 TO
NAMA KAEHA, LOT 44, ANAHOLA LOTS, ANAHOLA, KAUAI, TMK: 4-8-08:
02**

Mr. Yada briefed the Board and recommended that the Board authorize the cancellation of Certification of Occupation No. 115, subject to terms and conditions.

Unanimously approved as submitted (McCrorry/Kennison).

**ITEM D-5: AMEND PRIOR BOARD ACTION OF DECEMBER 18, 1992 (AGENDA ITEM
F-11), SET ASIDE TO THE DEPARTMENT OF AGRICULTURE FOR
GOVERNMENT SERVICES PURPOSES, ISSUANCE OF A MANAGEMENT
AND CONSTRUCTION RIGHT-OF-ENTRY, HONOLULU, OAHU, TMK: (1)
1-2-25: PORTION 11**

Mr. Yada briefed the Board and recommended that the Board amend its approval of December 18, 1992, approve the set aside of the area to the Department of Agriculture, authorize the issuance of an immediate construction right-of-entry to the Department of Agriculture, and direct the Department of Transportation to give 30-days written notification to the existing tenants of the area to be set aside to Department of Agriculture, subject to terms and conditions.

Unanimously approved as submitted (Inouye/Kennison).

**ITEM D-6: RE-APPROVAL FOR AWARD OF CONSTRUCTION CONTRACT – JOB NO.
40-OB-E, FLOATING DOCKS F & G IMPROVEMENTS, ALA WAI BOAT
HARBOR, OAHU**

Mr. Yada, on behalf of the Division of Boating and Ocean Recreation, asked that this item be withdrawn.

Withdrawn (Inouye/McCrorry).

**ITEM D-8: REQUEST TO AMEND PREVIOUS BOARD ACTION OF JANUARY 12, 2001,
(ADDED) AGENDA ITEM D-13, CONSENT TO LEASE OF PRIVATE PROPERTY
AGREEMENT BETWEEN MR. WILLIAM SEIFERT, LESSOR, AND THE
STATE OF HAWAII, BY ITS BOARD OF LAND AND NATURAL
RESOURCES, ON BEHALF OF AND FOR THE DEPARTMENT OF HEALTH,
LESSEE, COVERING A GEOTHERMAL MONITORING STATION SITE AT
KEAHIALAKA, PUNA, ISLAND OF HAWAII, TMK: (3) 1-3-046: POR 007**

Mr. Yada briefed the Board and recommended that the Board amend its prior action of January 12, 2001 by replacing the location of the lease area.

Ms. Pat Tummons, Environment Hawaii, asked that the Board request further information on how distant the new site would be, because the placement of the monitoring station around the geothermal site has been a subject that has stirred a lot of controversy.

Ms. Athena Peanut, indicated that she has been involved in geothermal issues for some time, and has recently been a member of a failed mediation attempt. She raised a concern that the Department of Health no longer monitors the site, which has been a hot issue for the community.

In response to some questions raised by Member Holschuh regarding location and monitoring of the site, Mr. Yada indicated that these questions should be addressed to the Department of Health. Chairperson Coloma-Agaran instructed staff to inform the Department of Health of the concerns raised.

Unanimously approved as submitted (Holschuh/McCrory).

ITEM C-1: REQUEST FOR APPROVAL OF SAFE HARBOR AGREEMENT AND INCIDENTAL TAKE PERMIT FOR THE REINTRODUCTION OF THE NENE TO PUU O'HOKU RANCH, ISLAND OF MOLOKAI

Mr. Michael Buck, Administrator of the Division of Forestry and Wildlife, briefed the Board and recommended that the Board approve the Safe Harbor Agreement and Incidental Take Permit for the Reintroduction of the Nene to Puu O'Hoku Ranch, Island of Molokai, with proposed amendments, subject to conditions.

Unanimously approved as submitted (Kennison/McCrory).

ITEM C-2: REQUEST FOR THE BOARD TO APPROVE THE WILDLIFE CONSERVATION AND RESTORATION PROGRAM PLANS FOR FY2002 AND THE PUBLIC PARTICIPATION PROCESS OF THE PROGRAM

Mr. Buck briefed the Board and recommended that the Board approve the Department's participation in the Wildlife Conservation and Restoration Program, the proposed project plans for FY 2002, and the public participation process proposed for the program. He explained that one project, originally proposed for funding, Waihou Forest Restoration – fencing of 205 acres of dry forest at Puu Waawaa, was removed from the package pending the results of the community planning efforts on the management of Puu Waawaa, and replaced with a \$20,000 habitat restoration project at Puu Makaala Natural Area Reserve and additional funding for the Waiakea Pond and Kanaha Pond projects.

Mr. Steven Araujo, Vice-President of the Wildlife Conservation Association of Hawaii, raised some concerns. In regards to Attachment I, the Comprehensive Plan: 1) Page 4, 2nd paragraph, that reads – “Recommendation from State and Federal Recovery Plans and other terrestrial and aquatic wildlife plans which identify and prioritize needs, such as Natural Areas Management Plans, will guide our decisions on funding projects.” His concern was that the Natural Areas Management Plans include no game. 2)

Page 4, 3rd paragraph, that reads - "All wildlife projects included in this program will be new or will enhance existing wildlife programs. Strategies by which these funds will be used to provide for wildlife conservation are set forth in the Department's strategic plans: Pittman-Robertson 5-year Game and Nongame Plans (2001-2005), Dingle-Johnson 5-Year Plan (2001-2005), ...". His concern was that the plan was being guided by 2 concepts. In regards to Attachment II, the Description of Proposed Projects: 1) Maui Projects No. 1. Nene/taro public education. He asked why the State would take funds that are allotted to the State, and use it on Federal Property (Haleakala National Park). 2) Maui Projects No. 2. Kanaha Pond Habitat Management. He commented on the proposed estimate of \$67,227 to fence the area, indicating that there are people that could be flown in from the Big Island that could fence the area for approximately \$9,000., leaving a lump sum of money left. 3) Hawaii Projects. No. 1. Saddle Road Kipuka Boardwalk. He believed that a better idea would be to create a safe parking area off the saddle road with a trail to Kipuka 21, rather than putting in a Boardwalk which could open doors to massive lawsuits if someone gets hurt. 4) Hawaii Projects. No. 2. Control of Predators of Nene and Waterbirds. He mentioned a discrepancy of \$2,000 that should be looked into. 5) Hawaii Projects. No. 3. Waiakea Pond Waterfowl Enhancement and Wildlife Appreciation. He felt that the small little inlets in the Wailoa River State Park, are not suitable for all the migratory waterbirds.

Mr. Buck addressed some of Mr. Araujo's concerns. In regards to Attachment II, 1) Maui Projects No. 1. Nene/taro public education. He indicated that they have been dealing with a community group in getting the public educated about the positive relationship between nene and taro, and the thought is, although it's down on a certain landscape, it still has great implications. 2) Hawaii Projects. No. 1. Saddle Road Kipuka Boardwalk. He indicated that one of the reasons in having a boardwalk is to provide a safe and convenient public access.

In response to some concerns raised by Member Holschuh, Mr. Buck indicated that part of the submittal is approval of the public participation process. If the Board wants to defer some projects, or feels the department should do more with public interaction, it would be the Board's discretion.

Mr. Araujo indicated that there are some good projects in the plan, and they are not opposed to having the department apply for the funds. He just wanted to make a point that the projects be beneficial for the species, humans, and the economy.

Ms. Karen Blue, Executive Director of the Conservation Council, testified in support of the plan as recommended by staff. She felt that the program would bring a tremendous amount of money to the State for conservation purposes of native species and plants. She commended Mr. Buck and staff on a job well done and encouraged the Board to approve staff's recommendation.

Member Holschuh, in response to concerns raised by Ms. Tummons about the removal of the project relating to Puuwaawaa at his request, clarified that there was no secrecy involved. He explained that he was authorized to convene a working group of people who had leases in Puuwaawaa, and some interested parties, to try and see if they could come back to the Board with a compromised solution regarding the leases. He was concerned about the fencing of the 205 acres, before they even had a chance to submit their report to the Board. He requested that staff remove the project to show good faith to the working group.

Member Holschuh asked that staff work together with Mr. Araujo regarding the concerns raised. Mr. Buck agreed.

Unanimously approved as submitted (Kennison/Holschuh).

Motion made at 11:07 a.m. to move into executive session to discuss some matters with legal counsel (Kennison/McCrory). The meeting was reconvened at 11:35 a.m.

ITEM C-3: REQUEST APPROVAL FOR THE ISSUANCE OF TIMBER LAND LICENSE NO. H-101 TO TRADEWINDS FOREST PRODUCTS LLC (TFP)

{Note: This item was deferred at the April 12, 2001 Land Board meeting, in which some people were able to testify in front of the Board before the Board lost quorum. The Board re-scheduled this item back in Hilo to continue taking testimony and for possible decision-making. }

Mr. Buck made some amendments to the submittal by adding a statement to the staff recommendation to read: “The Waiakea Timber Management Plan approved by the Board on September 11, 1998, and the Environmental Assessment completed on September 28, 1999, be used as guiding documents for all operations within the Waiakea Timber Management Area relating to this timber land license.” He also amended Item 3.1 of the Timber Land License by adding 6-months to read: “The Licensor reserves the right to terminate this License if the facility is not substantially completed by May 31, 2004[December 31, 2003]. The Licensor agrees to not unreasonably terminate this License if the Licensee is making good faith efforts to complete the facility, obvious progress has been made, and the completion date is expected by May 31, 2005[in the 2004 calendar year].” Staff’s recommendation is that the Board approve the issuance of Timber Land License H-101 to TFP., as amended.

Mr. Donald Bryan, Principal Shareholder of TFP, gave some background information of their company, and played a video showing an example of a factory that they propose to build. He indicated that they intend to conduct their business in a manner that is safe, environmentally responsible, and respectful to local people and their culture.

Mr. Gordon Boyd, Principal Shareholder of TFP, addressed the sequence of what is generally involved in the permitting process, the financing of the project, and the kind of investment they will be putting into the State.

In response to a question raised by the Board, Mr. Bryan indicated that the community liaison would be a full-time salaried employee of TFP, and they plan on asking people of the community to be part of an Advisory Board that will work with them.

Ms. Dixie Kaetsu, Managing Director for the County of Hawaii, presented written and oral testimony on behalf of Mayor Harry Kim. Mayor Kim's main concerns were infrastructure demands especially to highways and traffic impacts, protection of the environment relating to harvesting and replanting methods, hazards and risks such as erosion and fires, and the development of plans to address them.

Councilmember Dominic Yagong, testified in support of the issuance of the timer land license.

Councilwoman Julie Jacobson, representing Upper Puna, Kau, and South Kona districts, submitted written testimony, and photos of the impact on Puna residents as a result of flooding. She requested that the Board deny the license and defer the matter until many serious questions can be answered. She also submitted written testimony on behalf of Ms. Cory Harden, addressing the track record and the economics of the forest industry.

Mr. Barry Taniguchi, Hawaii Island Economic Development Board, presented written and oral testimony in support of the issuance of a harvesting license for the Waiakea Timber Management Area to TFP.

Ms. Bonnie Bator, presented written and oral testimony in opposition to the request by TFP, until an extensive review and assessment of flood risk at Waiakea is accomplished. She requested that the Board talk to the FEMA specialist instead of the Applicant regarding the impact of floods.

Ms. Lisa Barton, Secretary for the North Hilo Community Council, and President of the Laupahoehoe Train Museum, testified in support of the staff's recommendation for the benefit of Hawaii's economy.

Ms. Elizabeth Murph, Executive Secretary of the Hawaii Island Chamber of Commerce, provided written and oral testimony, in strong support of the issuance of the license to TFP.

Mr. Jim Albertini, President of Malu Aina Center for Non-Violent Education and Action, Inc., presented written and oral testimony in opposition to granting TFP a license. His main concern was the need for an Environmental Impact Statement (EIS).

Mr. John Ray, Hawaii Leeward Planning Conference, urged the Board to approve the Waiakea lease, which will play a key role in establishing a dynamic and diverse forest products industry in Hawaii.

Ms. Paula Helfrich, Member of the Hawaii Horse Owners Association, testified in favor of the issuance of the lease to TFP.

Written testimonies were submitted on behalf of Dr. James Jolliff, and Mr. Berkeley Fuller, urging the Board to require that a full EIS be done for all the areas potentially affected by the large scale commercial forestry industry before making a decision on whether or not to grant this type of lease to TFP, or any other company.

Mr. K. Yamada, presented samples of eucalyptus from the subject area, and a sample of possible water contamination from the saw dust collected from the cutting of the eucalyptus. He was concerned about the drinking water, and wanted to make sure that the sap of the eucalyptus, which may contain

contaminates, does not leak down into their aquifer. He also raised a concern on behalf of a friend, Dr. Daniel Morimoto, that an EIS should be completed before the contract is approved to construct a veneer mill.

Ms. Diane Ley, representing the Big Island Farm Bureau, testified in support of the diversification of Hawaii's agriculture industry, including the development and harvest of forestry products. She also testified on behalf of the Commodity Advisory Group, in support of the TFP application.

Ms. Dolores Watson, testified against the issuance of the license. Her main concerns were the need for an EIS, and the net money to the State over 10 years.

Mr. Jerry Broughton, testified in support of the TFP application. He indicated that although TFP will be employing a full-time person as a community liaison, the Board should require some kind of stipulation that a Community Advisory Board be established to get active participation from the community in the forestry and harvesting process.

Mr. George Martin, President of Ookala Community Association, presented a supplement to the petitions he submitted at the April 12, 2001 Land Board meeting, in support of the forestry industry on the Hamakua Coast.

Ms. Maryann Broyles, Owner of Hana Nai'a Aromatherapy, presented oral and written testimony, urging the Board to deny the lease to TFP. Some concerns raised were the use of poison in aerial spraying, the need for an EIS, and hidden costs. She hoped that the Board would put the lease back out to bid to give the local people a chance.

Mr. G.B. Hajim, Environmentalist, showed a video of the Waiakea Forest Reserve and a plywood plant operation. His concerns were the widespread destruction of the forest as a result of clear cutting and the need for an EIS.

Ms. Gemma Ley, urged the Board to deny or defer this permit because of the many questions raised about the viability of the operation, the economics, the environmental impact, and the true sustainability of what is being proposed.

Mr. Mark McNett, raised many concerns. He seemed to be against the issuance of the Timber Land License.

Ms. Karen Blue, representing Earthjustice, urged the Board to deny the Waiakea Timber Management Area license because of many concerns and uncertainties raised about the project. She requested that the Board take a close look at the Waiakea proposal to ensure that it is consistent with the law and the public interest.

Mr. David Perry, Emeritus Professor in the College of Forestry, Oregon State University, an Affiliate Professor in the College of Agriculture, Forestry and Natural Resources, University of Hawaii at Hilo, and Member of the National Commission on the Science of Sustainable Forestry, provided written and

oral testimony in support of the Timber Land License. He offered some concerns and suggestions for the Board's consideration regarding the protection of the soil, specific use of the buffer zone, and sufficient logging levels to maintain a mill of that size. He also suggested that part of the timber proceeds be devoted to research, and that when and if operations commence, the State move to have forestry operations at Waiakea, Green Certified under Forest Stewardship Council guidelines.

Ms. Kristan Hunt read through written testimony in opposition to the issuance of the land license.

Mr. Abraham Kamakawiwoole, Member of the Friends of Hamakua, and Board Member of Kalemela Church, testified in opposition to the issuance of the license. He was concerned about the trails leading to gathering, healing, and spiritual places that were violated by trees, and asked if the State Historic Preservation Division was contacted before this was done to the forest.

Mr. Zack Gibson, Puuala Farm in Hamakua, urged the Board to deny the license. His concerns were the overall effect on the island that may involve him directly, and the need for an EIS for the whole area, not just for Waiakea.

Mr. Yasha Pulin, Resident of Honokaa, Owner of Tex Drive-In, read through his written testimony in opposition to the issuance of the license. His main concerns were the questions and concerns that need to be studied and looked into, and the need for an EIS of the total industry.

Ms. Joan Philipp, testified against the issuance of the license, and urged the Board to have an EIS done before a decision is made to lease lands in the Waiakea Forest.

Ms. Sally Rice, President of the Hawaii Forest Industry Association, testified in favor of the license being granted to TFP. She indicated that they are very much committed in helping solve the problems that this forest industry may generate, such as traffic.

Mr. Michael Bass, Board of Director for the Friends of Hamakua, testified against the issuance of the license as he felt it would be contaminating and detrimental to Hawaii's future. His main concerns were support for the small businessman, and need for the lease to be examined through an EIS.

A representative on behalf of Mr. Raymond Tokareff, submitted written testimony in opposition to the license.

Mr. Pat Linton, Resident of Honokaa, Administrator of North Hawaii Community Hospital, Member of Fine Mountains Hawaii, and President of the Board of the Hamakua Health Center, was concerned about impacts to the Kawaihae area from truck traffic, and health issues relating to this plywood mill. He gave copies of the Corporate Social Responsibility standards, put out by the Social Ventures Network, to the Applicant, and encouraged both the Applicant and the Board to adopt those standards. He indicated that he was in support of creating an independent community advisory council that would show good faith in part of the Applicant. He also indicated that more time is needed to address the concerns raised and to get accurate information and data to make a final determination.

Ms. Vericonica Rose, testified against the forest industry. She raised concerns about the importance of looking at the long range effects that this may have on the soil, the impacts on roads in the Kawaihae area from truck traffic, and the need for an EIS.

Ms. Anne St. Johns, Board Member of the Friends of Hamakua, submitted and read through Joint Statement's from 16 organizations, opposing the granting of a lease to harvest the Waiakea Forest Management Area for the proposed plywood mill. She also testified on behalf of the Kalopa-Paauilo Community Association requesting that an EIS be done, and submitted written testimony on behalf Mr. David Caccia who was also opposed to the license.

Ms. Athena Peanut, testified against the project, and in favor of an EIS.

Mr. Alfred Wilson, testified in favor of an EIS before moving forward on this lease.

Mr. Jim Thain, testified in favor of the project, and wanted to see the mill succeed. He indicated that the mill itself is a unique opportunity to create a commodity that's competitive on a global market, and will also create and stimulate other landowners to plant trees, exotic as well as native. The technology developed in these mills are highly efficient, and the enforcement of current Federal, State, and County regulations will ensure responsible processing.

Ms. Linda Lyerly, Secretary for the Friends of Hamakua, submitted written and oral testimony in opposition to the issuance of the Waiakea Timber License. She recommended that the Board deny the license until an EIS is completed, and requested that the bidding process be opened again, as there are other smaller enterprises willing to bid.

Ms. Joan Maute, testified in opposition to the granting of the license. She felt that the proposed project would dramatically effect the island, and that an EIS should be required.

Member Holschuh, before being excused because of prior commitments, commented that in the past he has been against these types of projects and has profound respect for the people who do not want this license granted. However, has gone over this project, has had numerous conversations with many people, feels comfortable with it, and believes that jobs are desperately needed in Hamakua. He indicated that if he were present to vote on this issue he would be proud to support the proposal with the 2 amendments proposed by staff.

Mr. Thomas Crabb, Retired Sugar Industry Employee, Director of the Big Island's Hawaii Forest Industry Association Board, and Member of the Hamakua Soil and Water Conservation District Board, testified in support of the license to TFP. He indicated that this will establish the first step in creating a whole new production and marketing industry, encourage idle land into production, and increase job opportunities, while improving State revenues.

Mr. Shawn Souza, Honokaa Resident and Employee of Forest Solutions, testified in support of TFP. He indicated that everyone uses products made from timber, and if some of these products could be produced in Hawaii, it will be a benefit for everyone.

Mr. John Barber, Resident of Hamakua, testified in opposition to the issuance of the license until an EIS is done.

Ms. Susan Gordon, testified in favor of granting the license to TFP, and submitted, on behalf of Mr. Reginald Hasegawa of United Horticultural Supply, written testimony in support of the license.

Mr. Sid Quintal, testified along with his partner Mr. Bob Marr. Mr. Quintal explained their company's interest in reforesting the island, offered a proposal to the Board, and suggested that the Board defer the decision on the lease to see if it would be economically feasible to put this out to bid. His main concern was the issuance of the license for 8,000 acres to one entity who will not begin utilizing it for at least 3 years. He also asked that this be allowed to be a contested case hearing.

In response to a question raised by the Board, Mr. Buck indicated that Mr. Marr did respond to the Request for Proposal but was not selected as the preferred developer.

Mr. Mashuri Wait, hoped that the State forest would be replanted with species other than eucalyptus, species that have longer efficient higher value.

Ms. Alice Suncloud, requested that the Board deny, or defer this license, until a proper EIS has been completed, taken into account the effects from the mill.

Mr. Peter Simmons, Kamehameha Schools/Bishop Estate, testified in favor of granting the license to TFP. He felt that many issues could be worked out together to come up with solutions to the problems and to amplify the opportunities at hand, that there would be a diversity that will grow out of this, and that the complementary of the science being learned will help to better manage the lands.

Mr. Steven Araujo, Vice-President of the Wildlife Conservation Association of Hawaii, requested that the Board grant the permit to TFP. His concern was that there have been enough litigation matters throughout the forest system.

Ms. Chris Barbaur, testified against the issuance of the license to TFP.

Ms. Colleenah Lawrence, Big Island Resident for 25 years, testified against the granting of the license.

Mr. Clint Chandler, Organic Farmer in Paauilo, opposed the granting of the license to TFP, and supported having an EIS done.

Mr. Ed Winkler, felt that the department had done a fairly decent job of designing the license and going about presenting it to the public. He was in support of the licensing process, however, believed that an EIS would be the appropriate thing to do in light of all the changes that will be going on in the community.

Mr. Mark O'Dell, Tree Contractor, testified in favor of the license to TFP for long-term jobs.

There were some concerns raised by the Board:

In response to a question raised by Member Johns, Mr. Bryan explained the permitting process, and clarified that in each type of permit, there will be reviews with the community, and with various County, State, and Federal agencies that issue these permits. He indicated that a Special Management Area Use Permit would not be needed, and that the necessary permits would not trigger an EIS.

Member Inouye inquired about the implementation plan by TFP showing how the timber will be taken out. Mr. Bryan replied that they are required to make a plan that must be consistent with the Waiakea Timber Management Plan. Mr. Buck indicated that the plan would be subject to DOFAW approval.

Member McCrory questioned the truck activity. Mr. Buck indicated that the truck traffic issue is real and will have an impact. Mr. Boyd indicated that all the answers are not known yet, that this is an issue that has to be focused on and dealt with, and when they know specifically what the impacts will be, they will be talking to the local community.

In response to a question raised by Member Inouye, Deputy Attorney General Yvonne Izu clarified that the matter before the Board does not allow the Applicant to harvest, that the Applicant has to go through all the steps and meet all the requirements before the actual harvesting. She understood that the issues that were brought up would be answered through the various permitting processes.

Motion made at 5:30 p.m. to move into executive session to discuss with legal counsel the Board's privileges and immunities regarding the Request for Proposal process, and the EIS and Contested Case Hearing laws. (Johns/Kennison). The meeting was reconvened at 5:45 p.m.

Mr. Buck made an amendment to the license, Page 4, 4.6 Insurance, by raising the insurance amount, to read: "... \$500,000.00[\$300,000.00] for each occurrence (combined single limit) and \$1,000,000.00[\$500,000.00] aggregate."

Member Johns made a motion to approve the 3 amended recommendations of Mr. Buck, with some additional conditions: 1) In reference to the Community Liaison, the Applicant work with the Community Advisory Committee or Community Advisory Board.; and 2) At the completion of the permitting process for the sawmill, a report be made by both DOFAW and the Applicant, covering the cumulative impacts of the project, the sawmill, and other related activities that are going on including the traffic impacts.

Member Inouye asked that the operational implementation plan reviewed by the DOFAW Administrator, also be submitted to the Board.

Unanimously approved as amended (Johns/Kennison).

There being no further business, Chairperson Coloma-Agaran adjourned the meeting at 5:55 p.m.

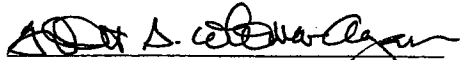
Tapes of the meeting and all written testimony submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Kimberly C. Kelihoomalu

Approved for submittal:



GILBERT S. COLOMA-AGARAN

Chairperson

Board of Land and Natural Resources

