State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Engineering Division
Honolulu, Hawaii 96813

March 22, 2013

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Authorization to Contract Qualified Professionals to Provide Technical and
Advisory Services Relating to the Management of Geothermal Resources

The Engineering Division desires to engage a consultant to provide services to assist the
Division’s administration of its Mineral Resources Program and the performance of its duties
involving the regulation and management of geothermal resources statewide. Renewed and
increased interest in geothermal development and the expectation of expanded statewide
exploration and development activities will require that the department be adequately equipped
and prepared to administer the State’s geothermal regulatory and resource management
program. Proper management of the resource will ensure the protection of the environment,
public health and safety, and the long-term sustainability for future generations.

The Engineering Division has taken steps to re-establish its Mineral Resources Program,
including the funding and establishment of geothermal program staff positions. Recruitment is
ongoing and the department is working to fill these positions as expeditiously as possible.

Presently, the Engineering Division has minimal staffing and experience in the Mineral
Resources Section to adequately administer its current statutory responsibilities. Effective re-
establishment of the Mineral Resources Program will necessitate additional assistance to help
implement required operational program measures to properly oversee current and expanded
gEothermal exploration and development activities. Requested contract services may include:
(1) Identification of new regulatory requirements that affect current permits and/or other
departmental approvals; (2) Review of emergency response actions and other regulatory
requirements related to emergencies, natural disasters, and/or upset conditions that may affect
gEothermal exploration and development activities; (3) Review and assessment of geothermal
data (e.g., mining leases, well drilling permits, plan of operations, etc.) and the preparation of
GIS-based maps delineating land ownership, land use districts, and areas of geothermal resource
probability, including the spatial location of geothermal exploratory, production, injection, and
abandoned wells; (4) Assisting in the development of an online permit application system for
gEothermal exploration and development activities; (5) Establishment of required reporting
formats, including monitoring of well equipment, maintenance, and documentation; (6)
Identification of recommended projects to support additional program enhancements, including
development of project descriptions and budgetary cost estimates; and (7) Development of a
database for long-term data collection, storage and management for archival and future retrieval
of geothermal data.

Item L-1
The requested contract services will facilitate the department's re-establishment of its Mineral Resources Program and will assist the Engineering Division in effectively responding to developer interest and applications related to geothermal development. Effective implementation of the department's regulatory responsibilities will also help streamline the permitting process for expanded geothermal development thereby helping to achieve the State's goal of increased utilization of renewable energy resources to reduce its current dependence on fossil fuels.

Funds for this work are available from the Engineering Division's operating special funds.

RECOMMENDATION:

1. That the Board of Land and Natural Resources authorize the contracting of the work indicated and authorize the Chairperson to sign the necessary documents pertaining to the project, subject to Governor's approval, and review and approval as to form by the Department of the Attorney General.

2. Recommend that the Board authorize the Chairperson, subject to review and approval as to form by the Department of the Attorney General, to enter into supplemental contracts to address unforeseen conditions and to sign the necessary documents to implement the additional work with the consultant.

Respectfully Submitted,

CARTY S. CHANG
Chief Engineer

APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, JR., Chairperson
Board of Land and Natural Resources