Approval for Award of Construction Contract for:
Job No. E00CO44A, Environmental Mitigation of the Former Pumphouse
at Aiea Military Reservation
Oahu, Hawaii

Bids for the subject project were received and opened on June 24, 2014. The results and recommendations are as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>StarCom Builders, Inc</td>
<td>195,100.00</td>
</tr>
<tr>
<td>Elite Pacific Construction, Inc.</td>
<td>249,000.00</td>
</tr>
<tr>
<td>FOPOC, Inc.</td>
<td>253,000.00</td>
</tr>
</tbody>
</table>

The project consists of remediation of suspected mercury contamination inside the water pump in the building. Work may expand to include other environmental contaminants found at the subject location. Funding for this project is available through Act 164, SLH 2011, Item F-3, as amended by Act 106, SLH 2012, Item F-3.

At its meeting on February 28, 2014, under agenda item D-14, the Board declared this project to be exempt from the preparation of an environmental assessment in accordance with Chapter 343, HRS and Chapter 11-200, HAR. A copy of the submittal is attached as Exhibit 1.

RECOMMENDATION:

That the Board:

1. Award DLNR Job No. E00CO44A, Environmental Mitigation of the Former Pumphouse at Aiea Military Reservation, Oahu, Hawaii, to the low bidder, StarCom Builders, Inc., in the amount of $195,100.00; and authorize the Chairperson to enter into a contract, subject to review and approval by the Attorney General’s office, and sign the necessary documents to implement the project.

2. Authorize the Chairperson, subject to review and approval by the Attorney General, to enter into supplemental contracts to address unforeseen conditions and sign the necessary documents to implement the additional work with the contractor.

Respectfully submitted,

CARTY S. CHANG
Chief Engineer

REQUESTED BY:

RUSSELL Y. TSUII, Administrator
Land Division

APPROVED FOR SUBMITTAL:

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

ITEM L-4
Authorization to Hire a Consultant for Remediation Action for Environmental Cleanup at a Former Pumphouse in Aiea, Ewa, Oahu; TMK (1) 9-9-003:035

BACKGROUND:

On August 23, 2013, under agenda item D-11, the Board authorized the cancellation of Governor’s Executive Order No. (“EO”) 3837 originally setting aside the subject parcel, in addition to other parcels in the vicinity, to the Department of Defense (“DOD”) for the proposed Oahu Veteran Center. A copy of the August 2013 approved submittal is attached as Exhibit 1. Eventually, EO 4440 was signed by the Governor on October 12, 2013 that cancelled EO 3837.

Upon cancellation of EO 3837 and the return of the subject parcel to the Land Division, an environmental cleanup project is planned. The main component of the proposed cleanup is to address the mercury believed to exist inside the water pump in the building. The cleanup may expand to cover other contamination issues discovered during the process. The Division desires to hire a consultant to remediate the contamination found on the subject parcel and improvements placed thereon.

CIP funding in the amount of $600,000 was appropriated to DOD, pursuant to Act 164, SLH 2011, as amended by Act 106, SLH 2012. Following the cancellation of EO 3837, delegation, transfer and release of funds to the Department was obtained from the Governor on January 22, 2014.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Section 11-200-8(a) (4) and (5), the subject request is exempt from the preparation of an environmental assessment pursuant to Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation" and Class No. 5, that states "Basic data collection, research, experimental management, and resources evaluation activities which do not result in a serious or major disturbance to an environmental resource". On July 13, 2011, the Environmental Council approved a new exemption class that states, "Mitigation of any hazardous conditions that present imminent danger as determined by the Department Director and that are
necessary to protect public health, safety, welfare, or public trust resources". See Exhibit 2.

RECOMMENDATION: That the Board

1. Find that the subject land is economically or physically unsuitable or undesirable for development or utilization as a separate unit by reason of location, size, shape, or other characteristics and, therefore, by definition is a remnant pursuant to Chapter 171, HRS.

2. Authorize the Chairperson to negotiate and execute a contract and any supplemental agreements to address unforeseen conditions and to exercise options as provided in the contract for the above referenced project, subject to funding and review and approval by the Department of the Attorney General.

Respectfully Submitted,

Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

William J. Aila, Jr., Chairperson

Land Board Meeting: February 28, 2014; D-14: Approved as amended.

Approved as amended. The Board amended the submittal by replacing Recommendation No. 1 with: "Declare that, after considering the potential effects of the proposed request as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment pursuant to the exemption notification attached as Exhibit 2."
Cancellation of Governor's Executive Order No. 3837 Setting Aside State Lands to Department of Defense for Oahu Veterans Center, Aiea, Ewa, Oahu, Tax Map Key: (1) 9-9-003:035, 9-9-012:005, 046 & 047.

APPLICANT:
Department of Defense

LEGAL REFERENCE:
Section 171-11, Hawaii Revised Statutes, as amended.

LOCATION:
Portion of Government lands situated at Aiea, Ewa, Oahu, identified by Tax Map Key: (1) 9-9-003:035, 9-9-012:005, 046 & 047, as shown on the map attached as Exhibit A.

AREA:
1.638 acres, more or less.

ZONING:
State Land Use District: Urban
City and County of Honolulu LUO: F-1

TRUST LAND STATUS:
Section 5(b) and 5(e) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

APPROVED BY THE BOARD OF LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON August 23, 2013
CURRENT USE STATUS:

Governor’s Executive Order No. 3837 setting aside 1.638 acres to Department of Defense for Oahu Veterans Center purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

This action before the Board is merely a transfer of management jurisdiction and does not constitute a use of State lands or funds, and therefore, this action is exempt from the provisions of Chapter 343, HRS, relating to environmental impact statements.

APPLICANT REQUIREMENTS:

None

BACKGROUND:

Pursuant to Governor’s Executive Order (‘‘EO’’) No. 3837 dated December 28, 2000, the subject State lands have been set aside to the State Department of Defense for Oahu Veterans Center purposes.

EO 3837 encumbers four parcels identified as TMK: (1) 9-9-003:035 (“Parcel 35”), 9-9-012:005, 046 & 047 (“Parcels 5, 46 and 47”). The subject parcels had been portions of government (crown) lands of Aiea originally set aside as Aiea Military Reservation by Presidential EO 2566 dated March 28, 1917, and were reconveyed along with their improvements by the federal government to the State of Hawaii by deed dated August 21, 1962. Contiguous Parcels 5, 46 and 47 are vacant, and Parcel 35 includes pre-existing improvements built circa 1923 by the federal government for a water pump station to service the area.

In March 2001, a mercury release occurred within the water pump station located on Parcel 35. In July 2001, after extensive remediation efforts, the Department of Health issued a memorandum stating that it was undertaking a “No Further Emergency Response Action” pertaining to the mercury release.1

In the meantime, Department of Defense (“DOD”) identified alternative real property better suited for their project and subsequently completed the construction of the Oahu Veterans Center in Foster Village in 2005. Such completion of the Veterans Center construction rendered the public purpose of EO 3837 no longer applicable. DOD then began discussion with the Department regarding the return of all the parcels under EO 3837 to the Board, i.e. cancellation of EO 3837.

In the process of discussion, DOD undertook the procurement of Phase I and II Environmental Baseline Survey for the pumphouse facility on Parcel 35 in September and

1 Source: Final Phase I Environmental Baseline Survey prepared by Earth Tech, Inc. dated September 2007
December 2007 respectively. By its memo dated August 24, 2011 (Exhibit B), DoD
requested the return of the subject parcels and the cancellation of EO 3837.

Staff visited Parcels 46 & 47 in February 2012 and noted they were fenced off with no
evidence of recent activities observed, while Parcel 5 basically is the roadway between
parcels 46 & 47. The improvements on Parcel 35 included one building in good condition
and another housing the pumps in poor condition with a section of fallen roof and one
damaged doorway open to daylight. DOD subsequently undertook some rudimentary repairs
to secure the pump house building and fill in two open pits outside the building, but added no
new structures or improvements. Staff understands that, according to past correspondence
from DOH HEER, elemental mercury is believed to still exist inside the water pump in the
pump house building. Due to the mercury content and the deteriorating physical condition of
the pump house building, staff believes that eventual demolition of that building and removal
and proper disposal of any equipment inside the building will be necessary, in the interests of
health and safety.

In 1962, the State of Hawaii had accepted the subject property from the federal government
"Together with all appurtenances thereon, real and personal, including the pumphouse and
wells, the chlorinator, the generator station and the transformer station..." Therefore
management of the existing improvements, including any further work to address health and
safety issues related to the existing structures, remain the responsibility of the Department, as
landowner, and not the DOD.

In anticipation of conducting future remedial work to address any remaining mercury and
other previously identified environmental contaminants, Staff inquired with a local
environmental engineering firm to obtain preliminary cost estimates. Removal and disposal
of two pumps, light fixtures, and abatement of loose lead-based paint and asbestos-
contaminated material through the whole pump house building were estimated at about
$185,000 plus tax. Other cost estimates to address hazards created by the deteriorating
condition of the pump house building and other structures will require further evaluation.

In May 2013, DOD advised Staff that under Act 164, SLH 2011, as amended by Act 106,
SLH 2012 Item F3, $100,000 and $500,000 had been appropriated to DOD for "security of
property and various close out actions required by other state agencies" under Act 164, SLH
2011, as amended by Act 106, SLH 2012, Item F3 (an excerpt of this Act is attached as
Exhibit C). DOD also indicated they had no objection to transferring the above described
funding to DLNR for project implementation.

Demolition of the entire pump house building to secure the property comprising the land and
improvements will mitigate any potential health and safety hazards to the public. Staff
believes demolition of the improvements housing the pumps and removal of the equipment
are appropriate and prudent.

Until the environmental remediation and demolition work on the Parcel 35 is completed, any
future use of Parcel 35 of the subject property will be prohibited. However, the remaining
vacant parcels 46 and 47 under EO 3837 may be put to short term use, e.g. storage, during
the interim. All parcels are located in an urban area where the demand for lands is high.
Therefore, returning the parcels to utilization as soon as possible will be in the State’s best
interests, upon the Board’s approval of the cancellation of EO 3837.

There are no other pertinent issues or concerns, and staff recommends the Board authorize
the cancellation of EO 3837 in the manner described above.

RECOMMENDATION: That the Board approve of and recommend to the Governor issuance
of an executive order canceling Governor’s Executive Order No. 3837, subject to:

A. The standard terms and conditions of the most current executive order form, as may
be amended from time to time;

B. Disapproval by the Legislature by two-thirds vote of either the House of
Representatives or the Senate or by a majority vote by both in any regular or special
session next following the date of the setting aside;

C. Review and approval by the Department of the Attorney General; and

D. Such other terms and conditions as may be prescribed by the Chairperson to best
serve the interests of the State.

Respectfully Submitted,

Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:

William J. Aila, Jr., Chairperson
EXHIBIT A
To: Honorable William J. Aila, Jr. Chairman  
Department of Land & Natural Resources  

From: Major General Darryll D. M. Wong  
Adjutant General  

Attention: Mr. Russell Y. Tsuji, Administrator  
Land Management Division  

Subject: Cancellation of Executive Order No. 3837, Aiea Pumphouse, Oahu, Hawaii – Tax  
Map Key (TMK) (1)9-9-03:035 and (1)9-9-03:035 and (1) 9-9-012:004, 046 & 047  

Reference: Memorandum dated January 4, 2010 by Russell Y. Tsuji, Administrator,  
Department of Land Natural & Resources (DLNR)  

The Department of Defense (DOD) requested cancellation of Executive Order (E.O.) No. 3837  
back in March 14, 2008. This memorandum is a followup to actions required per DLNR’s  
correspondence by Russell Tsuji on January 10, 2010. In that memorandum the E.O. cancellation  
required the subject to be restored to a condition satisfactory and acceptable” to the DLNR. It  
stated three (3) conditions for being satisfactory and acceptable which we feel we have  
completed per the enclosed documents.  

Attached herein is one (1) copy of the memorandum from Russell Tsuji, one (1) copy each  
Phase I & II Environmental Baseline Survey (EBS) reports, a written summary of security and  
maintenance procedures in place, and one (1) copy of the Army Corps of Engineer’s (ACOE)  
Remediation Investigation Proposal Plan on the property. We finished the Phase II EBS report  
that included conducting independent sampling and found them to be satisfactory to the standard  
of the Department of Health (DOH) Hazard Evaluation and Emergency Response (HEER) office.  
The ACOE in collaboration with DOH select at the final clean up alternatives to be used to  
remediate the former Aiea Military Reservation Aiea Bay Pumphouse site.
It was stated in Mr. Russell Tsuji's memorandum that E.O. No. 3837 conditioned the return of the subject property on restoration of the premises "to a condition satisfactory and acceptable" to the DLNR. He then stated three (3) conditions for being satisfactory and acceptable DLNR.

We have met all three (3) of the DLNR's conditions stated in Mr. Russell Tsuji's memorandum. And request that the necessary documents be prepared to withdraw the DOD's interest is the property and cancel the exiting E.O.

Your assistance with helping us complete this section is greatly appreciated.

Should you have any questions, please have your staff contact our Chief Engineering Officer, Lieutenant Colonel Neal Mitsuyoshi at 733-4250.

Enclosures:

2. Final Phase I Environmental Baseline Survey.
3. Final Phase II Environmental Baseline Survey.
6. ACOE Proposed Plan.

Cc: OVS
### CAPITAL IMPROVEMENT PROJECTS

<table>
<thead>
<tr>
<th>CAPITAL ITEM</th>
<th>PROJECT NO.</th>
<th>TITLE</th>
<th>AGENCY</th>
<th>EXPENDING YEAR</th>
<th>APPROPRIATIONS (IN 000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2011-2012</td>
<td>F</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td>2012-2013</td>
<td>F</td>
</tr>
</tbody>
</table>

1. **P70036** COLUMBIA-NICHES, STATEWIDE

   Design and construction for additional Columbiana niches statewide.
   This project is deemed necessary to qualify for federal aid financing and/or reimbursement.

   - Design: $200
   - Construction: $4,000
   - Total Funding: $1,199

2. **P70036** COLUMBIA-NICHES, STATEWIDE

   Design and construction for additional Columbiana niches statewide.
   This project is deemed necessary to qualify for federal aid financing and/or reimbursement.

   - Design: $1
   - Construction: $2
   - Total Funding: $2

3. **OVS004** AICA BAY PUMPHOUSE PROPERTY

   Design and construction for remediation action for environmental cleanup. Site assessment will include a priority focus on the mercury contamination issue. May also include miscellaneous work relating to site cleanup, security of property, and various closeout actions required by other state and federal government agencies.

   - Design: $100
   - Construction: $500
   - Total Funding: $100

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**EXHIBIT C**
EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title: Remediation Action for Environmental Cleanup at a Former Pumphouse

Project / Reference No.: PSF 13OD-176

Project Location: Aica, Ewa, Oahu, TMK: (1) 9-9-003:035

Project Description: Authorization to hire a consultant for remediation of elemental mercury and other contaminants originated from a former Pumphouse at the subject location

Chap. 343 Trigger(s): Use of State Funds, Use of State Lands

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8(a) (4) and (5), the subject request is exempt from the preparation of an environmental assessment pursuant to Class No. 4, that states "Minor alteration in the conditions of land, water, or vegetation" and Class No. 5, that states "Basic data collection, research, experimental management, and resources evaluation activities which do not result in a serious or major disturbance to an environmental resource". On July 13, 2011, the Environmental Council approved a new exemption class that states, "Mitigation of any hazardous conditions that present imminent danger as determined by the Department Director and that are necessary to protect public health, safety, welfare, or public trust resources".

The request is to seek authorization for hiring a consultant regarding the remediation of elemental mercury and other environmental contaminants found at the subject location. The selected consultant will conduct an assessment of the presence of such contaminants in the area, and conduct removal or clean up of such contaminants during the project. Such activities will not result on significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area; nor is the project anticipated to be a phased or incremental undertaking to a larger project. As such, staff believes that the requested actions would not materially alter the existing conditions of the land, water, and vegetation in the area. Therefore, the request should be exempt from preparation of any environmental assessment.

EXHIBIT "2"
Consulted Parties: Not available

Recommendation: It is recommended that the Board find that this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

William J. Aila Jr., Chairperson

Date 2-14-14