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

Declare Project Exempt from Requirements of Chapter 343, HRS, and Title 11, Chapter 200, Hawaii Administrative Rules; Issuance of Easement to Hawaii Fueling Facilities Corporation for construction, access, and maintenance of monitoring/recovery wells and interceptor trench at the Keehi Small Boat Harbor, Tax Map Key No. (1) 1-2-025:113.

APPLICANT:

Hawaii Fueling Facilities Corporation ("HFFC"), a Hawaii corporation who's mailing address is Hawaii Fueling Facilities Corporation, 3201 Aolele Street, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Section 171-55, Hawaii Revised Statutes.

LOCATION:

Portion of Government land at Keehi Small Boat Harbor (KSBH), situated at Honolulu, Island of Oahu, Identified by Tax Map Key: (1) 1-2-025:113, as shown on the attached map in Exhibit "A".

AREA:

1.26 acres, more or less.

ZONING:

State Land Use District: Industrial.

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES_ NO X

CURRENT USE STATUS:

The proposed Easement area is currently used for storage and parking. DOBOR’s use of these areas will not be negatively impacted by the proposed monitoring/recovery wells and interceptor trench.

CHARACTER OF USE:

For construction, access, and maintenance of monitoring/recovery wells and interceptor trench to be
used to monitor and capture potential releases of fuel from the HFFC facility adjacent to Keehi Small Boat Harbor.

COMMENCEMENT DATE:

The commencement date shall be determined by the Chairperson. The construction start date for the installation of the interceptor trench will be scheduled after the appropriate Easement documents have been executed and accepted by DLNR. HFFC will coordinate the actual commencement date with DOBOR.

TERM OF EASEMENT:

The term of the proposed easement shall be 55 years. Term extensions may be allowed, subject to approval of the Board.

RENTAL:

A one-time payment of fair market value for the easement will be required upon completion of an appropriate appraisal.

COLLATERAL SECURITY DEPOSIT:

None.

DCCA VERIFICATION:

Place of business registration confirmed: Yes
Registered business name confirmed: Yes
Applicant in good standing confirmed: Yes

CHAPTER 343 ENVIRONMENTAL ASSESSMENT:

In accordance with Administrative Rule Section 11-200-8(A) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council on June 5, 2015, the proposed project was determined to have minimal or no significant effect on the environment; and is exempt from the preparation of an environmental assessment pursuant to Exemption Class 6 that states, “Construction or placement of minor structures accessory to existing facilities. See the attached Exemption Notification in Exhibit “B”.

REMARKS:

The U.S. Environmental Protection Agency is requiring HFFC to construct monitoring/recovery wells and an interceptor trench in response to recent fuel releases from the HFFC facility.

The purpose of the monitoring/recovery wells is to determine, through routine monitoring, whether a fuel release is occurring. In the event of a fuel release, the wells are used to extract released fuel within the soil.

The purpose of the interceptor trench is to provide a means to isolate future fuel releases and prevent the released fuel from entering harbor waters. Extraction wells within the interceptor trench provide a means to extract and capture fuel travelling through the soil.
CONDITIONS:

1. The applicant shall provide, at their expense, a survey map with metes and bounds description of the proposed easement area according to State Department of Accounting and General Services standards.

2. The applicant shall pay for an appraisal to determine the initial one-time payment for the easement, pursuant to HRS 171-13 and 171-17(b).

3. The applicant shall be required to obtain Pollution Legal Liability insurance in favor of the State to cover costs for mitigation/cleanup in the event of a future fuel release onto DOBOR property.

4. The applicant shall indemnify the State for any damages arising from the use of the Easement and for any cleanup costs associated with any future fuel releases.

RECOMMENDATION:

Declare that, after considering the potential effects of the proposed project 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 exempt from the preparation of an environmental assessment pursuant to Exemption Class 6 that states, “Construction or placement of minor structures accessory to existing facilities.

That the Board approve the issuance of an Easement to Hawaii Fueling Facilities Corporation and delegate authority to execute the Easement documents to the Chairperson, subject to the aforementioned terms and conditions for the Easement and any other terms and conditions that the Chair determines are in the best interest of the State.

Respectfully Submitted,

Edward R. Underwood
Administrator

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson

Attachments: Exhibit “A” – Interceptor Trench Layout, Schematic, and Utility Crossing Schematic
Exhibit “B” – Exemption Notification
EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes (HRS), and Chapter 11-200, Hawaii Administrative Rules (HAR).

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Issuance of Easement to Hawaii Fueling Facilities Corporation (HFFC) for construction, access, and maintenance of monitoring/recovery wells and interceptor trench at Keehi Small Boat Harbor, Honolulu, Oahu, Hawaii</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number:</td>
<td>None</td>
</tr>
<tr>
<td>Project Description:</td>
<td>For construction, access, and maintenance of monitoring/recovery wells and interceptor trench to be used to monitor and capture potential releases of fuel from the HFFC facility adjacent to Keehi Small Boat Harbor.</td>
</tr>
<tr>
<td>Chapter 343 Trigger(s)</td>
<td>Use of State Land</td>
</tr>
<tr>
<td>Consultation</td>
<td>State of Hawaii, Department of Transportation, Harbors Division State of Hawaii, Department of Health, Solid and Hazardous Waste Branch U.S. Environmental Protection Agency</td>
</tr>
<tr>
<td>Exemption Class &amp; Description:</td>
<td>Exemption Class 6 of the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015.</td>
</tr>
<tr>
<td></td>
<td>Construction or placement of minor structures accessory to existing facilities.</td>
</tr>
<tr>
<td>Exemption Item Number and Description:</td>
<td>Exemption Item No. 5 of Class 6 - Construction or placement of utilities (telecommunications, electrical, solar panels, drainage, waterlines, sewers) and related equipment (such as transformers, poles, cables, wires, pipes) accessory to existing facilities on state land.</td>
</tr>
<tr>
<td>Recommendation:</td>
<td>It is anticipated 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.</td>
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Suzanne D. Case

Date 10/13/15

Exhibit B