

LAND USE COMMISSION  
MINUTES OF MEETING

May 18, 2005

King Kamehameha's Kona Beach Hotel  
75-5660 Palani Road  
Kailua-Kona, Hawaii

COMMISSIONERS PRESENT: Isaac Fiesta, Jr.  
Kyong-su Im  
Steven Montgomery  
Ransom Piltz  
Randall Sakumoto

COMMISSIONERS ABSENT: P. Roy Catalani  
Michael Formby  
Lisa Judge  
Peter Yukimura

STAFF PRESENT: Diane Erickson, Deputy Attorney General  
Anthony Ching, Executive Officer  
Bert Saruwatari, Staff Planner  
Maxwell Rogers, Staff Planner  
Sandra Matsushima, Chief Clerk  
Holly Hackett, Court Reporter  
Walter Mensching, Audio Technician

Presiding Officer Sakumoto called the meeting to order at 10:15 a.m.

ADOPTION OF MINUTES

Commissioner Fiesta moved to adopt the Land Use Commission meeting minutes of May 5, 2005 and May 6, 2005. Vice Chair Montgomery seconded the motion. Said motion was approved by voice votes.

## TENTATIVE MEETING SCHEDULE

Executive Officer Anthony Ching reported the following schedule:

- June 2-3 to be held on Maui.
- June 16-17 on Oahu
- July 13-14 return to the Big Island for continued HELCO hearings.

Mr. Ching noted that on June 3, the LUC will make a field trip early in the morning to Maui Lani and the Hale Mua sites.

## LEGISLATIVE UPDATE

Mr. Ching provided an update on HB 109 and briefly explained that on May 25 in Oahu, he will meet with planning directors and appropriate work groups for legislative proposals to amend Chapter 205.

There were no questions posed by the Commission.

A recess break was taken at 10:25 a.m. The meeting reconvened at 10:35 a.m.

Presiding Officer Sakumoto introduced new Commissioner Randy Piltz as this was his first meeting on the Big Island.

## DOCKET NO. A03-743 HAWAII ELECTRIC LIGHT COMPANY

Presiding Officer Sakumoto noted that Chair Catalani has recused himself from participating in this docket as his law firm has some legal work with the Hawaii Electric Light Company.

Presiding Officer Sakumoto stated that this was a hearing to consider the reclassification of approximately 15.643 acres of land currently in the Conservation District to the Urban District at Keahole, North Kona, Hawaii, for improvements and upgrades to the Keahole Generating Station and Airport Substation.

## APPEARANCES

Ben Kudo, Esq., represented Petitioner

Naomi Kuwaye, Esq., represented Petitioner

April Cadiz, represented Petitioner

Norman Hayashi, County of Hawaii Planning Department

Patricia O'Toole, Esq., represented County of Hawaii Planning Department

John Chang, Esq., represented State Office of Planning

Abe Mitsuda, State Office of Planning

Lorene Maki, State Office of Planning

Presiding Officer Sakumoto informed Mr. Kudo that the Commission has established a policy where hearing expenses associated with the docket are reimbursed by the Petitioner. Presiding Officer Sakumoto asked Mr. Kudo if staff had provided notice with respect to this reimbursement policy. Mr. Kudo replied in the affirmative and had no objections to the policy.

Presiding Officer Sakumoto noted that there were no public witnesses.

## Admission of Exhibits by the Parties

Ms. Kuwaye described and introduced Petitioner's Exhibits 1 to 59. There were no objections by the parties. Said exhibits were admitted into the record.

Mr. Chang offered the State's Exhibits 1, 1a, and 2. There were no objections by the parties. Said exhibits were admitted into the record.

Ms. O'Toole introduced County's Exhibit 1, the written testimony of Chris Yuen. There were no objections by the parties. Said exhibit was admitted into the record.

Presiding Officer Sakumoto commented that the Commission has received correspondence dated May 11, 2005 originating from the Hawaii Electric Light Company and Keahole Defense Coalition and that this correspondence was not listed as an exhibit on Petitioner's exhibit list. Presiding Officer Sakumoto asked if this will be included as an exhibit.

Ms. Kuwaye indicated that it was written testimony and not the Petitioner's intention to include it as one of their exhibits.

Presiding Officer Sakumoto noted that for the purposes of this record, the Commission will admit the May 11, 2005 correspondence as the Commission's Exhibit 1. There were no objections.

### Petitioners Presentation

Mr. Kudo opened his case and provided a brief history of the Keahole substation project site, construction plans, and the anticipated impacts. Mr. Kudo commented that they have stipulated with the State and Hawaii County regarding the direct testimony of witnesses and that the witnesses will be available for cross examination, including the others who will be called upon to provide live testimony.

### PETITIONERS WITNESS

#### 1. Lee Sichter

Mr. Sichter stated that he is the Principal Land Use Planner with Belt Collins and that they were retained by Petitioner to prepare the final EIS. Mr. Sichter stated that he was the author of the FEIS and discussed the proposed improvements, project scope, the CT4 and CT5 systems, fuel conversion and alternative fuels, defined the petition area and layout, and the summary analysis in relation to the Hawaii County Plan. Mr. Sichter also reported that the project will have no significant impacts on traffic flow.

Mr. Sichter was qualified as an expert in land use planning.

A recess break was taken at 11:30 a.m. The meeting reconvened at 11:45 a.m.

Ms. O'Toole raised a few questions related to the newly adopted Hawaii County General Plan and asked if Petitioner had compared the approved plan with the earlier version in his summary analysis.

Mr. Sichter indicated that both versions were analyzed and that his findings remained unchanged.

Mr. Chang raised questions relating to the fuel trucks that make left turns at the airport intersection, the number of fuel truck deliveries per day, the increase of deliveries per day at full build out, groundwater and potable water resources, the brackish water well, and the exhaust stack.

Commissioner Fiesta posed questions related to the traffic study, specific study times, and the traffic counts.

Commissioner Im raised questions in reference to the current generating capacity, projected construction, height limitations and use restrictions, landscaping and visual impacts.

Presiding Officer Sakumoto had questions in relation to the analysis of the long-range impacts, future improvements, the Palamanui subdivision, the university campus and village, the known information of adjacent developments, alternate fuel sources, and naphtha.

After a discussion, there were no further questions.

A lunch break was taken at 12:10 p.m. The meeting reconvened at 1:20 p.m.

## 2. Anthony Koyamatsu

Mr. Koyamatsu stated that he is the Director of Purchasing for Hawaiian Electric Company. Mr. Koyamatsu's resume was admitted as exhibit 10 and his written testimony was admitted as exhibit 9. Mr. Koyamatsu stated that he is familiar with permitting, engineering, procurement, and construction management and had prepared the historical overview of the Keahole Generating Station and Airport Substation, designed the project layout and plot plan, and described and discussed the ST7 project.

Ms. O'Toole noted that the County had no questions.

Mr. Chang posed a few questions relating to the work with FAA, height of the exhaust stack, County height limitations for zoning in heavy industrial, and construction of the ST7.

Commissioner Im raised questions on the amount of exhaust emitted from the stack, DOH permits, future plant expansion, and the County's height limitations.

Commissioner Piltz had a few questions related to Exhibit 12 and the location of the two CT units in relation to the proposed ST7 unit.

Presiding Officer Sakumoto had questions and concerns relevant to the potable water rights transfer settlement agreement, the permits involved for the brackish water well, and the status of the appeal.

3. Dan Giovanni

Mr. Giovanni stated that he is the Manager of the Production Department at HELCO. Mr. Giovanni described his educational and professional background as a mechanical engineer in power plant design and combustion. Mr. Giovanni's resume was admitted as exhibit 14 and his written testimony was admitted as exhibit 13. Mr. Giovanni described and discussed the design and operation of the maintenance facility, overview of the existing electrical system, power demands, the transmission system and power generating facilities, and visual mitigation measures.

A recess break was taken at 2:45 p.m. The meeting reconvened at 2:55 p.m.

Mr. Giovanni continued to discuss matters related to noise mitigation measures, diesel oils, naphtha, the brackish water wells on site, and wastewater treatment.

Ms. O'Toole had a few questions in reference to the current height of the exhaust stack and the height of the proposed structures.

Mr. Chang's questions were related to the brackish water wells, the minerals from the wastewater, the injection wells, alternative energy, solar rays, bio diesel and bio fuels, storage tanks, handling of fuel, expansion of capacity, naphtha oil, and handling and storage measures.

Commissioner Piltz raised a few questions related to the visual pollution of the 104 foot tower in relationship to the broadcast towers located above the site, and wastewater disposal.

Vice Chair Montgomery commented on the list of plants and recommended that they include the Maiapilo Native Caper in the landscaping plan for the site.

Commissioner Im posed questions related to the proposed structure to be developed, the layout of the buildings, the maximum height limitation, proposed residential projects on the neighboring properties, and the possibility of future relocation plans.

Presiding Officer Sakumoto raised questions in reference to naphtha, the brackish water issue on appeal, and the landscape plan exhibit photo. He suggested a frontal view, instead of the overhead view, to create a better understanding of the proposed project.

Commissioner Im added that a picture could possibly be taken from the highway and filled in with drawings of the proposed landscaping.

Commissioner Im posed questions related to the type of ammonia used, safety and environmental compliance, and emergency plans for accidental spills.

After a discussion, there were no further questions.

A recess break was taken at 3:50 p.m. The meeting reconvened at 3:55 p.m.

Ms. Kuwaye requested to waive live testimony and offered the following doctors as experts in their fields: John Lockwood, Paul Rosendahl, and John Kirkpatrick. Their resume and written testimony have been submitted and the parties have stipulated to qualify Dr. Lockwood as an expert in volcanic hazards, Dr. Rosendahl as an expert in archaeological and cultural impact assessment, and Dr. Kirkpatrick as an expert in socio-economic impacts. Ms. Kuwaye added that the parties have previously orally stipulated to have these doctors qualified as experts and that there is no written stipulation. There were no objections by the County and the State.

Presiding Officer Sakumoto asked if these witnesses would be available should the Commission have questions. Ms. Kuwaye replied in the affirmative. Presiding Officer Sakumoto then noted that these individuals were qualified as experts in their fields.

4. David Jones

Mr. Jones described his education and professional experience as a registered professional engineer and performs noise assessments for electrical and gas industries. Mr. Jones discussed issues of noise design and has personally performed the noise modeling and design for the CT4 and CT5 for this project. Mr. Jones was qualified as an expert in acoustical engineering. There were no objections.

Ms. O'Toole noted that the County had no questions.

Mr. Chang had questions and concerns related to the baseline measurements of sound levels during day and night times, the noise levels of the diesel units, and noise complaints from the nearby residential areas.

Commissioner Im raised a few questions related to acoustic system failure and noise abatement equipment.

Presiding Officer Sakumoto posed questions in reference to the noise assessment, the DOE report, noise abatement equipment, and specific design for future equipment.

After a discussion, there were no further questions.

5. James Clary, Jr.

Mr. Clary described his professional experience in the fields of air permitting regulatory compliance and air distribution modeling. Mr. Clary was qualified as an expert in climate and air quality emissions. There were no objections.

Mr. Clary summarized his written testimony and report and discussed matters related to the air quality permits for this project, the history of the project, and addressed the conditions at full build out with the addition of the ST7, emission limits, good engineering practices and controlled technology.

Ms. O'Toole noted that the County had no questions.

Mr. Chang had a few questions regarding the number of gases that are currently emitted, the combustion process, federal and state emission standards, and the unburned particulants and contaminants.

Commissioner Piltz posed questions related to the particulate matter discharged into the air, and the air quality standards.

Commissioner Im also raised questions and concerns in reference to the emissions, the existing air permit issued by the DOH and EPA, regulations in a populated area, the adjacent developments and schools, permit renewals, and the effect of emission to the neighboring public.

Vice Chair Montgomery's questions were related to alternative fuels and other fuel sources that could possibly produce less emissions, the possibility of relocation to another site with more trade winds and better ventilation with less impact.

Presiding Officer Sakumoto posed questions in reference to the state and federal permits required for this project, the renewal terms, compliance, certification, monitoring, and the type of penalties for non-compliance.

Commissioner Fiesta's questions were related to the emissions being released in the air and onto the ground, and if these particles could possibly harm the plants and animals in the area.

Commissioner Im asked if a representative from the DOH could explain the permit process and the monitoring conducted by its plant investigators. Commissioner Im added that it would be helpful if there was a copy of the latest permit made available and the amendment for the new equipment.

Mr. Chang stated that they will contact the DOH and will make every effort to have a live witness to testify.

Ms. Kuwaye stated that Dr. Palmer was present and that the parties have previously agreed to qualify him as an expert in flora and have also agreed to waive his live testimony. Ms. Kuwaye added that Dr. Palmer's expertise is endangered species and asked Vice Chair Montgomery which plant he had previously suggested be included in the landscaping. Vice Chair Montgomery indicated that it was the Maiapilo Hawaiian Caper.

Presiding Officer Sakumoto noted that they did not desire to have this witness testify at this time, although he will reserve the right to have Dr. Palmer available for future questioning. The County and State had no objections to having this witness qualified as an expert in flora. Dr. Palmer was qualified as an expert in this field.

The meeting adjourned at 5:25 p.m.

*(Please refer to LUC Transcript of May 18, 2005 for more details on this matter.)*