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

DATE: FRIDAY, MAY 26, 2006
TIME: 9:00 A.M.
PLACE: KALANIMOKU BUILDING
LAND BOARD CONFERENCE ROOM 132
1151 PUNCHBOWL STREET
HONOLULU, HAWAII 96813

Chairperson Peter Young called the meeting of the Board of Land and Natural Resources to order at 9:10 a.m. The following were in attendance:

MEMBERS

Mr. Peter Young
Mr. Gerald DeMello
Mr. Tim Johns
Mr. Jerry Edlao

STAFF

Ms. Charlene Unoki, Land
Mr. William Andrews, DOBOR
Ms. Jennifer Bethel, CO
Mr. Sam Lemmo, OCCL
Mr. Dan Quinn, Parks
Mr. Ivan Nishiki, DAGS

OTHERS

Mr. Colin Lau, Deputy Attorney General
Ms. Yvonne Izu, M-2, D-3
Ms. Shawna Carol, D-1
Mr. Eldon Franklin, J-1
Mr. Calvin Choy, D-4
Mr. Steve Lee, D-1
Mr. Guy Inouye, J-1
Mr. Peter Schall, K-1

{Note: language for deletion is [bracketed], new/added is underlined}

Item A-1: Minutes of May 12, 2006

Unanimously approved as submitted (Johns/Edlao).

Item M-1: **RESUBMITTAL – Issuance of Lease from Department of Accounting and General Services, Lessor, to Washington Place Foundation, Lessee, for a portion of Washington Place, Honolulu, Oahu, TMK: (1) 2-1-18:1.**

Unanimously approved as submitted (Johns/DeMello).

Item D-1: **Sale of Remnant to Shawna Carol and Thomas Cobb, Kapaa, Kawaihau, Kauai, TMK: (4) 4-6-08:por. 30.**

Charlene Unoki, Assistant Administrator of the Land Division indicated the applicant who is the owner of parcel 27 is requesting to purchase an abandon irrigation ditch which is owned by the state. Ms. Unoki recommended the Board find that the subject lands are 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, authorize the subject requests to be applicable in the event of a change in the ownership of the abutting parcel provided the succeeding owner has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance, authorize the subdivision and consolidation of the subject remnant by the applicant and subject to the applicant fulfilling all of the applicant requirements listed in staff's submittal, authorize the sale of the subject remnant to the applicants.

Shawna Carol and Steve Lee were present. Mr. Lee informed the Board the subject ditch was created twenty five (25) years ago and in its creation landlocked the applicant's property. Mr. Lee requested a formal right of entry or easement to access the applicant's property prior to the subdivision and consolidation of the subdivision as it will take the county six (6) months to process the subdivision and consolidation request.

The Board amended the Recommendation Section by adding the following

"5. Authorize a Right-of Entry permit to the applicant covering the subject area."

Unanimously approved as amended (Johns/Edlao).

Item M-2: **Consent to Assignment of Harbor Lease of Non-Exclusive Easements Nos. H-94-1 and H-94-4 at Nawiliwili Harbor, Kauai and Honolulu Harbor, Oahu.**

Yvonne Izu, representing the Gas Company was present to answer any questions.

Unanimously approved as submitted (Johns/DeMello).

Item J-1: **Issuance of a Non-Exclusive Easement for a sewage transmission line, and a Construction and Management Right-of-Entry for a temporary sewage bypass Line to be placed within the Ala Wai Canal to The City and County of Honolulu, Waikiki, Honolulu, Hawaii, Tax Map Key: (1)**

2-3-037:, 36:, 35:, 34; (1) 2-7-036:, (1) 2-6-017 and a Right of entry, and or an Easement for crossing any other State lands adjacent and within the Ala Wai Canal surrounding area to the City and County of Honolulu to fully accomplish this project.

William Andrews, Property Manager with the Division of Boating and Ocean Recreation (DOBOR) conveyed that the City and County of Honolulu, Department of Design and Construction is currently planning to install an emergency temporary construction bypass sewage line for the existing Beachwalk force main. This line is to run across the Ala Wai Canal, then lay along its bottom and exit at a point alongside the Ala Moana Bridge. At the same time, the city and County of Honolulu will install a permanent new 42 inch sewage line directly across its breadth and approximately twenty five (25) feet under the bottom of the Ala Wai Canal to its mauka bank. Once across the balance of this permanent line will continue on a path along the Canal's mauka bank underground to terminate at the existing discharge manhole near the Moana Pump Station. Mr. Andrews noted the bypass would be in place for six years. Mr. Andrews recommended the Board authorize the issuance of a Construction and Management Right-of-Entry Permit and Non-Exclusive Easement to The City and County of Honolulu covering the subject area under the terms and conditions cited in staff's submittal.

Guy Inouye, representing the City and County, Department of Design and Construction disclosed that the goal of this project is to prevent another catastrophic event from occurring. Mr. Inouye confirmed the City will continue to use the current system and should a problem occur they would switch over to the bypass system.

Eldon Franklin, representing the City and County, Department of Design and Construction acknowledged the historical importance of the wall and noted the bypass system will run above the wall and the setback for the bypass line will be 20 feet from the wall. He also let it be known they will have in place pressure test and other monitoring devices to check on the structural integrity of the system. Mr. Franklin feels confident there will be no leaks to the bypass system. Mr. Franklin described the construction process relating to this project. He went on to say the bypass line will be located in the deepest portion of the canal and rest on concrete saddles with strap restraints.

The Board instructed the City and County to notify the Department should they need arise to use the temporary bypass line.

Unanimously approved as submitted (Johns/DeMello).

Item K-1: Conservation District Use Application (CDUA) OA-3297 for the Duke Kahanamoku Lagoon Restoration Project, Hilton Hawaiian Village, Waikiki, Island of Oahu, TMK: (1) 2-3-037:021.

Sam Lemmo, Administrator of the Office of Conservation and Coastal Lands (OCCL) let it be known this restoration project is a fulfillment of a condition for the special management permit issued to the Hilton Hawaiian Village (HHV). He communicated the Duke

Kahanamoku Lagoon lies within the General subzone of the Conservation District. The lagoon was created by a combination of excavation and fill along the shoreline in 1956 when the Hilton Hawaiian Village was originally developed. The subject parcel is owned by the State of Hawaii however terms of an Indenture and Deed from the Territory of Hawaii Dated September 22, 1955 gives the HHV the right to construct, use and maintain the lagoon. Under the deed covenants it specifies that HHV would maintain the lagoon for as long as economically practical and when it becomes impractical the State must fill the lagoon. Mr. Lemmo went on to say that the applicant proposes to reduce the volume of water in the lagoon by 50% and shrink the surface area by 25%. The anaerobic sediments on the bottom of the lagoon would be sealed in place using an impermeable geotextile fabric covered by 15, 000-20,000 yards of sand. With regards to the existing ocean intakes it will be sealed and water would be drawn from ground wells that are currently in place. The various depths of the well are to maximize the well's yield while producing water warm enough for comfortable swimming. Mr. Lemmo pointed out the existing pipe that discharges lagoon water into the Ala Wai Harbor will continue to be utilized and in addition HHV is proposing the installation of a new pipeline for discharge to the inner harbor basin. Other improvements within the conservation district include public walkways, scenic amenities and landscaping. The proposed overall Waikikian Development plan requires the applicant to provide a public walkway that extends entirely around the lagoon. The applicant also proposes to emplace a buried rubble mound structure beneath the existing berm to increase its stability. Once constructed, the berm would be completely covered with sand and would blend in with the surrounding beach. Mr. Lemmo commented there were issues dealing with the introduction of alien species, water quality and the stone revetment which were all addressed by the applicant to the department's satisfaction. Mr. Lemmo recommended the Board approve this application for the Duke Kahanamoku Lagoon Restoration Project subject to the conditions listed in staff's submittal.

Peter H. Schall, representing the Hilton Hawaiian Village told the Board he would appreciate their approval of this item.

Unanimously approved as submitted (Johns/Edlao).

Item E-1: Request for approval to enter into Revocable Permits pursuant to HRS section 171-55 with Adventures in Paradise, Hawaii Pack and Paddle, Kona Boys Inc. and Aloha Kayak Company for landing and launching kayaks at Kaawaloa, Kealakekua Bay State Historical Park, as a part of their commercial guided kayak tours within Kealakekua Bay, on terms and conditions to be negotiated by the Chairperson.

Dan Quinn, Administrator of State Parks and Jennifer Bethel of the Chairperson's Office appeared before the Board. Mr. Quinn indicated the revocable permits will be issued to the legal names and not the dba names listed in staff's submittal. Currently staff is looking at a capacity of 12 individuals per trip with two trips per day. He noted this permit only covers landings at Kaawaloa and the various companies would need to obtain a permit from DOBOR for the other end of the operation. Mr. Quinn recommended the Board authorize

the issuance of Revocable Permits pursuant to HRS section 171-55 to Adventures in Paradise, Hawaii Pack and Paddle, Kona Boys Inc and Aloha Kayak Company for landing and lunching kayaks at Kaawaloa and Kealakekua Bay State Historic Park as part of their commercial guided kayak tours within Kealakekua Bay on terms and conditions to be negotiated by the Chairperson and the Chairperson shall determine eligibility of each commercial kayak tour operator for a revocable permit pursuant to HRS section 171-13. No revocable permits shall be issued to a commercial operator who is not eligible under HRS section 171-13.

Chairperson Young clarified that upon review of the previous Board approved documents, the Attorney General's Office made some changes and recommended the item be brought back to the Board for approval.

Unanimously approved as submitted (DeMello/Johns).

Item D-4: Issuance of Right-of-Entry Permit to Hawaiian Telcom, Inc. on Lands Encumbered by Grant of Easement Bearing Land Office Deed No. S-24475, Makawao, Maui, TMK: (2) 2-7-07:por. 05.

Unanimously approved as submitted (DeMello/Johns).

Item D-3: Consent to Assignment of General Lease No. S-5547, The Gas Company, L.L.C., as owned by HGC Holdings, LLC, as owned by k1 Ventures Limited, Assignor, to The Gas Company, L.L.C., as owned by HGC Holdings, LLC, as owned by Macquarie Gas Holdings LLC, Assignee, Waiakea House Lots, First Series, Lot A, Waiakea, South Hilo, Hawaii, TMK: (3) 2-2-27:02

Yvonne Izu representing the Gas Company was present to answer any questions and noted her agreement with staff's recommendation.

Unanimously approved as submitted (DeMello/Johns).

Item C-1: Subject: Request for Approval to Enter into a 2-Year Contract with The Zoological Society of San Diego to Provide Services to Operate The Endangered Bird Captive Propagation Facility on Maui, The Maui Bird Conservation Center, and to Provide Expert Avicultural Services to Conduct Related Forest Bird Propagation Projects on the Island of Hawaii and Throughout the State.

Unanimously approved as submitted (Johns/Edlao).

Item L-1: Rescind Prior Board Action of March 10, 2006 (Item L-4), Award of Contract – F00CF59A Individual Wastewater System Improvements at Puaa Kaa State Wayside Hana, Maui, Hawaii and Approval for Award

of Construction Contract – Job No. F00CF59A Individual Wastewater System Improvements at Puaa Kaa State Wayside Hana, Mau, Hawaii.

The Board amended the Recommendation Section

"1. Rescind the Prior Board Action of March 10, 2006 (Item L-4), Award of Contract – F00CF59A Individual Wastewater system Improvements at Puaa Kaa State Wayside Hana, Maui, Hawaii."

"2. That the Board award DLNR Job No. F00CF59A, Individual Wastewater System Improvements at Puaa Kaa State Wayside, Hana, Maui, Hawaii to the Contractor, Maui Master Builders, Inc., for the low bid of $442,644.00 and that the Board authorize the Chairperson to enter into a contract and sign the necessary documents to implement the project."

Unanimously approved as amended (Johns/DeMello).

Item D-7: Amend prior Board Action of July 22, 2005, Item D-5, as amended-Cancellation of a Resolution Designating an Industrial Park; Cancellation of Governor's Executive Order No. 3892 to the Department of Land and Natural Resources for Industrial Park and Business Purposes; Set Aside to the Department of Transportation, Harbors Division for Maritime Purposes; and Issuance of a Management Right-of-Entry; Sand Island, Honolulu, Oahu, Tax Map Key: (1) 1-5-041:22 and 334.

Motion to withdraw.

Unanimously approved to withdraw (Johns/DeMello).

Item D-2: Amend Prior Board Action of March 14, 1997 (Item D-21), Set Aside to the Division of Forestry and Wildlife, North Kona, Hawaii, TMKs: (3) 7-3-01:02; 7-4-01:02; 7-4-01:03; 7-4-02:07; 7-5-13:13; 7-5-13:22.

Item D-5: Grant of Perpetual, Non-Exclusive Easement to Berry Dorris Trust dated August 24, 2000, for Access and Utility Purposes, Makawao, Maui, TMK: (2) 2-9-03:por. 08.

Item D-6: Rescind Prior Board Action of November 5, 2003, Item D-4; Issuance of Direct Lease to Board of Water Supply for Offsite Substation for Kalaeloa Desalination Plant, Kalaeloa, Ewa, Oahu, TMK: (1) 9-1-31:01 por.

Unanimously approved as submitted (Johns/DeMello).

Item F-1: **After-the-Fact Authorization for the Department of Land and Natural Resources (DLNR) to enter into a Memorandum of Agreement for Management of the Northwest Hawaiian Islands with the U.S. Fish and Wildlife Service and the National Ocean and Atmospheric Administration (National Marine Sanctuary Program and National marine Fisheries Service).**

Item L-2: **Approval for Award of Construction Contract – Job No. B46XM74B, Lahaina Small Boat Harbor Comfort Station Improvements Lahaina, Maui, Hawaii.**

Unanimously approved as submitted (Johns/DeMello)

There being no further business, Chairperson Young adjourned the meeting at 9:56 a.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,

Terry Crowell

Terry Crowell

Approved for submittal:

PETER T. YOUNG
Chairperson
Department of Land and Natural Resources