



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
*Ka 'Oihana Kumuwaiwai 'Āina*  
LAND DIVISION

## **PUBLIC AUCTION BID PACKET**

FOR PUBLIC AUCTION SALE  
OF STATE OF HAWAII WATER LICENSE  
ISLAND OF HAWAII

APPROVED BY:

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Ryan K.P. Kanakaole  
Acting Chairperson  
Board of Land and Natural Resources

**February 9, 2026**

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Date

PUBLIC AUCTION DATE  
**April 23, 2026**

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**NOTICE OF SALE**  
PUBLIC AUCTION SALE OF ONE (1) STATE OF HAWAII WATER LICENSE  
ON THE ISLAND OF HAWAII

The **Department of Land and Natural Resources ("DLNR")**, Land Division, will be conducting a public auction sale of one (1) license for State water at the following date and location:

DATE & TIME: April 23, 2026 at 10:00 AM (HST)

PLACE: DLNR Hawaii District Land Office  
180 Kalanikoa Street  
Hilo, Hawaii 96720

The above date, time, and/or place of auction are subject to change by DLNR.

The license to be auctioned on the above date covers the Wailuku River located in Hilo, Hawaii.

Location: Portions of Government Water situated at Wailuku River, District of South Hilo, County and Island of Hawaii, Hawaii as shown and described on the tax key maps attached hereto, if any, and made a part hereof.

Tax Map Key: (3) 2-6-009; 2-6-029

Permitted Use: Non-consumptive use for hydro-electric generation purposes.

License Term: Thirty (30) years

Upset Minimum Annual Base Rent: The upset minimum annual base rent amount is based on the annual kilowatt hours generated by the holder of the License at the end of each calendar year, or fraction thereof, during the term of the License, multiplied by prevailing Federal Energy Regulatory Commission (FERC) rate of \$0.001 per kilowatt hour, or the higher rate as established by the winning bid at public auction, payable annually on the 31<sup>st</sup> day of January each and every year following the first year of the License beginning on January 31, 2027 and ending on January 31, 2057.

Rental Re-openings:	Every ten years, the rent shall be redetermined to be equal to the prevailing FERC rate at the time of reopening applied to the amount of kilowatt hours generated on an annual basis. In the event the winning bid at auction is higher than the prevailing FERC rate at the commencement of the License, the rent at redetermination shall reflect the same percentage increase as the prevailing FERC rate at the time of reopening to the FERC rate at the commencement of the License.
Performance Bond:	\$30,000.00.
Commencement Date:	No more than thirty (30) calendar days from the date DLNR transmits the license to the successful bidder for execution; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.
Special Conditions:	Hawaiian Electric Light Company, Inc. (“HELCO”) initiated the request for the use of the subject water for hydro-electric generation purposes, paid for the environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes, and obtained the Finding of No Significant Impact required for the water use. If HELCO is not the successful bidder at auction, the successful bidder shall reimburse HELCO \$288,000.00 for its environmental assessment costs.

## APPLICATION AND BIDDING INFORMATION

Any person wishing to bid and purchase the license described above must first qualify to bid under the general qualifying criteria and the pre-qualifying criteria as described in the **Public Auction Bid Packet**. Eligibility to bid shall be determined by the information supplied by prospective bidders in the Application and Qualification Questionnaire (“Application”) provided as Appendix A of the Public Auction Bid Packet.

Applications by prospective bidders for the above listed license must be **received** by DLNR no later than **February 26, 2026 at 4:00 P.M.** at any of the District Land Offices listed below. Applicants shall submit one (1) original and four (4) copies of the Application (including copies of all required attachments). Any person who has failed to submit the completed Application and all required attachments (and required copies) by this date and time will not be allowed to bid. Each Applicant shall be informed in writing in advance

of the auction date as to the Applicant's eligibility to bid at the public auction. See Public Auction Bid Packet for further instructions.

The Public Auction Bid Packet describes the auction sale procedures, bidder qualifications and other requirements, and contains the Application form, draft license document and other relevant information. The Bid Packet may be examined at any of the District Land Offices listed below or downloaded from the DLNR website at [www.hawaii.gov/dlnr/land/publicnotices](http://www.hawaii.gov/dlnr/land/publicnotices). Any person requiring special accommodation or information in an alternate format should call or write to these offices:

- Oahu District Land Office  
1151 Punchbowl Street,  
Room 220  
Honolulu, Hawaii 96813  
Phone (808) 587-0433
- Maui District Land Office  
130 Mahalani Street  
Wailuku, Hawaii 96793  
Phone (808) 984-8103
- Hawaii District Land Office  
180 Kalanikoa Street  
Hilo, Hawaii 96720  
Phone (808) 961-9590
- Kauai District Land Office  
3060 Eiwa Street, Room 208  
Lihue, Hawaii 96766  
Phone (808) 274-3491

Prospective bidders are responsible to thoroughly read and understand the covenants, terms, reservations, and conditions contained in the Bid Packet and draft license document. The water resource is to be licensed in an "as is" condition, and prospective bidders are solely responsible to complete their own due diligence.

All bidders or authorized representatives must be present in person at the auction. DLNR reserves the right to cancel the public auction, to postpone or change the date of the public auction or any other deadlines, to reject any and all Applications or request the submittal of additional information, and to waive any defects when, in the opinion of the Chairperson of the Board of Land and Natural Resources, such action will be in the best interest of the State.

DONE at the office of the Department of Land and Natural Resources, State of Hawaii this 9<sup>th</sup> of February, 2026.

BOARD OF LAND AND NATURAL RESOURCES



By \_\_\_\_\_  
Ryan K.P. Kanakaole, Acting Chairperson

Honolulu Star Advertiser, Hawaii Tribune Herald, West Hawaii Today

## INSTRUCTIONS TO BIDDERS

### 1. PURPOSE

This Public Auction Bid Packet provides information, instructions, documents and forms related to the State of Hawaii ("State"), Department of Land and Natural Resources ("DLNR"), Land Division's public auction sale of one (1) State of Hawaii water license scheduled for public auction on **April 23, 2026 at 10:00 A.M.**, at the DLNR Hawaii District Land Office, 180 Kalanikoa Street, Hilo, Hawaii 96720 for the State license listed in the Notice of Sale. This auction may be canceled, postponed, held at a different date or time, or continued by order of the Chairperson of the Board of Land and Natural Resources (the "Chairperson").

### 2. SIGNIFICANT DATES

Advertisement of Public Auction	February 9, 2026
<b>Applications Due</b>	<b>February 26, 2026; 4:00 P.M.</b>
Compliance Review of Applications	March 5, 2026
Substantive Review and Qualifications of Applications	March 19, 2026
Notice of Qualification/Disqualification	April 2, 2026
<b>Public Auction</b>	<b>April 23, 2026; 10:00 AM</b>
All Required Auction Documents Signed April 30, 2026	

\*Dates are subject to change by DLNR

### 3. GENERAL QUALIFYING CRITERIA TO BE MET BY ALL BIDDERS

Any person shall be entitled to bid and purchase the license at this auction, except a person who:

- (a) is a minor;
- (b) is in arrears in the payment of taxes, rents, or other obligations owing to the State or to any of its political subdivisions;

- (c) has had during the five (5) years preceding the date of the public auction, a previous sale, lease, license, permit or easement covering public lands canceled for failure to satisfy the terms, conditions and covenants thereof;
- (d) fails to show upon demand of the Chairperson or the Chairperson's agent at the public auction, the sum of \$30,000.00 in cash, certified check, or cashier's check made payable to the Department of Land and Natural Resources;
- (e) fails to provide at the public auction, a survey map and description of the location(s) where the surface water subject to this license will be diverted.
- (f) fails to submit, as part of a completed Application, evidence satisfactory to the Chairperson that the bidder is duly authorized to bid at the auction and enter into the license if the bidder is the successful bidder. For example, a corporate bidder shall submit a certified corporate resolution; or
- (g) fails to meet the eligibility criteria as outlined in Section 4.

4. PRE-QUALIFYING CRITERIA TO BE MET BY ALL BIDDERS

In addition to meeting the general qualifying criteria in Section 3, any person wishing to bid and purchase the State license described in the Notice of Sale must first qualify to bid according to the following pre-qualifying evaluation criteria:

- (a) Qualifications and Experience: Qualifications and experience in the type of use and business operations proposed by the Applicant for the water resource including but not limited to, the type and duration of business experiences, expertise and success in that particular field of business, and expertise in management, financial, and marketing matters related or relevant to that particular field of business. Applicant shall also qualify as either a "public utility" as defined in section 269-1, HRS; or any producer or developer of electrical energy produced by hydropower that sells all of the net power produced from the demised water resource to an electric utility company regulated under chapter 269, HRS. Applicant (unless an individual) shall be registered with the Department of Commerce and Consumer Affairs and be in good standing.
- (b) Business Plan and Development Plan: Business Plan and Development Plan for the water resource including but not limited to, the soundness and feasibility of the Applicant's management, marketing, financial, and development plans for the water resource.
- (c) Financial Capacity: Financial capacity including but not limited to, the financial capacity to fund the Applicant's proposed operations and improvements to the water resource, if any, and the Applicant's creditworthiness and credit history.

(d) Convictions for Violation of Law: Convictions of the Applicant or any principals, owners, shareholders, partners, members, or directors of the Applicant may result in the disqualification of the Applicant.

#### 4. APPLICATION PROCEDURES

Eligibility to bid on the license shall be determined by the information supplied by prospective bidders in the **Application and Qualification Questionnaire** (“**Application**”) provided as **Appendix A**. Any person who has not completed and submitted an Application by the date and time indicated below will not be allowed to bid for the State license at the public auction.

One (1) original and four (4) copies of the completed Application with all required attachments (including, but not limited to, all documentation required to establish the bidder's eligibility to bid at the auction) must be **received** no later than **February 26, 2026; 4:00 P.M.** by DLNR at any one of the District Land Offices listed in Section 15. Facsimile or electronically submitted copies shall not be accepted. The official time shall be that recorded on the receiving District Land Office's timestamp clock. These conditions apply regardless of whether an Application is mailed or hand-delivered. The State assumes no responsibility for lateness due to mail or other delivery service.

A prospective bidder, at the time an Application is submitted, must be capable of performing all of the terms and conditions of the license that may be awarded.

A prospective bidder, at the time an Application is submitted, shall have inspected the subject water resource to be licensed and understands the water resource shall be licensed in an “**as is**” condition, without any representations or warranties made by the State or DLNR as to the condition of the water resource or suitability of the water resource for the use permitted in the license.

Each Applicant shall be informed in writing in advance of the date of the auction as to the Applicant's eligibility or non-eligibility to bid at the public auction.

All information provided in the Application shall remain confidential until the conclusion of the public auction and execution of the new license. Thereafter, any information which is protected under Chapter 92F, Hawaii Revised Statutes, including an individual's financial information, will continue to be held confidential.

#### 5. REVIEW OF APPLICATIONS

A screening committee will review all Applications. The general qualifying and pre-qualifying criteria in Sections 3 and 4 will guide the screening committee. The screening committee may, but shall not be required to, use numerical rating systems in evaluating the Applications.

An Application may be rejected for any of the following reasons:

- (a) if the Application is late, conditional, incomplete or does not adhere to the format and instructions;
- (b) if it is shown that inaccurate statements are made in the Application;
- (c) if the Application fails to meet any of the general qualifying or pre-qualifying criteria in Sections 3 and 4; or
- (d) if it is in the best interest of the State.

Notwithstanding the above, DLNR and the screening committee reserve the right to waive any defects in any Application if it is in the best interest of the State.

#### 6. MODIFICATION OF THE APPLICATION

Modifications to a submitted Application may be made before the Application due date. One (1) original and four (4) copies of the modified sheets or replacement Application shall be submitted by the Application due date.

#### 7. RECONSIDERATION OF DISQUALIFICATION

An Applicant may request a reconsideration of the Applicant's disqualification. Any such request shall be in writing and received by DLNR at 180 Kalanikoa Street, Hilo, Hawaii 96720 within seven (7) calendar days from the day DLNR mailed the notice of disqualification to the Applicant. The Applicant shall state the reasons why the Applicant believes the disqualification was improper and refer to specific evidence in the Application to support such reasons. Any reconsideration shall be limited to the information contained within the Application and no new or additional information may be submitted or considered. The Chairperson's decision on any reconsideration shall be final.

#### 8. AUCTION PROCEDURES

- (a) All prospective bidders shall be qualified pursuant to Sections 3 and 4.
- (b) All qualified bidders or authorized representatives must be present in person at the auction.
- (c) All qualified bidders must bring and present a government issued, picture identification. If the individual that will be bidding is an authorized representative of the qualified bidder, the individual shall also provide evidence satisfactory to the Chairperson or his/her representative that the bidder is duly

authorized to bid at the auction on behalf of the qualified bidder, e.g., a certified corporate resolution or power of attorney duly executed by the qualified bidder.

- (d) All qualified bidders must bring and present the funds required pursuant to Section 3.d above.
- (e) All qualified bidders must provide a survey map and metes and bounds description by a licensed surveyor of the location(s) where the surface water subject to this License will be diverted.
- (f) Bidding shall commence at the upset minimum annual base rent as stated in the Notice of Sale and the qualified bidder making the highest bid at the fall of the hammer shall be the successful bidder of the license.

9. DUTIES AND OBLIGATIONS OF SUCCESSFUL BIDDER

- (a) Upon the fall of the hammer, the successful bidder shall:
  - (i) execute an affidavit stating that the successful bidder is not in arrears in the payment of taxes, rents or other obligations owing to the State or any of its political subdivisions, and that the successful bidder has not during the five (5) years preceding the date of the public auction had a previous sale, lease, license, permit or easement covering public lands canceled for failure to satisfy the terms, conditions and covenants thereof; and
  - (ii) pay to DLNR in cash, certified check, or cashier's check, the amount set forth in Section 3.d above, hereafter referred to as the "**Initial Deposit**".
- (b) Within one (1) working day from the date of the auction, the successful bidder shall pay in **cash, certified check or cashier's check made payable to the Department of Land and Natural Resources**:
  - (i) all charges required by law, including the cost of documents (estimated at \$30), advertising costs related to the Notice of Sale (estimated at \$2,100.88), appraisal costs of \$7,500.00 to determine the upset rent (HRS Section 171-17), recording fees and conveyance taxes (if any), all such amounts being non-refundable, collectively the "**Reimbursable Costs**".
- (c) Hawaiian Electric Light Company, Inc. ("HELCO") initiated the request for the use of the subject water for hydroelectric generation purposes, paid for the environmental assessment pursuant to Chapter 343, Hawaii Revised Statutes, and obtained the Finding of No Significant Impact required for the water use. If HELCO is not the successful bidder at auction, the successful bidder shall

reimburse HELCO \$288,000.00 for its environmental assessment costs. Within one (1) working day from the date of the auction, the successful bidder shall deliver to the Department of Land and Natural Resources cash, certified check, or cashier's check made payable to Hawaiian Electric Light Company, Inc. in the amount of \$288,000.00 for reimbursement of such environmental assessment.

- (d) Execution of License. Within thirty (30) calendar days from the date DLNR transmits the license to the successful bidder for execution, the successful bidder shall properly execute and return said license to DLNR.
- (e) Watershed Management Plan. No later than sixty (60) calendar days following the effective date of the license, the Licensee shall enter into a written agreement with DLNR for the implementation of a watershed management plan. The Licensee shall be solely responsible to pay for its monetary contribution(s), if any, under the plan. See Special Condition 38 of the Draft License included as **Appendix B**. A Draft Wailuku Watershed Management Plan is included as **Appendix C**.
- (f) Stream Monitoring Equipment. No later than sixty (60) days following the execution of the license, the Licensee shall work with the Commission on Water Resource Management to determine the appropriate stream monitoring equipment and develop a cost share for such equipment to assist with determining the amounts of water necessary to remain in the Wailuku River per RESERVATIONS, Paragraph 2.b (Right to withdraw) of the license. See Special Condition 39 of the Draft License included as **Appendix B**.
- (g) Water for farm, ranch and other public uses. Pursuant to section 171-58(d), Hawai'i Revised Statutes, as amended, Licensee shall provide from the water resource to any farmer or rancher engaged in irrigated pasture operations, crop farming, pen feeding operations, or raising of grain and forage crops, or to those public uses and purposes as may be determined by the Board, at the same rental price paid under this license, plus the proportionate actual costs, as determined by the Board of Land and Natural Resources. See Special Condition 40 of the Draft License included as **Appendix B**.
- (h) Legislative disapproval. This license shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by majority vote of both, in any regular or special session next following the date of this disposition. See Special Condition 41 of the Draft license included as **Appendix B**.

Failure to execute the Affidavit of Non-Arrears, and make such payments within the stated time periods shall, at the option of the State of Hawaii, terminate any and all rights which such defaulting bidder may have acquired at said public auction sale, and the State of Hawaii may, at its option, cancel the sale and retain

as damages, the sums, or any portion thereof, previously paid by the successful bidder.

10. COMMENCEMENT DATE FOR NEW LICENSE

Sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

11. EFFECTIVE RENTAL

The minimum annual base rent for the initial ten-year period of the license shall be based on the annual kilowatt hours generated by the holder of this license at the end of the calendar year, or fraction thereof, during the term of the license multiplied by prevailing Federal Energy Regulatory Commission (FERC) rate of \$0.001 per kilowatt hour, or the higher rate as established by the winning bid at public auction, payable annually on the 31<sup>st</sup> day of January each and every year following the first year of the license beginning on January 31, 2027.

12. CONDITION OF THE WATER RESOURCE

The water resource shall be licensed in an "as is" condition, without any representations or warranties made by the State or DLNR as to the condition of the water resource or suitability of the water resource for the use proposed by any prospective bidder or for any other uses permitted in the license.

The State or DLNR does not warrant the availability or quality of the water resource. Availability of the quantity of water is subject to RESERVATIONS, Paragraph 2 (Right to withdraw) of the Draft License included as **Appendix B**.

13. DRAFT LICENSE DOCUMENT

A copy of the Draft License document setting forth fully the terms and conditions to be observed and performed by the Licensee may be examined at the following DLNR District Land Offices or on the DLNR website at [www.hawaii.gov/dlnr/land/publicnotices](http://www.hawaii.gov/dlnr/land/publicnotices):

- Oahu District Land Office  
1151 Punchbowl Street,  
Room 220  
Honolulu, Hawaii 96813  
Phone (808) 587-0433
- Hawaii District Land Office  
180 Kalanikoa Street  
Hilo, Hawaii 96720  
Phone (808) 961-9590

- Maui District Land Office  
130 Mahalani Street  
Wailuku, Hawaii 96793  
Phone (808) 984-8103

- Kauai District Land Office  
3060 Eiwa Street, Room 208  
Lihue, Hawaii 96766  
Phone (808) 274-3491

Refer to the Draft License document (**Appendix B**) for the obligations of the successful bidder, performance bond requirements, rental re-openings, insurance requirements, assignment of lease policy, subletting, reservations and other terms and conditions.

Each prospective bidder shall carefully examine all documents. Failure on the part of any prospective bidder to make such an examination shall not be grounds for any claim that the prospective bidder did not understand the conditions of the license or auction. Each prospective bidder shall notify the Chairperson, in writing, of any ambiguity, inconsistency, or conflict in the documents before submitting an Application.

#### 14. EFFECT OF SALE

Following the public auction sale and upon the successful bidder's satisfaction of all the obligations set forth in Sections 10(a), 10(b) and 10(c) above, a license document in conformance with the purchase shall be transmitted to the successful bidder for execution in accordance with Section 10(d) above.

In the event the successful bidder's rights to acquire the license are terminated pursuant to the conditions above, the State may, but shall not be required to:

- (a) offer the license to the bidder who offered the next highest bid at the public auction, at a license rent equal to the minimum annual base rent bid by said bidder; or
- (b) cancel the public auction and re-auction the license, limiting participation, however, to only those remaining qualified bidders and not reopen the auction to the general public. Notice shall be provided to the remaining bidders regarding the details of the auction. Publication of any notice of sale shall not be required; or
- (c) cancel the public auction and evaluate whether and when to re-auction the license.

#### 15. DEFAULT BY SUCCESSFUL BIDDER

In the event the successful bidder fails to fulfill any of the above obligations within the stated deadlines, DLNR may, by written notice from the Chairperson, terminate

all rights of the successful bidder to obtain the license and all obligations of DLNR to issue the license to the successful bidder.

In the event of any termination due to the successful bidder's default of any of the obligations set forth in Section 10(a) or 10(b) above, DLNR may, at its option, retain as liquidated damages the Reimbursable Costs (if paid) and twenty percent (20%) of the Initial Deposit (or any portions thereof paid by the successful bidder).

In the event of any termination due to the successful bidder's default of any of the obligations set forth in Sections 10(c) or 10(d) above, DLNR may, at its option or unless otherwise described therein, retain as liquidated damages the Reimbursable Costs and entire Initial Deposit. The retention of said sums shall be in addition to any other rights or remedies to which DLNR may be entitled.

16. OTHER

DLNR reserves the right to cancel the public auction, to postpone or change the date of the public auction or any other deadlines, to reject any and all Applications or request the submittal of additional information, and waive any defects when, in the opinion of the Chairperson, such action will be in the best interest of the State.

DONE at the office of the Department of Land and Natural Resources, State of Hawaii this 9th day of February 2026.

BOARD OF LAND AND NATURAL RESOURCES



By \_\_\_\_\_  
Ryan K.P. Kanakaole, Acting Chairperson

## APPENDIX A: APPLICATION AND QUALIFICATION QUESTIONNAIRE

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section/question number. Submit one (1) completed original (with all required attachments) and three (3) copies (with copies of all required attachments).

**IMPORTANT NOTE:** The Applicant shall be the entity that will execute the license (if Applicant is the successful bidder at the public auction).

If Applicant is the successful bidder at auction, but the entity that intends to execute the license is different from the Applicant described in this Application (including changes to the ownership of Applicant), the Department of Land and Natural Resources ("DLNR") shall, at its sole discretion, have the right to (1) deem these changes to Applicant as an assignment of the rights of Applicant to the new entity requiring the consent of the Board of Land and Natural Resources; or (2) nullify the results of the auction and cancel any rights of Applicant to obtain the license as the successful bidder.

Alternatively, if Applicant intends to form a new entity to enter the license, Applicant may submit this Application and Qualification Questionnaire under the proposed entity by indicating "Yes" in Question 1 below and providing the name of the proposed entity and submitting information regarding the proposed owners, partners, shareholders, directors, officers, LLC members, etc. DLNR will evaluate Applicant for eligibility to participate in the auction by applying the evaluation criteria to the proposed entity.

### PART I: GENERAL INFORMATION

1. Applicant's legal name: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Is Applicant an entity that is to be formed in the future? (Please Circle) Yes / No

2. Name of contact person: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email : \_\_\_\_\_

3. Applicant intends to bid on the following parcel:

Location: \_\_\_\_\_

Tax Map Key: \_\_\_\_\_

Intended Use: \_\_\_\_\_

4. Applicant intends to hold title to the license as:  
Type of owner (Please Check One):

- Joint Venture
- Partnership
- Corporation
- Limited Liability Company

5. Applicant's fiscal year-end: \_\_\_\_\_

6. If Applicant is a partnership or joint venture, answer the following:

(a) Name, address, & percentage share owned by each partner or joint venture member:

Name	Address	Share

(b) Date of organization: \_\_\_\_\_

(c) General or limited partnership (if applicable): \_\_\_\_\_

(d) Recorded: \_\_\_\_\_  
County State Date

(e) Currently registered in Hawaii: (Please Circle) Yes / No

If Yes, as of: \_\_\_\_\_

(f) Name of managing partner: \_\_\_\_\_

(g) Provide the following information for the managing partner and each partner or joint venture member:

- (i) Name and address;
- (ii) Percentage of ownership interest;
- (iii) Whether a general or limited partner; and

(iv) If the partner/member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.).

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7. If Applicant is a corporation, answer the following:

(a) When incorporated: \_\_\_\_\_

(b) In what state or country: \_\_\_\_\_

(c) Authorized to do business in Hawaii: (Please Circle)      Yes / No

If Yes, as of: \_\_\_\_\_

(d) Provide the name, address, and shares of stock for each officer of the corporation:

President:    Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Vice-Pres:    Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Secretary:    Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Treasurer:    Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Other: Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

(e) Provide the name, address, and shares of stock for each member of the corporation's Board of Directors:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

(f) Provide the name, address, and shares of stock for each principal stockholder who is not named in 7(d) and 7(e) above. (Principal stockholder means one holding 10% or more of the outstanding stock of the corporation.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Number of stock shares: \_\_\_\_\_ Percentage of shares: \_\_\_\_\_

8. If Applicant is a limited liability company (LLC), answer the following:

(a) State or Country of formation: \_\_\_\_\_

(b) Date of formation: \_\_\_\_\_

(c) Registered to do business in Hawaii: (Please Circle) Yes / No

If Yes, as of: \_\_\_\_\_

(d) Member-managed or manager-managed? \_\_\_\_\_

(e) Provide the following information for each member of the LLC:

(i) Name and address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(ii) Percentage of ownership interest: \_\_\_\_\_

(iii) If the member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(f) If the LLC is a manager-managed LLC, provide the following information for the Manager:

(i) Name and address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

(ii) Percentage of ownership interest: \_\_\_\_\_

- (iii) If the member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership and management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):

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- 9. Applicant must submit evidence acceptable to the Chairperson of the Board of Land and Natural Resources (e.g., certified corporate resolutions) that Applicant is duly authorized to apply for and bid on the license at public auction, and if the successful bidder, to enter into the license. Applicant shall also identify the person(s) that will be authorized to bid on the license on behalf of Applicant at the public auction.
- 10. List all State of Hawaii leases, permits, licenses, easements, sales, etc. of public lands (e.g., from the State or County) which the Applicant has been a party to, including as a director, officer, shareholder, partner, limited liability company member:

Doc. No.	Type of Agreement	Term of Agreement

- 11. Attach tax clearances from both the State of Hawaii and the County in which the auctioned water resources are located.
- 12. Is the Applicant registered with the U.S. Securities and Exchange Commission and been a publicly traded corporation for at least the last three years?  
  
(Please Circle) Yes / No
- 13. Has the Applicant received a business loan within the last two years from an institution that is a member of the Federal Deposit Insurance Corporation or from any federal, mortgage-lending agency qualified to do business in Hawaii?

(Please Circle) Yes / No

If Yes, attach a copy of the loan agreement.

PART II: QUALIFICATIONS AND EXPERIENCE

14. Describe the Applicant's qualifications and experience in owning, constructing, and operating the type of business operations and use(s) proposed for the water resource, specifically hydroelectric generation purposes and provide evidence that Applicant qualifies as either a "public utility" as defined in section 269-1, HRS; or any producer or developer of electrical energy produced by hydropower that sells all of the net power produced from the demised water resource to an electric utility company regulated under chapter 269, HRS. Include any pertinent information, including but not limited to the names and locations of other similar businesses owned, developed, operated, or managed by Applicant, and the following information for each such business:

(a) Describe each business operation (i.e., type of operations, annual gross and net revenues, number of employees, etc.).

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(b) Describe Applicant's role with respect to the business (i.e., is/was Applicant the owner, developer, operator, manager, etc.).

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(c) Describe the type and size of the improvements/facilities for the business and whether Applicant constructed the improvements or occupied existing improvements. If Applicant constructed or renovated the improvements, describe Applicant's role and provide the construction costs.

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(d) Provide the dates of Applicant's involvement/relationship with the business.

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(e) If Applicant's involvement or relationship with the business is/was through an affiliated or related company or through a common director or officer, describe the relationship between Applicant and the affiliated/related companies or directors/officers.

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(f) Describe any affiliations with national or international chains or franchises.

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(g) Provide contact information (names, addresses, companies, title/positions, phone numbers) for individuals that DLNR may contact to confirm any of the information provided in response to the above questions.

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15. Provide any information or describe any other business experiences (including experiences in management, financial, and marketing/promotional matters), which Applicant feels is pertinent to establishing Applicant's qualifications and experiences in developing and operating a business on the water resource.

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16. Has Applicant ever been cited and/or fined for violations of any land use laws, ordinances, rules, or regulations?

(Please Circle) Yes / No

If Yes, explain.

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PART III: BUSINESS PLAN

Copy and attach additional plans as needed.

17. What will the water resource be used for? List the goals and objectives to utilize and develop the water resource.

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18. What products or services will be sold?

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19. What is the projected yearly level of production or sales?

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20. What is the demand for your products in the near- and long-term?

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21. Who are your primary customers and how will the products be distributed?

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22. What is your pricing strategy?

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23. How will you market your products?

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24. Who are your major competitors and what is your competitive strategy?

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25. What problems are anticipated in carrying out this plan and how will you resolve them?

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26. Attach a completed Cash Flow Projection. You must show all income and expenses applicable to your business for a five (5) year period.

PART IV: FINANCIAL CAPACITY

27. Attach Applicant's financial statement (balance sheet, income/expense statement, and reconciliation of net worth) for the past three (3) fiscal years, and the most current interim financial statement. If Applicant has not been in existence for three (3) years; also attach the financial statements for the principals, i.e., those holding at least a 10% ownership interest.

28. Does Applicant have funding and financing commitments for Applicant's proposed improvements and business operations? If so, provide verification/confirmation(s) from all sources, as follows:

(a) If Applicant intends to obtain a loan, attach a preliminary loan commitment letter from a recognized lending institution. To be considered, the letter must specify approved loan amount and what loan proceeds will be used for.

(b) If Applicant is unable to or does not intend to secure a loan and Applicant is a corporation, joint venture, or limited liability company, attach corporate financial statements (current balance sheet and income/expense statements) or federal income tax returns for the most recent three (3) fiscal years, and most current interim financial statement.

For Questions 29-34: (1) if applying as a corporation, joint venture or limited liability company, "you" refers to the entity itself and any director, officer, principal stockholder (stockholders holding  $\geq$  10% of the outstanding shares) or limited liability company member or manager.

29. Are there any outstanding judgments against you?

(Please Circle) Yes / No

If Yes, explain.

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30. Have you filed bankruptcy within the last seven (7) years?

(Please Circle) Yes / No

31. Have you had property foreclosed upon or given title or deed in lieu thereof in the last seven (7) years?

(Please Circle) Yes / No

32. Are you a party in any legal action? (Please Circle) Yes / No

If Yes, explain.

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33. Have you directly or indirectly been obligated on any loan, which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?

(Please Circle) Yes / No

If Yes, provide details, including date, name and address of lender and reasons for the action.

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34. Are you presently delinquent or in default on any Federal, State or County rent, debt or another loan, mortgage, financial obligation, bond, or loan guarantee?

(Please Circle) Yes / No

If Yes, explain.

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PART V: CRIMINAL CONVICTIONS

35. Have you ever been convicted of a violation of law?

(Please Circle) Yes / No

If Yes, explain.

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PART VI: NOTARIZED CERTIFICATION

The undersigned Applicant hereby certifies that the statements and information contained in this Application and Qualification Questionnaire, including all attachments, are true and accurate to the best of Applicant's knowledge and understand that if any statements are shown to be false or misrepresented, Applicant may be disqualified from bidding or Applicant's license may be canceled. The undersigned Applicant also authorizes the State of Hawaii Department of Land and Natural Resources and any of its employees or representatives to conduct

investigations regarding any of the information provided in this Application and contact any of the references named herein.

\_\_\_\_\_  
Applicant Name  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Applicant Name  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_  
day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public  
County of: \_\_\_\_\_  
State of: \_\_\_\_\_  
My commission expires: \_\_\_\_\_