

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

January 27, 2017

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

PSF No.: 16HD-135

HAWAII

Issuance of Right-of-Entry Permit to Island Energy Systems, LLC, Onto
Unencumbered State Lands at Lalamilo, South Kohala, Hawaii, Tax Map Key: (3)
6-6-003:006.

APPLICANT:

Island Energy Systems, LLC, a Domestic Limited Liability Company.

LEGAL REFERENCE:

Sections 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands at Lalamilo, South Kohala, Hawaii, Tax Map Key:
(3) 6-6-003:006, as shown on the attached map labeled Exhibit A.

AREA:

15.855 acres, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: Agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES _____ NO x

CURRENT USE STATUS:

Encumbered by Land Office Deed No. S-28882 to the County of Hawaii for access purposes.

CHARACTER OF USE:

To enter State parcel to gather bio-grass specimen for experiment/study purposes.

TERM OF RIGHT-OF-ENTRY:

30-days

CONSIDERATION:

\$30.00 per day At a rate of \$.10 per square foot/ per day over an area of approximately 300 square feet.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See Exhibit B.

DCCA VERIFICATION:

| | | |
|---|--------------|----|
| Place of business registration confirmed: | YES <u>x</u> | NO |
| Registered business name confirmed: | YES <u>x</u> | NO |
| Applicant in good standing confirmed: | YES <u>x</u> | NO |

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Obtain written concurrence from all users of the subject land.

REMARKS:

On November 7, 2016, via email, Mr. Joseph Petrie, Pacific Rim Regional Director, Island Energy Systems LLC (IES), requested a right-of-entry permit to enter a State parcel at Lalamilo, to gather bio-grass samplings for experiment/feasibility study. The bio-grass specimen, a specific type of grass species (Nile Fiber) found growing on the subject State parcel, encompasses an approximately 300 square foot plot. IES would like to harvest the grass by hand using hand tools, for transport to a private property at Paauilo Mauka for the purpose of

conducting experiments for study in determining if the grass will be feasible for cultivation, cut and dry for pelletizing for use as biofuel for power plants. This portion of the project is strictly for research and development of a potential biofuel alternative. If the experiment/study proves successful, then the bio-grass would be propagated on the private property, processed, and then shipped to Kentucky for use as biofuel for power plants. It is anticipated that just two or three days is enough time to gather a sufficient amount of grass specimen for the study.

The subject parcel was previously under Governor's Executive Order No. 2024, dated April 16, 1962, which was set aside to the University of Hawaii, Board of Regents, for its Waimea Agricultural Experiment Station.

On June 28, 2005, Executive Order No. 2024 was cancelled by Governor's Executive Order No. 4115, returning management of the lands back to the Department of Land and Natural Resources.

A fee at a rate of \$.10 per square foot/ per day over an area of approximately 300 square feet, or \$30.00 per day shall be charged for this right-of-entry permit.


Staff at the University of Hawaii, College of Tropical Agriculture, were consulted regarding this request and had no objection. They are also agreeable to allowing IES to access the site through UH-controlled lands. Similarly Land Division staff have no objections to the request.

RECOMMENDATION: That the Board

1. Declare that, after considering the potential effects of the proposed disposition 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.
2. Authorize the issuance of a right-of-entry permit to Island Energy Systems LLC covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. Standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time;
 - B. Submit a check for \$30.00 per day, made payable to the Department of Land and Natural Resources for Right-of-Entry Permit fee;
 - C. Coordinate with the University of Hawaii, College of Tropical Agriculture, for access onto the permit area;
 - D. Such other terms and conditions as may be prescribed by the Chairperson

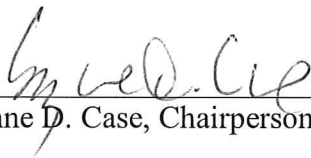
to best serve the interests of the State.

Respectfully Submitted,



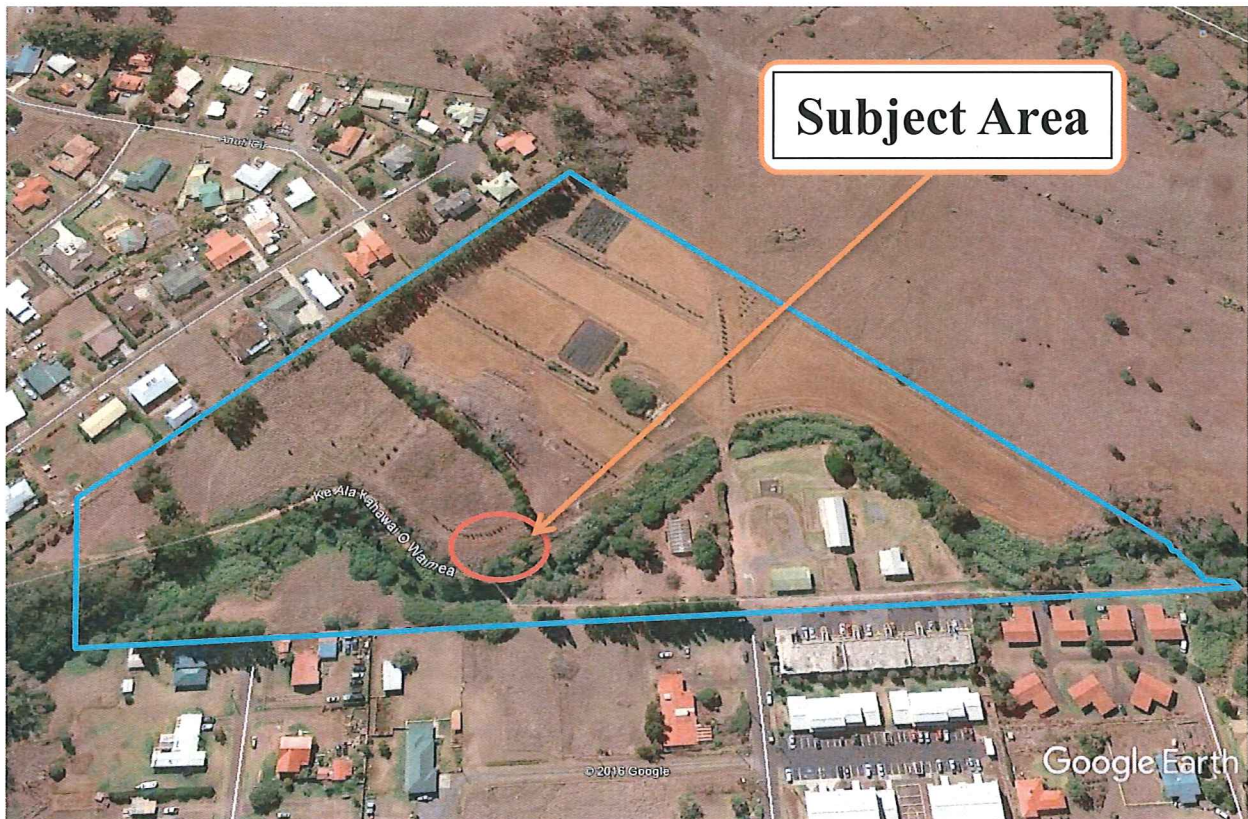
Wesley T. Matsunaga
Land Agent

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson





TMK: (3) 6-6-003:006

EXHIBIT A

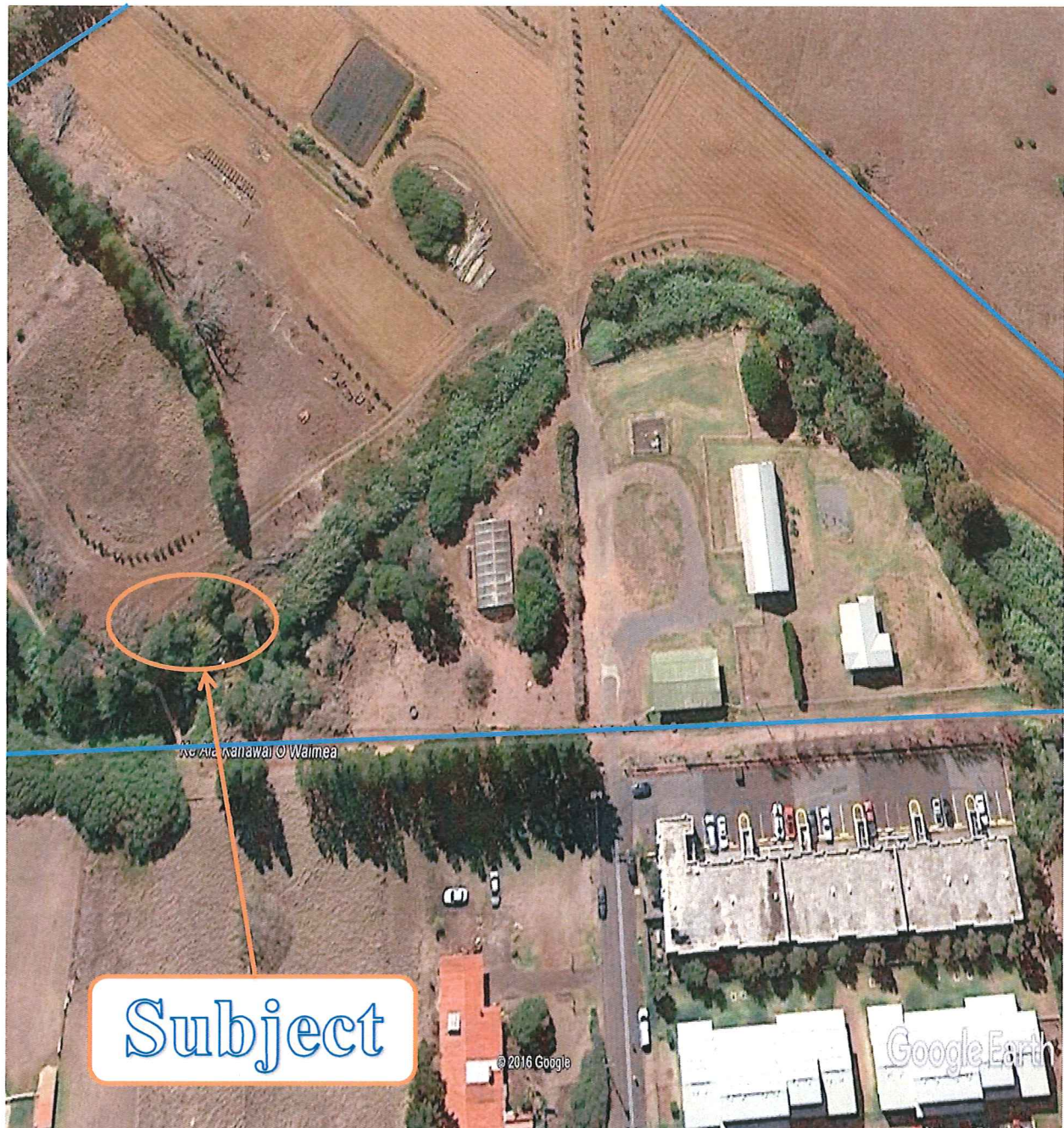
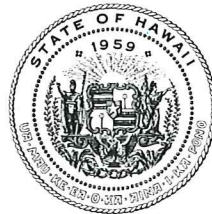


EXHIBIT A



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

January 27, 2017

EXEMPTION NOTIFICATION

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

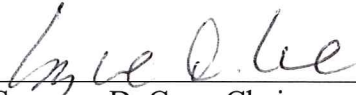
| | |
|--|--|
| Project Title: | Issuance of Right of Entry Permit to Island Energy Systems, LLC for Research/Study of Bio-grass Purposes. |
| Project / Reference No.: | PSF No.: 16HD-135 |
| Project Location: | Lalamilo, South Kohala, Island of Hawaii. |
| Project Description: | Issuance of Right-of-Entry Permit to Island Energy Systems, LLC for Bio-grass Research/Study Purposes. |
| Chap. 343 Trigger(s): | Use of State Lands. |
| Exemption Class No. and Description: | <p>In accordance with the Division of Land Management Environmental Impact Statement Exemption List, approved by the Environmental Council and dated June 5, 2015, the subject project is considered to be exempt from the preparation of an environmental assessment pursuant to:</p> <p>Exemption Class 4, which covers, "Minor alteration in the conditions of land, water, or vegetation." No. 13, which states, "Gathering plant seed, cuttings, or other vegetative matter for propagation."</p> |
| Exemption Item Description from Agency Exemption List: | <p>Permission to enter State lands for the gathering plant seed, cuttings, or other vegetative matter for propagation purposes.</p> <p>Minor alterations in the conditions of land, water or vegetation.</p> |

Consulted Party:

The University of Hawaii, College of Tropical Agriculture.

Recommendation:

The project is to collect a particular type of bio-grass for experimental/ research purposes. It is recommended that the Land Board find that the issuance of a right-of-entry permit to Island Energy Systems LLC for bio-grass study purposes is exempt from Chapter 343, HRS, as it will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.


Suzanne D. Case, Chairperson


Date

EXHIBIT B