State of Hawaii
Honolulu, Hawaii

October 26, 2018

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

PSF No.: 18OD-042

Grant of Two (2) Perpetual, Non-Exclusive Easements to Hawaiian Electric Company, Inc. for Utility Purposes; Issuance of a Right-of-Entry Permit, Nuuanu, Honolulu, Oahu, Tax Map Keys: (1) 1-9-001:001 (Por.), 005 (Por.), 018 and (1) 2-2-054:001 (Por.).

APPLICANT:
Hawaiian Electric Company, Inc. ("HECO"), a domestic profit corporation

LEGAL REFERENCE:
Sections 171-13, -17, -55 or -95, Hawaii Revised Statutes, as amended.

LOCATION:
Portions of Government land located Nuuanu, Honolulu, Oahu, identified by Tax Map Keys: (1) 1-9-001:001 (Por.), 005 (Por.), 018 and (1) 2-2-054:001 (Por.), as shown on the attached maps labeled Exhibit A-1 & A-2.

AREA:

<table>
<thead>
<tr>
<th>Tax Map Key</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) 1-9-001:001 (Por.)</td>
<td>1,810 square feet, more or less</td>
</tr>
<tr>
<td>(1) 1-9-001:005 (Por.)</td>
<td>150 square feet, more or less</td>
</tr>
<tr>
<td>(1) 1-9-001:018</td>
<td>750 square feet, more or less</td>
</tr>
<tr>
<td>(1) 2-2-054:001 (Por.)</td>
<td>176,450 square feet, more or less</td>
</tr>
<tr>
<td>Total Area</td>
<td>179,169 square feet, more or less</td>
</tr>
</tbody>
</table>

ZONING:
State Land Use District: Conservation
BLNR - Issuance of Easement Page 2 October 26, 2018

City & County of Honolulu LUO:  P-1, Restricted Preservation

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:  NO

CURRENT USE STATUS:

Governor’s Proclamation dated October 13, 1913 - Honolulu Watershed Forest Reserve

CHARACTER OF USE:

Right, privilege and authority to construct, reconstruct, use, maintain, repair, replace and remove 1) poles, guy wires, anchors, overhead and/or underground wirelines and such other appliances and equipment as may be necessary for the transmission and distribution of electricity and/or communication to be used for light and power and/or communication and control circuits, including, but not limited to the generality of the foregoing and 2) substation and for the transmission and distribution of including the right to trim, keep trimmed, remove, and control any trees and vegetation in the way of its lines, appliances an equipment, together with, the right from time to time and all reasonable times to enter upon the easement area for the abovementioned purpose and, also, the right of ingress, egress and regress over all State roads leading to the easement area.

TERM:

Perpetual.

COMMENCEMENT DATE:

To be determined by the Chairperson.

CONSIDERATION:

One-time payment to be determined by independent appraiser establishing fair market rent, subject to review and approval by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Sections 11-200-8(a)(1) & (4) and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, “Operations, repairs or maintenance of existing structures, facilities, equipment, or
topographical features, involving negligible or no expansion or change of use beyond that previously existing”, No. 46, which states “Creation or termination of easement, covenants, or other rights in structures or land” and Class 6, “Construction or placement of minor structures accessory to existing facilities”, No. 5, which states “Construction or placement of utilities (telecommunications, electrical, solar panels, drainage, waterlines, sewers) and related equipment (such as transformers, poles, cable, wires, and pipes) accessory to existing facilities on state lands.” - See EXHIBIT B

DCCA VERIFICATION:

Place of business registration confirmed: YES X NO |
Registered business name confirmed: YES X NO |
Applicant in good standing confirmed: YES X NO |

APPLICANT REQUIREMENTS:

Applicant shall be required to:

1) Pay for an appraisal to determine one-time payment;
2) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost; and
3) Process and obtain designation of easement from the Department of Planning Permitting at Applicant's own cost.

REMARKS:

The subject requests pertain to two locations close to, but physically separate from, each other as described below.

Nuuanu Substation [location shown on Exhibit A-1]

HECO currently owns and operates the Nuuanu Substation along Pali Highway, identified as tax map key (1) 1-9-001:006. In their request, HECO seeks an easement to install conduits from their substation to the existing Hawaiian Telcom manhole located on the adjoining State parcel, further identified as tax map key (1) 1-9-001:005. HECO has ordered a Private Data Line service from Hawaiian Telcom and it is at the manhole that the HECO line will connect to Hawaiian Telcom’s infrastructure. The communication connection is for their Supervisory Control and Data Acquisition (SCADA) system, which provides communication between the Nuuanu Substation and HECO’s Ward Avenue Systems Operations. The SCADA information will allow remote monitoring and control of their substation equipment and help maintain their electrical system reliability.

HECO has submitted and received approval from the Office of Conservation of Coastal Lands for the Site Plan Approval Application for the installation of the easement. Staff
has no objections this request from HECO.

In addition, HECO previously held a license agreement recorded in the Bureau of Conveyance under Document Nos. 97-146809 thru 97-146810 with the Board of Water Supply (BWS) dated September 4, 1997 and expired May 16, 2017 for the use of the State land, TMK (1) 1-9-001:018 and its associated easements. Neither HECO nor staff are aware of any justification for BWS to issue a license over State lands. For housekeeping purposes, staff recommends the Board issue a perpetual easement covering the use of Parcel 018 and its associated easements.

Near Reservoir No. 4 [location shown on Exhibit A-2]

The easement for an existing sub-transmission line coming from Manoa to the existing Nuuanu Substation through the Honolulu Watershed Forest Reserve near Reservoir No. 4, TMK (1) 2-2-054:001, was held under a license agreement recorded in the Bureau of Conveyance in Liber 2630 on Page 301-310 with the City and County of Honolulu ("City") dated August 15, 1952 for a period of twenty-one years. Similar to the license with BWS mentioned above, there was no record explaining why the City could issue a license over the subject State land. Staff, again, recommends the Board issue a perpetual easement covering this location based on the terms and conditions described above.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The Office of Conservation and Coastal Lands has indicated no objections to the request and has noted that their office should be consulted for any future land uses within these areas. See Exhibit C.

Board of Water Supply and the Department of Transportation, Highways Division have indicated that they have no objections/comments to the request. Division of Forestry and Wildlife also provide their concurrence to the subject request. See Exhibit D.

**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. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of two (2) perpetual non-exclusive easements to HECO covering the subject area for utilities purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the
following:

A. The standard terms and conditions of the most current perpetual easement document form, as may be amended from time to time;

B. Review and approval by the Department of the Attorney General; and

C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

3. Authorize the issuance of a right-of-entry permit covering the subject lands to HECO subject to the following:

A. The standard terms and conditions of the most current right-of-entry form, as may be amended from time to time; and

B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Patti E. Miyashiro
Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson
HECO Substation
TMK: (1) 1-9-001:006

Proposed Easement
TMK: (1) 1-9-001:001 (Por)

Proposed Easement
TMK: (1) 1-9-001:005 (Por)

Proposed Easement
TMK: (1) 1-9-001:018

TAX MAP KEY: (1) 1-9-001:001 (Por), 5 (Por.), and 018

EXHIBIT A-1
Approx. Location of Proposed Easement

TAX MAP KEY: (1) 2-2-054:001 (Por.)

EXHIBIT A-2
EXEMPTION NOTIFICATION

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

Project Title: Grant of Two (2) Perpetual, Non-Exclusive Easements to Hawaiian Electric Company, Inc. for Utility Purposes; Issuance of a Right-of-Entry Permit.

Project / Reference No.: PSF 18OD-042

Project Location: Nuuanu, Honolulu, Oahu, TMK:(1) 1-9-001:001(Por), 005 (Por.), 018 and (1) 2-2-054:001 (Por.).

Project Description: Grant of Two (2) Perpetual, Non-Exclusive Easements to Hawaiian Electric Company, Inc. for Utility Purposes; Issuance of a Right-of-Entry Permit.

Chap. 343 Trigger(s): Use of State Land

Exemption Class No.: In accordance with Hawaii Administrative Rule Section 11-200-8 and the Exemption List for the Department of Land and Natural Resources concurred with by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, No. 46, that states “Creation or termination of easement, covenants, or other rights in structures or land” and Class 6 No. 5, that states “Construction or placement of utilities (telecommunications, electrical, solar panels, drainage, waterlines, sewers) and related equipment (such as transformers, poles, cable, wires, and pipes) accessory to existing facilities on state lands.”

Cumulative Impact of Planned Successive Actions in Same Place Significant?: No, staff believes that there would be no significant cumulative impact, since majority of the area for the requested easement are pre-existing.

Action May Have Significant Impact on Particularly Sensitive Environment?: The requested area is a portion of State land situated along Pali Highway in Nuuanu, Honolulu, Island of Oahu. In addition, based on the analysis below, staff believes there would be no significant impact to sensitive environmental or ecological receptors.

EXHIBIT B
Consulted Parties: Consulted with Office of Conservation, and Coastal Lands, Division of Forestry and Wildlife, Board of Water Supply, and the Department of Transportation, Highways Division.

Analysis: The proposed easements appears to have no known significant impacts, whether immediate or cumulative, to the natural, environmental and/or cultural resources in the area. Staff also believes that the request would involve negligible or no expansion or change in use of the subject area beyond that previously existing.

Recommendation: It is recommended that the Board find that 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.
MEMORANDUM

TO: Patti Miyashiro, Land Agent
Land Division (ODLO)

FROM: Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

SUBJECT: Comments on Request for Perpetual Non-Exclusive Easements for Underground Wirelines and Related Facilities

TAX MAP KEY: (1) 1-9-001: 001 (por.), 005 (por.), 018, and 2-2-054: 001 (por.)

LOCATION: Nu'uanu, Honolulu, O'ahu

Based on the information provided, the Hawaiian Electric Company, Inc. (Hawaiian Electric) owns and operates the Nu'uanu Substation located along Pali Highway, further identified as Tax Map Key (TMK) (1) 1-9-001:006. OCCL notes that we previously provided comments regarding TMK (1) 1-9-001:005 (por.) (OCCL file No. CORR OA 18-225). Regarding TMK (1) 1-9-001: 001 (por.) and 018 and TMK (1) 2-2-054: 001 (por.), it is our understanding that these are previously existing easements that were thought to be owned by the Board of Water Supply (BWS). However, when Hawaiian Electric attempted to renew these easements with BWS this year, it was discovered that the easements were actually on State land.

The OCCL notes that TMK (1) 1-9-001: 001 (por.) and 018 are located within the Resource Subzone of the State Land Use Conservation District. TMK (1) 2-2-054: 001 (por.) is mainly located within the Protective Subzone with a small portion within the Resource Subzone. As the easements previously existed, the OCCL does not have any objections to this request. However, we wish to remind Hawaiian Electric that should they propose any land uses within these areas in the future, they should consult with our Office.

Should you have any questions regarding this correspondence, please contact Lauren Yasaka at (808) 587-0386.
MEMORANDUM

TO: State Agencies:
    X DLNR-Forestry & Wildlife
    __ DLNR-Aquatic Resources
    __ DLNR-State Parks
    X DLNR-Conservation and Coastal Lands
    X DOT-Highways Division

County Agencies:
    X Board of Water Supply
    __ Public Works

Federal Agencies:
    __ Corps of Engineers
    __ U.S. Coast Guard

FROM: Patti E. Miyashiro, Land Agency

SUBJECT: Request for Perpetual Non-Exclusive Easement for Underground Wireline and Related Facilities

LOCATION: Nuuanu, Honolulu, Oahu, TMK: (1) 1-9-001:005
APPLICANT: Hawaiian Electric Company, Inc.

Transmitted for your review and comment a copy of the above referenced request involving State Land along Pali Highway, Nuuanu, Oahu. We would appreciate your comments on this application. Please submit any comments by May 30, 2018. If no response is received by this date, we will assume your agency has no comments. If you have any questions about this request, please contact my office at 587-0408. Thank you.

Attachment

(✓) We have no objections.
(✓) We have no comments.
( ) Comments are attached.

Signed: 
Date: 25 May 2018

EXHIBIT D