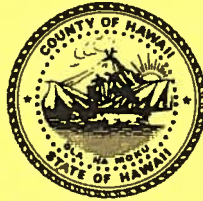


William P. Kenoi
Mayor



BJ Leithead Todd
Director

Margaret K. Masunaga
Deputy

West Hawai'i Office
74-5044 Ane Keohokalole Hwy
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County of Hawai'i
PLANNING DEPARTMENT

East Hawai'i Office
101 Pauahi Street, Suite 3
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Phone (808) 961-8288
Fax (808) 961-8742

April 4, 2012

Ms. Tracy Fukuda
Project Director
Wilson Okamoto Corporation
1907 S. Beretania Street, Suite 400
Honolulu, HI 96826

Dear Ms. Fukuda:

**SUBJECT: Special Management Area Use Permit Assessment Application
(SAA 12-000769)**

Request: Replace the Existing Potable Water Lines
Applicant: Kamehameha Schools Bishop Estates (KSBE)
Land Owner: Kamehameha Schools Bishop Estates (KSBE)
Tax Map Key: 8-3-5:Por. of 1, South Kona, Hawai'i
Tax Map Key: 8-3-4:Por. of 1, South Kona, Hawai'i

This is to acknowledge receipt on February 24, 2012 of the Special Management Area Use Permit Assessment Application to replace the existing potable water lines on the subject parcels.

TMK: 8-3-5:1, consisting of 24.55 acres and TMK: 8-3-4:1, consisting of 410.23 acres, are both designated Conservation by the State Land Use Commission and zoned Open (O) by the County. Both parcels are also in the Special Management Area and have frontage along the shoreline.

Hawai'i Revised Statutes (HRS) Chapter 205-A-22 and Planning Commission Rule 9-4(e)(1)(B) and (A), states that "development" includes "*Grading, removing, dredging, mining, or extraction of any materials*" and "*Placement or erection of any solid material or any gaseous, liquid, solid, or thermal waste*", respectively. Therefore, the proposed activity is considered "development" and requires either a Special Management Area Minor Permit or a Special Management Area (Major) Use Permit.

Although the total cost/fair market value of the development is less than \$500,000, the application must still be reviewed by the Director of the Department of Public Works for

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Ms. Tracy Fukuda
Project Director
Wilson Okamoto Corporation
April 4, 2012
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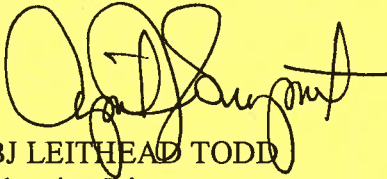
compliance with Chapter 27, Floodplain Management, of the Hawai'i County Code, to ensure that there will be no substantial adverse effect on the Special Management Area.

Further, due to the possible impact of the proposed project to an ahupuaa boundary wall and other nearby archaeological and cultural resources, including historic trails, we are also forwarding this application to the Department of Land and Natural Resources, State Historic Preservation Division for their comments.

Finally, due to concerns regarding the project's effect on public access to and along the shoreline, we are also forwarding the application to Mr. Rick Gmirkin of the National Park Service and Mr. Irving Kawashima of DLNR, Forestry & Wildlife.

If you have questions, please feel free to contact Esther Imamura of this office at 961-8139.

Sincerely,


BJ LEITHEAD TODD
Planning Director

ETI:cs

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cc w/copy of app.: Ms. Theresa Dunham, DLNR-SHPD
Mr. Rick Gmirkin, National Park Service
Mr. Irving Kawashima, DLNR, Forestry & Wildlife

cc: Long Range Planning
Planning Department – Kona