

State of Hawaii  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Engineering Division  
Honolulu, Hawaii 96813

March 22, 2013

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

Authorization to Contract Qualified Professionals to Provide Technical and  
Advisory Services Relating to the Management of Geothermal Resources

The Engineering Division desires to engage a consultant to provide services to assist the Division's administration of its Mineral Resources Program and the performance of its duties involving the regulation and management of geothermal resources statewide. Renewed and increased interest in geothermal development and the expectation of expanded statewide exploration and development activities will require that the department be adequately equipped and prepared to administer the State's geothermal regulatory and resource management program. Proper management of the resource will ensure the protection of the environment, public health and safety, and the long-term sustainability for future generations.

The Engineering Division has taken steps to re-establish its Mineral Resources Program, including the funding and establishment of geothermal program staff positions. Recruitment is ongoing and the department is working to fill these positions as expeditiously as possible.

Presently, the Engineering Division has minimal staffing and experience in the Mineral Resources Section to adequately administer its current statutory responsibilities. Effective re-establishment of the Mineral Resources Program will necessitate additional assistance to help implement required operational program measures to properly oversee current and expanded geothermal exploration and development activities. Requested contract services may include: (1) Identification of new regulatory requirements that affect current permits and/or other departmental approvals; (2) Review of emergency response actions and other regulatory requirements related to emergencies, natural disasters, and/or upset conditions that may affect geothermal exploration and development activities; (3) Review and assessment of geothermal data (e.g., mining leases, well drilling permits, plan of operations, etc.) and the preparation of GIS-based maps delineating land ownership, land use districts, and areas of geothermal resource probability, including the spatial location of geothermal exploratory, production, injection, and abandoned wells; (4) Assisting in the development of an online permit application system for geothermal exploration and development activities; (5) Establishment of required reporting formats, including monitoring of well equipment, maintenance, and documentation; (6) Identification of recommended projects to support additional program enhancements, including development of project descriptions and budgetary cost estimates; and (7) Development of a database for long-term data collection, storage and management for archival and future retrieval of geothermal data.

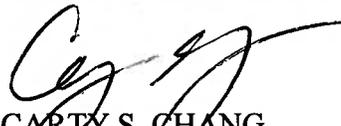
The requested contract services will facilitate the department's re-establishment of its Mineral Resources Program and will assist the Engineering Division in effectively responding to developer interest and applications related to geothermal development. Effective implementation of the department's regulatory responsibilities will also help streamline the permitting process for expanded geothermal development thereby helping to achieve the State's goal of increased utilization of renewable energy resources to reduce its current dependence on fossil fuels

Funds for this work are available from the Engineering Division's operating special funds.

RECOMMENDATION:

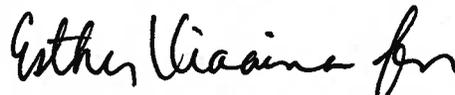
1. That the Board of Land and Natural Resources authorize the contracting of the work indicated and authorize the Chairperson to sign the necessary documents pertaining to the project, subject to Governor's approval, and review and approval as to form by the Department of the Attorney General.
2. Recommend that the Board authorize the Chairperson, subject to review and approval as to form by the Department of the Attorney General, to enter into supplemental contracts to address unforeseen conditions and to sign the necessary documents to implement the additional work with the consultant.

Respectfully Submitted,



CARTY S. CHANG  
Chief Engineer

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR., Chairperson  
Board of Land and Natural Resources