

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

April 28, 2017

Board of Land and  
Natural Resources  
Honolulu, Hawaii

REQUEST FOR APPROVAL TO ENTER INTO A GRANT-IN-AID CONTRACT  
AGREEMENT (\$1,500,000 STATE CAPITAL IMPROVEMENT PROJECT FUNDS)  
BETWEEN THE BOARD OF LAND AND NATURAL RESOURCES (BLNR) AND PACIFIC  
AMERICAN FOUNDATION HAWAII, INC. (PAF HAWAII) FOR A PROJECT TITLED  
“KANEHOE AQUACULTURE AND COMMUNITY DEVELOPMENT COMPLEX”

Submitted for your consideration and approval is a request to enter into contract agreement between the BLNR and PAF Hawaii., a 501(c)(3) nonprofit organization under the laws of the State of Hawaii, that fund a project titled “Kaneohe Aquaculture and Community Complex.” Funding for the project, \$1,500,000 in State Capital Improvement Project Funds, was authorized by Act 119, Session Laws of Hawaii 2015.

The Kaneohe Aquaculture and Community Development Complex will be new structures at the existing facility to expand educational opportunities, STEM research and development, and job creation/employment programs operated by PAF Hawaii at the Waikalua Loko Fish Pond and the adjacent Kaneohe Waste Water Pre-Treatment Facility (WWPTF) at 45-230 Kulauai Street.

The primary objectives of the project are to promote sustainable living, environmental stewardship, socioeconomic development, and STEM education and research. The adaptive reuse of the Kaneohe WWPTF to a self-sustaining education and training platform requires that a body of knowledge be established to develop infrastructure for training. PAF Hawaii proposes that this pilot project contain all the major elements (Enterprise, Education, and Research) of a scale facility and be used to mirror the challenges that our subject matter experts will face adapting the Kaneohe WWPTF to an aquaculture facility.

A request to allot and expend a grant pursuant to Chapter 42F-103, has been requested from Governor David Ige, through the Department of Budget and Finance. In addition, the contract agreement is being prepared for submission to the Attorney General's Office for approval as to form. The Department is aware implementation of the contract is dependent upon receipt of all required approvals, as well as availability of funds, and that funding restrictions may occur at any time.

Chapter 343 - Compliance with Environmental Law:

After reviewing § 11-200-8, HAR, including the criteria used to determine significance under §§ 11-200-1 and 5, HAR, DLNR has concluded that the activities under this contract would have no significant effect on the environment and that approval of the contract agreement is

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categorically exempt from the requirement to prepare an environmental assessment. See Agency's Determination of Exemption (attached) from preparation of an environmental assessment.

RECOMMENDATION:

Based on the attached proposed declaration of exemption prepared by the Department after consultation with and advice of those having jurisdiction and expertise for the proposed actions under the contract:

1. That the Board declare that the actions which are anticipated to be undertaken under this contract will have little or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Upon the finding and adoption of the Department's analysis by the Board, that the Board delegate and authorize the Chairperson to sign the declaration of exemption for purposes of recordkeeping requirements of Chapter 343, HRS, and Chapter 11-200, HAR.
3. That the Board authorize the Chairperson to negotiate and, subject to necessary approvals, enter into a grant-in-aid contract agreement with PAF Hawaii to support the new structures at the existing facility at the location adjacent to the Waikalua Loko Fish Pond in Kaneohe to expand educational opportunities, STEM research and development, and job creation/employment programs.

Respectfully submitted,



BRUCE S. ANDERSON, Ph.D.  
Administrator

APPROVED FOR SUBMITTAL:



SUZANNE D. CASE  
Chairperson

Attachment

DAVID Y. IGE  
GOVERNOR OF HAWAII



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

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

KEKOA KALUHIWA  
FIRST DEPUTY


JEFFREY T. PEARSON P.E.  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

April 28, 2017

TO: Division of Aquatic Resources File

THROUGH: Suzanne D. Case, Chairperson

FROM: Bruce S. Anderson, Administrator   
Division of Aquatic Resources

SUBJECT: Declaration of Exemption from the Preparation of an Environmental Assessment under the Authority of Chapter 343, HRS, and Chapter 11-200, HAR, for a Request for Approval to Enter into a Grant-In-Aid Contract Agreement (\$1,500,000 State Capital Improvement Project Funds) Between the Board of Land and Natural Resources (BLNR) and Pacific American Foundation Hawaii, Inc. (PAF Hawaii) for a Project Titled "Kaneohe Aquaculture and Community Development Complex"

The following contract activities are found to be exempted from preparation of an environmental assessment under the authority of Chapter 343, Hawaii Revised Statutes (HRS) and Chapter 11-200, Hawaii Administrative Rules (HAR):

Project Title: "Kaneohe Aquaculture and Community Development Complex"

Request for Approval to Enter into a Grant-In-Aid Contract Agreement (\$1,500,000 State Capital Improvement Project Funds) Between the Board of Land and Natural Resources (BLNR) and Pacific American Foundation Hawaii, Inc. (PAF Hawaii) for a Project Titled "Kaneohe Aquaculture and Community Development Complex"

Project Description: The primary objectives of the project include the following:

- a) Construction of a new structure on an existing developed site to expand the effectiveness of PAF HI's education, research and development, and employment programs at the Waikalua Loko Fish Pond and adjacent Kaneohe Waste Water Pre-Treatment Facility into a sustainable community based aquaculture facility;
- b) Adapt the Kaneohe WWPTF as an aquaculture facility to form the Kaneohe Aquaculture and Community development complex as a center for culture based learning and entrepreneurship;

- c) Propose a pilot project to mirror the challenges that PAF HI subject matter experts will face adopting the Kaneohe WWPTF to an aquaculture facility consisting of twelve 125 gallon tanks for aquaponics, 30' x 30' cover open work and storage area, twelve 1,000 gallon or four 5,000 gallon grow-out tanks, a twelve 55 gallon glass or acrylic tanks for a hatchery and a 450 square foot laboratory and storage facility.

Consulted parties: Planning Department, City & County of Honolulu; Office of Conservation and Coastal Lands

The operations of the proposed Kaneohe Aquaculture and Community Development Complex are subject to additional permitting and chapter 343, HRS, review and compliance by the appropriate permitting agencies.

Exemption Determination: After reviewing §11-200-8, HAR, including the criteria used to determine significance under §§11-200-1 and 5, HAR, DLNR has concluded that the activities under this contract would have no significant effect on the environment and that approval of the contract agreement is categorically exempt from the requirement to prepare an environmental assessment based on the following analysis:

1. All activities associated with this contract have been evaluated as a single action. Since this project involves activities that are precedent to a later planned activity, i.e., the continued operation of the existing and functioning wastewater facility, the categorical exemption determination here will treat all planned activities as a single action under §11-200-8, HAR.
2. Section 11-200-8, HAR, provides a number of exemption classes under which this project was evaluated. The Exemption Class #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 appears to apply. §11-200-8(a)(1), HAR, exempts the class of actions that involve the continued operations of an existing facility provided there is no expansion or change of use beyond what currently exists. This exemption class has been interpreted to include the activities related to the continued operation of the wastewater facility, such as those being proposed.

The proposed activities here appear to fall squarely under the exemption class identified under §11-200-8(a)(1), HAR, and as described under the following 2015 DLNR exemption list class #1, items:

17. Repair and maintenance of existing utilities and drainage systems.
18. Repairs and modifications to existing sewage and water pumping stations and treatment facilities to maintain established codes and standards, provided that modifications that expand the capacity or geographical service area of existing facilities shall not be exempt.

Exemption Class 3: Construction and location of single new small facilities or structures and the alteration and modification of same and installation of new, small equipment and facilities and

the alteration and modification of same including but not limited to: (A) Single family residences not in conjunction with the building of two or more such units, (B) Multi-unit structures designed for not more than four dwelling units if not in conjunction with the building of two or more such structures; (C) Stores, offices and restaurants designed for total occupant load of twenty persons or less, if not in conjunction with the building of two or more such structures; and (D) Water, sewage, electrical, gas, telephone, and other essential public utility services extensions to serve such structures or facilities, and (E) accessory or appurtenant structures including garages, carports, patios, swimming pools, and fences.

4. Construction and location of new, small facilities or structures necessary to support or enhance public recreational use of state lands and waters, such as comfort stations and related individual wastewater disposal systems, sanitation facilities, outdoor showers, signage, interpretive kiosks, viewing platforms, pavilions, shelters, tables, grills, cabins, campgrounds, lifeguard stations, improvements necessary for compliance with the Americans with Disabilities Act, and other similar structures.

#### Exemption Class 6

Construction or placement of minor structures accessory to existing facilities.

5. Construction or placement of utilities (telecommunications, electrical, solar panels, drainage, waterlines, sewers) and related equipment (such as transformers, poles, cables, wires, pipes) accessory to existing facilities on state lands.

6. Construction or placement of lighting systems for street lights, facility lighting, and security lighting.

13. Placement or construction of accessory structures such as utility sheds, storage or maintenance sheds, office trailers, trash enclosures, comfort stations or sanitation facilities and related individual wastewater disposal systems, bus shelters, pavilions or picnic shelters, parking and fee collection facilities, checking stations, interpretive kiosks and displays, dock boxes, mooring cleats, bumpers, and mooring buoys, blocks and piles, and other similar structures accessory to existing facilities on state lands and waters.

15. Rearing pens for cage culture of various freshwater, estuarine, and marine fishes, invertebrates, and other aquatic organisms.

As discussed below, no significant disturbance to any environmental resource is anticipated. Thus, so long as the below considerations are met, an exemption class should include the action now contemplated.

We note that the Honolulu County, Department of Planning and Permitting, on March 15, 2015, determined that the proposed Center was generally consistent with the permits issued for the property and that additional modifications to the permits were not anticipated. In this same determination, the County stated that the project is adjacent to the Waikalua Loko fishpond, a State Historic Site, and would require consultation with the State Historic Preservation Division.

3. Cumulative Impacts of Actions in the Same Place and Impacts with Respect to the Potentially Particularly Sensitive Environment Will Not Be Significant. Even where a categorical exemption appears to include a proposed action, the action cannot be declared exempt if “the cumulative impact of planned successive actions in the same place, over time, is significant, or when an action that is normally insignificant in its impact on the environment may be significant in a particularly sensitive environment.” §11-200-8(b), HAR. To gauge whether a significant impact or effect is probable, an exempting agency must consider every phase of a proposed action, any expected primary and secondary consequences, the long-term and short-term effects of the action, the overall and cumulative effect of the action, and the sum effects of an action on the quality of the environment. §11-200-12, HAR.

Significant cumulative impacts are not anticipated as a result of this activity, and numerous safeguards further ensure that the potentially sensitive environment of the project area will not be significantly affected. All activities will be conducted in a manner that does not diminish marine resources, qualities, and ecological integrity, or have any indirect, secondary, cultural, or cumulative effects.

Since no significant cumulative impacts or significant impacts with respect to any particularly sensitive aspect of the project area are anticipated, the categorical exemptions identified above should remain applicable.

4. Overall Impacts will Probably have No Significant Effect on the Environment. Any foreseeable impacts from the proposed activity will be further mitigated by general and specific conditions attached to the contract. Specifically, all research activities covered by this contract will be carried out with strict safeguards for the natural, historic, and cultural resources, other applicable law and agency policies and standard operating procedures.

Conclusion: Upon consideration of the contract to be approved by the Chairperson, being delegated signatory authority on behalf of the Board of Land and Natural Resources at its meeting of April 28, 2017, the potential effects of the above listed project as provided by Chapter 343, HRS, and Chapter 11-200, HAR, have been determined to be of no significant effect on the environment and exempt from the preparation of an environmental assessment.

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Suzanne D. Case, Chairperson  
Board of Land and Natural Resources

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Date