

KAPAPALA RANCH

P.O. Box 537  
98-1900 Hawaii Belt Road  
Pahala, HI 96777

[lanipetrie@aol.com](mailto:lanipetrie@aol.com); [kapapalaranch@aol.com](mailto:kapapalaranch@aol.com)

December 6, 2023

State of Hawaii  
Board of Land and Natural Resources  
December 7 and 8, 2023

Dear Chair Chang and Members of the Board of Land and Natural Resources:

SUBJECT: Continuation of Revocable Permits for Water Use on Hawaii Island and Kauai

We support the continuation of our Water Permit #7054, Makakupu Tunnel. We have complied with all parts of the Water License Application and are waiting for the Department to notify of us as to the next step in obtaining a long-term license.

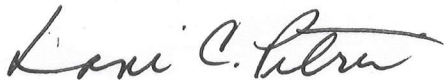
Makakupu Tunnel was established in 1925 and has provided water to the Ranch for the past 98 years. C. Brewer during its 99 year tenure developed miles of distribution pipelines throughout Kapapala Ranch for livestock. Although some acreage was planted to sugar, water from Makakupu Tunnel has continued to service the ranch lands.

In the scope of ownership changes from Territorial leases to State Permits and back to State leases and more subdivision into revocable permits, the water provided to the livestock operation has never ceased.

In our 47 year tenure at the ranch we have maintained this source of water and over 100 miles of pipelines servicing 34,000 acres of these State lands.

Thank you for the opportunity to testify,

Lani C. Petrie



Attachments

## Report of Manager of Kapapala Ranch

Pahala, Kau, Hawaii, February 5, 1927.

To the President, Directors and Stockholders of the  
Hawaiian Agricultural Company.

GENTLEMEN:

I herewith submit my annual report for the year ending  
December 31, 1926:

### RAINFALL

|                    | 1st 4 Mo. | Second | Third | Total |
|--------------------|-----------|--------|-------|-------|
| Kapapala Sta. .... | 7.72      | 22.00  | 17.92 | 47.64 |
| Moaula .....       | 4.95      | 15.20  | 17.27 | 37.42 |
| Mauna Ana .....    | 2.72      | 9.06   | 35.20 | 46.98 |
| Pahua Mimi .....   | 1.68      | 6.42   | 17.86 | 25.96 |
| Ohaikea .....      | 4.84      | 14.42  | 21.02 | 40.28 |
| Kekekaniho .....   | 7.27      | 18.61  | 18.30 | 44.18 |
| Mamaui .....       | 6.56      | 18.26  | 24.19 | 49.01 |
| Ainapo .....       | 15.53     | 34.62  | 32.55 | 82.70 |

The first six months of the year were very dry but the balance of the year the rainfall increased, thus making our total rainfall for all stations greater than the preceding year. The usual heavy winds prevailed and were exceptionally strong in July and August, which dried out the feed.

### SALES

During the year we sold 445 head of cattle or 58 less than in 1925.

|               |                   | Aver. Wt | Aver. Price |
|---------------|-------------------|----------|-------------|
| Hilo Meat Co. | 7 head Cows.....  | 415      | \$ 68.54    |
|               | 261 " Steers..... | 508      | 83.85       |
| Plantation    | 69 " Cows .....   | 316      | 47.39       |
|               | 51 " Steers ..... | 488      | 73.18       |
|               | 16 " Cows .....   | each     | 50.00       |
|               | 3 " Steers .....  |          | 50.00       |

|              |                        |           |
|--------------|------------------------|-----------|
| Kilauea Camp | 3 Head Steers for..... | \$ 161.12 |
|              | 1 " Veal .....         | 35.00     |
| Cash         | 1 " Steer .....        | 16.10     |
|              | 1 Grade Bull.....      | 50.00     |
| Store Cattle | 32 head .....          | 1,400.00  |

The steers shipped to the Hilo Meat Co. averaged fifteen pounds better than last year and the cows one pound more. The plantation used 33 head more this year than last—the cows averaged 12 lbs. less while the steers gained 42 lbs. over the preceding year.

**LIVESTOCK PURCHASED:** We received a new Jack this year and since arriving at the ranch he has improved materially. He is a fine type of Jack and we hope that he will produce good mules.

In December ten large Percheron mares were bought from the Parker Ranch. These mares are two and three years old and will produce mules of the type that are wanted on the Plantations.

**FENCES:** Approximately six miles of new fencing have been completed and already we have felt the result in driving, holding and fattening.

**THREE-INCH WATER PIPE:** In 1925 9,200 feet of 3-inch pipe were purchased, delivered at the ranch and installed this year. Before this pipe was laid we hardly knew what it was to be without water troubles, but since its installation there has been a sufficient supply of water, and, with the exception of a break in June due to an earthquake, we have had no water troubles.

**WATER SUPPLY:** Three more 10,000 gallon second-hand tanks were installed in our mauka paddocks—also water troughs. These tanks got very low during the dry months but overflowed during the heavy rains, and we believe that the erection of more tanks in this vicinity is what is needed.

**PADDOCK IMPROVEMENTS:** Two paddocks have been planted to pigeon peas, two varieties of paspalum and clover; we were fortunate to have had the rains at the right time and

both paddocks look well. These two paddocks make about 140 acres and we have hopes of fattening cattle in them during 1927.

BLACKLEG: There has been no outbreak of this disease during the year but we are constantly keeping a close watch for it.

GENERAL: As a result of the good rains of the last few months, the cattle are looking very much improved and we have in sight several shipments to start 1927 with.

Respectfully submitted,

B. M. SUMNER,  
Manager Kapapala Ranch.



**STATE OF HAWAII**  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
LAND DIVISION

P.O. BOX 936  
HILO, HAWAII 96721-0936  
PHONE: (808) 974-6203  
FAX: (808) 974-6222

June 19, 2001

AQUACULTURE DEVELOPMENT  
PROGRAM  
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
CONSERVATION AND  
RESOURCES ENFORCEMENT  
CONVEYANCES  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
LAND DIVISION  
STATE PARKS  
WATER AND LAND DEVELOPMENT

Ref. No.: PSF#00HD-539  
Author: LD-GM

Kapapala Ranch  
P.O. Box 1639  
Hilo, HI 96721-1639

Dear Kapapala Ranch:

**Subject: Issuance of Revocable Permit to Kapapala Ranch at Kapapala, Ka'u, Hawai'i – Tax Map Key:3<sup>rd</sup>/9-8-01:03(por.)**

We are pleased to inform you that at its meeting of April 27, 2001, under agenda item D-11, (copy enclosed), the Board of Land and Natural Resources approved your request for a revocable permit.

Please remit a check for \$3,590.00 (made payable to the Department of Land and Natural Resources) which represents the following:

|                                    |            |
|------------------------------------|------------|
| Rent (two months at \$890.00)      | \$1,780.00 |
| Security deposit (two months rent) | \$1,780.00 |
| Document fee                       | \$ 30.00   |

Also, by State law, you are required to submit federal, State and county tax clearances prior to entering into the permit agreement. Please refer to the enclosed attachment for information on obtaining these tax clearances.

Upon receipt of the amount owing and your tax clearances, we will request the assistance of the Department of the Attorney General in preparing the legal document with the term commencing on a mutually agreeable date. You are not to enter the premises until such time you receive written notification from us.

Kapapala Ranch  
June 19, 2001  
Page 2

If you have any questions, please contact me at 974-6203. Thank you.

Sincerely,



Gary Martin  
Acting Hawai'i District Land Agent

Enclosure

cc: Land Board Member  
Central Files  
District Files

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

April 27, 2001

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

Island of Hawaii

Issuance of Revocable Permit to Kapapala Ranch, a Hawaii Limited Partnership,  
Kapapala, Kau, Hawaii, Tax Map Key: 3<sup>rd</sup>/ 9-8-01: portion of 03

APPLICANT:

Kapapala Ranch, a Hawaii Limited Partnership, whose business and mailing address is  
P.O. Box 1639, Hilo, Hawaii 96721-1639

LEGAL REFERENCE:

Sections 171-13 and 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kapapala situated at Kapapala, Kau, Hawaii, identified  
by Tax Map Key: 3<sup>rd</sup>/ 9-8-01: portion of 03, as shown on the attached map labeled  
Exhibit A.

AREA:

5,000 acres, more or less.

ZONING:

State Land Use District: Agriculture  
County of Hawaii CZO: Agriculture – 20 acres (AG-20)

LAND TITLE STATUS:

Section 5(b) lands of the Hawaii Admission Act

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

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

ITEM D-11

4/27/01

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Pasture purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

To be determined by staff appraiser, subject to review and approval by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

LIQUIDATED DAMAGES:

Twenty percent (20%) of the monthly rental per day or three dollars (\$3.00) per day, whichever is greater.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request qualifies under exempt Class of Action No. 1 - "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion of or change of use beyond that previously existing."

The proposed use as pasture involves a negligible or no expansion of or change of use beyond that previously existing of sugar cane.

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 |

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON

10/5/01



REMARKS:

This 7,850.73 acre parcel was formerly under lease to Kau Agribusiness for both pasture use and sugar cane cultivation. While the majority of the parcel has historically been used for pasture, pockets of this parcel comprising a little less than 1,000 acres was used for sugar cane cultivation. The parcel has not been in use since the closure of the Kau Sugar operations.

The proposed pasture use is an allowed use under county zoning.

The following is a summary of agency comments:

| Agency                       | Comments  |
|------------------------------|---|
| County of Hawaii             |   |
| Water Board                  | No county water system available.   |
| Public Works                 |   |
| Police Department            | Lessee should ensure all fence lines are maintained to eliminate stray cattle on highways. Lessee should continue providing the Kau Police with emergency contact names and phone numbers.    |
| Fire Department              | No comment or objections.   |
| Planning Department          | No comments or objections.  |
| State of Hawaii              |   |
| DLNR - Historic Preservation | No comments or objections.  |
| DLNR - State Parks           | No comments or objections.  |
| DLNR - Engineering           | No impact on current projects and programs. According to existing FEMA maps, the parcel area is located in Flood Zone "x". These areas are determined to be outside the 500 year flood plain. |
| DLNR - DOFAW                 | See attached letter. Exhibit B  |
| DLNR - Aquatics              | No comments or objections.  |
| Department of Health         | No comments or objections.  |
| DHHL                         | No comments or objections.  |

The Kau area has experienced severe drought conditions for the past several years. As a result, there have been numerous brush fires, some in the immediate area of this parcel. As this parcel has not been used since the closure of the plantation, staff is concerned that there is now an increasing fire load. As this parcel has historically been grazed, the re-establishment of this use will go a long way to reduce the fire hazard.

Although the preference is always to put leases for such uses out to public auction, staff is recommending a revocable permit for the following reasons:

- In the interest of maximizing the revenue and productivity of State lands, staff feels that this parcel should be studied for possible subdivision of former sugar cane areas for intensive agricultural uses and remaining marginal areas for pasture.
- Although Kapapala Ranch currently maintains a revocable permit for use of water from a former tunnel in the forest reserve, the amount of water available from the source and the size of the transmission system is insufficient to support both the ranch and additional intensive agricultural uses. Staff feels that there needs to be a more comprehensive study of the water availability, uses, storage and distribution alternatives before these former sugar cane areas can be put to more intensive agricultural uses.
- Until we have solutions to the long term water issues and subdivide the areas appropriate for more intensive agricultural uses, grazing may be the best method to control the fire hazard, noxious weeds, etc.

The practical problem with the proposed interim pasture use is the capital costs associated with the required fencing and water improvements under what would be a month-to-month disposition. After meetings with Kapapala Ranch and DOFAW, staff is proposing that the Board authorize the issuance of a revocable permit to Kapapala Ranch. The issuance of this revocable permit will be supplemented with Land Division supplying the fencing material for the highway fencing from land maintenance funds for the purpose of mitigating the growing fire hazard. Kapapala Ranch will provide the labor for the installation of the highway fencing and the balance of fencing at their own cost to allow grazing of the permitted area.

Kapapala Ranch also participates in DOFAW's cooperative hunting program within their adjacent lease. As stated in their comment letter, DOFAW would like to expand that program to include the new areas under the revocable permit. DOFAW has indicated that they have obtained funding for the installation of water infrastructure for the support of game bird and wildlife propagation efforts in this new area that would also be able to provide a water source for grazing purposes. This funding must be spent within this fiscal year and is subject to Kapapala obtaining the revocable permit.

Staff feels that this partnership of the permittee, DOFAW and Land Division will result in a win-win, providing a mitigation of the fire hazard, an interim productive revenue generating use of the area, and an expanded public hunting program. The proposed permit will include the area adjacent to the highway and the mauka former sugar cane areas immediately adjacent to the existing ranch lease.

The 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.

Kapapala Ranch is an existing lessee under General Lease No. S-5374 and does qualify as a bona fide rancher pursuant to §171-14.5, HRS.

Although there has been interest by others for pasture in the Kau area, Kapapala Ranch controls the surrounding area as well as the only source of water. This would make it impractical for someone other than Kapapala Ranch to graze the property. Additionally, there has been some previous interest in some of the former sugar cane area for intensive agriculture. Again, the lack of water and the limitation of a revocable permit would make it impractical to consider an intensive agricultural use at this time.

RECOMMENDATION: That the Board:


1. Find that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, the disposition will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request qualifies under exempt Class of Action No. 1 – "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion of or change of use beyond that previously existing."


2. Authorize the issuance of a revocable permit to Kapapala Ranch, a Hawaii Limited Partnership, covering the subject area for pasture 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 revocable permit form, as may be amended from time to time;
  - b. The permittee shall be required to cooperate with DOFAW in expanding the Cooperative Game Management Area (CGMA) from the existing General Lease No. S-5374 to include the area under this revocable permit;
  - c. The permittee agrees to provide the labor at no cost to DLNR, with material to be provided by DLNR, for the restoration of fencing along Highway 11;

- d. The permittee shall be responsible for ongoing maintenance of all fences for the permit area, especially along Highway 11. Permittee shall provide the Kau District Police with appropriate emergency contact names and telephone numbers;
- e. Permittee agrees to install all other fencing, as required by DLNR, at its own cost. Any fencing along forest reserve boundaries will be constructed of woven hog wire as approved by DOFAW;
- f. The permittee agrees to cooperate with DOFAW in its installation of waterlines and water units for wildlife purposes;
- g. The permittee will cooperate with DOFAW in the establishment and maintenance of public access route(s) through the permit area, to the forest reserve;
- h. The permittee shall cooperate with DOFAW in its grazing plan of the permit area along Highway 11 to minimize the fire hazard;
- i. Review and approval by the Department of the Attorney General; and
- j. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

  
\_\_\_\_\_  
Harry M. Yada  
District Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
GILBERT S. COLOMA-AGARAN, Chairperson

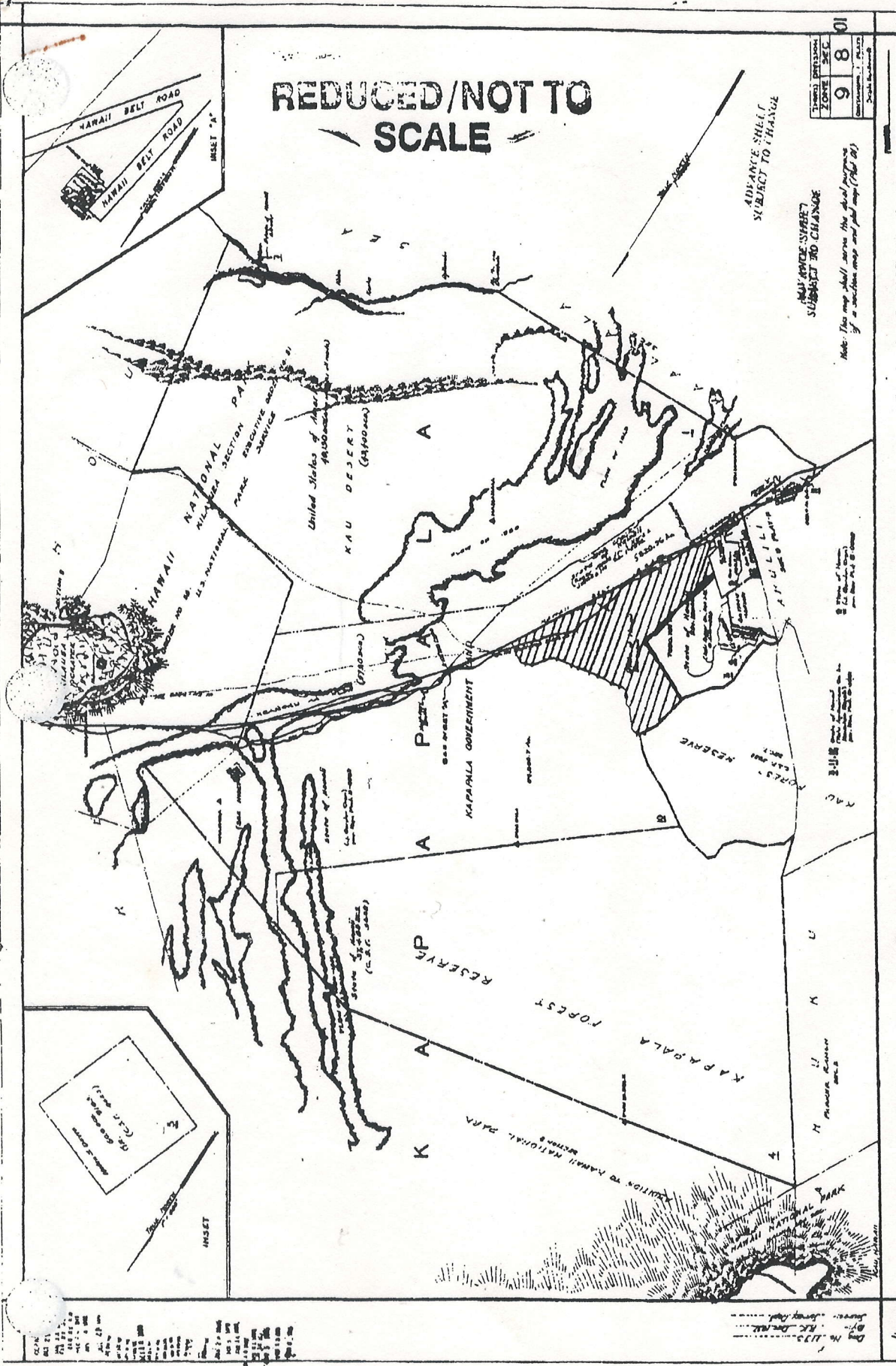
# REDUCED/NOT TO SCALE

|               |   |   |    |
|---------------|---|---|----|
| THIRD EDITION | 9 | 8 | 01 |
| ZONE          |   |   |    |
| SEC           |   |   |    |
| DATE          |   |   |    |

ADVANCE SHEET  
SUBJECT TO CHANGE

MAP AMENDMENTS  
SUBJECT TO CHANGE

Note: This map shall serve the dual purpose  
of a location map and field map (P&I).



**EXHIBIT A**