

## OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 NEIL ABERCROMBIE GOVERNOR

> JESSE K. SOUKI DIRECTOR OFFICE OF PLANNING

Telephone: (808) 587-2846 Fax: (808) 587-2824 Web: http://hawaii.gov/dbedt/op/

Ref. No. P-14247

January 16, 2014

Raymond S. Iwamoto, Esq. Schlack Ito LLLC Topa Financial Center 745 Fort Street, Suite 1500 Honolulu, Hawaii 96813

Subject:DR12-49, Petition to Designate Important Agricultural Lands<br/>Petitioner:Location:Kunia Loa Ridge Farmlands<br/>Kunia, Oahu, Hawaii<br/>Land Area:Location:Kunia, Oahu, Hawaii<br/>Approximately 854.23Acres

This is in regards to your letter of December 11, 2013, regarding your response to the Department of Agriculture's (DOA) November 21, 2013 letter to the Office of Planning (OP).

OP appreciates Kunia Loa Ridge Farmlands' (Petitioner) efforts and participation in the voluntary process for the designation of important agricultural lands (IAL). The designation of the most productive agricultural lands in Hawaii will help to realize the vision expressed in the Administration's New Day Plan, which calls for an agricultural renaissance in Hawaii. However, we continue to have concerns regarding the availability of an adequate water supply, and the potential for residential dwellings on the lots.

## BACKGROUND

On April 5, 2013, following a site visit and deliberations on the merits of designation, the Land Use Commission (LUC) voted to set a contested case hearing on the Petition, "pursuant to section 15-15-103, HAR, and that both OP and [Department of Planning and Permitting] DPP shall appear as parties in the proceeding, in addition to the Petitioner," as written in the LUC order dated April 19, 2013.

On June 6, 2013, the Petitioner requested a continuance of the contested case hearing, to provide time to reach an agreement with OP.

On June 7, 2013, the LUC granted Petitioner's request for a continuance.

On August 7, 2013, Petitioner submitted a report from Tom Nance Water Resource Engineering, and a letter from Dean J. Okimoto, Owner and President of Nalo Farms, Inc., in support of their IAL Petition to OP and the DOA. The letter report from Tom Nance states that he does not Mr. Raymond Iwamoto Page 2 January 16, 2014

"disagree with the DOA's position that the presently allocated supply from the KWA system is less than would be required for optimal use of the Petitioner property's 478 acres of irrigated diversified agriculture." The report also indicates that the unused supply is adequate in the near-term, but in the long-term there may be an increase in capacity to the Kunia system and/or a new well could be drilled on the Petitioner's property when warranted. However, as noted by the DOA, all of the options listed by Tom Nance (pages 5-6) are beyond the control of the Petitioner, including the installation of larger capacity pumps in the existing Kunia Water Association (KWA) system wells, and new wells on the KWA system. The alternative to develop a new well on the Petition area would require petitioning the State Commission on Water Resource Management (CWRM) to move the water use permit allocation for the Kunia Camp 1 well from the Ewa-Kunia aquifer to the Waipahu-Waiawa aquifer.

On November 21, 2013, the DOA submitted a letter to OP (see attached) analyzing the reports and information in Petitioner's August 7, 2013 letter. The DOA reviewed the information submitted in the August 7, 2013 letter, and also met with the Petitioner. The DOA concluded that the Petition area has an insufficient quantity of irrigation water to irrigate 478 acres of the Petition area as proposed by the Petitioner. The DOA estimates that the available 625,000 gallons per day will only sustain about 169 cultivated acres, accounting for seasonal changes in water demand. The DOA also expressed concerns that a number of the structures developed on the Petition area may be single-family dwellings rather than agricultural buildings.

On November 22, 2013, the Petitioner submitted a letter to the DOA detailing the acreage in agriculture, with specific information on acres planted/prepped (for agriculture uses), acres to be planted by 2033, acres to be planted by 2043, maximum acres to be planted, and estimated date for maximum planting, by lot number/lease owner.

On December 4, 2013, Petitioner requested an additional continuance in order to allow the DOA to review the additional information provided in the Petitioner's November 22, 2013 letter.

On December 11, 2013, the Petitioner submitted more information in response to the DOA's November 21, 2013 letter. The Petitioner represented that they have and are attempting to control the structures that are being constructed on the Petition area by requesting that the City not issue any building permits unless the Petitioner has approved the construction of the proposed building. The Petitioner also included Act 201 Session Laws of Hawaii 2013, exempting structures from permit requirements.

On January 3, 2014, the LUC indicated that they would like to schedule a hearing on this matter about March 27-28, 2014, or the docket will be considered to be withdrawn if no further action is taken by January 31, 2014.

## **COMMENTS**

In consultation with the DOA, and upon reviewing the additional information provided both to OP and DOA, we have not received any additional information that would cause us to revise our recommendation and previously expressed concerns. As indicated, the Petitioner needs to Mr. Raymond Iwamoto Page 3 January 16, 2014

demonstrate that they can resolve the water availability issue. OP and DOA have reviewed the water resources report submitted by the Petitioner in August 2013. As indicated by the DOA, the quantity of water is still insufficient to irrigate more than about 169 acres with 625,000 gallons per day. DOA estimates the daily water requirements to be about 3,700 gallons per acre per day, based on their Kunia Agricultural Park site. Petitioner would be providing only about 1,308 gallons per acre per day for the proposed 478 acres of agricultural production.

We note that there has not been any increase of water allocation from the Kunia Water System, which was one of our primary concerns. As stated in previous letters and the Tom Nance report, the Petitioner may use the unused water supply from the Kunia Water system, but OP's concern is primarily the allocation and reservation of water necessary for the farmers in the Petition area. A new well cannot be developed on the Petitioner's land without first obtaining CWRM approval of a transfer of water use allocation from one aquifer to another, and then seeking approval for a new Water Use Permit.

The Petitioner's letter of December 11, 2013, also reinforces our concern regarding the private enforceability of the CC&R prohibition on dwellings. We remain concerned about the potential proliferation of residential dwellings throughout the minimum 5-acre lot property.

## **CONCLUSION**

The Office of Planning supports agricultural uses in the proposed IAL and we appreciate the Petitioner's voluntary designation for IAL. However, we remained concerned about the adequacy of the water supply for the proposed acreage, relatively poor soil quality, and the potential for residential dwellings. Accordingly, we are still unable to recommend approval of the IAL designation of the Petition area as proposed. We would support the designation of a reduced Petition area of 169 acres consistent with the water use estimate of the DOA.

Thank you for the opportunity to comment.

Sincerely, Jesse K, Souki Director

Attachment

c: Department of Agriculture / Land Use Commission