

KAPAPALA RANCH
LAND USE COMMISSION
Ka'u, Hawaii STATE OF HAWAII
P. O. Box 537
Pahala, Hawaii 96777-5 A 7: 34
(808) 928-8403

December 1, 2014

Mr. Daniel Orendeker
Executive Officer
State of Hawaii
Land Use Commission
P. O. Box 2359
Honolulu, HI 96804-2359

**Re: 2014 Annual Report for the State Land Use Commission
Docket No. SP98-392 Kapapala Ranch**

Dear Mr. Orendeker and Land Use Commission:

This letter constitutes Kapapala Ranch's ("KR") 2014 annual report to the State Land Use Commission ("SLUC") pursuant to Docket No. SP98-392.

Project Background and Status

The SLUC, on October 28, 1998, approved our application allowing eco-tourism and overnight camping activities on approximately 23,941.902 acres of land designated within the State Land Use Agricultural District. The unpredictable vog conditions on the ranch continue and because of this, we have not been offering our summer, winter and spring camps for children at Ainapo House. We decided that it is not safe to take children out for three days and two overnights when the potential for hydrogen sulfite gas exposure can be very high. We are not currently offering guided horseback ranch rides or 4-wheel drive tours due to the heavy vog conditions, and the continuing priorities of ranching at this time. We may at some time in the future resume these activities. This year the ranch experienced a lot of damage to fences and gates from Tropical Storm Iselle and many repairs have required our attention as a high priority.

Status of Activities Relating to Imposed Conditions

Condition No. 1: The Applicant, successors or assigns shall be responsible for complying with all of the stated conditions of approval.

Status: We have been and will continue to comply with all of the stated conditions of approval.

Condition No. 2: Overnight camping shall be limited to the areas of the Kapapala Ranch Headquarters, Ainapo House, two remote wilderness sites, and the two new cabins proposed to be constructed. The Applicant shall submit a plan which identifies any proposed overnight camping sites other than those referenced above. The plan shall be submitted to the Land Use Commission for review and approval prior to the use of the proposed new sites for overnight camping activities.

Status: Overnight camping may be offered again when vog conditions improve, only at Kapapala Ranch Headquarters, Ainapo House, and two remote wilderness sites. We have not to date begun construction on the two new cabins which were proposed to be constructed.

Condition No. 3: The Applicant shall comply with all applicable laws, rules, regulations, and requirements, including those of the County of Hawaii Fire Department.

Status: We have complied and will continue to comply with all applicable laws, rules, regulations, and requirements, including those of the County of Hawaii Fire Department.

Condition No. 4: The Applicant shall address the State Department of Health's concerns regarding whether the potable water system for the proposed overnight camping activity is a "public water system." The Applicant shall file the evidence of compliance with the Planning Department and Land Use Commission prior to initiating the proposed ecotourism activities.

Status: The Department of Health commented that the ranch property does not have an existing water service as it is beyond the service limits of the department's existing water system facility. If the vog level goes down and we offer camping again, we will continue to haul in potable drinking water in the form of purchased container drinking water. Our volume of business for camping at the Ainapo House has been small, primarily summer, winter and spring camps for children, and hauling of purchased drinking water works well and is economically feasible for us. In a letter dated October 22, 2001, the County of Hawaii Planning Department stated that "given the lack of existing County water service provided to these parcels and the rustic characteristics of the recreational services that you currently provide, hauling in potable water for consumption by your limited clientele provides sufficient compliance with this condition."

Condition No. 5: The Applicant shall submit plans for its wastewater system to the State Department of Health (DOH), Wastewater Branch, Honolulu, for review and approval prior to initiating overnight camping activities. The Applicant shall submit evidence of DOH approval to the Planning Department and Land Use Commission.

Status: The current facilities at Ainapo House have so far been adequate for the low volume. We offer a rustic camping experience at the Ainapo House, and the two wilderness locations. Because the volume of guests would likely not be high, it would not be economically feasible to put in a wastewater system. For the most part, we are taking people on a wilderness experience and the benefits they receive from such a camping experience are quite valuable. The Ainapo House camping is actually not different from the wilderness location camping as far as wastewater requirements.

Condition No. 6: The Applicant, as represented, shall allow the State Historic Preservation Division to conduct field inspections of historic structures on the Property at reasonable times.

Status: We will allow the State Historic Preservation Division to conduct field inspections of historic structures on the property at any time. To date they have not contacted us for an inspection.

Condition No. 7: The Applicant shall not erect or cause to be erected, any permanent tents or additional structures for any outdoor overnight camping activity.

Status: We have not erected or caused to be erected any permanent tents or additional structures for any outdoor overnight camping activity.

Condition No. 8: Any amendment to the proposed plan for overnight camping, including amendments to the location and number of campsites, shall be forwarded to the Planning Commission. Upon favorable recommendation by the Planning Commission, the amendment shall be transmitted to the Land Use Commission for approval.

Status: If we seek any amendment to our proposed plan for overnight camping, including amendments to the location and number of campsites, we will forward such amendment request to the Planning Commission, who would upon favorable recommendation transmit the amendment request to the Land Use Commission for approval.

Condition No. 9: The Applicant shall timely provide, without any prior notice, annual reports to the County of Hawaii Planning Commission and the Land Use Commission in connection with the status of the subject property and the Applicant's progress in complying with the conditions enclosed herein. The annual report shall be due prior to or on the anniversary date of the issuance of this decision and order. The annual report shall be submitted in a form prescribed by the executive officer of the Land Use Commission.

Status: We are providing here our annual report and will do so annually prior to the anniversary date of the Decision and Order dated October 22, 1998. A copy of the annual report will be sent to the Hawaii Planning Commission and the Land Use Commission.

Condition No. 10: Should any unanticipated sites, including subsurface remains such as burials or cave shelters, be encountered on the Property, work within the immediate affected area shall cease and the Department of Land and Natural Resources - State Historic Preservation Division (DLNR-SHPD) shall be immediately notified. Subsequent work within the affected area shall proceed upon an archaeological clearance from the DLNR-SHPD when it finds that sufficient mitigative measures have been taken.

Status: To date, we have not encountered any unanticipated sites, including subsurface remains such as burials and cave shelters. Should we encounter any such sites, we will stop all work within the immediate affected area and immediately notify the DLNR-SHPD.

Condition 11: The Applicant shall establish its overnight camping activity within two years from the date of this decision and order.

Status: Our overnight camping activity was established prior to two years from the date of the decision and order, and is currently on hold due to the unpredictable nature of the vog.

Please contact the undersigned should you require any further information regarding this project.

Sincerely,

KAPAPALA RANCH



Lani C. Petrie
Ranch Manager

cc: Hawaii Planning Commission
101 Pauahi Street Suite 3
Hilo, Hawaii 96720

email pdf version sent to: Daniel Orendeker at Land Use Commission: LUC@dbedt.hawaii.gov