

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Forestry and Wildlife  
Honolulu, Hawaii 96813

January 8, 2016

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

Land Board Members:

**SUBJECT: REQUEST APPROVAL OF A REVISED FOREST STEWARDSHIP  
MANAGEMENT PLAN AND INCREASED COST SHARE SUPPORT FOR THE  
SUSAN KAYE LUNDBURG FOREST STEWARDSHIP AGREEMENT, TMK  
(3)-4-1-004:45, PAAUILO, HAMAKUA DISTRICT, HAWAII.**

**BACKGROUND:**

The State of Hawaii Forest Stewardship Program (FSP) provides technical and financial assistance to private landowners and land managers committed to the stewardship, conservation, and restoration of important forest resources across the state. These private properties provide a variety of private and public benefits for the residents of Hawaii, including but not limited to: groundwater production, decreased soil erosion, wildlife habitat, timber production, recreational and educational opportunities, and local jobs. The assistance provided by the FSP enables private landowners to develop and implement long-term multi-resource management plans to conserve, restore, and maintain forested areas on their property.

The program was established through Chapter 195F-6, Hawaii Revised Statutes (HRS). The Department of Land and Natural Resources (DLNR) has the authority to provide financial assistance to approved Forest Stewardship projects for private landowners to manage, protect, and restore important natural resources on forested and formerly forested properties. The Forest Stewardship Program is implemented pursuant to Chapter 195-F, HRS, and Hawaii Administrative Rules (HAR) Chapter 109. The program provides cost-share reimbursement for the development of long term forest management plans and for the implementation of approved Forest Stewardship management plans.

To participate in FSP, interested landowners and managers develop a long-term Forest Stewardship management plan through the Division of Forestry and Wildlife (Division) and the Forest Stewardship Advisory Committee (FSAC). Upon approval of a project's Forest Stewardship management plan, the FSAC recommends cost-share support for the implementation of the project over a 10-year period. The request for cost-share support is

submitted to the Board of Land and Natural Resources (Board) for consideration and approval. Following authorization by the BLNR, the landowner is required to enter into a Forest Stewardship Agreement that commits them to implementing their approved management plan over the next 10-years and authorizes cost-share reimbursement support for their project.

At its meeting on December 13, 2013, under agenda item C1, the Board approved the Forest Stewardship Agreement for Susan Kaye Lundburg to participate in the Forest Stewardship Program and authorized total cost-share support in the amount of \$44,260 over a 10 year period (Exhibit A). The Susan Kaye Lundburg Forest Stewardship project proposed to restore and manage native forest on approximately 41 acres corresponding to TMK (3)-4-1-004:45. All Forest Stewardship projects are asked to review and evaluate their management actions at least once during the implementation of their management plan to assess their success and adjust their practices, as appropriate, to ensure that they meet their project goals. Additionally, Forest Stewardship projects may request cost-share adjustments if costs associated with management activities have increased or decreased during the term of their agreement.

#### DISCUSSION:

Initially, Kaye Lundburg requested funding from the Forest Stewardship Program to create a comprehensive 10 year management plan while using the Hawaii Conservation Reserve Enhancement Program (CREP) to implement the plan. The Forest Stewardship Program provided cost-share for the completed Year 1 “stream crossing,” however due to severe flooding in late December 2013 there was significant erosion in the upper stream crossing. This required a larger culvert and a cement ford be installed which tripled the estimated cost. To better anticipate future flooding and higher costs, an amendment to increase the cost share for the lower stream crossing included in Year 3 and 4 is requested at \$1,250. This will cover materials and labor costs to install a larger stream crossing and prevent further erosion while providing access to the back portions of the property.

The Division and Forest Stewardship Advisory Committee reviewed and recommended the approval of the Susan Kaye Lundburg management plan revision at their meeting on February 12, 2015. The Division is requesting Board approval of the revised Susan Kaye Lundburg Forest Stewardship budget and additional cost-share support of \$1,250 for Fiscal Year 2015- 2024, equaling a total of \$48,010 through the authorized Forest Stewardship Program Agreement (Exhibit B).

Per their Forest Stewardship Agreement, Attachment 4, Section 2, Board approval of the Susan Kaye Lundburg management plan revision is required, given that changes are being made to their approved budget to adapt to current conditions.

#### RECOMMENDATIONS:

That the Board:

1. Approve a total cost-share support in the amount of \$55,752 for the implementation of the Susan Kaye Lundburg Forest Stewardship management plan;

2. Authorize the Chairperson to amend, finalize, and execute an amendment to the Forest Stewardship Agreement with Susan Kaye Lundburg to participate in the State Forest Stewardship Program subject to the following:
  - A. Availability of State Forest Stewardship funds; and
  - B. Review and approval as to form of the Forest Stewardship Agreement amendment by the Department of the Attorney General.

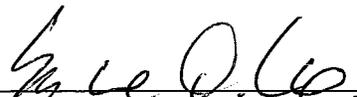
Respectfully submitted,



Scott Fretz, Acting Administrator  
Division of Forestry and Wildlife

Attachments: Exhibit A & B

APPROVED FOR SUBMITTAL:



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SUZANNE D. CASE, Chairperson  
Board of Land and Natural Resources

Exhibit A

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Division of Forestry and Wildlife  
Honolulu, Hawaii 96813

November 8, 2013

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

Land Board Members:

**SUBJECT: REQUEST APPROVAL OF A FOREST STEWARDSHIP AGREEMENT WITH SUSAN KAYE LUNDBURG TRUST TO PARTICIPATE IN THE STATE FOREST STEWARDSHIP PROGRAM, TMK (3) 4-1-004:045, HAMAKUA DISTRICT, ISLAND OF HAWAII**

**AND**

**REQUEST APPROVAL OF DELCARATION OF EXEMPTION FROM CHAPTER 343, HRS ENVIRONMENTAL COMPLAINCE REQUIREMENTS FOR THE PROJECT.**

**BACKGROUND:**

The State of Hawaii Forest Stewardship Program (FSP) provides technical and financial assistance to private landowners and land managers committed to the stewardship, conservation and restoration of important forest resources across the state. These private properties provide a variety of public benefits for the residents of Hawaii, including but not limited to: groundwater production, decreased soil erosion, wildlife habitat, timber production, recreational and educational opportunities, and local jobs. The assistance provided by the FSP enables private landowners to develop and implement long-term multi-resource management plans to conserve, restore and maintain forested areas on their property.

The program was established through Chapter 195 F-6, Hawaii Revised Statutes (HRS). Annual funding is provided by the Conveyance Tax Chapter 247-7, HRS, whereby twenty-five percent of the amount collected from this tax is paid into the Natural Area Reserve Fund. The Department of Land and Natural Resources (DLNR) currently has the authority to use \$500,000 per year to fund approved Forest Stewardship projects in order to provide financial assistance for private landowners to manage, protect, and restore important natural forest resources on forested and formerly forested properties. The Forest Stewardship Program is implemented pursuant to Chapter 195-F, HRS, and

Hawaii Administrative Rules (HAR) Chapter 109. The program provides cost-share reimbursement for the development of long term forest management plans and for the implementation of approved Forest Stewardship management plans.

To participate in FSP, interested landowners and managers follow a sequence of application steps to develop of a long-term Forest Stewardship management plans that are submitted to and reviewed by the Forest Stewardship Advisory Committee (FSAC). Landowners interested in FSP submit an application to the FSAC which recommends the development of a Forest Stewardship Management Plan based on eligibility requirement and to assure the proposed project is in line with the programs' goals of conservation, restoration and/or forest production. Landowners create a forest management plan that is reviewed by Division staff and the FSAC. The committee then recommends the management plan for approval by the Division and Department.

The award of cost-share support for Forest Stewardship management plan implementation follows a similar process to the development of a management plan. Upon approval of a project's Forest Stewardship management plan, the FSAC reviews the implementation schedule and budget summary to ensure that the practice costs are reasonable and follow the program's previously approved cost-share rates. The FSAC recommends cost-share support for project implementation based on the 10-year implementation schedule in the approved Forest Stewardship management plan. After review by the Division, the request is then submitted to the Board of Land and Natural Resources (BLNR) for consideration. Review and approval of the Forest Stewardship project and management plan as well as authorization of cost-share support for the project by the BLNR is required in order for Department of Land and Natural Resources to enter into the Forest Stewardship Agreement with the landowner. The Division has previously worked with the Department of the Attorney General on developing a Forest Stewardship Agreement template (Exhibit A). Following authorization by the BLNR the landowner is required to enter into a Forest Stewardship Agreement that commits them to implementing their approved management plan over the next 10-years and authorizes state cost-share reimbursement for their project.

The Lundburg Forest Stewardship project proposes to restore approximately 41 acres (41.396 acres) from a remnant, degraded native forest to a healthy native forest ecosystem. The larger property, tax map key number (3) 4-1-004:045, 41.396 acres, is designated by Hawaii County as Ag-5a in the Hamakua region of Hawaii County. Historically, the property was part of Land Grant number 6373 to grantee Maria Augusta Bugado in April 1915. Since that time the property has been used for cattle pasture and a single family residence. Since the Susan Kaye Lundburg Trust acquired the property it has been vacant. Ms. Lundburg's goals for the property are to reclaim, restore and steward a native forest for conservation and educational purposes. A component of this plan is to incorporate traditional agroforestry practices that support protection of the native forest and contribute to local food needs in the region. The FSAC approved the Lundburg Forest Stewardship management plan at their meeting on September 24, 2013 and the State Forester/Division Administrator approved the Forest Stewardship Management Plan on October 17, 2013 (Exhibit B).

## DISCUSSION:

The Division is requesting approval of a Forest Stewardship Agreement for the implementation of the Lundburg Forest Stewardship management plan and project. Over the course of the 10-year management plan the Susan Kaye Lundburg Trust intends to protect the existing native forest cover and wildlife habitat on the property and increase the number of native species on the property to reflect what was historically found in the natural forest in the area. In addition the Trust plans to increase the native canopy cover on the property, remove alien species, develop a traditional Hawaiian agroforestry system and create opportunities for native forest recreation and education. Management practices associated with these activities include fencing, access improvement, site preparation, invasive species control, tree establishment and ongoing weed control.

**Native Forest Restoration:** The Susan Kaye Lundburg Trust property is currently vegetated with an open ohia/hapuu/uluhe forest with patches of strawberry guava (*Psidium cattleianum*), ginger (*Hedychium gardnerianum*), and non-native grasses dominating open areas. The property boundaries have encroaching invasive species that threaten the continued forest health on the property. The site has four intermittent streams that cross the property. All of these streams and riparian zones are dominated by invasive species such as strawberry guava, rose apple (*Syzygium jambos*), and guinea grass (*Megathyrsus maximus*). As the first step in the Lundburg Forest Stewardship project the property boundary will be fenced to exclude ungulates from the property. This is necessary to protect future plantings from ungulate damage and to prevent soil erosion and sedimentation in the stream areas.

Following fence installation access to the project areas will be improved through the construction of trails, roads and streams crossing. This access improvement will facilitate the movement of equipment and labor for the rest of the restoration project and will provide the foundation for the increased recreational value and educational opportunities on the property. The Susan Kaye Lundburg Trust plans to create a refuge to restore and protect the native forest and provide for community involvement and environmental education. The plan calls for the property to serve as a demonstration to the community of native forest and wildlife habitat restoration and protection on private land. Currently discussions are ongoing with the Hawaii Forest Institute and the Kohala Center on common objectives and collaboration on program participation. Ms. Lundburg and the Trust plan to allow limited public access for guided hiking on the property.

**Joint Forestry Memorandum of Understanding (MOU):** The Hawaii Joint Forestry MOU was signed in 2011 between the DLNR, Hawaii Association of Conservation Districts (HACD), Natural Resource Conservation Service (NRCS) and U.S. Forest Service (USFS). One of the objectives of the Joint Forestry MOU is to improve communication between agencies and strengthen cooperation for the delivery of forestry-related conservation assistance to private landowners and land managers. As a part of this MOU the partners (signatory agencies) agreed to use the Forest Stewardship management plans as a way to increase the cooperation and planning for forestry landowners interested in the various assistance programs (including FSP, Hawaii Conservation Reserve Enhancement Program (CREP), Environmental Quality Incentive Program (EQIP), and Wildlife Habitat Incentive Program (WHIP). The template for the Forest Stewardship management plans has

been modified to incorporate resource concerns, threats and needs that are common among forestry assistance programs with the ultimate goal being utilization of Forest Stewardship management plans for various cost-share assistance programs offered by the partners. The Susan Kaye Lundburg Trust Forest Stewardship project is seeking support for implementation of the approved Forest Stewardship management plan from both FSP and Hawaii CREP; a different portion of the management plan will be funded by each program. The FSP portion will include those practices and activities under the management plan that will encompass the entirety of the project or resource concerns that need to be managed at the entire property scale.

**Hawaii CREP project:** The Susan Kaye Lundburg Trust plans to initially enroll 9.98 acres (Region B and Region C identified the Lundburg Forest Stewardship management plan) in Hawaii CREP. Hawaii CREP is a jointly run private landowner assistance program, with the DLNR, USDA Farm Service Agency and NRCS, focused on restoring degraded or sensitive agriculture lands along streams to native forest. Within the intended CREP project area the Trust will prepare the site for planting by removing invasive species and restoring the site with approximately 150 seedlings per acre. In light gap areas ohia (*Metrosideros polymorpha*) and koa (*Acacia koa*) will be planted to establish a native overstory and in areas with partial shade species such as kopiko (*Psychotria mariniana*), kolea (*Myrsine* spp.), hapuu (*Cybotium splendens*), maile (*Alyxia oliviformis*), pilo (*Coprosma* spp.), hame (*Antidesma platyphyllum*), olapa (*Cheirodendron trigynum*), manono (*Kadua affinis*), mamaki (*Pipturus albidus*), kawau (*Ilex anomala*), and akala (*Rubus hawaiiensis*) will be planted.

The commitment of the private landowner to restore and manage the CREP project for native species and habitat is significant and will work in concert with the Forest Stewardship project to provide a number of public benefits including increased groundwater infiltration, decreased soil erosion, forest health improvements, wildlife habitat and local jobs. As Hawaii CREP requires that all management activities be completed within one to two years of enrolling in the program, the Trust plans enroll Regions D (9.86 acres), Region E (7.34 acres), Region F (2.15 acres), Region G (4.24 acres) and Region H (4.58 acres) into Hawaii CREP over the next ten years, described in the Forest Stewardship management plan.

A total of \$44,260 in State Forest Stewardship funding is requested to provide cost-share support for the Susan Kaye Lundburg Trust Forest Stewardship Agreement. Ms. Lundburg will be contributing an additional \$44,260 toward the completion of the project over the ten year period of the management plan. The costs associated with the proposed practices are consistent with the intensity of management required for this type of project. Cost-share funds are provided as reimbursement payments for implementation of approved management practices through the State fiscal year 2024. In addition the Susan Kaye Lundburg Trust has agreed to continue maintenance of the installed Forest Stewardship practices for another 5 years following State contribution, or through State fiscal year 2029

#### CHAPTER 343 – ENVIRONMENTAL ASSESSMENT

In accordance with Exemption List for the Division of Forestry and Wildlife and the Department of Land and Natural Resources, reviewed and concurred upon by the Environmental Council on June 12, 2008 and July 13, 2011, the proposed activities are exempt from the preparation of an environmental assessment. Specifically, the proposed activities fall under 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"; 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 facilities and the alteration and modification of same"; and Exemption Class 4. "Minor alteration in the condition of land, water, or vegetation." This project is anticipated to have minimal or no significant negative impact on the environment.

Refer to attached Exemption Notification labeled Exhibit C.

RECOMMENDATIONS:

That the Board:

1. Approve the Lundburg Forest Stewardship project and Forest Stewardship management plan;
2. Approve cost-share support in the amount of **\$44,260** for the implementation of the Lundburg Forest Stewardship management plan;
3. Authorize the Chairperson to amend, finalize and execute a Forest Stewardship Agreement with the Susan Kaye Lundburg Trust to participate in the State Forest Stewardship Program subject to the following:
  - A. Availability of State Forest Stewardship funds; and
  - B. Review and approval as to form of the Forest Stewardship Agreement by the Department of the Attorney General.
4. Declare that, after considering the potential effects of the proposed dispositions provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will likely have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.

Respectfully submitted,



 Roger H. Imoto, Administrator  
Division of Forestry and Wildlife

Attachment: (Exhibit A, B and C)

APPROVED FOR SUBMITTAL:

  
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William J. Aila, Jr., Chairperson

## Exhibit B

### New Proposed Budget for Year 3 & 4

Practice Components	NRCS Codes	Units	Cost/Unit	Total Cost	Applicant Share	FSP Share	CREP Share
Trail Construction		2831ft.	\$2	\$5,662	\$2,831	\$2,831	
Stream Crossing				\$3,500	\$1,750	\$1,750	
Tree and Site Prep	490	Region D 9.86 ac	\$1,540	\$15,184	\$7,592		\$7,592
Tree and Site Prep Woody Residue Treatment	384	Region D 9.86 ac	\$385	\$3,796	\$1,898		\$1,898
Tree / Shrub Establishment	612	Region D 9.86 ac 150 trees/ac	1479 trees @ \$2.50	\$3,698	\$1,849		\$1,849
Nutrient Management	590	Region D 9.86 ac	\$180	\$1,775	\$888		\$888
Mulching	484	Region D 1479 trees 16 sqft/tree @ .10/sqft	\$1.60/tree	\$2,366	\$1,183		\$1,183
Herbaceous Weed Control	315	Region D 9.86 ac	\$180	\$1,775	\$888		\$888
Herbaceous Weed Control	315	Region C 4.66 ac	\$180	\$839	\$420		\$420
<b>TOTAL</b>				<b>\$38,595</b>	<b>\$19,299</b>	<b>\$4,581</b>	<b>\$14,718</b>

### Original Budget for Year 3 & 4

Practice Components	NRCS Codes	Units	Cost/Unit	Total Cost	Applicant Share	FSP Share	CREP Share
Trail Construction		2831ft.	\$2	\$5,662	\$2,831	\$2,831	
Stream Crossing				\$1,000	\$500	\$500	
Tree and Site Prep	490	Region D 9.86 ac	\$1,540	\$15,184	\$7,592		\$7,592
Tree and Site Prep Woody Residue Treatment	384	Region D 9.86 ac	\$385	\$3,796	\$1,898		\$1,898
Tree / Shrub Establishment	612	Region D 9.86 ac 150 trees/ac	1479 trees @ \$2.50	\$3,698	\$1,849		\$1,849
Nutrient Management	590	Region D 9.86 ac	\$180	\$1,775	\$888		\$888
Mulching	484	Region D 1479 trees 16 sqft/tree @ .10/sqft	\$1.60/tree	\$2,366	\$1,183		\$1,183
Herbaceous Weed Control	315	Region D 9.86 ac	\$180	\$1,775	\$888		\$888
Herbaceous Weed Control	315	Region C 4.66 ac	\$180	\$839	\$420		\$420
<b>TOTAL</b>				<b>\$36,095</b>	<b>\$18,049</b>	<b>\$3,331</b>	<b>\$14,718</b>

Updated Budget Summary

YEAR	Total Budget	Applicant Share	FSP Share	CREP Share
Year 1	\$76,147	\$38,075	\$30,359	\$7,716
Year 2	\$16,238	\$8,120	\$883	\$7,237
Year 3 and 4	\$38,595	\$19,229	\$4,581	\$14,718
Year 5	\$25,294	\$12,648	\$1,116	\$11,532
Year 6	\$11,285	\$5,645	\$1,863	\$3,782
Year 7	\$16,715	\$8,359	\$2,016	\$6,343
Year 8 and 9	\$17,569	\$8,787	\$1,849	\$6,938
Year 10	\$11,497	\$5,750	\$5,343	\$407
TOTALS	\$213,340	\$106,613	\$48,010	\$58,673