

**MINUTES FOR THE  
MEETING OF THE  
BOARD OF LAND AND NATURAL RESOURCES**

DATE: THURSDAY, SEPTEMBER 12, 2013  
TIME: 2:00 P.M.  
PLACE: KALANIMOKU BUILDING  
LAND BOARD CONFERENCE ROOM 132  
1151 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813

Chairperson William Aila called the meeting of the Board of Land and Natural Resources to order at 2:04 p.m. The following were in attendance:

**MEMBERS**

William J. Aila, Jr.  
James A. Gomes  
Shawn Smith

Dr. Sam Gon  
Reed Kishinami

**STAFF**

William "Bill" Tam/DAR

Katherine Cullison/DAR

**OTHERS**

Dan Purcell: F-1

**Item F-1 Mitigating and Restoring Impacts to Marine Resources: DLNR's strategy to address planned and unplanned loss of estuaries, aquatic habitat, and coral reefs. *NON-DECISION MAKING ITEM***

William "Bill" Tam, representing the Division of Aquatic Resources (DAR), gave an overview on item F-1. The DLNR is in the process of developing a mitigation and restoration plan to guide the use of the Mitigation and Restoration Trust Fund that the Department established to hold funds related to damage and restorative actions in State waters. Mr. Tam focused on the Board's legal obligations, as well as the opportunities this type of strategy presents to take a broad view of resource management.

For example, a part of this plan is to ensure no net loss of ocean resources, wetlands or coral. This would be the umbrella policy that allows the Department to look at big picture mitigation, rather than at losses in individual locations. However, before a no net loss system can be implemented, threshold levels need to be established. Improvements over that threshold are the credits that developers can purchase to offset the proposed losses caused by their project.

Katherine Cullison, representing DAR, provided information in a 20-minute power point presentation. The text of her presentation is included in the Attachment. Her presentation notes that there are three benefits to this type of plan:

1. Mitigation is systematic and over large areas, rather than piecemeal and based on development opportunities.
2. It provides a mechanism to raise mitigation funding for DLNR.
3. It speeds up the permitting process, which is in the public interest.

The US Army Corps certifies the program and determines how many credits are needed to mitigate a development or project.

Member Sam Gon mentioned that whenever repeated patterns of damage occur, there is an opportunity to standardize responses and focus on repair, creation, or preservation of that resource.

Mr. Tam related what happens on the land affects the ocean. He presented questions such as; how to work with and help land owners? How to create an alliance between fishermen and ocean aquatic biologist? How to help farmers keep their top soil from running off into the ocean?

Mr. Tam said DAR is encouraging everyone to get involved because this is a collective problem. If we restore the reef, we are going to restore fishing. Instead of penalizing people for wrong use of gear and fishing, we can encourage using the right gear that can help restore the reef fishes and restore the land.

Member Gon liked the idea of reversing the process of damaging and then repairing resources. Accounting for the presence or loss of resources during the project planning phase will also be less costly.

Member Reed Kishinami asked about the cost evaluation models used to project mitigation costs and charges on a project-by-project and case-by-case basis.

Mr. Tam did not have an immediate answer because they are in the process of developing models. Some of the factors that will be considered are:

1. When an applicant buys mitigation credits, they are buying into an existing mitigation that is proven.
2. Costs for mitigation will be calculated as we do the mitigation.
3. DLNR will have to be careful when it is both the regulator and seller of credits. However, if cost for mitigation is pre-set, and the number of credits necessary is set by the Army Corps of Engineers, then there should be no conflict.
4. Responsibility and cost for the on-going success of the mitigation become the responsibility of DLNR.

Mr. Tam pointed out the recreational changes such as: wind surfing, jet skis and kayaks, which people will keep inventing things due to competitiveness using the ocean. Illegal mooring will not go away so there is a need to address these things. Therefore, there is a need to change habits.

Chairperson William Aila shared his view about the current headline of the Molasses Event that if a mitigation bank was in place, it would be easier for the responsible party.

Mr. Tam said that having a perfect restoration may not take place but having a goal and the tools to work with can be helpful.

Chairperson Aila expressed his appreciation with the US Corps of Engineers support of taking care of Hawaii's resources.

Mr. Tam discussed the restoration fund called a "Trust Fund" mainly for restoration.

Dan Purcell testified on item F-2 and said that he can see the issues on the environmental and financial side. He shared his concerns about the value of deflation and black market and the contained financial market specific to Hawaii. He asked how is this similar to carbon credits?

Mr. Tam said that the mechanism has not worked out yet which will not be an open market transaction.

Member Gon, Mr. Tam and Ms. Cullison discussed the evaluation bank and the reality of the management and maintenance as part of the evaluation process.

**Adjourned**

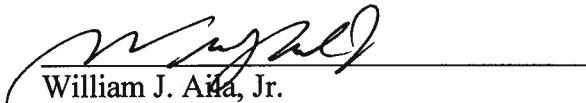
There being no further business, Chairperson William Aila adjourned the meeting at 3:27 p.m. Recording(s) of the meeting and all written testimonies submitted at the meeting are filed in the Chairperson's Office and are available for review. Certain items on the agenda were taken out of sequence to accommodate applicants or interested parties present.

Respectfully submitted,



Marlou Lamblack  
Land Board Secretary

Approved for submittal:



William J. Aila, Jr.  
Chairperson  
Department of Land and Natural Resources