

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

May 8, 2015

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

Land Board Members:

**SUBJECT: STATUS REPORT FOR THE HAWAII CONSERVATION RESERVE  
ENHANCEMENT PROGRAM**

**BACKGROUND:**

At its November 18, 2008 meeting, Item C-1, the Board of Land and Natural Resources (“Board”) authorized the Chairperson to execute the ‘Agreement between the U.S. Department of Agriculture Commodity Credit Corporation and the State of Hawaii Concerning the Implementation of a Conservation Reserve Enhancement Program Agreement under the Conservation Reserve Program for the Islands of Maui, Hawaii, Molokai, Lanai, Kauai, and Oahu’ (‘Agreement’) for the Department. This Agreement was approved on January 15, 2009 by the U.S. Secretary of Agriculture and the Governor of Hawaii. The Hawaii Conservation Reserve Enhancement Program (CREP), as authorized under this Agreement, is the State’s amendment to the country’s largest private-lands environmental improvement program administered by the U.S. Department of Agriculture’s Farm Service Agency, which customizes the program to meet State identified priority lands, environmental issues, and address limitations on enrollments.

The Hawaii CREP has targeted 15,000 acres for program enrollment to address the goals of enhancing stream water quality; reducing coral reef and near shore coastal waters degradation; increasing groundwater recharge; restore native, threatened and endangered species habitat; and controlling the spread of invasive species across the main Hawaiian Islands. Under the program, participants must enact watershed conservation practices that contribute toward the State’s identified goals. Hawaii CREP participants receive incentives for their enrollment including an annual rental, cost-share reimbursement, and additional incentive payments from federal partners. Participants are also eligible for state incentive payments including an annual incentive payment, support of purchase or donation of conservation easements, and cost-share reimbursements for specific conservation practices that are either strongly encouraged or highly expensive to install.

The Board also authorized the Chairperson to execute State of Hawaii CREP Agreements with eligible program participants provided the Division: briefs the Board on the initial success of Hawaii CREP; provides an annual report on the progress of the program to our U.S. Department

of Agricultural (USDA) partners; and seeks renewal of the signature authority for the Chairperson as needed.

#### DISCUSSION:

Hawaii CREP has been available for enrollment by landowners and leaseholders located on Maui and Hawaii Island since April 1, 2009, which was the first sign-up day for the program. To date, Hawaii CREP has fifteen projects with approved program agreements covering over 960 acres. Interest in Hawaii CREP remains high, but program enrollment was delayed from October 2012 to May 2013, due primarily to negotiations associated with the passage of the new Farm Bill. Now that the Farm Bill is authorized as of January 2014, landowners are able to once again enroll in the program.

In May 2011, the Department of Land and Natural Resources, Hawai'i Association of Conservation Districts (HACD), United States Department of Agriculture Natural Resource Conservation Service and U.S. Department of Agriculture Forest Service signed a "Joint Forestry" Memorandum of Understanding (MOU) to strengthen cooperation between the partners for the delivery of forestry-related conservation assistance on private land and with the intention of increasing cooperation and improve forest management across the state. The Hawaii MOU enhances public benefits received from health and well-managed forests by integrating technical skills, fields of expertise, and strengthening interagency delivery of forestry assistance to privately-managed lands.

With the Joint Forestry MOU in place, management plans developed in association with the Hawaii Forest Stewardship Program eligible for participants in Hawaii CREP. This newer relationship between partners has decreased the delay for interested landowners to enter into assistance programs, which has been identified as a significant limitation to the implementation of CREP. Despite the addition of the MOU, development of projects and planning has been slow as partners build capacity and train staff to implement this program. To further address this need, in 2014, two dedicated Hawaii CREP Planners were hired (one servicing Hawaii County and one servicing Maui, Kauai, and Honolulu Counties) to increase program visibility and improve project planning turnaround. The Department was awarded funding from the National Fish and Wildlife Foundation to hire these two new conservation planners in conjunction with HACD and the other Joint Forestry MOU partners. The Hawaii CREP planners have worked on developing outreach strategies for all of the islands and developing management plans for landowner and land managers interested in participating in the program. With these recent improvements to program implementation, it is anticipated that enrollment in Hawaii CREP will continue to increase.

The Division is responsible under the Agreement to report annually to USDA on Hawaii CREP. The annual reports follow the state fiscal year, and includes information on participant enrollment, Division activities related to the program, and progress towards identified goals.

*Highlights from FY14 Hawaii CREP Report (Exhibit A) include:*

- **Participation:** There are fifteen participants under Hawaii CREP to date. There are also

four projects that are currently being processed for enrollment in Hawaii CREP that are in varying stages of project development.

- **Outreach:** The Division and partners continue to conduct outreach to stakeholder groups and landowners about the program, and interest in the program continues to be steady. Individual participants have been targeted through meetings on Hawaii Island (January, March, April, June 2014, and February 2015), Oahu (January, May 2014, March 2015), Maui (February, April, and June 2014), Molokai (April 2015), and Kauai (March 2014, April 2015).
- **Grants:** In FY13 and FY14, the Department was awarded a National Fish and Wildlife Foundation grant that supported the creation of two CREP planner positions. With these additions, the state hopes to target enroll of 3,000 acres over the next two-year period.
- **Funding:** Since state Fiscal Year 2010, an approximate total of \$409,000 direct state funds have been matched by \$2,400,000 of federal USDA funds and a minimum of \$2,500,000 of private funds.

*Progress relating to Hawaii CREP goals:*

The objectives of the Hawaii CREP are to enhance stream water quality; reduce coral reef degradation and enhance near shore coastal waters; increase groundwater recharge; restore native, threatened and endangered species habitat; and control the spread of invasive species in select areas on six of the main Hawaiian Islands. The Department supports these goals through public land management and private assistance programs including the Natural Area Partnership Program, Watershed Partnerships Program, Forest Reserve System, Natural Area Reserve System, and Invasive Species Committees.

**10% reduction in sediment and nutrient runoff into streams, from current levels.**

<b>Occurrence of Pollutants According to State of Hawaii Water Quality Monitoring and Assessment Reports*</b>			
	<b>2008/2010 Report # of Occurrences</b>	<b>2012 Report # of Occurrences</b>	<b>Percent Change in Number of Occurrences</b>
<b>Turbidity</b>	106	92	-13.21%
<b>Nitrate + Nitrite Nitrogen</b>	76	62	-18.42%
<b>Total Nitrogen</b>	67	53	-20.90%
<b>Total Phosphorus</b>	40	31	-22.50%
<b>Total Occurrences</b>	<b>320</b>	<b>239</b>	<b>-25.31%</b>

**5% increase in coral reef cover and substantial increases in coral diversity on coral reefs throughout the State, from current levels.** Hawaii CREP will reduce the impact of sedimentation on reefs through restoration of degraded lands, and exclusion of ungulates and other browsing animals from riparian areas. As there is no current comprehensive, state-wide water quality monitoring program on coral reef health and diversity, reporting for Hawaii CREP utilizes ongoing coral reef monitoring programs from the U.S. Geological Survey (USGS), DAR,

HDOH, University of Hawaii, the Local Action Strategy to Address Land-based Pollution, and the Coral Reef Assessment and Monitoring Program. In the 2014 State of Hawaii Water Quality Monitoring and Assessment Report, turbidity is still the most common pollutant for marine waters resulting in 117 impairments statewide. This is a 22% decrease in the number of impairments from 2012. Although this is an improvement, additional land based mitigation will be needed to further the improvement in this area.

**10% increase and improvement of wildlife and plant habitats of at least 10 endangered species through restoration of native forest ecosystems and riparian buffers, from current levels.**

<b>Cumulative Improvement In Endangered Species</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Totals</b>
Total acres of increase or improvement	67	66	186	3,845	21,838	<b>22,797</b>	<b>48,799</b>
Total number of different endangered species	22	58	23	23	10	7	<b>144*</b>

*\*Total includes number of different species; species may overlap between report periods.*

**Substantial reforestation of native vegetation in riparian buffer zones as well as rare and declining native habitats, from current levels.**

<b>Cumulative Reforestation of Native Forest</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY 14</b>	<b>Totals</b>
Native Forest acres	1,977	116	14,635	2,097	1,332	<b>1,781</b>	<b>21,938</b>
Dryland Forest acres	82	92	4,462	1,709	1,000	<b>1,010</b>	<b>8,355</b>
Native species planted	36,000	53,000	75,962	110,058	95,405	<b>132,759</b>	<b>503,184</b>

**Substantial increases in groundwater recharge through the planting of trees in upland pastures, from current levels.**

<b>Cumulative Increase in Groundwater Recharge</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Totals</b>
Acres planted in upland pasture	1,305	112	4,002	2,067	328	1,242	<b>9,056</b>
# of seedlings planted	33,000	52,000	50,585	108,691	80,390	109,323	<b>433,989</b>

**Substantial reduction in and control of invasive species in watersheds within the CREP target areas and on enrolled marginal pastureland and cropland, from current levels.**

<b>Cumulative Control of Invasive Species</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Totals</b>
Acres of land surveyed, monitored, and controlled	101,960	186,451	152,102	64,809	2,475,584	<b>92,623</b>	<b>3,073,529</b>
# of individuals removed or controlled	321,085	460,038	156,395	236,440	112,893	<b>92,428</b>	<b>1,379,279</b>
# of different species	58	84	84	66	120	<b>95</b>	<b>507*</b>

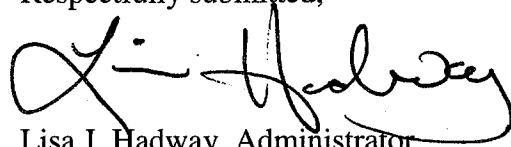
With the execution of the Agreement at the November 18, 2008 meeting, the Board also approved the Hawaii CREP Agreement Template. The template was created with the State Attorney General’s office to meet the federal and state requirements for the program and to expedite the enrollment process between the various agencies. The template was approved by the Board at the November 9, 2009 meeting. At the November 12, 2010 meeting, the board authorized the Chairperson to execute the State of Hawaii Conservation Reserve Enhancement Program Agreements following approval and program enrollment by the USDA Farm Service Agency for a two-year period. The Division requests that the Board extend this delegation of authority to the Chairperson for the remainder of the Agriculture Act of 2014 (Farm Bill), which currently expires June 30, 2018 (including state fiscal years FY15, FY16, FY17, and FY18). This will allow the Department to implement the program expeditiously in conjunction with its partner agencies.

**RECOMMENDATIONS:**

That the Board:

1. Authorize the Chairperson to execute the State of Hawaii Conservation Reserve Enhancement Program Agreements with eligible landowners under the Hawaii CREP as described in the ‘Agreement between the U.S. Department of Agriculture Commodity Credit Corporation and the State of Hawaii Concerning the Implementation of a Conservation Reserve Enhancement Program Agreement under the Conservation Reserve Program for the Islands of Maui, Hawaii, Molokai, Lanai, Kauai, and Oahu,’ for the remaining term of the program enrollment period, subject to:
  - a. Review and approval by the Office of the Attorney General.
  - b. An annual report to the Board summarizing Hawaii CREP progress by the Division of Forestry and Wildlife

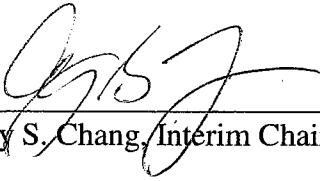
Respectfully submitted,



Lisa J. Hadway, Administrator  
Division of Forestry and Wildlife

Attachments: Exhibits A & B

APPROVED FOR SUBMITTAL:



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Carty S. Chang, Interim Chairperson