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## Minutes of the Board of Agriculture

I. CALL TO ORDER – The meeting of the Board of Agriculture was called to order on April 28, 2015 at 9:04 a.m. by Board of Agriculture Chairperson Scott Enright, at the Plant Quarantine Conference Room, 1849 Auiki Street, Honolulu, Hawaii 96819.

Members Present:

Scott Enright, Chairperson, Board of Agriculture (Board)

Jerry Ornellas, Kauai Member

Scott Derrickson, Department of Business, Economic Development and Tourism (DBEDT), Ex Officio Member Designated Representative

Dr. Maria Gallo, Dean of the College of Tropical Agriculture & Human Resources University of Hawaii (CTAHR-UH), Ex Officio Member

 Glenn Hong, Member-At-Large

Michelle Galimba, Member-At-Large

 Richard Ha, Hawaii Member

Clark Hashimoto, Member-At-Large

Members Absent:

 Suzanne Case, Chairperson, Board of Land and Natural Resources

Others Present:

Simon Russell, Governor’s Nominee to Maui Board Member Position

Randy Teruya, Agricultural Asset Manager, Hawaii Department of Agriculture (HDOA) Agricultural Resource Management Division (ARMD)

Linda Murai, HDOA/ARMD

Joyce Wong, HDOA/ARMD

Dr. Neil Reimer, HDOA/Plant Industry Division Administrator

Ronald Lau, Kona Coast Shellfish

Trenton Yasui, HDOA Plant Quarantine Branch (PQB)

Janelle Saneishi, HDOA Chairperson's Office (CHR)

Ken Kakesako, HDOA/ CHR

Amy Takahashi, HDOA/PQB Acting Manager

Andrew Goff, Deputy Attorney General

Haunani Burns, Deputy Attorney General

Daryl Arai, HDOA/Agricultural Loan Division Administrator

Robert Ikeno, HDOA/Agricultural Loan Division

Gwendolen Lantes, Waikiki Aquarium

Jim Anthony, Private Citizen

Fred Lau, Mari’s Garden LLC

Noe Kalipi, Kohala Institute

Karen Ostborg, LICH

Jeri Kahana, HDOA/Quality Assurance Division (QAD) Administrator

Linda Santos, Honolulu Zoo

Leo Obaldo, HDOA/PQB

Keevin Minami, HDOA/PQB

Chris Kishimoto, HDOA/PQB

Mimi Foreyk, Private Citizen

Jonathan Ho, HDOA/PQB

Todd Low, HDOA/Animal Industry Division

Isaac Maeda, HDOA/Animal Industry Division

James Breeden, Honolulu Zoo

Raquel Wong, HDOA/Animal Quarantine Station

Bob Endreson, Private Citizen

David Morgan, Kualoa Ranch

Alex Kanamu, Bullit Hatcheries

II. APPROVAL OF MINUTES FROM 2/24/15 MEETING

Chairperson asked for a motion to approve the minutes from the Board’s February 24, 2015 meeting.

Motion: Galimba/Hashimoto

Vote: Approved, 7/0, Board member Gallo absent.

1. COMMENTS FROM THE GENERAL PUBLIC ON AGENDA ITEMS (ORAL OR WRITTEN)
2. INTRODUCTION AND COMMENTS

Chairperson introduced Simon Russell, the Governor’s nominee to the Board to replace Board member Lynn DeCoite as the representative from Maui. Simon is not yet a voting member.

1. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION
2. AGRICULTURAL LOAN DIVISION

1.  Request for Approval of One (1) Direct Operating Loan to Rusty’s
 Hawaiian, LLC.

Presentation by Robert Ikeno, Loan Officer, Agricultural Loan Division, as submitted. The operating loan is for $33,150 for the purchase of a commercial coffee roaster.

Board member Galimba disclosed that she is a close friend of Ms. Lori Obra but has no financial ties with Ms. Obra.

Motion made to take up staff’s recommendation: Hong/Ha.

Board member Ha said that he is in favor of the loan as it aligns with the mission of the Board of Agriculture.

Vote: Approved, 7/0, Board member Gallo absent.

1. AGRICULTURAL RESOURCE MANAGEMENT DIVISION

1. Request for Consent to Assignment of General Lease
No. S-4632, Lot 3, from Puna Certified Nursery, Inc. to

Panaewa Diversified Agricultural Products, Inc.

TMK (3) 2-4-049:032, Panaewa Farm Lots, 2nd Series

Waiakea, South Hilo, Island of Hawaii

Presentation by Ms. Joyce Wong, Agricultural Resource Management (ARMD), as submitted. The lease term is 65 years to expire on April 30, 2045 with a rental rate of $4,060 per year.

Motion made to take up staff’s recommendation: Hashimoto/Derrickson

Board member Galimba asked when the assignment of the lease from TSI Limited to Puna Certified Nursery, Inc. occurred.

Ms. Wong said the lease was awarded to TSI Limited in 1980 by the Department of Land and Natural Resources and that there were several assignments that occurred between the time that TSI Limited was awarded the lease and the time that Puna Certified Nursery, Inc. was assigned the lease.

Mr. Randy Teruya, ARMD Agricultural Asset Manager, said that the exact date can be looked in to and provided to the Board.

Nominee to the Board Simon Russell asked how long little fire ant and coqui frogs had been in that area.

Ms. Wong said that they have been there for some time and that the area is constantly being treated.

Vote: Approved, 7/0. Board member Gallo absent.

2. Request for Extension of General Lease No. S-4634,

 Lot No. 6, Donald J. and Carolyn Hunter; Panaewa

 Farm Lots, 2nd Series, Waiakea, South Hilo, Island of Hawaii

Presentation by Ms. Joyce Wong, ARMD, as submitted. Request was for a 20 year extension on the lease. The current rental rate is $4,480 per year.

Motion made to take up staff’s recommendation: Ornellas/Galimba.

Vote: Approved, 7/0. Board member Gallo absent.

3. Request for Extension of General Lease No. S-4637,
Lot No. 20, Panaewa Tropicals, Inc.; Panaewa Farm Lots,

2nd Series, Waiakea, South Hilo, Island of Hawaii

Presentation by Ms. Joyce Wong, ARMD, as submitted. Request for a 30 year extension. The current rental rate is $4,380 per year.

Motion made to take up staff’s recommendation: Ha/Hashimoto.

Vote: Approved, 7/0. Board member Gallo absent.

4. Request for Consent to Sublease between the Hamakua

 Agricultural Cooperative and Andy and Grace Wu; Lot No(s).

 W-06, W-06A and W-07, TMK (3) 4-3-005:013 (por.)

 Pohakuhaku and Kemau 1st & 2nd, Hamakua, Island of Hawaii

Presentation by Ms. Joyce Wong, ARMD, as submitted. The lease term would be for 18 years and 4 months to expire on June 30, 2033. The base rental rate per year is $1,663.31.

Motion made to take up staff’s recommendation: Hashimoto/Hong

Vote: Approved, 7/0. Board member Gallo absent.

5. Request for Authorization to Submit Terminated General Lease

 No. S-4425 to the Department of Attorney General for Delinquent

 Account(s) Write-off; Talei and Danette Vakauta, Pahoa Agricultural

 Park, Phase II, Lot 11, Island of Hawai’i

Presentation by Ms. Joyce Wong, ARMD, as submitted. General Lease No. S-4425 was terminated effective March 15, 2014 for failure to pay delinquent lease rent and accrued interest. Numerous attempts were made to contact the lessee/debtor but were unsuccessful.

Motion made to take up staff’s recommendation: Ha/Galimba.

Board member Galimba said that the Board has deliberated on similar requests in the past but the requests were usually to send the delinquent balance to the Attorney General’s Office for collection. She asked why in this case the request is to write-off the delinquent balance.

Mr. Randy Teruya said that the lessees of record have basically left the island and cannot be found. The Division has made every attempt possible to make contact and that is why the rents have been outstanding for more than 2 years. At this point, the desire is to write-off the delinquent balance rather than waste more resources on trying to collect that balance.

Board member Hong asked if any effort has been made to re-lease the property since the lease was terminated a year ago.

Mr. Teruya said that they were in that process now and that the appraisal has been completed. The next step is to go out and advertise for the lease.

Vote: Approved, 7/0. Board member Gallo absent.

6. Request for Consent to Assignment of General Lease No. S-6004,

 Lot 4, for Airdee Sybounmy, TMK: (1) 5-6-006:032, Kahuku

 Agricultural Park, Kahuku, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Assignment of lease is to include the lessee’s spouse’s name, Touy Sybounmy, who is actively involved in maintaining the farming operation.

Motion made to take up staff’s recommendation: Galimba/Hashimoto.

Vote: Approved, 7/0. Board member Gallo absent.

7. Request for Approval of 1) Renovations of Existing Improvements

 and 2) Waiver of Rental; General Lease No. S-3107; Michael

 G. Buck, TMK: (1) 4-1-027:002; Lot No. 44; Koolaupoko,

 Waimanalo, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Staff recommends the lessee, Mr. Michael Buck, be allowed to make renovations and improvements to the existing farm dwelling and that his request to waive rent for two years to begin March 1, 2015 and end February 28, 2017 be granted.

Motion made to take up staff’s recommendation: Hashimoto/Ha.

Board member Ornellas asked if the lessee leased any other land and if he intended to live on the current property under discussion.

Ms. Murai said that the lessee does not lease any other land from the State however, he does own a fee simple parcel on Kumahao Road where he grows ti plants and heleconia. He does intend to live on the land.

Board member Hashimoto asked if the rent was $10,000 because that is what he bid for the land.

Ms. Murai answered, “Yes.”

Nominee to the Board Simon asked how long Mr. Buck would be allowed to live on the land.

Ms. Murai said he would be allowed to live on the property for the duration of his lease.

Board member Hong asked if the parcel was bid out as a vacant parcel or if the dwelling was already there.

Ms. Murai said that Mr. Buck is planning to renovate the existing dwelling.

Mr. Randy Teruya, Agricultural Asset Manager, said that the parcel is 1.2 acres.

Ms. Murai said that Mr. Buck is making good use of the parcel that he owns in fee and is growing ti, heleconia, and ginger on the property and has similar plans for the leased property.

Board member Hong asked if the renovations and the rent would offset each other. The request is for a rental offset for two years totaling $20,400, and this is largely for improvements to the dwelling which is for Mr. Buck’s personal enjoyment, not farming.

Ms. Murai said that the dwelling was in bad disrepair.

Mr. Teruya said that not all of the improvements have been completed yet but the notices that have been submitted so far are in excess of $20,000.

Board member Hong asked if there were other instances where people submitted requests to allow for the building of a dwelling on state owned agricultural land.

Mr. Teruya said, yes, and that there is a provision in HDOA leases as well as leases with the Department of Land and Natural Resources that allows this. The lessee is also required to submit evidence of expenditure in the first year of the lease.

Ms. Murai said that the construction has not started yet and so the receipts so far have been for grubbing and grading. Board approval would be needed before construction can start and the expenses for that construction have not been submitted yet.

Board member Galimba asked if the grading and grubbing that was done was necessary to do agriculture on the property.

Mr. Teruya said, yes. Mr. Buck had to remove approximately 70 trees that had overgrown the property as well as kennels that were there. Concrete slabs had to be removed and a carport that was termite eaten had to be demolished. Mr. Buck had to expend his own funds for many of those improvements with the tree removal alone costing $15,000 or $16,000.

Board member Ornellas asked if there was a provision in the lease that required the lessee be the occupant of the house.

Mr. Teruya said, no. As lessee, Mr. Buck cannot rent the property but he can have an employee living in the house. A farm dwelling is allowed mainly for security on the farm lot and lessees can have family members or employees live there.

Board member Hong asked if there was a requirement in the lease for Mr. Buck to clear the land, as well as there was an explanation to bidders that there was going to be rent offset as a result of costs accrued from clearing.

Mr. Teruya said there was a requirement in the lease to clear the land as part of the development of the conservation plan for the property. Bidders for the property were made aware of this aspect of the property and language in the lease did refer to potential for rental offset. Mr. Teruya said that he could provide members with a copy of the lease language.

Board member Ha asked if there was any indication that the structure would be used for an office or for processing.

Mr. Teruya said that the structure was to be lifted for an office and a processing area.

Board member Ha said that he hoped Mr. Buck would be able to do that rather than have to accrue additional costs by renting somewhere else.

Board member Hong asked if the request could be bifurcated in regards to the dwelling renovations expenses.

Chairperson Enright said that a bifurcated request would not be possible but that the motion could be deferred to allow staff to gather more information. Chairperson Enright asked that a copy of the lease be provided at the next Board meeting for the members.

Board agreed to defer the agenda item until the next board meeting.

Mr. Teruya said that he would provide the Board with the language that is in a standard lease.

8. Request for Approval to Construct a Farm Dwelling and Install

 Photovoltaic System, Campbell “CAM” Cavasso, General Lease

 No. S-3780, TMK: 1st/4-1-026:019; Lot No 46; Koolaupoko,

 Waimanalo, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Staff recommends approval of the Lessee’s request to construct a two-story farm dwelling on the parcel.

Motion made to take up staff’s recommendation: Galimba/Hashimoto

Nominee to the Board Simon Russell asked how much the lessee makes on sod grass annually.

Ms. Murai said she did not know.

Board member Galimba asked if there is language in the lease that requires the lessee to occupy the building.

Mr. Teruya said there was not and that all the leases have similar language in this regard.

DBEDT designee to the Board Scott Derrickson asked what was meant in the lease language that allowed for subletting.

Mr. Teruya said that all state leases have a provision that allows for the subleasing of a portion or all of the subject area with Board approval, provided that the Board participates in the sublease rent. Any funds collected from the sublease are to be considered income and subject to additional rent.

Board member Ornellas said that he believes farmers should live on the land that they farm but he did have some concerns.

DBEDT designee to the Board Derrickson asked what types of enforcement was done to insure that a lessee is in fact doing agricultural activity and that a farm dwelling is justified.

Ms. Murai said that she conducts regular site visits to leased properties at least once a year and more often if she finds something that needs to be corrected. A site visit usually entails a visual inspection and interview with the farmer with a walkthrough of their property to insure that everything they are doing is in line with their lease conditions.

DBEDT designee to the Board Derrickson asked if Mr. Cavasso has a business license to sell sod grass.

Mr. Teruya said that Mr. Cavasso did have a license and that Mr. Cavasso’s two sons do most of the work and they have employees that work there for them. Mr. Cavasso also buys water from the Waimanalo Ditch which the Department owns and enables the Department to further check on the property more than once a year. Mr. Teruya said that Mr. Cavasso’s sod grass company is called Hydroseed Hawaii. The company does major landscaping and is frequently used as a subcontractor on multiple jobs.

Vote: Approved, 8/0.

9. Request for Conversion of General Lease No. S-3760, Ladybug

 Plants, LLC; TMK: 1st/4-1-010:043; Lot No. 12, Koolaupoko,

 Waimanalo, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Staff recommends that the lease for LadyBug Plants be extended to a term of not more than thirty-five years, subject to the determination of a fair market rental rate determined by independent appraisal.

Motion made to take up staff’s recommendation: Gallo/Hong.

Board member Hong asked if the authority is provided to staff to decide on the premium charged.

Mr. Teruya said that it is stated in statute that the premium is 25% for as long as the lessee is on the land or up to four years, whichever is shorter.

Vote: Approved, 8/0.

10. Request for Conversion of General Lease No. S-3756, David Alexander

 Campbell and Michelle A. Campbell; TMK: 1st/4-1-010-034, Lot No. 5,

 Koolaupoko, Waimanalo, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Staff recommends the lease held by David and Michelle Campbell be extended to not more than thirty-five years at a fair market rental rate determined by an independent appraiser.

Motion made to take up staff’s recommendation: Galimba/Ha.

Board member Galimba asked why the lease rent is considerably lower on this property.

Mr. Teruya said that the lease rents were set by the Department of Land and Natural Resources prior to the parcel being transferred to the Department of Agriculture. The parcel will be up for reappraisal and the expectation is that the rents will be going up at that time.

Vote: Approved, 8/0.

 11. Request for Conversion of General Lease No. S-4009, Char Hung Sut Fish Farms, Inc., TMK: 1st/4-1-024:054; Lot No. 28, Koolaupoko, Waimanalo, Island of Oahu

Presentation by Ms. Linda Murai, ARMD, Property Manager, as submitted. Staff recommends that the lease held by Char Hung Sut Fish Farms, Inc. be extended for not more than thirty-five years at a fair market rental rate determined by an independent appraiser.

Motion made to take up staff’s recommendation: Hong/Hashimoto.

DBEDT designee Derrickson asked if the lessee raises the carp and tilapia for the restaurant or the dim sum.

Mr. Teruya said that the fish is used in the restaurant food but that he does not believe they are used in the dim sum.

Vote: Approved, 8/0.

 12. Request for Acceptance of Annual Lease Rents as Determined by Independent Appraisal for Rent Reopenings, Lease Conversions and Dispositions for Various Lots Located in Kahuku, Waimanalo and Waianae, Oahu; Kekaha, Kauai; Molokai; and Hawaii Island

Presentation by Ms. Linda Murai, Agricultural Resource Management Division, Property Manager, as submitted.

Mr. Teruya confirmed that the Board had received an amended submittal.

Board member Galimba recused herself as one of the appraisals is for a property that she is a lessee of.

Motion made to take up staff’s recommendation: Ha/Hashimoto.

Board member Hashimoto asked about agricultural parks on Maui.

Chairperson Enright said that the Board could have a discussion on that topic at a later date.

Vote: Approved, 7/0. Board member Galimba recused.

Recess called at 10:02 A.M.

Reconvene at 10:09 A.M.

Chairperson Enright said that he was going to take an agenda item out of order and move to the presentation by Dr. Jim Anthony listed under New Business.

1. NEW BUSINESS

 Public input from Dr. Jim Anthony regarding Animal Care at the Hawaii
 Department of Agriculture Animal Quarantine Station and Related Issues

Dr. Anthony said that he would provide information on the Animal Quarantine Station (AQS) that was established by statute in 1912. He said that at that time, the driving force behind AQS was preventing the spread of rabies. Since that time, information on rabies has changed as have the precautions that should be taken, however AQS has not adjusted its approach. Dr. Anthony said that he has heard that a new AQS station is being proposed and he hopes that the design of the new facility would take in to account public input. Dr. Anthony worked with the State Legislature to create a resolution for an audit of AQS to bring more information to the Board. He believes that the substance of the resolution is to have a committee formed to look at AQS and make recommendations to the Legislature. Dr. Anthony said that he thinks the Board should insure that the internal review of AQS is a vigorous one. He said he believes that the administrative rules are not being followed by AQS staff as he was not allowed entry to AQS. He will be accompanying Chairperson Enright in a tour of the site in the near future. Dr. Anthony asked that webcams be installed at AQS and mentioned his displeasure with the current AQS Administrator. Dr. Anthony said that people who bring their animals from the mainland have their animals treated differently in quarantine than they are used to at home and that animals have rights and should be treated with those rights in mind.

Board member Gallo said that she had personal experience with AQS when she brought a dog and cat to Hawaii that needed to be in quarantine for over 3 weeks. Board member Gallo said that her experience was quite good and that she was allowed to come and watch her dog everyday as it was fed. The kennel was kept clean and her good experience was reassuring as she also believes that her animals were part of her family.

Dr. Anthony said that there are satisfied customers but that he believes there are an inordinately high number of people with concerns that can be seen on social media.

Chairperson Enright said that there will be a presentation by AQS at a future Board meeting.

C. PLANT INDUSTRY DIVISION

 1. Request to: (1) Allow the Importation of Various Species of Birds (including but not limited to, Raptors, Storks, Parrots, Passerines, Waterfowl, Water birds, Shorebirds, and Galliformes) on the List of Restricted Animals (Part A and Part B), by Permit, for Exhibition by the Honolulu Zoo; and (2) Establish Permit Conditions for the Importation of Various Species of Birds (including but not limited to, Raptors, Storks, Parrots, Passerines, Waterfowl, Water birds, Shorebirds, and Galliformes) on the List of Restricted Animals (Part A and Part B), by Permit, for Exhibition by the Honolulu Zoo.

Presentation by Mr. Keevin Minami, Plant Quarantine Land Vertebrate Specialist as submitted. Staff recommendation is to approve the permit with the proposed permit conditions.

Mr. Minami said that there is one correction on page 13 to permit condition number 4 to delete the name, James Breeden, but leave the curator position so that the condition reads “The restricted article(s) shall be maintained by the responsible person, the Curator of Birds, Honolulu Zoo, 151 Kapahulu Avenue, Honolulu Hawaii 96815, or by trained or certified personnel designated by the current curator of birds”.

PQ Specialist Minami explained that different zoos may offer bird species to the Honolulu Zoo that the Zoo wants to acquire, but there is usually a limited time to accept the birds, which sometimes cannot be done in the timeframe for the full Board review process. The Zoo wants to be able to import on a timely basis from among the various species of birds allowed for Zoo import, as individual species become available to the Zoo. The submittal proposes establishment of permit conditions in advance so that the Zoo can act promptly to accept a bird(s) when offered. Specialist Minami reviewed the different types of enclosures and containment safeguards and security for birds at the Zoo.

Motion made to take up staff’s recommendation: Galimba/Hashimoto.

Board member Hong asked where the animals would be coming from and if they were always from Association of Zoos and Aquariums (AZA) accredited facilities.

Mr. James Breeden, Honolulu Zoo, said that Honolulu Zoo’s animals typically come from other zoos and they try to use AZA accredited institutions. However, they do look at animals from the private sector if there is a desirable species.

Board member Hong asked how it is determined that the animal being procured is not from a black market source.

Mr. Breeden said that they look to see if other AZA institutions have dealt with the private source before as they, too, want to make sure any birds that are acquired are not being obtained illegally.

Board member Galimba asked if the procurement of a Laysan duck was from another zoo.

Mr. Breeden said that, typically, they are from a zoo and the last duck came from a zoo. The Zoo has reached out to Midway Atoll about accepting an injured duck from there.

Board member Ornellas asked that the Honolulu Zoo be selective in deciding which species to bring in as the rose ring parakeet is on the Restricted B list and is a serious pest on Kauai on orchard crops, including his.

PQB Specialist Mr. Minami said that the rose ring parakeet is on other islands as well.

Mr. Breeden said that the Zoo has a double door system that is inspected regularly to insure there are no bird escapes.

Mr. Minami said that if any animals are turned in through the Department’s amnesty program, he hopes that he can then turn them over to the Zoo if the animals should fall within the species allowed in this permit.

Vote: Approved, 8/0.

2. Request to: (1) Allow the Importation of Mysid Shrimp, *Americamysis bahia*, an Animal on the List of Restricted Animals (Part A), by Permit, for Exhibition, by the Waikiki Aquarium; and (2) Establish Permit Conditions for the Importation of Mysid Shrimp, *Americamysis bahia*, an Animal on the List of Restricted Animals (Part A), by Permit, for Exhibition, by the Waikiki Aquarium.

Presentation by Trenton Yasui, Plant Quarantine Branch (PQB), Acting Aquatic Specialist, as submitted. Staff recommends approval of the permit request with proposed permit conditions.

Acting Specialist Yasui said that Dr. Rossiter, the Waikiki Aquarium Director, could not be present today. Mr. Yasui summarized the purpose and procedures for Waikiki Aquarium’s project as described on page 2 of the submittal and the safeguards as described on page 3. He explained that the purpose of the exhibition is to highlight the feeding practices of the Sygnathids that live Mysid shrimp are critical to the survival of Sygnathids, and that many of the Syngnathids at the Aquarium are rare and endangered species.

Motion made to take up staff recommendation: Gallo/Hashimoto.

Board member Ornellas said that the request is for exhibition but the animals are being used as a food source.

Ms. Gwendolen Lantes, Waikiki Aquarium, said that the animals would be used for both for exhibition and as a food source for Syngnathids. She said that the exhibition highlights community feeding behavior and, second, reproductive behavior.

Mr. Yasui said that the mysid shrimp would have a standalone display as well.

Board member Galimba asked if there were any diseases that this shrimp could carry.

Ms. Lantes said that the biggest concern for mysid shrimps is that they can carry a mycrobacteria in dirty conditions. However, that type of mycrobacteria is ubiquitous in marine systems and so the Aquarium needs to acid wash or bleach their tanks every two weeks.

Board member Hong asked if the Aquarium was considering propagating the shrimp so that it would not have to be imported.

Ms. Lantes said that the future goal is to do live feed production. This is currently being done with several species of locally isolated phytoplankton and zooplankton.

Vote: Approved, 8/0.

Recess called at 10:56 A.M.

Reconvene at 11:05 A.M.

Chairperson Enright said that he would be taking item C-7 out of order.

7. Request for Preliminary Review of Nile Tilapia, *Oreochromis niloticus*, for Future Amendment to Change its List Placement from the List of Restricted Animals (Part A), to the List of Restricted Animals (Part B), by Permit, to Allow Import for Aquaculture Production.

Presentation by Leonard Obaldo, Plant Quarantine Inspector, as submitted. Mr. Obaldo said that if the Board approves the request, at some future point, list amendment would proceed through rulemaking pursuant to chapter 91, Hawaii Revised Statutes. He referred to the Attachment 2, the HDOA Aquaculture and Livestock Services Program (ALSS) report that stated there was no impact on native species or biodiversity from *O. Niloticus* and that this fish has the bestfreshwater aquaculture opportunity to meet the State’s self-sufficiency goal. Staff recommends approval of the permit request with proposed permit conditions.

Motion made to take up staff recommendation: Hashimoto/Ha.

Four persons testified orally on this agenda item.

1. Mr. Bob Endreson, private citizen, said that he has been sitting on a number of boards, including the Western Pacific Fisheries Council, discussing commercial fishermen issues for years and he believes this request should move forward. He said that the preponderance of evidence is that the Nile tilapia is already here and can be found in the wild in Hawaii and that *Oreochromis niloticus* (*niloticus*) has the least tolerance of salt water of all the tilapia species and hence the risk of *niloticus* escaping in to the wild is low. Furthermore, the waste from *niloticus* can be used as a livestock feed. Mr. Endreson asked that protocols be established to allow *niloticus* to be imported in to Hawaii and that he was submitting a letter to the Board petitioning the Board to move *O.* *niloticus* from the Restricted List A to Restricted List B. Mr. Endreson provided copies of the letter for distribution to Board members.

2. Mr. David Morgan, Kualoa Ranch, said that Kualoa Ranch has been trying to expand the number of its aquatic products for consumption and they are limited in the amount of salt-free that is available. The tilapia that they are currently growing is not good for fillets and so they would want to be able to grow *O*. *niloticus*, which has a much better yield.

3. Mr. Todd Low, ALSS Program Manager, said that he had submitted the original request to move *niloticus* from the List of Restricted Animals Part A to Part B. He said he was appreciative of the work of the Plant Quarantine staff on this issue. Mr. Low said that *niloticus* hybrid grows much faster and hence unlocks greater economic potential in the fillet industry and support is needed for the aquaculture industry by creating processing capability.

4. Mr. Fred Lau, owner of Mari’s Gardens LLC, said that the application to bring *niloticus* into Hawaii has been a process that has been going on for 4 years. He said that when he testified at the Plant Quarantine Branch, he was upset at Advisory Committee member statement that their job is to protect the environment. Mr. Lau said that he wants a balance between protection of the environment and the possibility for business for farmers. He said that *niloticus* has been around for some time in Hawaii and can be found in the Nu‘uanu Stream and has not caused any decimation of the natural environment. Mr. Lau said that *niloticus* is the number 2 fastest growing aquaculture product in the world. In China, tilapia is fed human and animal waste and so Hawaii will have a competitive edge by raising the standards under which tilapia is grown.

Board member Ha asked where tilapia in the supermarkets is from.

Mr. Low said that they are typically from Asia or China. China has recently shifted to importing tilapia because of their growing economy and South America is moving into that void.

Board member Galimba said that the supporters of this proposal say the hybrids are already everywhere and she asked where is “everywhere?” She asked if *niloticus* was in Hawaii or if it was the hybrid that was established in the wild in Hawaii.

ALSS Program Manager Mr. Low said that there is no such thing as a pure species, especially amongst fish species. By a scientific definition, if there is one percent difference in the genomics then the fish is considered a hybrid. Growers in Hawaii want to select the best and fastest growing species and will probably end up with a hybrid that is optimal for Hawaii’s conditions. Unofficially, fish move between farms as farmers try to get the best growing stocks. Mr. Low said that an exhaustive study has not been done, but anecdotally he believes that *niloticus* is widespread in the wild and among farms.

Board member Hong asked for confirmation that the genetic material for *niloticus* is established here, but the stocks are not as pure as industry would like.

Mr. Low agreed and said that it is best to think about *niloticus* like livestock where industry wants to have the best genetic lines and brood stock as you would in general animal husbandry practices.

DBEDT designee Derrickson asked why the Department of Land and Natural Resources (DLNR) did not agree with the request at the Advisory Committee review.

Mr. Obaldo said that DLNR was concerned with the potential for invasiveness of the species and that, while a study in Asia that showed *niloticus* did not have an impact on native species, this may not be the case in Hawaii.

DBEDT designee Derrickson asked about the effects that Mr. Endreson’s letter and petition would have on today’s proceedings.

Deputy Attorney General Burns said that no action would happen today, as the petition subject was not on this meeting agenda. The petition is asking for more immediate action than the submittal does and will need to be noticed and taken up at the subsequent Board meeting.

Board member Ornellas said that *niloticus* is a highly invasive species and he is not convinced that accidental or intentional release can be prevented. He asked for proof that *niloticus* existed in the wild in Hawaii today.

Mr. Low said that there was a study done by the University of Hawaii that was a brief sampling of fish in the wild and in farms and *niloticus* was identified through DNA sequencing as existing in Hawaii. Mr. Low asked what constituted “establishment” as fish farmers have had *niloticus* for over 30 years. Dr. Grau of the University of Hawaii said that he has seen black tilapia in the wild.

Board member Hong asked what the impact would be if *niloticus* established itself in a freshwater stream.

Mr. Low said that this was some of the questions that Dr. Grau was addressing in his study and he found that *niloticus* would be outcompeted by more aggressive species already existing in the environment, particularly the *Melantheron* tilapia. Mr. Low said he believed the likelihood of establishment was low.

Board member Galimba noted that found in only one Hilo stream in the survey of locally established Nile tilapia that ALSS referenced. She asked if more data could be pulled together to give the Board more proof that *niloticus* was already existing in the wild.

Mr. Low said that there is the ability for more studies but he would stand on the testimony provided by Dr. Grau that the risk was not significant and that naturally existing organisms would outcompete *niloticus* in the wild.

Board member Galimba said, as to ALSS’s reference to “everywhere in the wild”, it would help to have some documentation of how widely established Nile tilapia is here.

Mr. Alex Kanamu, Bullit Hatcheries, showed the Board a picture of a *niloticus* and said that the fish would not be able to move if released in the wild as it was so large. Farm fish require a higher amount of dissolved oxygen in the water that needs to be facilitated by pumps. Farmers are trying to farm to capacity that is made possible by the oxygen that is infused in the water. The species existing in the wild are not what farms would want. Industry would like to bring in better genetics.

Board member Ha said that when he raised tilapia on his farm, he found they multiplied in the reservoir but further downstream when more competition existed, he did not find many of them.

Mr. Kanamu said that they intend to bring in a fish to ramp up production and that fish would not survive in the wild.

Board member Hashimoto said he appreciated the farmers’ efforts to bring the fish in for production legally and to provide it locally, if the farm can prevent escape.

DBEDT designee Derrickson said that the existing *niloticus* here for years has interbred with other tilapia species and is hybridized. He asked whether the species desired for import could breed with the hybrids already out there and could decimate native species. He said that this seems a legitimate concern. He also said that the difference between a closed aquaculture system and an open one needs to be considered in this respect.

Mr. Kanamu said that he thinks existing tilapia may have interbred with other species. He said that, however, the fish that they will be bringing in have high oxygen requirements and would not survive long enough to breed in the wild if they should escape.

DBEDT designee Derrickson said that fish that are brought in have a range of characteristics and that while the farmers are breeding for a specific fish, there could be instances where fish get released and become part of the environment.

Board member Gallo asked if it would be possible to have Dr. Grau come in and address the Board as to the risks.

Chairperson Enright said that the action before the Board today was to start the rule change process. The Board could later limit permits to types of farm operations. The question before the Board is whether or not to begin the process for a rule change. Further discussion would occur as this went through the course of the rule change process and the Board could have discussion on this issue.

Vote: Approved, 8/0.

Recess called at 12:00 P.M.

Reconvene at 12:05 P.M.

3. Request to Update Permit Conditions for the Importation of Manila Clam, *Tapes semidecussata (philippinarum)*, an Animal on the List of Conditionally Approved Animals, by Permit, for Aquaculture, by Kona Coast Shellfish, LLC.

Presentation by Trenton Yasui, Plant Quarantine Branch, Acting Aquatic Specialist, as submitted. Staff recommends approval of the permit request with proposed permit conditions.

Motion to take up staff recommendation: Hong/Galimba.

Board member Hong asked if the larvae are being shipped in from Washington. He said that he knew of properties in Washington that were seeding their properties with Manila Clams from Hawaii.

Mr. Yasui said that the parent company is in Washington and that Hawaii has the right conditions to raise the baby clams. He said that the West Coast is having ocean acidification and related issues.

DBEDT designee Derrickson asked if an OIE certification was required.

Chairperson Enright said, yes.

Vote: Approved, 8/0.

4. Request to Update Permit Conditions for the Importation of Oysters, *Crassostrea gigas, Crassostrea sikamea,* and *Crassostrea virginica*, Animals on the List of Conditionally Approved Animals, by Permit, for Research and Aquaculture Production, by Pacific Aquaculture and Coastal Resources Center, University of Hawaii at Hilo.

Presentation by Trenton Yasui, Plant Quarantine Branch, Acting Aquatic Specialist, as submitted. Staff recommends approval of the permit request with proposed permit conditions.

Pacific Aquaculture and Coastal Resources Center, University of Hawaii at Hilo, is the only 4-year university facility supporting aquaculture in the State. Containment is in a closed system with more than adequate safeguards. The oysters are very unlikely to establish if they were to escape and if they did, would be consumed by predators.

Motion to take up staff recommendation: Derrickson/Hashimoto.

Vote: Approved, 8/0.

5. Request to: (1) Allow the Importation of Oysters, *Crassostrea gigas* and *Crassostrea sikamea*, Animals on the List of Conditionally Approved Animals, by Permit, for Aquaculture, by Troutlodge Jamestown Shellfish Venture; and (2) Establish Permit Conditions for the Importation of Oysters, *Crassostrea gigas* and *Crassostrea sikamea*, Animals on the List of Conditionally Approved Animals, by Permit, for Aquaculture, by Troutlodge Jamestown Shellfish Venture.

Presentation by Trenton Yasui, Plant Quarantine Branch, Acting Aquatic Specialist, as submitted. An approved Declaration of Exemption from Environmental Assessment was attached to the submittal. Staff recommends approval of the permit request with proposed permit conditions.

Motion to take up staff recommendation: Galimba/Ha.

Mr. Nathan Tsao, Troutlodge Jamestown Shellfish, said that he had a one acre facility at the Natural Energy Laboratory of Hawaii (NELHA) that used to be a moi and butterfish hatchery but he wants to completely renovate the facility to be a full scale oyster hatchery in five years. At this point he has the capacity for 15,000,000 oysters this year.

Board member Ha asked if the oysters would be sent back to Washington.

Mr. Tsao said that all the juveniles less than one millimeter would be sent back to Washington. Oysters would be grown in tanks on the one acre lot at NELHA and once back in Washington, they would be grown in the wild. While the oysters do some degree of ocean cleansing, the real value is to sell the oysters for profit. This hatchery operation needs to be done in Hawaii due to the ocean acidification in Washington that affects the oysters when they are young and their shells are thin.

Vote: Approved, 8/0.

6. Request to Revise Permit Conditions for the Importation of Tilapia, *Oreochromis mossambicus* and *Oreochromis aureus*, Fishes on the List of Restricted Animals (Part B), by Permit, for Aquaculture in Pond Systems by Carmelite Monastery.

Presentation by Trenton Yasui, Plant Quarantine Branch, Acting Aquatic Specialist, as submitted. Staff recommends approval of the permit request with proposed permit conditions.

Motion to take up staff recommendation: Ornellas/Hashimoto.

Board member Hong asked why the monastery did not use a local source.

Mr. Yasui said that the desire was for a clean source and not to bring any disease in to the monastery’s ponds, as disease is known to affect the local strains.

Vote: Approved, 8/0.

VII. COMMUNICATIONS FROM DIVISIONS AND ADMINISTRATION

VIII. ADJOURNMENT OF REGULAR MEETING

Motion to adjourn meeting: Hong/Gallo.

Meeting adjourned at 12:31 PM

Respectfully submitted,

Ken H. Kakesako

Board Secretary