

STATE OF HAWAII
Department of Land and Natural Resources
Office of Conservation and Coastal Lands
Honolulu, Hawaii

July 27, 2007

REF:OCCL:DH

CDUA OA-2504

**Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii**

REGARDING: Third Time Extension Request for Conservation District Use Permit (CDUP) OA-2504 for a Commercial Aquaculture Facility at Dillingham Quarry

APPLICANT: Mr. Ronald P. Weidenbach, dba Hawaii Fish Company, P.O. Box 1039, Waialua, Hawaii 96791-1039
808-429-3187 or 808-429-3147

LANDOWNER: State of Hawaii, Department of Land and Natural Resources

LOCATION/ Kaena, Waialua District, Island of Oahu

TMK: (1) 6-009-001: 003 & 033

AREA OF PARCEL: Approximately 112 acres

ARE OF USE: 7 Acres

SUBZONE: General/Limited

BACKGROUND:

On January 24, 1992, the Board of Land and Natural Resources (BLNR) approved CDUA OA-2504 for a commercial aquaculture facility at Dillingham Quarry, Kaena, Wailua District, Island of Oahu; subject to thirteen terms and conditions (**Exhibit 1**)¹. Mr.

¹ Condition six (6) provided that any work or construction to be done on the land shall be initiated within one year of the approval, and the work approved shall be completed within three years of the approval of such use.

Weidenback holds a Revocable Permit (RP) no. S-6814, for the aquaculture farm; granted by the BLNR on May 22, 1992.²

First Time Extension Request

On March 6, 2001, Mr. Weidenback submitted a request for a three-year time extension to complete the development of his proposed aquaculture farm project. Former Land Division, Planning Branch staff met with the applicant prior to the submission of the time extension request, and conducted a site visit.³ Staff informed the applicant that the three-year deadline to complete construction of the facility expired in 1995.

Mr. Weidenback submitted documentation explaining why he was unable to complete construction within the BLNR's stipulated timeframe. He noted the primary delay stemmed from a potential hazardous waste incident on the subject parcel. The old lessee, Hawaii Bitumuls, left behind forty (40) 55-gallon drums containing an asphalt-like substance. The Department of Health (DOH), Office of Hazard Evaluation and Emergency Response opened an investigation to assess any potential hazardous substances on the site. He was informed not to undertake any development of the site, beyond the existing quarry pond activities, until further notification by the DOH, and the Environmental Protection Agency (EPA). In 1997, the EPA cleared him to continue the site's development.

On March 23, 2001, the BLNR approved the applicant's request for a time extension until March 23, 2004; subject to four terms and conditions (**Exhibit 2**).

Second Time Extension Request

On January 21, 2004, Mr. Weidenback submitted a second time extension request of three years until March 23, 2007.

Mr. Weidenback noted since the BLNR approved his first time extension, he had a problem with a homeless person "who wanted the job of constructing the structure(s)." The applicant noted the Honolulu Police Department (HPD), Wahiawa Branch was consulted regarding issues of squatting, theft, and personal threats. The applicant noted HPD could not provide long-term protection to the applicant, and he would have to wait until the homeless person left - February 2002.

² Staff consulted with the Oahu District Land Office (ODLO) on this matter. ODLO indicated that Mr. Weidenback has complied with the provisions of the RP.

³Staff noted that: 1) the applicant had been rearing fish in the quarry pond; 2) had been refining fish production techniques during the past few years; 3) an office and numerous containers had been moved onto the site to serve as staging areas for full development of the site as an aquaculture facility; and 4) building pads had been leveled to support two proposed office/caretaker's dwellings in the area of the hatchery.

Mr. Weidenback noted he was completing the following facilities: 1) farm operations office; 2) fish hatchery operations; 3) pond aeration shed; 4) individual wastewater treatment system; 5) feed storage building(s); 6) maintenance building(s); and 7) a freshwater well⁴.

On February 13, 2004, the BLNR approved a second time extension, and was subject to the following terms and conditions: 1) Condition # 6 of CDUP OA-2501 was amended to provide a completion deadline of **March 23, 2007**; 2) the applicant was to meet with staff to discuss adequate benchmarks for Years 2005, 2006 and 2007 regarding the proposed project; and 3) the applicant was to submit an annual report (on March 23, 2005, 2006, 2007) to the Chairperson or his authorized representative on the status of the proposed project; and 4) all other conditions imposed by the BLNR under the CDUA remained in effect (**Exhibit 3**).

3rd Time Extension Request

On February 28, 2007, Mr. Wedienback submitted an update regarding Hawaii Fish Company's progress (**Exhibit 4**). Below is a short summary recap:

Farm operations office:

- Relocated, posted, and painted a recycled ocean shipping container for the current office space;
- Poured concrete foundations for multi-purpose farm office building;
- Relocated, and elevated a former construction office to the quarry for farm operations;
- Laid concrete block for the first floor of two story farm office;
- Relocated, posted, and painted one former Army barracks to the quarry for an interim caretaker cabin;
- Poured concrete foundations for the first caretakers residence; and
- Relocated the proposed Single Family Dwelling (SFR) to the quarry and elevated it on wooden carriages;

Fish hatchery operations:

- Relocated, posted, and painted six recycled ocean shipping containers for fish hatchery operations;
- Poured concrete foundations for five fish hatchery tank pads; and
- Constructed roofs over five concrete tank pads;

Pond aeration shed:

- Laid concrete block for pond-side aeration shed.

⁴ The applicant has been using a location on the adjacent Dillingham airfield for the past twelve (12) years for the temporary office, fish hatchery, and feed and equipment storage areas. However, in 2003 the U.S. Army recently bulldozed the area; they are returning the subject parcel to the Department of Transportation (DOT). The permittee was able to relocate two (2) of the 16 X 32 foot structures to the subject parcel; which are now providing temporary support, and storage facilities for Hawaii Fish Company.

Feed storage building(s):

- Relocated, posted, and painted four recycled containers for equipment and feed storage;
- Relocated, posted, and painted a former Army barrack to the quarry for storage; and
- Constructed floor of feed storage building;

Maintenance building(s)

- Constructed floor to feed storage building.

Freshwater well:

- Applied for and received permits and drilled freshwater well.

Individual wastewater treatment system:

- Received appropriate permits and installed septic tank, percolation trenches, and sewage lines.

AUTHORITY FOR GRANTING TIME EXTENSIONS:

The authority for granting time extensions is provided for in Section 13-5-43 (c), HAR, TIME EXTENSIONS, "time extensions may be granted by the Board upon the second or subsequent request for a time extension on a Board permit, based on supportive documentation from the applicant."

BASIS FOR TIME EXTENSIONS:

A time extension may be sought when an applicant is unable to initiate a project within the stipulated time frame. The BLNR grants time extensions when an applicant demonstrates some sort of hardship or delay in completing work on the project. Moreover, the applicant should be able to demonstrate that the hardship or delay was not self-imposed and that some good faith effort has been made to complete the project.

DISCUSSION:

Staff notes there are three issues: 1) the applicant partially met the BLNR's February 13, 2004's terms and conditions; 2) the City and County of Honolulu's, Department of Planning and Permitting (City) still needs to approve Building Permits for the farm office and first caretakers residence; 3) lack of electric service; and 4) several facilities still have to be completed via City Building Permits.

Staff notes Mr. Weidenbach did not meet with staff to discuss adequate benchmarks for the Years 2005, 2006 and 2007 regarding the proposed project. Mr. Weidenbach did

submit a 2005 and 2006 annual report on March 24, 2006; the 2005 annual report was one year late.

Staff notes that although Mr. Weidenback is in various stages of completing the facilities, he has failed meet the deadline of March 23, 2007 to complete the project. Significant delay and time has been wasted with both architect's failure to address the City's review comments, and has stopped Hawaii Fish Company from constructing the farm office and first caretaker's residence. Staff notes this is the same issue that promoted the request for a second time extension.

Staff also notes financing, and lack of electric service has constrained construction of other facilities (infrastructure, balance of fish hatchery operations, well pump, pump house, water distribution tank, water distribution lines, second caretakers residence). The inability to aerate the pond to maintain oxygen has led to a disruption in construction budget and overall cash flow.

Staff notes Mr. Weidenback is now asking for a three year time extension, until March March 23, 2007. However, staff notes that should the BLNR grant this deadline Mr. Weidenback will still need to receive and/or do the following for CDUA OA-2504:

- Obtain the necessary approval from the City, and additional funding to complete the construct the farm office and first caretakers residence;
- Obtain electric service from the Hawaiian Electric Company;
- Obtain funding to complete construction of the farm office, fish hatchery, and supplement first year operating expenses;
- Obtain the necessary approval from the City to construct the fish hatchery building, hatchery greenhouses, open air maintenance building, and second caretakers residence; and
- Complete construction of the pond aeration shed, well pump house, second caretakers residence, and maintenance building.

Staff notes Mr. Weidenback had a significant amount of time to complete the proposed project and that the February 13, 2004 staff report noted that Mr. Weidenback must re-apply for another CDUA if the deadline was not met.

However, after very careful consideration of the time and resources already devoted to the effort, staff recommends to the BLNR that Mr. Weidenback be given a five-year time extension until March 23, 2012 to complete things. Staff recommends the long time because it would benefit staff through less paperwork and more time for Mr. Weidenback. It is hoped Mr. Weidenback will be able to achieve his goals through this time extension. Staff further believes that the time extension will not have any adverse consequences for natural resource values.

Staff recommends to the BLNR a condition that Mr. Weidenback meet with OCCL staff to discuss the progress of CDUA OA-2504 on March 2008, 2009, 2010 and 2011

regarding the proposed project; and at the same time submit an annual report to the Chairperson or his authorized representative on the status of the proposed project.

Lastly, staff notes that although Mr. Weidenback is requesting a larger area to lease from the State for a larger on-land aquaculture facility, it is suggested he focuses on the current area, and comply first with the terms and conditions of CDUA OA-2504, and complete construction of the project.

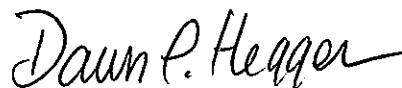
RECOMMEDATION:

Staff, therefore, recommends the following:

That the Board of Land and Natural Resources **APPROVE** an extension of five (5) years to complete project construction, subject to the following conditions:

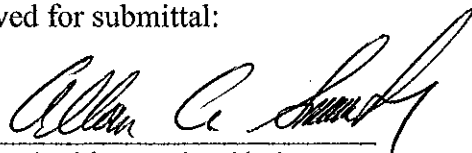
1. That condition 6 of CDUP OA-2501 is amended to provide that the completion deadline for the project is **March 23, 2012**;
2. Mr. Weidenback meet with OCCL staff to discuss the progress of CDUA OA-2504 on March 2008, 2009, 2010 and 2011 regarding the proposed project; and at those times submit an annual report to the Chairperson or his authorized representative on the status of the proposed project.
3. That all other conditions imposed by the Board under CDUA OA-2504, shall remain in effect.

Respectfully submitted,



DAWN T. HEGGER
Senior Staff Planner

Approved for submittal:



Allan A. Smith, Interim Chairperson
Board of Land and Natural Resources

FEB 6 1992

FILE NO.: OA-9/6/91-2504
180-Day Exp. Date: 3/4/92
DOC. ID.: 75

Ronald P. and Estralita P. Weidenbach
dba Hawaii Fish Company
68-059 B Waialua Beach Road
Waialua, Oahu 96791

Dear Mr. & Mrs. Weidenbach:

We are pleased to inform you that your Conservation District Use Application for a commercial aquaculture facility at Dillingham Quarry at Waialua, Oahu, TMK: 6-9-01: 3 and 33 was approved on January 24, 1992, subject to the following:

1. The applicant shall comply with all applicable statutes, ordinances, rules and regulations of the Federal, State and County governments, and applicable parts of Section 13-2-21, Administrative Rules, as amended;
2. The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim or demand for property damage, personal injury and death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of this permit;
3. Since this approval is for use of conservation lands only, the applicant shall obtain appropriate authorization through the Division of Land Management, State Department of Land and Natural Resources for occupancy of State lands;
4. The applicant shall comply with all applicable Department of Health Administrative Rules;

EXHIBIT 1

EXHIBIT 1

Pg. 1 of 3

5. Before proceeding with any work authorized by the Board, the applicant shall submit four (4) copies of the construction plans and specifications to the Chairperson or his authorized representative for approval for consistency with the conditions of the permit and the declarations set forth in the permit application. Three (3) of the copies will be returned to the applicant. Plan approval by the Chairperson does not infer approval required of other agencies. Compliance with Condition 1 remains the responsibility of the applicant;
6. Any work or construction to be done on the land shall be initiated within one (1) year of the approval of such use, and all work and construction must be completed within three (3) years of the approval of such use;
7. That in issuing this permit, the Department and Board has relied on the information and data which the permittee has provided in connection with his permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Department may, in addition, institute appropriate legal proceedings;
8. That all representation relative to mitigation set forth in the accepted Environmental Assessment/Environmental Impact Statement for this proposed use are hereby incorporated as conditions of this approval;
9. The applicant shall continue to monitor the water quality in the excavation pit to insure the maintenance of favorable water quality and to prevent any possible negative impact, and shall conduct a routine water quality monitoring program measuring surface and bottom dissolved oxygen levels;
10. The applicant shall submit a fire contingency plan acceptable to the Division of Forestry and Wildlife;
11. The applicant shall be responsible for the removal of all infrastructure from the project area and from the water-filled excavation pit, and shall restore the area to its original condition, upon termination of the lease;
12. That failure to comply with any of these conditions shall render this Conservation District Land Use application null and void; and
13. Other terms and conditions as prescribed by the Chairperson.

Please acknowledge receipt of this permit with the above noted conditions in the space provided below. Please sign two copies. Retain one and return the other.

Should you have any questions on any of these conditions, please feel free to contact our Office of Conservation and Environmental Affairs staff at 587-0377.

Very truly yours,

John P. Keppeler, II
for WILLIAM W. PATY

Receipt acknowledged:

Applicant's Signature

Date: _____

cc: Oahu Board Member ✓
Oahu District Land Agent ✓
C&C Dept. of Land Utilization ✓
C&C Dept. of General Planning ✓
DOH/OSP/OHA ✓

bcc: DLM, DWRM, DAR, DSP, HPD ✓
DOFAW, DOCAFE, NARS ✓

RS:sor

R.S.



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION
P.O. BOX 621
HONOLULU, HAWAII 96809

AQUACULTURE DEVELOPMENT
PROGRAM
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
LAND DIVISION
STATE PARKS
WATER RESOURCE MANAGEMENT

Ref.:PB:SL

MAR 27 2001

Mr. Ronald Weidenbach
dba Hawaii Fish Company
P.O. Box 1039
Waialua, Hawaii 96791-1039

Dear Mr. Weidenbach:

This is to inform you that on March 23, 2001, the Board of Land and Natural Resources approved your request for a three (3) years extension to complete project construction, subject to the following conditions:


1. That condition 6 of CDUP OA-2501 is amended to provide that the completion deadline for the project is March 23, 2004;
2. That the applicant work closely with Land Division Planning staff to ensure that all structures are sited properly to avoid or reduce potential visual impacts;
3. That all other conditions imposed by the Board under CDUA OA-2504, shall remain in effect; and
4. That this CDUA is now subject to all applicable sections of Title 13, Chapter 5, Hawaii Administrative Rules.

Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies. Retain one and return the other within thirty (30) days.

EXHIBIT 2

Should you have any questions on any of these conditions, please feel free to contact Sam Lemmo of our Planning Branch at 587-0381.

Aloha,


Dean C. Uchida, Administrator
Land Division

Receipt acknowledged:

Applicant's Signature

Date _____

cc: Chairman
Oahu Board Member
Oahu Land Agent
DAR/DOFAW/HPD/CWRM
City and County of Honolulu
Dept. of Planning and Permitting
Dept. of Design and Construction

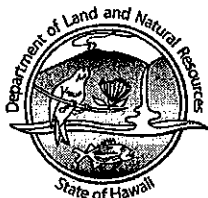
LINDA LINGLE
GOVERNOR OF HAWAII



PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DAN DAVIDSON
DEPUTY DIRECTOR - LAND

ERNEST Y.W. LAU
DEPUTY DIRECTOR - WATER



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
OFFICE OF CONSERVATION AND COASTAL LANDS

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

CDUA: OA-2504

REF:OCCL:DH

FEB 19 2004

Mr. Ronald P. Weidenbach
dba Hawaii Fish Company
P.O. Box 1039
Waialua, Hawaii 96791-1039

Dear Mr. Weidenbach,

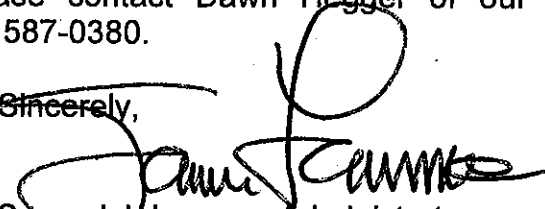
SUBJECT: Conservation District Use Application (CDUA) OA-2504

This letter is to inform you that your request for a second time extension was approved by the Board of Land and Natural Resources at its land board meeting on February 13, 2004, and is subject to the following terms and conditions:

1. That condition 6 of CDUP OA-2501 is amended to provide that the completion deadline for the project is **March 23, 2007**;
2. That the applicant meet with staff to discuss adequate benchmarks for the Years 2005, 2006 and 2007 regarding the proposed project, and that the applicant submit an annual report (March 23, 2005, 2006, and 2007) to the Chairperson (or his authorized representative) on the status of the proposed project; and
3. That all other conditions imposed by the Board under CDUA OA-2504, shall remain in effect.

Should you have any questions, please contact Dawn Hegger of our Office of Conservation and Coastal Lands staff at 587-0380.

Sincerely,


Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

cc: City and County of Honolulu
Planning and Permitting
Oahu Land Division Office
Commission on Water Resource Management

EXHIBIT 3

TIME EXTENSION

HAWAII FISH COMPANY

Post Office Box 1039
Waiialua, HI 96791, USA
Voice Mail/Fax: 808 637 0494
E-mail: hawaiiifish@msn.com

RECEIVED
OFFICE OF CONSERVATION
AND COASTAL LANDS
City Bank 2000 TIGR Award
US SBA 2000 Tibbitts Award
2001 SBA 2001 Small Business Award
Special Congressional Recognition 2001

February 28, 2007

DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

THIRD TIME EXTENSION REQUEST FOR CDUP OA-2504 FOR CONTINUED DEVELOPMENT OF A COMMERCIAL AQUACULTURE FACILITY AT DILLINGHAM QUARRY, KAENA, DISTRICT OF WAIALUA, ISLAND OF OAHU

Introduction: Hawaii Fish Company (HFC) is a small multi-species aquaculture farm owned and operated by Ronald P. Weidenbach and Estralita N. Weidenbach. HFC was formed in 1978 and operates to date as a sole proprietorship. The company currently rents approximately 18 acres of land at the former Dillingham quarry site from the State of Hawaii, Department of Land and Natural Resources (DLNR) under Revocable Permit No. S-6814 (portion of TMK 6-9-01: 3 & 33).

429 3147

HFC's current aquaculture production operations are in the quarry site's existing water-filled borrow pit or pond. The company also maintains a temporary fish hatchery and office trailer at the adjacent Dillingham Airfield under three additional Revocable Permits from the State of Hawaii, Department of Transportation, Airports Division (DOTA), owing to the present lack of electrical service at the quarry site.

HFC's long-term goal is to obtain a long-term lease for a larger portion of the quarry site to enable the company to consolidate all of its office, hatchery and production operations at the quarry site, to obtain electrical service, and to use the knowledge gained from current operations to engineer, finance, construct, and operate a larger and more economical commercial aquaculture operation at the site.

The company's quarry site aquaculture development efforts are strongly supported by the neighboring YMCA Camp Erdman, the Mokuleia Community Association, the Friends of Waiialua Town, the North Shore Chamber of Commerce, and the North Shore Neighborhood Board, and, are included in the North Shore Sustainable Communities Plan and the recently established North Shore Agriculture Triangle. HFC is also a partner with the City and County of Honolulu and the State of Hawaii in the Waiialua Enterprise Zone.

On February 13, 2004, the Board of Land and Natural Resources (BLNR) granted HFC a second time extension for CDUP-2504 for a Commercial Aquaculture Facility at Dillingham Quarry, from March 23, 2004 to March 23, 2007. HFC's efforts to date on its current CDUP-approved aquafarm construction activities are in various stages of completion. Significant progress has been made on constructing project infrastructure and on starting two of the larger construction projects. The company has:

EXHIBIT 4

- relocated, posted and painted six recycled ocean shipping containers for the fish hatchery, four containers for equipment and feed storage, and one container for temporary office space (eight of which have also been re-roofed);
- formed and poured concrete foundations for the first caretaker residence, the multi-purpose farm office building, five fish hatchery tank pads located between the six hatchery containers, and the pond-side aeration shed;
- relocated a small Hicks home from Honolulu to the quarry site for a portion of the first residence, and elevated it on temporary wooden carriages;
- relocated a former construction office from the adjacent Dillingham Airfield to the quarry site for a portion of the farm office, and elevated it on temporary carriages;
- relocated, posted, and painted two former Army barracks from Dillingham Airfield to the quarry site, one for an interim caretaker cabin for 24-hour farm security, and one for storage of construction equipment;
- laid concrete block for the first floor of the farm office and for a pond-side aeration shed, and lowered and secured the former construction office to the concrete first floor structure;
- constructed covered roofs over the five concrete tank pads and constructed the floor of the feed storage building between two of the storage containers;
- permitted and drilled the farm's freshwater well;
- permitted and installed a septic tank, percolation trenches and sewage lines; and
- obtained a commitment from the Hawaiian Electric Company (HECO) to provide three phase electrical service to the aquafarm once DLNR provides HFC a long-term lease and grants HECO a powerline easement.

However, continuing delays in the architectural planning and building permit process for the farm office and first caretaker residence, due in large part by the hired architect's failure to address the pages of review comments provided by the City and County of Honolulu, Department of Planning and Permitting (DPP) following review and rejection of the respective plans over the past three years, have largely stopped HFC's progress on these two major construction projects. Every diplomatic effort is being made to "encourage" the architect to meet his contractual obligations and to complete the plans to a level acceptable to DPP, but litigation may become necessary to force this action.

HFC's efforts to construct the above infrastructure, the balance of the fish hatchery, install the well pump, construct the pump house and water distribution tank, install the water distribution lines, and construct the second caretaker residence have been constrained to date by HFC's inability to obtain outside project financing and electrical service until HFC is able to first obtain a long-term lease from DLNR for the subject property. The lack of electricity has resulted in periodic major fish crop losses, owing to HFC's current inability to aerate the pond so as to maintain critical dissolved oxygen levels required for the fish, and these losses in turn have resulted in major disruptions to HFC's internal construction budget and overall cash flow, eg., a major fish loss in December 2006, confirmed by the UH Sea Grant Aquaculture Extension Specialist, exceeded \$150,000 in value (Attachment 1). Despite such setbacks, HFC continues to work diligently towards the current goal of completing these initial construction projects,

and towards HFC's long-term goals of obtaining a long-term lease, obtaining outside project financing, obtaining electrical service, and constructing a larger and more economic aquafarm.

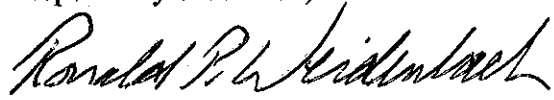
To this end, Mr. Weidenbach has participated as a member of the DLNR Kaena Point Planning Group since November 2006 to help plan for the long-term future of Kaena Point, including the quarry site. HFC's planning efforts for the larger aquafarm are being coordinated with the broader Kaena Point planning efforts for mutual long-term benefit. HFC is being assisted in its aquafarm planning efforts by the DOA Aquaculture Development Program (ADP) and the UH/CTAHR Agribusiness Incubator Program (AIP).

On December 28, 2006, Mr. Weidenbach and Mr. John Corbin, Manager, ADP, met with Ms. Chaelene Unoki, Oahu Land Agent, DLNR Land Division, to continue discussions on HFC's request for a long-term lease of a larger portion of the quarry site, to submit HFC's Draft Business Plan for the larger aquafarm, and to request the coordination of the leasing process with the Office of Conservation and Coastal Affairs (OCCA) and a third extension request for HFC's soon-to-expire CDUP. Ms. Unoki followed-up immediately with the Division of State Parks, providing them HFC's Draft Business Plan for review, and is currently awaiting their comments.

At this time, owing to the ongoing review of HFC's long-term lease application, HFC would like to formally request the OCCA to submit a Third Time Extension Request for CDUP OA-2504 to the BLNR to enable HFC to:

1. resolve current architectural and permitting delays for the farm office and first caretaker residence,
2. continue the larger aquafarm planning process with ADP, AIP, and other outside advisors and consultants,
3. continue the process of integrating HFC's aquafarm development plans into the broader Kaena Point planning process via the Kaena Point Planning Group,
4. continue the Business Plan review and the quarry site leasing process with the Land Division and Division of State Parks,
5. obtain electrical service,
6. obtain a State of Hawaii Hula Mae Program first-time homeowners loan or equivalent for construction of the first caretaker residence,
7. obtain a DOA Aquaculture Loan or equivalent to complete construction of the farm office, for construction of the fish hatchery and to supplement first-year operating expenses,
8. obtain necessary permits and construct the fish hatchery building, hatchery greenhouses, open air maintenance building, and second caretaker residence,
9. complete construction of the farm office, pond aeration shed, well pump house, two caretaker residences, and maintenance building,
10. amend HFC's prior Environmental Assessment, as necessary, to address the larger aquafarm development plans, and
11. request a new CDUP, as necessary, to address the larger aquafarm development plans.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ronald P. Weidenbach". The signature is written in a cursive style with a large initial 'R' and 'W'.

Ronald P. Weidenbach
Co-Owner/Manager

Exhibit 1. Notes on December 2006 “Event of Force Majeure” (fish loss disaster)

- Sunday December 03, 2006 (early pre dawn hours) - Milkfish school in shallow waters largely motionless – could be touched without visible response.
- During the daylight and evening hours of December 03, 2006, from approx. 9 am to 9 pm, scooped 4,500 pounds of dead floating fish from fish cages consisting of 1,000 pounds of large broodstock tilapia, 1,000 pounds of large market tilapia, and 2,500 pounds of regular market tilapia and midas chichlids. Numerous additional dead were laying on the bottoms of the cages and pond.
- During the daylight and evening hours of Monday December 04, 2006, from approx. 9 am to 9 pm, scooped 5,000 pounds of dead floating fish from fish cages consisting of 1,000 pounds of large broodstock tilapia, 1,000 pounds of large market tilapia, and 3,000 pounds of regular market tilapia and midas chichlids. Numerous additional dead were laying on the bottoms of the cages and pond.
- During the daylight hours of December 05, 2006, from approx. 9 am to 5 pm, scooped 2,500 pounds of dead floating fish from fish cages consisting of 500 pounds of large market tilapia, and 2,000 pounds of regular market tilapia and midas chichlids. Additional dead were laying on the bottoms of the cages. A survey of the pond revealed an estimated 2,400 floating milkfish (400 counted floating in the main body of the pond and an estimated 2,000 floating in a large windrows, approx. 100 wide x 20 deep, in the back of the cove), with subsample ranging from 3.5 to 10.0 pounds each (est. total wt. 6.75 lbs avg. ea. x 2400 =16,200 lbs), plus more than 100 large broodstock barramundi. Twenty-six barramundi were randomly collected and iced for follow-up examination.
- During the daylight hours of December 06, 2006, from approx. 9 am to 1 pm, scooped 1,000 pounds of dead floating fish from fish cages consisting of 200 pounds of large market tilapia, and 800 pounds of regular market tilapia and midas chichlids. A few additional dead were laying on the bottoms of the cages and pond. A survey of the pond again revealed approx. 400 floating milkfish in the main body of the pond and an estimated 2,000 floating milkfish in a large windrow in the back of the cove, plus more than 100 large floating broodstock barramundi. The 26 barramundi broodstock randomly collected and placed on ice on December 5 were examined for length, weight, and gonad condition. These ranged from 16.41 to 27.24 pounds each (Est. total wt. 21.32 lbs ea. based on 26 fish sub-sample x 135 stocked fish = 2,878 lbs).
- During the daylight hours of December 07, 2006, from approx. 9 am to 1 pm, scooped 500 pounds of dead floating fish from fish cages consisting of 100 pounds of large market tilapia, and 400 pounds of regular market tilapia and midas chichlids. A few additional dead were laying on the bottoms of the cages.

Summary of losses:

• Large market and broodstock tilapia	4,800 lbs @ \$5.25/lb whsle	\$25,200.00
• Regular market tilapia, midas chichlids	8,700 lbs @ \$4.25/lb whsle	36,975.00
• Milkfish	16,200 lbs @ \$4.50/lb whsle	72,900.00
• Broodstock barramundi	2,878 lbs @ \$8.00/lb whsle	23,024.00
<hr/>		
Total \$ value of loss		\$158,099.00



Figure 1. Windrows of Dead Fish in Quarry Pond During December 2006 Fish Kill



Figure 2. December 2006 Fish Kill Included All Species and Sizes in Quarry Pond



Figure 3. December 2006 Fish Kill Claimed All Quarry Pond Research Broodfish

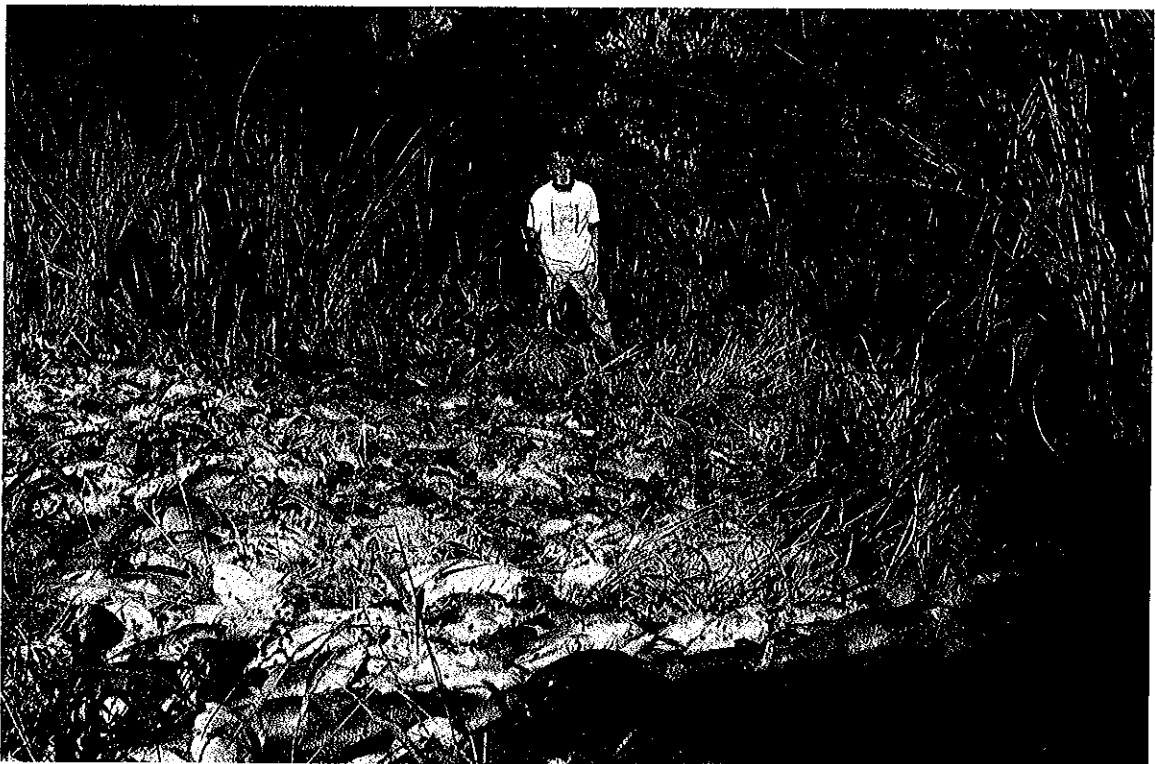
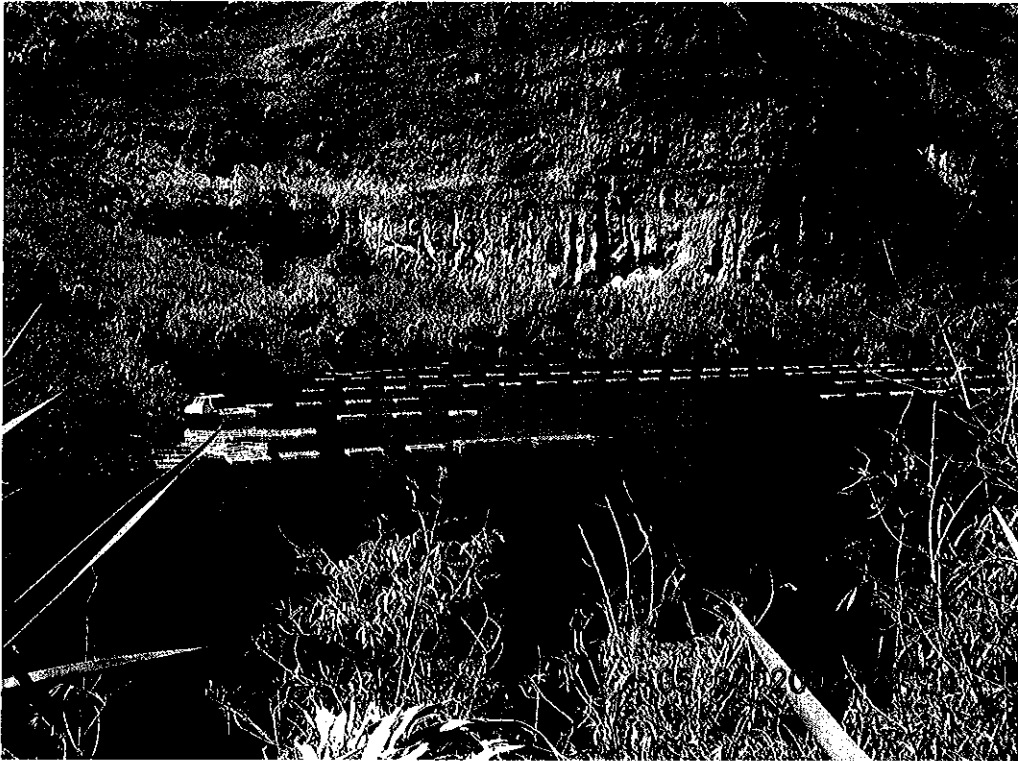


Figure 4. December 2006 Fish Kill Exceeded \$150,000 in Wholesale Value



Quarry with net pens for tilapia



proposed Single Family Residence

EXHIBIT 4



Fish hatchery operations container work space

Farm operations building





Container used for current office space



Former Army barracks for Interim Caretakers office



Containers that are part of feed storage building