



# **NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY (NELHA)**

*An Agency of the State of Hawaii*

May 05, 2003

Dale Sarver, Ph.D.  
President  
Black Pearls, Inc.  
P.O. Box 525  
Holualoa, HI 96725

Dear Dr. Sarver,

**SUBJECT: Open Ocean Fish Farm Project Endorsement**

Thank you for your letter dated February 14, 2003. Per your request, the Natural Energy Laboratory of Hawaii Authority (NELHA), by action of its Board of Directors on March 25, 2003, hereby endorses the Kona Blue Water Farms' (KBWF) open ocean fish farm project goals, approach, and management plan for the waters off Unualoha Point, with the caveat that KBWF obtain all necessary State, Federal and County permits, comply with and adhere to all requirements thereof, and furthermore, adhere to environmental monitoring and other requirements as specified in Hawaii's Ocean and Submerged Lands Leasing laws, Chapter 190D, Hawaii Revised Statutes.

NELHA notes that KBWF is a division of NELHA tenant company Black Pearls, Inc., and has proposed the open ocean fish farm project in an area well outside of the NELHA ocean use corridor as defined in its Conservation District Use Permit HA-1862 and HA-1862A.

Sincerely,

Jeff L. Smith  
Executive Director