

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on November 10, 2021  
Via Zoom Teleconference

Approved as amended January 26, 2022, ADC Board Meeting
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*Considering the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, the meeting was held remotely with Board members, Staff and Applicants, and the Public participating via Zoom meeting venue.*

**Members Present, virtually:**

Frederick Lau, City & County of Honolulu, Chairperson (Chair)  
Mary Alice Evans, Designated Representative, DBEDT, Ex-Officio Member (Ms. Evans)  
Glenn Hong, Member-At-Large (Mr. Hong)  
Karen Seddon, Member-At-Large (Ms. Seddon)  
Phyllis Shimabukuro-Geiser, Chairperson, Board of Agriculture, Ex-Officio Member (Ms. Shimabukuro-Geiser)  
Lyle Tabata, Kauai County Member (Mr. Tabata)  
Warren Watanabe, Member-At-Large (Mr. Watanabe)  
Kaleo Manuel, Designated Representative, DLNR, Ex-Officio Member (Mr. Manuel)

**Members Not Present**

Lloyd Haraguchi, Member-At-Large (Mr. Haraguchi)  
James Gomes, Maui County Member (Mr. Gomes)  
Kevin Hopkins, Hawaii County Member (resigned effective 11/1/2021)

**Counsel Present, virtually:**

Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)

**Staff Present, virtually:**

James Nakatani, Executive Director (Mr. Nakatani)  
Myra Kaichi, Sr. Executive Assistant (Ms. Kaichi)  
Ken Nakamoto, Project Manager (Mr. Nakamoto)  
Lyle Roe, Property Manager (Mr. Roe)  
Lance Tashima, Administrative Services Officer  
Lynette Marushige, Executive Secretary  
Mr. Jason Azus-Richardson, IT Specialist  
Mr. Stephen Dalton, IT Specialist (Mr. Dalton)

**Guests Present, virtually:**

Cathi Ho Schar (Ms. Schar)  
Kimi Makaiau (Ms. Makaiau)  
Jonathan "Malu" Stanich (Mr. Stanich)  
Chris Kuramoto (Mr. Kuramoto)  
Steve Tomei (Mr. Tomei)  
Jamiel Ishaque (Mr. Ishaque)  
Kyle Oura (Mr. Oura)  
Thora-Jean Cuaresma (Ms. Cuaresma)  
Linda Lovan (Ms. Lovan)

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### **A. Call to Order**

Chair called the virtual meeting to order at 1:02 p.m.

### **B. Roll Call**

Chair conducted a roll call of the Board. In accordance with the Governor's emergency proclamation dated October 1, 2021 related to COVID-19, and emergency rules related to the sunshine law, Chair called the name of each member and asked them to identify anyone present in the room with them, and if so, state his or her name for the record. Chair stated that the roll call served as the roll call vote, and for each subsequent vote, the Chair would ask if there were any objections. If there were no objections the motion will be carried on the same basis as the roll call vote.

Roll call: Ms. Evans, Mr. Hong, Mr. Manuel, Ms. Seddon, Ms. Shimabukuro-Geiser, Mr. Tabata, and Mr. Watanabe acknowledged attendance with no guests present. Mr. Gomes and Mr. Haraguchi were excused.

Chair noted that Mr. Hopkins resigned effective November 1, 2021. Chair thanked Mr. Hopkins and his wife Margarita Hopkins who also served on the board. Chair stated that he was informed that Margarita passed away on Sunday and on behalf of the board expressed condolences to the family.

### **C. Approval of Minutes**

August 25, 2021 minutes

Motion to approve: Mr. Hong, Second: Mr. Watanabe

Mr. Hong stated, again, he was a Member-At-Large not with City and County of Honolulu.

No staff comment.

No public comment.

Minutes approved with amendment: 8/0

September 29, 2021 minutes

Motion to approve: Mr. Hong, Second: Mr. Tabata

No staff comment.

No public comment.

Mr. Manuel stated he was not present at this meeting and abstained from voting.

Minutes approved: 7/1 Mr. Manuel abstained because he was not present at this meeting.

### **D. NEW BUSINESS**

#### **1. Presentation by Cathi Ho Schar of the University of Hawaii Community Design Center Regarding the Whitmore Food Hub**

Chair invited Ms. Schar from the University of Hawaii Community Design Center (UHCDC) to start the presentation regarding the Whitmore Food Hub. Mr. Dalton introduced the members with her: Ms. Makaiiau, Mr. Stanich, Mr. Kuramoto, Mr. Tomei, Mr. Ishaque, and Mr. Oura.

Ms. Schar shared a power point presentation on the Whitmore Community Food Hub Complex Update. She introduced the UHCDC team members to the board and provided the project overview.

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Chair thanked UHCDC and stated this project has been going on for a lot of years and it's finally coming to fruition. Chair asked if there were any comments from the public?

Mr. Dalton called Ms. Cuaresma forward and asked her to state her name and organization.

Ms. Cuaresma stated she's not from an organization, she's a resident of the area for over 30 years. Her first question was for Ms. Makaiau. She asked if the presentation given today by UHCDC was going to be given at the November 19<sup>th</sup> walkthrough or if it will be on a poster board so those in attendance can read everything that UHCDC put up through the slides today.

Ms. Makaiau thanked Ms. Cuaresma and responded saying they do not have the exact slides, but she doesn't see a problem with making them available. They will have poster boards that give a little more information on the work that was done these past two months. Ms. Makaiau noted they were working with translating services so they will have their materials, their flyers, and things produced in multiple languages, and will be out in the community this Friday to start putting up posters and banners at the different business locations. They will continue to send electronic files out to all of their distribution lists and they really appreciate, and hope that the community members like Ms. Cuaresma will continue to assist as far as getting the word out. It was genuinely their hope to be able to go out to the community, hear their feedback, concerns, questions, and they will do their best to get out there as much as possible. She especially wanted to say mahalo to Ms. Cuaresma for providing all the feedback and suggestions and they have definitely taken it to heart. Their team was working very hard to get out there so mahalo.

Ms. Cuaresma said thank you for that, she just had a couple of questions. She noticed one of the slides listed 808 Stone, Agtech, Davey Tree, Dole Foods, Friends of Waimanalo and one more. She wanted to know how 808 Stone, Agtech, Davey Tree and Dole got on the list. As far as she knows, these groups don't produce any kind of food or any kind of product that can feed their community.

Ms. Makaiau stated they initially asked for a list of all existing tenants on the 34-acre site. One of the first steps they did was let the tenants know who they were, and what the next steps were for their process. They met with them in two different virtual meetings very early on just to introduce themselves and let them know they contracted with ADC. They explained what their scope of work was going to be and if they wanted to continue to engage with them. Of course, they could not make any promises as far as if they would be relocated into the facility once it was renovated. It was just an opportunity to reach out to them and let them know what was happening. We continue to include them in any communication that goes out, which was inclusive of the November 4<sup>th</sup> meeting as well as the next meeting. They haven't asked for any kind of presentation or anything like that.

Ms. Cuaresma's next question had to do with the slide that talked about the 57-acre inter-agency transfer. She asked that they please tell her what agencies they were in conversation with or considering as far as this inter-agency transfer. She asked if this meant transfer of management of those 57-acres?

Ms. Makaiau explained she doesn't really know much about that and asked that the question go to the ADC board. She said they've been kind of informed there may be a transfer taking place, but she didn't know who would be better suited to answer that.

Chair asked if it would be Ms. Kaichi.

Mr. Roe said he can jump in.

Ms. Cuaresma asked if he could identify himself because she could not see him on her screen.

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Mr. Roe identified himself and stated that the two TMK wings he thinks were still under the management of DHHL and in the process of being turned over to ADC through a process that began years ago. He believed its already been paid for, the money had changed hands, and they're just waiting for finalization of the deeds.

Ms. Cuaresma said ok...she has just a couple of more questions.

Chair reminded Ms. Cuaresma that the Board had other items on the agenda that needed to be taken care of.

Ms. Cuaresma responded that she appreciates the time and continued with respect to the workforce housing, was it going to be studios or was it going to be dorm style? What's the plans?

Ms. Makaiau stated they do not have plans for that; it was in a future phase. It was mentioned in the original master plan but at this point it's not anything they have started to discuss. They have not had any outside discussion with any developers or anything like that.

Ms. Cuaresma said her last question has to do with the cost estimate. What safeguards will be put into place so the community as taxpayers can be assured that they won't run into cost-estimate issues like the State and City have run into with the HART project.

Ms. Makaiau said she was not sure who can respond to that question.

Ms. Cuaresma gave her telephone number and stated she would appreciate an answer offline from anybody regarding what kind of assurances the community or the taxpayers had because this was a taxpayer funded project. What assurances do they have that cost-estimates will be real and there will be some safeguards placed so they're not running into the same problems being seen with the rail right now. She gave her telephone number again and said she appreciated the time and looked forward to someone responding to her question.

Ms. Makaiau said she will make sure they continue communicating with Ms. Cuaresma.

Chair asked if there was anyone else from the public.

Mr. Dalton said there were none.

Chair asked if there were any questions from the board.

Mr. Tabata stated he had a question about how much waste was generated from the food processing operation and what kind of volumes were they talking about? He also asked instead of HECO having to supply the power if some co-generation opportunity would be available for power production?

Ms. Schar asked if Mr. Tomei, Mr. Kuramoto or Mr. Ishaque could respond. She doesn't think Mr. Tabata was asking for actual numbers at this point because they're not there yet but if they could respond to what Mr. Tabata was suggesting, that would be great.

Mr. Kuramoto stated he was one of the electrical consultants. He knows it's been mentioned that photovoltaic panels be used to offset some of the HECO demand. It would increase the up-front cost to provide the PV panels, but it would save on electricity over time. They are looking into ways to incorporate PV into the project. He hoped that answers Mr. Tabata's question.

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Mr. Tabata stated he had a history with solid waste disposal, and the island was currently seeking a new landfill site. Primarily the landfill was for waste that comes from the H-power generation plant. Were there any plans to divert some of this material so that it can be used for power? That's the kind of thing that will make it a green technology operation. People are looking at ways to reduce waste and generate power at the same time.

Mr. Kuramoto said thank you, they can look into that.

Chair stated one of the other things he had asked was disposal of wash water on site. He didn't see that in the presentation. Was that still a consideration?

Ms. Schar said she will have Mr. Tomei and Mr. Ishaque respond to that question.

Mr. Ishaque responded they received approval from the wastewater branch to connect the wastewater to their system.

Chair said that wash water in agriculture was not contaminated water and for example if you were growing bean sprouts, a large part of the cost was in disposal of that water after the product had been grown. Had any consideration been given to storage of that water instead of it going into the wastewater system and being charged for the disposal?

Mr. Ishaque stated he understood what Chair was saying but he thinks that where they're at right now, they have not taken that into consideration.

Chair said he was not sure how significant that will be, but it's something to consider.

Mr. Hong thanked Ms. Schar and her team for the nice presentation especially since they only got on it two months ago. He just had a comment. In the past, producers sometimes have a hard time getting together in a cooperative endeavor. It's important that they get the producers, the farmers, really engaged in the whole process to show them how the benefits were there for them and it's not designed to take all the profit out of their pockets. It would in fact help improve the profit in their pockets. Efficiency was going to be everything in making this work.

Chair asked if there was anyone else who wished to comment. There were none. Chair thanked Ms. Schar and her team.

Ms. Schar thanked the board, her team members who were there, and all the students who were not present who supported this work.

### **2. Request to Reconsider the Termination of License No. LI-KA1412, Issued to Gerald M. Sanchez**

Motion to Approve: Ms. Evans / Second: Mr. Watanabe

Chair asked Mr. Roe for the presentation.

Mr. Roe stated that staff stood on the submittal as presented. This agenda item was to provide Mr. Sanchez with an opportunity to speak on his own behalf. The notice that the board was going to deal with the license termination at the last meeting was sent regular U.S. mail and there was no confirmation that Mr. Sanchez had received it. In notifying him of the board's decision from the last meeting, our deputy attorney

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general gave him the opportunity to ask for reconsideration. Mr. Sanchez contacted him shortly thereafter. Mr. Roe believed Mr. Sanchez was in the audience waiting to be recognized.

Chair asked if there were any comments from the public?

Mr. Roe said Mr. Sanchez may be calling in.

Mr. Dalton asked if Mr. Sanchez was in the audience to please press # and then 9. (No response).

Mr. Manuel suggested that Mr. Roe call Mr. Sanchez.

Chair called for a 10-minute recess while Mr. Roe attempted to contact Mr. Sanchez.

Board recessed at 2:08 p.m.

Board reconvened at 2:18 p.m.

Mr. Sanchez joined the meeting via telephone. He introduced himself and said that Green Energy came in and walked away with a million dollars' worth of material and they left \$500 worth of disaster in his unit that he had to take care of. He said he looked for ADC help, and nobody helped him, and nobody has even spoken to him for the past 5-years from ADC. He continued saying that Green Energy came into his unit without even notifying him, they wiped the whole place out. He said they made all the profit and left all the damage in the back for the tenant to take care of. This isn't the only thing that happened. Green Energy has been doing that to a lot of tenants. The quantity of work that Green Energy left behind was unbearable. He said he's been in construction for the last 50-years and raising cattle and it's unbearable the way they leave the site and you people allowed them to do it. He repeated, this was unbelievable, the work they leave behind, and you people allowed them to do it. He said this was his problem, he has to spend all the money now to put his unit in shape. That's all he had to say.

Mr. Roe thanked Mr. Sanchez.

Chair asked when did the incident occur and what was he talking about.

Mr. Roe said that it's in the submittal but explained that Mr. Sanchez executed an agreement with Green Energy. Mr. Sanchez executed that agreement without ADC's consent. Mr. Sanchez entered into that agreement of his own volition and in violation of the terms of his license that required ADC consent for such things. ADC was not part of that, that's something that he entered into alone.

Chair asked if Mr. Sanchez had a response to that?

Mr. Roe stated that Mr. Sanchez was still on the phone but had not said anything. He said that ADC's part still stands, nothing has substantially changed. If Chair would allow him to share his screen for a moment. Mr. Roe showed a map with a common element road that runs through Mr. Sanchez's property. The length of the road is 3,163.5 feet. He said that's the distance of the two sides of the road that Mr. Sanchez has cleared. He cleared roughly 30 to 40 feet depth on each side multiplied by 2 for each side of the road that comes out to about 190-thousand square feet. If we assume there's roughly 7 million square feet in 160-acres we can say that Mr. Sanchez has cleared about 2.72% of his premises in 2 months. Given these calculations we can reasonably conclude that it would take a little over 6 years to clear the premises. In addition, as of this morning, Mr. Sanchez has not reached out to Kalepa Coalition to pay his dues or execute an agreement. Mr. Sanchez hasn't removed any of the abandoned vehicles on his property.

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Nothing has really changed except for clearing 2.72% of the premises. That's the basis for staff's continued recommendation that the board either let the termination stand or reaffirm the prior termination. This doesn't represent a loss to Mr. Sanchez. He doesn't have any infrastructure built on the property; he has no cattle. To allow this termination to stand doesn't really cost him anything except to remove the abandoned vehicles from the property. That concluded the presentation, and he was available for questions. Mr. Roe noted that it looked like Mr. Sanchez had disconnected.

Chair asked if there was any further discussion.

Mr. Manuel thanked Mr. Roe for making the effort to be inclusive and to provide the opportunity for Mr. Sanchez to make his statement and for the analysis of the situation. His question was if the Board upholds its decision, what was the timeframe to get this property back out for licensing so we can get a tenant on it? It's been one of the criticisms against the board so he would like to know from staff what the plans were to put this out.

Mr. Roe responded that our attorney general can interrupt him if he says something wrong. He said if the board upholds the termination, ADC will send a final termination letter to Mr. Sanchez giving him probably 30 to 90 days to clear out the property. At the conclusion of that time frame, he would go out and check the property to see if Mr. Sanchez had indeed cleared out. If he hadn't, then ADC would probably approach the court. He doesn't know the terminology, word of eviction, order of eviction, something like that would be served. Following that, if he still hadn't done it then ADC would sue for damages, that part was speculative, he doesn't know if ADC would do that, but it was allowable under the terms of the license.

Mr. Manuel asked so we're looking at 6 months to a year before this becomes potentially accessible by a new tenant or was that completely speculative as well?

Mr. Roe thinks it's speculative. He said Ms. Prescott-Tate may have more experience in prosecuting, but there was interest in the property.

Mr. Manuel thanked Mr. Roe.

Ms. Prescott-Tate stated that once the current license was terminated, the property can be re-licensed, probably within 3 – 6 months.

Chair asked Mr. Roe if he was aware of the statement by Mr. Sanchez that Green Energy had done this with other tenants?

Mr. Roe said he knew of one other tenant, Mr. Esaki, who had executed an agreement with Green Energy. The Green Energy Team does not tear down the stumps because it's cost prohibitive. That was evidently an agreement that they reached with Kalepa Coalition and the members.

Chair asked if he knew of any other tenant being unhappy with the Green Energy Team.

Mr. Roe responded that there doesn't seem to be. He said he was out there in July and Mr. Esaki did not express any dissatisfaction with it.

Ms. Shimabukuro-Geiser asked Mr. Roe about the expression of interest for the property and asked if that party was aware of the condition of the property and will they still take it with the vehicles and the over-growth?

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Mr. Roe responded presumably. They're aware it's overgrown. As far as the vehicles were concerned, a mini excavator and an old bus were sitting in the weeds and he doesn't know if there were any other vehicles buried further in the property. The perspective tenants were aware, but emphasized it was tentative interest.

Ms. Shimabukuro-Geiser said she hoped that the perspective parties of interest do not make the assumption that ADC was going to remove the abandoned equipment/vehicles. She was concerned about that expectation.

Mr. Roe said with any luck Mr. Sanchez will take care of that once he knows he will be responsible for any damage ADC incurs if ADC has to remove those vehicles.

Chair asked if there were any other comments?

Mr. Hong said it goes back to his question last month about if the notice was sent to Mr. Sanchez via certified mail. He said he's not sure why we sent it regular mail because we could have dealt with this last month.

Mr. Roe acknowledged that it was his mistake.

Mr. Hong said he's not trying to put blame on anyone, and we didn't lose that much time, it's just the process.

Mr. Roe said Ms. Prescott-Tate will make sure he doesn't make that mistake again.

Ms. Shimabukuro-Geiser called for the question.

Chair asked if there were any objections to the motion.

Chair asked if we were terminating the lease or reconsidering terminating the lease.

Mr. Roe said he thinks the recommendation in the submittal was to uphold the termination.

Ms. Evans said the licensee's request for reconsideration, that's his action. The recommendation was to confirm our previous vote to terminate the license.

Ms. Prescott-Tate verified that the motion was to reconsider the termination. His license had already been terminated. The board was being asked to reconsider the termination of the license. If the board does not accept his excuses for not complying with the license, then the board will not reconsider the termination and uphold the boards earlier decision.

Ms. Evans restated the motion: Based on the licensee's limited progress in clearing the land, and as of this writing, failure to address any of the remaining concerns including executing an agreement and paying past dues and fees to Kalepa Coalition, the board confirms and upholds the earlier termination of the license.

Mr. Watanabe seconded the motion. Chair called for the vote. Hearing no objection, the motion was approved.

Vote: Approved, 8-0



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**3. Request for Approval to Refer License No. LI-PU1809 Issued to K & L Produce LLC to the Department of the Attorney General for Possible Legal Action**

Motion to Approve: Ms. Evans / Second: Mr. Watanabe

Mr. Roe rested on the submittal. He thought the pictures told a compelling story and he was available for questions. He noted that in addition to the most recent inspection, he was out there last October and there was not much change from that time. He stated that the licensee's daughter was supposed to be present to speak on the licensee's behalf.

Mr. Dalton stated that there was no one raising their hand.

Following some technical difficulties, Mr. Dalton called Ms. Lovan forward via telephone and asked her to state her name and organization.

Ms. Lovan said she is Kevi's daughter with K&L Produce. Her dad doesn't speak English well so she's attending for him. Regarding some of the things she saw in the email that was sent to her about the violations, were the abandoned cars that were mentioned, cars that don't work at all? They have cars that were not registered but they use them for farming.

Mr. Roe said there were vehicles that were built into structures, that were built up around, that were used for human habitation. They were not being used as vehicles to drive around. There were others sitting in the weeds and if she goes to the ADC website and looks at the submittals, she'll see the pictures he took to document everything.

Ms. Lovan accessed the meeting materials from the [hdoa.hawaii.gov/adc](http://hdoa.hawaii.gov/adc) website.

Chair asked Ms. Lovan if, aside from the cars and what look like abandoned vehicles, had her father procured commercial liability insurance on the parcel and a soil conservation plan?

Ms. Lovan responded that her father did not know what a soil conservation plan was, and neither did she. They just started talking to Jason with USDA, and she believes he was helping them get that with NRCS. So, they're in the process of getting that. With regards to the liability insurance, they actually have insurance but it's still under Dole. She had to send the lease to HEMIC to add ADC.

Chair asked so Dole was the listed insured?

Mr. Roe stated that Ms. Lovan called him over a year ago and asked how much time was on the license because they were concerned about getting their conservation plan in time. Because of this call, he believed they were aware of the conservation plan requirement. In regard to the commercial general liability insurance, he has an email chain of approximately 6 emails to Ms. Lovan requesting updates with absolutely no response. Those actions, in addition to the violations were the reasons why this matter should be referred to the department of the attorney general.

Ms. Lovan apologized and said the contract was misplaced which was why she emailed Mr. Roe for a copy. She added, she needed the contract to do the insurance name change.

Chair asked if Ms. Lovan was able to open up the photos from the website?

Ms. Lovan said she's looking at them now.

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Mr. Watanabe expressed concern about the pesticide containers on the property. He said they need to be properly disposed of; he finds the photo showing the piled-up containers disturbing.

Ms. Lovan said she will let her dad know. She apologized saying she was not aware of this. She did tell her dad that he needs to get rid of the vehicles and she thinks he has contacted someone to do that. She ordered a dumpster earlier in the year and stated she will likely order one every month to make sure it stays clean. They were also trying to find someone to give the chickens and ducks to.

Chair asked Mr. Roe when his follow-up inspection was scheduled?

Mr. Roe said he had scheduled a follow-up inspection for November 29<sup>th</sup>.

Chair asked if we were looking for progress at that time?

Mr. Roe said yes but believed this matter should be referred to the attorney general to keep pressure on the tenant. The other thing to notice were the toilets that were plumbed directly into the ground.

Mr. Nakatani said he agreed with Mr. Roe that we have been chasing this tenant for 3 years now and it had not gone anywhere. At the same time ADC has been criticized about what's being done and why they haven't clamped down on these tenants. He thinks ADC was following what the Board would like to see. ADC has been lenient on the tenants and given them chances, but all good things come to an end. He thinks they should proceed with sending this to the attorney general. If they improve then fine, this was not a termination, it's a warning. The board should go with the staff's recommendation.

Mr. Manuel stated he had a question for the attorney general. The notice gave the tenant until November 24 to cure. If the notice gives them 30 days and they still have 14 days to cure, was this something that the AG recommends we approve now or should action be taken after the 14 days have lapsed, it's a due process question.

Ms. Prescott-Tate responded that would be up to the board.

Mr. Roe explained ADC's thought process was that the license was set to terminate in February 2022, so this was to document the violations. The board can do what it wished to do; this was just to approve the referral to the attorney general. If the inspection shows significant improvement then he would confer with Ms. Prescott-Tate, Mr. Nakatani and Ms. Kaichi to see if the progress was sufficient.

Mr. Nakatani stated that the biggest concern we had was if you don't have liability insurance and when staff does an inspection and there were pesticide containers around the property, a toilet that was plugged straight into the ground, it's a liability on ADC's part. So rather than wait till the license expires and just not renew it, better to take action right now and have them clean up the property. We need to follow the board's recommendation and just put down our foot and not be taken advantage of. Again, it's up to the board but the tenant presents some liability. We should not just wait around.

Chair asked Mr. Roe if the land was productively being farmed in spite of these violations.

Mr. Roe responded that the majority of the property was being actively farmed although he cannot answer to the food safety aspect of the situation. He didn't document it in photographs because he couldn't drive down, but adjacent tenants said that trash was being pushed over the cliff. He saw some evidence of this from the top side but couldn't see how widespread it was.

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Chair asked if there was any further discussion?

Mr. Hong asked Mr. Roe if the pesticides and herbicide applications were following the certification requirements and documentation requirements?

Mr. Roe stated that pesticide enforcement was not part of his inspection, it was HDOA's responsibility. He will contact HDOA to make sure they're aware of it.

Ms. Seddon stated the point to be made was there was too much liability. The way staff had laid this out was a good way to look at it. If they cure in time then fine, actions won't be taken. But it's been too long. Give them till the dates that staff had allowed and if nothing was done then we need to move on.

Chair asked if there was anyone else? If not, was there any objections to the motion? Hearing none, the motion was approved.

Vote: Approved 8-0

**4. Request for Approval to Amend License No. LI-PU1807 Issued to George Rapoza to Include Margaret Bush as a Joint Licensee**

Motion to Approve: Mr. Hong / Second: Mr. Watanabe

Mr. Nakamoto stated that ADC received a request from Mr. Rapoza to add Ms. Bush onto the license. She's the farm manager and she assisted Mr. Rapoza with the operations.

Chair asked if there were any comments from the public?

Mr. Dalton responded there were none.

Chair asked if there was any discussion.

Hearing none, Chair asked if there were any objections?

Hearing none, the motion was approved.

Vote: Approved 8-0.

**5. Request for Approval to Adopt the Tenant Review and Recommendation Committee's Recommendations for Selecting an Applicant for ADC Land License**

Motion to Approve: Mr. Hong / Second: Mr. Tabata

Mr. Nakamoto stated the recommendation was to award Malama Aina Collective, 91 gross acres of the Mililani Mauka property. They interviewed several top applicants, most of which have either rejected the land or selected other parcels. The next highest scorer was Malama Aina Collective. They interviewed them. They were willing to accept all 91 acres as well as accept that the property was overgrown, and they would be responsible for all of the infrastructure improvements. That's the recommendation and he was open for questions.

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Chair asked if there was anyone from the public?

Mr. Dalton responded there were none.

Mr. Watanabe stated he supports the recommendation. It was one of the more difficult parcels to get qualified applicants for and they do want to get the lands into production. He asked that the board support the recommendation.

Chair concurred. This was one of the more difficult properties to license and that's why the committee took so long getting it to the board. These people were already farming in Mililani. They have some equipment to do the clearing and they have a plan. He would like the board to support the recommendation.

Chair asked if there was any other discussion?

Mr. Nakamoto stated they were just presenting the Tenant Review Committee's recommendation for adoption. Staff will be coming back at the subsequent meeting for the actual approval and selection.

Chair asked if there was any other discussion or objections. Hearing none, the motion was approved.

Vote: Approved, 8-0.

**6. Dissolution of Investigative Agricultural Activity Policy Committee**

Motion to Approve: Ms. Evans / Second: Ms. Seddon

No presentation by the staff or comments from the public as this was an administrative matter.

Ms. Shimabukuro-Geiser asked if staff could explain the Investigative Agricultural Activity Policy Committee for the two new members on the board so they understand what was being dissolved.

Mr. Roe stated that during the Fall of last year, Chair Klutke at that time started the committee with the intent of dealing with questions on rent credit, dispositions of land, exactly classifying lands. They quickly found that some of those things were just huge. They eventually narrowed it down to rent credit policy and developing a policy on breaching default and how to handle that. Those policies exist currently in draft form and they have not been submitted to the committee because he just finished it. There's been a lot of back and forth in the office. The audit specifically raised questions about rent credits and ADC's use of them. There were a lot of questions surrounding that. He had something currently, pursuant to the next agenda item, it will be going to that committee for discussion and subsequent presentation to the board.

Chair stated to be clear, the Investigative Agricultural Activity Policy committee lost two of its three members.

Mr. Roe responded that Doug Schenk and Kevin Hopkins left the board. Ms. Seddon was the Chair of that committee and not thrilled with the progress.

Ms. Seddon told Mr. Roe he did everything he could with what they were trying to deal with and what was going on, she appreciated all of Mr. Roe's help, but the situation was too much.

Chair asked if there were any objections. Hearing none the motion was approved.

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Vote: Approved, 8-0

**7. Establishment of the Investigative Committee on Agricultural Policy and Strategic Planning; Appointment of Members thereto**

Motion to Approve: Mr. Watanabe / Second: Ms. Seddon

Mr. Roe requested that the committee deal with questions that the previous committee was charged with and incorporate questions of strategic planning into the scope as well.

Chair stated that much of the policies were in answer to the auditor's report which were extremely important. He asked if there was anyone from the public that wished to give testimony?

Mr. Dalton said there were none.

Chair asked if there were any questions or discussion?

Ms. Evans said that the scope of having one investigative committee take on both agricultural policy and strategic planning was too large, and she recommended that the Chair appoint two separate investigative committees, one to take on agricultural policy and the other one to take on strategic planning.

Chair agreed and was looking toward doing that. He asked, how do they move forward with the motion?

Ms. Evans suggested that the maker of the motion accept a friendly amendment to request the chair to appoint two permitted action investigative committees; one for agricultural policy and the other for strategic planning.

Mr. Watanabe said he accepted the friendly amendment that the Chair establish an investigative committee on agricultural policy and another committee on strategic planning.

Chair confirmed.

Mr. Nakatani commented that the board was taking on too much by forming two committees. He thinks they should concentrate on the policy issue because that's internal and would help the staff. He's saying this because of conversations with the legislature and going through the legislative hearings with the audit they were hinting at looking at changing the provisions of 163D. All he's saying was that it should be put on hold. If the board decides to do a strategic plan should it be one for agriculture or for ADC or was that the same thing? He thinks the board should concentrate on the policy first and then they can look at agricultural strategies for ADC. Also, as brought out in the audit, ADC may consider hiring a professional to do planning and he's given the board some of the planning documents before and maybe they should follow-up on that. That would be his comment on this.

Chair said the 2021 Strategic plan for Agribusiness Development was not all that bad and he and Ms. Evans spoke and decided maybe to detail it out a little bit more would be satisfactory.

Ms. Evans commented that she agreed with Chair and Mr. Nakatani. The board voted on goals and objectives in a previous meeting and that provided a framework for creating a strategic plan. If the Executive Director felt that the priority should be on agricultural policy to address concerns expressed by the audit, then she would certainly agree to that.

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Chair agreed and stated that Mr. Watanabe needed to change his motion.

Mr. Watanabe amended his previous motion and now makes a motion that the Chair establish an investigative committee on agricultural policy. Ms. Seddon seconded the motion on the amendment.

Chair asked if he appoints the committee members now.

Ms. Prescott-Tate stated that if Chair had names of those who volunteered to go ahead.

Chair named Ms. Seddon, Mr. Hong, himself, and Ms. Evans.

Ms. Evans declined because she was not qualified on agricultural policy, she'll volunteer in advance for the strategic plan committee.

Mr. Hong reminded the Chair that they needed to vote on the motion.

Chair apologized and asked if there were any objections. Hearing none, the motion was approved.

Vote: Approved 8-0

### **E. Old Business**

#### **Staff Response to Information Requested by the Board of Directors at their Meeting on September 29, 2021**

Mr. Roe stated there was no presentation. The written information provided in Item E-1 was meant to be purely informational in response to Mr. Gomes requests from the last meeting. On the advice of Ms. Prescott-Tate, when Board members ask staff for information at a public meeting that can't be immediately furnished at that meeting, staff will prepare a written response to the request for information, which will be presented at the next public meeting. All future requests for information that staff can't answer in the meeting will be handled this way.

### **F. Executive Director's Update**

#### **1. Legislature – House Investigative Committee**

The House Investigative committee hearings continue. Ms. Prescott-Tate informed him that over 11,000 pages of information had been provided to the committee. Some of the board members have been subpoenaed to testify, Ms. Evans and Mr. Manuel. The committee asked for more information on the Kauai operation, so they have subpoenaed Mr. Scott Enright, Mr. Mike Faye, and Mr. Josh Uyehara to give them an update of the Kekaha Agriculture Association on the 18<sup>th</sup> and 19<sup>th</sup>. If anybody wanted to see the previous ADC testimony the links were provided to the board.

#### **2. Galbraith – Fire**

Unfortunately, on September 27<sup>th</sup> there was a brushfire in Wahiawa on the Galbraith property. Schnitzer Steel came out and as you can see by the pictures, they cleaned up the area so there's practically no cars over there.

#### **3. Kekaha - Governor's Executive Orders transferring DOA property to ADC: Sunrise, Pioneer/Corteva, Hartung and Dickinson.**

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The land transfer to ADC consisted of mainly the Ag Park and some land makai of the road that runs through Kekaha.

4. Administrative – Land management software procurement update.  
The procurement was almost done. This software will help ADC keep track of their lands. It's an expensive contract. Mr. Nakatani asked Chair Shimabukuro-Geiser to assist with expediting the paperwork, which was currently waiting for Governor's approval.

Ms. Shimabukuro-Geiser said she will follow-up with the Governor. She asked Mr. Nakatani if he wanted to let the board know that he was giving an update to the Board of Agriculture (BOA) at their next meeting.

Mr. Nakatani responded that part of the audit request was that ADC provide an update to the BOA. He will show the BOA the presentation that was presented to the House investigative committee. He said links to the video on Galbraith and Kekaha were also provided to the BOA board members to view ahead of time. He also sent copies of the newsletters. The presentation will show BOA what ADC had accomplished so far this year. The meeting was on November 30<sup>th</sup>.

Ms. Shimabukuro-Geiser confirmed the meeting was on November 30<sup>th</sup> at 9:00 a.m. She said that ADC board members were welcome to join.

Mr. Nakatani stated that he forgot to mention that he volunteered to be part of the landfill committee to find a site on Oahu for a landfill. He wanted to learn more about landfills and how it related to agriculture since the landfill on Kauai will probably be on ADC lands.

Chair asked about the land transfer in Kekaha. He asked who was on the land and why it was being transferred to ADC?

Mr. Nakatani responded that the conversation regarding the transfer happened under Scott Enright when he was BOA Chairperson. He thinks it has something to do with electrical power but he's not really sure. He said basically the Ag park and Hartung lots under HDOA were coming over to ADC.

Chair stated, then basically it's the larger tenants not the small farmers.

Mr. Nakatani responded, the large farmers, the shrimp farm. The Ag park was 100+ acres and he believed one of the research centers was coming over to ADC too. He's not sure exactly which properties but he can provide the map.

Chair asked if there were any other questions or comments?

Ms. Shimabukuro-Geiser said, just a friendly reminder/offer for Mr. Nakatani and his staff to work with HDOA to help guide the licensees to the resources that were available. HDOA can provide a library of links to all their programs so the licensees will know who the proper manager/administrator/specialist were for certain things. HDOA will work with ADC's property management to provide a "go to" list for ADC's licensees. Sharing of information would be most helpful for ADC tenants. It's just so the licensees know who to contact for marketing, loans, invasive species, pesticides; not taking it for granted that the licensee knows who to contact and try to figure it out themselves. She's just made an offer of support to Mr. Nakatani and the staff.

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Mr. Nakatani thanked her.

Chair also thanked her and said it would be really helpful especially with new tenants coming on, it's a good beginning.

Ms. Shimabukuro-Geiser agreed that the sharing of information and communication can always be improved.

Mr. Roe stated that he does share items that he gets through HDOA, but that information can probably be deepened.

**G. Adjourn**

Chair called for a motion to adjourn: Mr. Watanabe / Second: Ms. Seddon

Hearing no objection, the motion was approved. Meeting adjourned at 3:20 p.m.

Respectfully Submitted,



Lynette H. Marushige  
Secretary