

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the State of Hawaii, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Suite 204, Honolulu, HI 96813.

Members Present, virtually:

Frederick Lau, City & County of Honolulu, Chairperson (Chair)
Glenn Hong, Member-At-Large (Mr. Hong)
Kaleo Manuel, Designated Representative, DLNR, Ex-Officio Member (Mr. Manuel)
Jason Okuhama, Member-At-Large (Mr. Okuhama)
Karen Seddon, Member-At-Large (Ms. Seddon)
Lyle Tabata, Kauai County Member (Mr. Tabata)
Warren Watanabe, Member-At-Large (Mr. Watanabe)
Jayson Watts, Maui County Member (Mr. Watts)
Dane Wicker, Designated Representative, DBEDT, Ex-Officio Member (Mr. Wicker) exited the meeting at 10:25 a.m. Rejoined the meeting at 10:31 a.m.
Vacant – Hawaii County Member

Earl Yamamoto, Designated Representative for HBOA Chair, Ex-Officio Member (Mr. Yamamoto) joined the meeting at 9:14 a.m. Exited the meeting at 10:37 a.m.
Sharon Hurd, HBOA, Ex-Officio Member (Ms. Hurd) joined the meeting at 10:37 a.m.

Members Excused:

None.

Counsel Present, virtually:

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

Staff Present, virtually:

James Nakatani, Executive Director (Mr. Nakatani)
Mark Takemoto, Executive Assistant
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Lyle Roe, Property Manager (Mr. Roe)
Lynette Marushige, Executive Secretary

Guests Present, virtually:

ADC Guest
Alison Fraley
Basil Gomez
Bill DeCosta, Kauai County Council (Mr. DeCosta)
Brad Rockwell
Chauncie
Chris Y.
D. Arruda
David Bissell, KIUC

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Dawn Huff, KIUC
Ford Fuchigami
Fredrick Berg, AES
Jhanavi Pomerantz
Josh Uyehara, KAA (Mr. Uyehara)
Keola Aki
Lei Leong (Ms. Leong)
Mike Faye, KAA (Mr. Faye)
RG
Scott
Scott Enright
Mark L
Senator Tim Richards

Guests Present, physical location: None.

A. Call to Order

Chair called the virtual meeting to order at 9:06 a.m.

Chair apologized for his camera not working, so he would not be visible.

B. Roll Call

Chair conducted a roll call of the Board. Chair called the name of each Board member and asked them to indicate their presence with a “here” or “present” and to state who if anyone over the age of eighteen was present in the room with them. 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 would be approved on the same basis as the roll call.

Roll call: Mr. Hong, Mr. Manuel, Mr. Okuhama, Ms. Seddon, Mr. Tabata, Mr. Watanabe, Mr. Watts, Mr. Wicker acknowledged attendance with no guests present. Mr. Yamamoto joined the meeting at 9:14 a.m. and exited the meeting at 10:37 a.m. Ms. Hurd joined the meeting at 10:37 a.m.

C. Approval of Minutes

1. Board of Director’s Meeting, March 16, 2023

Chair called for a motion to approve: Mr. Watanabe; Second: Mr. Tabata.

Chair asked if there was anything from the staff. There was none.

Chair asked if there was any comment from the public. There was none.

Chair asked for Board discussion.

Mr. Manuel asked to abstain from voting because he was not present at that meeting. Mr. Okuhama also asked to abstain from voting because he was not present at the meeting.

Chair called for the vote. The motion was approved: 7-0; Mr. Manuel and Mr. Okuhama abstained.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

**APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023**

2. Executive Session Meeting Minutes, March 16, 2023

Chair stated that during the executive session held on March 16, 2023 the Board considered matters pertaining to the evaluation of the executive director's performance for fiscal year July 2021 to June 2022. HRS sections 92-4 and 92-5(a)(2) allow the meeting to be closed to the public when necessary to discuss an employee evaluation where consideration of matters affecting the privacy will be involved. In order to maintain the confidentiality of matters discussed in the executive session the draft minutes were provided directly to the board members for review. Chair asked that the Board respect the confidentiality of the executive session held on March 16, 2023 when discussing approval of these minutes.

Chair called for a motion to approve: Mr. Wicker; Second: Mr. Watts.

Chair asked if there was anything from the staff. There was none.

Chair asked if there was any comment from the public. There was none.

Chair asked for Board discussion.

Mr. Manuel stated he will abstain from voting because he was not present. Mr. Okuhama also abstained.

Chair called for the vote. The motion was approved: 7-0; Mr. Manuel and Mr. Okuhama abstained.

D. New Business

1. Request for Approval to Amend Site Location for License Agreement LI-KA-22-03 issued to Mahipapa, LLC, and Approval to Amend Exhibit "B" for License Agreement LI-KA-22-01 issued to Hanahanapuni Farm, to Reflect Changed Site Location of Unit GE(L), in Kalepa, Kauai, Hawaii, Tax Map Key No. (4) 3-9-002:001 (por.)

Chair called for a motion to approve: Mr. Tabata; Second: Mr. Wicker.

Chair asked if there was anything from the staff.

Mr. Roe stated that as noted in the submittal, license number K1102 originally issued to Green Energy Team (GET) in 2011, was assigned to Mahipapa in 2022. Before the assignment, GET negotiated with other revocable permit (RP) holders in Kalepa for about 1,000 acres divided amongst each of the RP holders for a portion of each of their units. In 2018, GET and Hanahanapuni Farms apparently came to an agreement to relocate a portion of GET's property within Unit L. Hanahanapuni Farm believes ADC was made aware of the change, but no formal action was ever taken by ADC to approve the change. This item is to request after-the-fact approval of the relocation of Unit GE(L) within Unit L and amend Exhibit B of Mahipapa's license to reflect the relocation.

Chair asked if there was anyone from the public who wished to provide testimony.

Mr. Nakamoto said there was one hand raised and called Ms. Leong to join the meeting.

Ms. Leong was representing Mahipapa in this matter. She just wanted to reiterate that Mahipapa supported this motion and if there were any questions or follow-up she would be glad to communicate that to them.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Chair thanked Ms. Leong and asked if there was any Board discussion or questions.

Chair asked if there was any impact from the relocation?

Mr. Roe responded no, it's the same acreage, 28-acres, they just moved from one spot to the other with agreement from the parties. There appears to be no negative impact between either of the parties. The move was at their impetus.

Ms. Prescott-Tate interrupted to note that Mr. Yamamoto had joined the meeting on behalf of Ms. Hurd.

Chair asked if there were any other questions or any discussion on this. There were none.

Chair called for the vote. Hearing no objections, the motion was approved: 9-0 (Mr. Yamamoto's vote excluded due to his arrival just before the vote.)

2. Presentation by Josh Uyehara and Mike Faye Regarding Kekaha Agriculture Association's Activities and Projects in Kekaha, Kauai, Hawaii

Mr. Uyehara thanked the Board for the opportunity and started the presentation with the Kekaha Agriculture Association's Goals and Objectives. (See PowerPoint presentation attached for reference.)

Chair mentioned that ADC was installing a Yardi system for inventory of land and infrastructure. Would KAA be integrating their areas into that system?

Mr. Uyehara responded that was something that could certainly work with. One thing they are working on is building a GIS database of infrastructure, tenants, assets on the property under management, operational status, things like that. They have quite a bit of those systems with bits and pieces here and there and they're hoping to have that online in something like the ESRI, Arc GIS cloud or something like that. For example, right now a lot of the large tenants have separate GIS systems with data about the irrigation infrastructure on their parcel. KAA would like to consolidate that and give all the tenants access to that kind of information. It really doesn't make sense for tenant operations to duplicate that resource and it just makes all of their lives easier if they can share on a platform like that. Integration across systems like that would be ideal. If they don't have to build out a whole system to track tenants at the level of detail they need, that information can be provided to ADC system. He doesn't see why they would want to duplicate effort.

Chair said that would be great and KAA can work with Mr. Roe on that.

Mr. Uyehara finished the presentation with Kekaha Lands: the future. (See page 13 of PowerPoint.)

Chair stated that Mr. Uyehara touched on the energy project with KIUC and about the benefits from KIUC repairs to the ditch system and the Mana reservoir. How would KAA utilize the water from the pump station?

Mr. Uyehara responded that the benefits would be that the Kokee system is expensive to maintain; it's at a higher elevation, a little more remote. The three major reservoirs on the system, Pu'u Lua, Pu'u 'Ōpae and Mānā are all sort of in that registered dam scale. So, the cost to remediate them to meet the dam safety requirements and then continue to operate them as registered dams would be prohibitive. Certainly KIUC could justify to ADC to make that type of investment. The energy project, first and foremost, will provide for the rehabilitation and maintenance of all of that infrastructure. That's a great benefit because

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

that provides for the security of that water system. As far as the water itself, they are looking at that flooded field agriculture on page 13 (of the PowerPoint Presentation). The really cold water that will come out of the Kokee System is ideal for that type of agriculture and working with KIUC, similar to how they have the pump storage, when it's dry they can figure out how to pump water to provide when necessary in between periods of rain. And when it's raining, they'll take that water, instead of pumping it and be able to use it for, whether it's taro, rice, watercress; there are some high value crops that they have been looking at that would really make sense, if you had that kind of flow available and that would be an opportunity provided by the energy project. The other thing Chair mentioned was the infrastructure. So, all the infrastructure they use, they are going to improve roads, they're going to improve the drainage canal system that's downstream of the project that will all be essential to the common benefit.

Chair asked if they would be supplying power to the farmers.

Mr. Uyehara responded that is part of the secondary agreement set around the project where they already have a power purchasing agreement in place between ADC, KAA and KIUC for the hydro(power) plants that they already have online. So, they are going to fold into that project with that agreement that will provide additional capacity and price stability for the farmers on the ADC property. They already provide through the KAA and ADC microgrid system below market price power to the farmers and they would anticipate that the capacity to do that would be increased with the energy project.

Mr. Nakatani remarked that going back and looking at the Becks facility, he thinks that rather than looking at the mill site, the VEX facility is the perfect spot for value added since it's pretty clean.

Mr. Uyehara agreed.

Mr. Nakatani said it has all the entitlements there and that rather than trying to rebuild something, he's pretty sure that the Department of Education is not going to use ten acres, or half of that but just for consideration.

Mr. Uyehara responded that he definitely agrees. Whatever they can put there, they would maximize the use of that. The things they are thinking about are, if things transition more from ag processing into the value-added manufacturing side, that will require a whole lot of work to put that on ADC land. That's an ag use, versus an industrial zoned area. That's kind of where they're thinking the difference would be.

Chair asked if there were any other questions for Mr. Uyehara or Mr. Faye.

Mr. Nakamoto said there was one hand raised and called Mr. DeCosta to join the meeting.

Mr. DeCosta introduced himself as a Kauai Councilmember. He has some ideas as a councilmember with some of the west-side community members on the mauka lands. A big group, including Mr. Tabata and Mr. Faye, wanted to do some kind of prescribed grazing whether it be sheep or cattle. He knows there are some mauka lands that's not in the forecasted future project of KAA and ADC. Mr. DeCosta believes he saw a slide that said Mauka Timber of 450-acres and Mauka Diversified ag of 600-acres, but he didn't know what the Mauka Diversified ag was for. He was wondering if that project that they had discussed with Mr. Tabata and Mr. Faye, and he believes Mr. Uyehara knows about the community project, they want to install out there to become food security and the fire mitigation that the County was really concerned about the grasslands in the mauka area are not managed. He was just wondering when they, Mr. Uyehara, when they did the community outlay of the ahupua'a, they did not mention the County fire department and the fire mitigation of keeping that tall grasslands under control. So, he wanted to know if he could submit a community proposal to this Board with some type of explanations and some slides to

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

show what they were thinking about, and it will help with the silt runoff. He wants everyone to know that the silt runoff comes from lands that are not managed and when the guinea grass, that's the type of grass that is on that 1200+, 12,000+ acres up in the mauka land. Guinea grass gets so tall that under the guinea grass there is trenches of dirt because sunlight cannot reach it, so the seedlings of the guinea grass isn't able to propagate. Guinea grass helps as a silt modification if it's held at 18 inches above the ground level which means if you have grazing going on, the guinea grass will help keep back some of the silt runoff from the mauka lands. They had a professional from UH, a grazing specialist present for them. So, he was wondering if they could hear out this project or incorporate this project or at least help out the community. They wanted to do this back in 2015 and they had Representative Morikawa lead the charge on this out there and now it has been forgotten. He's just bringing it back, hoping to get some positive ears out there listening. He's willing to take any questions right now if they don't understand what is being proposed.

Chair thanked Mr. DeCosta for coming and said he would really like the board to look at what he was talking about. He briefly sat in on that meeting but had to jump off the call after a bit, so he'd like to hear about everything Mr. DeCosta had put together. Chair believes that Mr. Faye and Mr. Uyehara have some concerns. The Board does not have all the information they need to have a discussion. Could he get them that information?

Mr. DeCosta asked who would he send that information to?

Chair responded to Mr. Roe.

Mr. DeCosta said ok. He said that before he closed he just wanted everybody to know that this is not something like a rabbit out of a hat at a circus show. This was a community outcry to do some kind of livestock grazing and he knows ADC is underneath an environmental watch and there's some lawsuits going on with Earthjustice but some of the lawsuits is because, according to the professional from UH, of prescribed grazing, the guinea grasses are too tall up in the mountain area and underneath the guinea grass has a lot of open red dirt that allows the rain water bring its silt down to the makai ditches. We could work hand in hand with each other and do a pilot program possibly across the Kokee state road on the Waimea side. They want to do a 500-acre parcel to keep the grass down to a minimum, help with the fire mitigation. He believes across the State, Governor Green is moving towards keeping low grasses in fire hazard areas and their County fire department is really concerned when they fought the two fires out there. A lot of those valleys have no entrance or exit for fire trucks, so they have to go on foot and if the wind changes and these firefighters get caught in the six-foot tall grasses there is nowhere for them to run or get out. Whereas if it's more of a pasture, grazing lower end. They can do the numbers where they can keep the prescribed grazing to a minimal under the environmental impact so they could do like one cow per ten acres or maybe ten sheep per two acres. They could do something really, really low-impact and rotate them vigorously, so the grasses have a chance to stay at the 18-inches or 24-inches. They would hate to have to put some kind of stipulation where it says those grasses would have to be mowed in order to help with fire mitigation; he thinks there is much more intellectual ways to control grass heights and they do it all over the world actually. We are way behind the times. He's been to a place in California where they use goats on the side of the road to keep the guinea grass or their grasses down. There's ways to do it and there's smart techniques to use to be environmentally friendly and he would like to present that to the board.

Ms. Prescott-Tate reminded Mr. DeCosta that his presentation was scheduled today as agenda item 5. Did he want to send additional information? The Board could move the presentation to the next meeting.

Mr. DeCosta said he is a schoolteacher and took a break to join the meeting on Zoom. So, he doesn't have access to get the documents to the board.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Ms. Prescott-Tate said that's ok. We will reschedule the presentation to the next meeting.

Mr. DeCosta asked if he was scheduled to do his presentation today?

Ms. Prescott-Tate responded yes, he was scheduled as item 5, but we're still on item 2.

Chair told Mr. DeCosta they'd like to defer item 5 to the next meeting so the board can get his information.

Mr. DeCosta responded ok.

Chair said so if he can submit that over the next month, they'll get him on the agenda.

Mr. DeCosta thanked everyone.

Chair asked if anyone had anything to say. There was none.

Chair thanked Mr. Uyehara and Mr. Faye for the excellent presentation.

Ms. Prescott-Tate asked if they could take a break.

Chair called for a five-minute break at 10:16 a.m.

Chair called the meeting back to order at 10:25 a.m.

Mr. Wicker exited the meeting at 10:25 a.m.

3. Request for Approval of Re-Opened Lease Rents for General Lease No. S-3940 Assigned to Kauai Island Utility Cooperative, Kalepa, Kauai, Hawaii, Tax Map Key No. (various)

Chair called for a motion to approve: Mr. Tabata; Second: Mr. Hong.

Chair asked if there was anything from the staff.

Mr. Roe stated that Lease No. S-3940 was issued by DLNR in 1965 for 65-years and it was issued to Citizens, McBride Sugar Company. Through a series of transfers and assignments it is now held by Kauai Island Utility Cooperative for 74.38 acres of land under easement for electro-utility transmission lines. The lease was reopened in 2020 and ADC conducted a fair-market rent appraisal. KIUC commissioned a review of ADC's appraisal and reached their own conclusion. At KIUC's suggestion, to avoid the added time and expense of appointing a third appraiser to mediate the fair-market value, ADC and KIUC agreed to split the difference between ADC's appraised value and the value associated with KIUC's review with a final figure shaded slightly in favor of ADC. You can see the details in the submittal, but we have reached the amount of \$64,000 a year for the new reopened rent.

Chair asked just to be clear that this has been agreed on by both parties, so this is not up for negotiation, this has been agreed to.

Mr. Roe responded yes and stressed that this amount was at KIUC's suggestion. ADC felt that it was fair and appropriate.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Chair asked if there was anyone from the public who wished to give testimony. There was none.

Chair asked if there were any questions or discussion by the Board.

Mr. Manuel stated in reviewing the submittal, there are eight-years left on this lease; is there an option to extend or what is the strategy considering these are utility easements.

Mr. Roe stated he doesn't recall if there was an option to extend. He is pretty sure he looked for that and didn't see it. So, KIUC would have to request a renewal. He would imagine these lines head over Princeville, Hanalei area so he would imagine unless they have alternate routes, KIUC would be interested in renewing this. The property came over to ADC as part of an EO (executive order), so we have control and management over it.

Mr. Manuel said he was wondering in terms of procurement if they would have to go out to bid and open it up, which doesn't seem logical if the infrastructure is there. He guessed that was something the future boards will have to deal with, but he just wanted to note that in the discussion.

Chair thanked Mr. Manuel and asked if there were any other questions or discussion.

Mr. Okuhama said he had a question just for his reference. So, Hastings, Conboy did the appraisal for us and then KIUC had Medusky do the review and the differences were quite big. What was the basis for the differences in the valuations and did our appraiser review Medusky's review to come up with rationale as to why there's such a big difference in the rent value versus our higher amount?

Mr. Roe responded that the Medusky review identified a couple of properties that they thought should have been identified as commercial that Conboy identified as residential. They did take the appraisal back to Conboy who looked at it and said that they could go either way but stood by their appraisal amount; he didn't defer to the review. So, then it became a discussion between ADC and KIUC as to whether they could find agreement or whether or not they needed to find a third appraiser to find a mediated amount.

Mr. Okuhama said he's used to normally; the lessor and the lessee agrees to a third appraiser and then you get a valuation from an independent agreed upon appraiser and then you come out with a lease rent amount going forward. That's normally what he's seen, not a split the difference type of valuation on the lease rent. He was just kind of curious on how that works and for future reference when they come to situations like this.

Mr. Roe responded okay.

Chair asked if there were any other questions or discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 9-0

Mr. Wicker rejoined the meeting at 10:31 a.m.

4. Request for Approval to Issue a 35-year non-Exclusive License to the County of Kauai for Two Monitoring Wells in Field 311 in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair noted that Mr. Wicker had rejoined meeting.

Chair asked for a motion to approve. Mr. Tabata; Second: Mr. Watanabe.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Chair asked if there was anything from the staff.

Mr. Roe said the County of Kauai owns and operates the Kekaha landfill and the Hawaii Department of Health is requiring the landfill to establish background water quality monitoring, upgradient of the landfill. The County has requested permission to install two monitoring wells in field 311 across the highway from the landfill. That land is currently licensed to Hartung. Hartung has agreed in principle, if the county will agree to coordinate with them for access to the wells to avoid disrupting field activities and, if the structures can be located makai of the interior field road. You'll see the location on the map, and that location is satisfactory. That's basically what the board is being asked to approve.

Chair asked if there was anyone from the public who wishes to give testimony. There was none.

Chair asked if there were any questions or discussion.

Mr. Manuel said, these are ground water monitoring wells regulated by the Department of Health, so the water commission doesn't regulate this development. He totally supports groundwater monitoring for the purposes of managing landfills.

Chair thanked him and asked if there were any other discussion or questions.

Mr. Okuhama asked if the monitoring wells are along the roadside. Is that correct?

Mr. Roe responded yes they will be.

Mr. Okuhama asked if the bollards and protection around it is going to be satisfactory so that in case a vehicle hits it or anything like that there won't be any risk of contamination or anything like that going into the well system.

Mr. Roe said that it should be high enough. It will be covered. There will be bollards protecting it, there may even be fencing but that is not certain yet. In spite of how it looks on the map, there is a fair amount of distance from the actual highway.

Chair asked if there were any other questions, discussion? There was none.

Chair called for the vote. Hearing no objections the motion was approved: 10-0

5. Discussion of Pilot Grazing Project on ADC Mauka Lands in Kekaha, Kauai, Hawaii, Tax Map Key No. (4) 1-2-002:001 (por.)

Chair stated that this item will be deferred until next month's agenda.

E. Old Business

- 1. Update Regarding Discussion of License Agreement Nos. LI-K1702 (Kokee Ditch) and LI-K1703 (Mana Reservoir) Issued to Kauai Island Utility Cooperative for the West Kauai Energy Project in Kekaha, Kauai, Hawaii, Tax Map Key (4) 1-2-002:001 (por.), Various (continued from March 16, 2023, Item D-2)**

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

The Board may go into executive session pursuant to HRS section 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

2. Request for Approval of the Draft Annual Performance Review of the Executive Director (continued from March 16, 2023, Item E-1)

The Board may go into executive session pursuant to HRS section 92-5(a)(2) to allow discussion of an employee evaluation where consideration of matters affecting privacy will be involved.

Chair stated that the Board would be going into executive session to discuss Old Business Agenda Items 1 and 2.

Chair asked if there was any public testimony before they enter Executive Session. There was none.

Chair called for a motion to approve: Mr. Manuel; Second: Mr. Watts.

The Chair called for a vote. Hearing no objections the motion was approved: 10-0.

The Board entered Executive Session at 10:35 a.m.

Mr. Yamamoto exited the meeting at 10:37 A.M. and Ms. Hurd joined the meeting at 10:37 a.m.

The open meeting resumed at 11:10 a.m.

Regarding agenda item E-2, Chair called for a motion to adopt the Evaluation Committees' report and recommendation to retain the Executive Director at his present salary.

Motion by Mr. Tabata; Second by Mr. Wicker.

Chair asked if there was any discussion. There was none.

Mr. Okuhama noted that he would abstain from voting since he was not present at the previous meeting.

Chair called for the vote. Hearing no objection the motion was approved: 9-0; Mr. Okuhama abstained.

Chair said the tenure of the ad-hoc committee to evaluate the fiscal year 2021-2022 annual performance of the Executive Director that was established on January 25, 2023 has now expired. Chair thanked Ms. Seddon, Mr. Watanabe and Mr. Manuel for their hard work on this committee.

F. Executive Director's Report

Chair called on the Executive Director to give his report.

Mr. Nakatani said that they have the report before them. The big bill is Senate Bill 833, SD2 that is related to the Wahiawa Irrigation System. That bill is going to conference and hopefully they'll get something out. They have conferees on the Senate side, but he hasn't seen the conferees on the House side. The other thing was, with legislature advise and consent on April 5, 2023, the Senate committee on Agriculture and Environment recommended to advise and consent the following gubernatorial nominees to serve on the ADC Board, and that's Jayson Watts, Karen Seddon and Jason Okuhama.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on April 20, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 204, Honolulu, HI 96813

APPROVED AS AMENDED:
ADC BOARD MTG May 18, 2023

Some other updates, if you turn to the next page, you'll see that we're progressing slowly except for one, item number 5. Some other bills that are still with the legislature is SB 818 to transfer aquaculture to ADC. That's going to conference. Other bills, HB 852 which amends the definition to allow eligible businesses to include value-added products grown within their enterprise area zone, that's also going to conference. And lastly, HB 1426 that establishes a food network statewide will also go to conference.

Chair asked if there were any questions. There were none.

Before ending the meeting Chair asked Mr. Okuhama to give a little introduction and background on himself.

Mr. Okuhama said he's a former banker and for a number of years he's been in the lending industry and banking for about forty years give or take. He's been self-employed for the past 22 - 23 years and primarily specializes in doing government loan programs. So, the farm service agency, USDA, USDA rural development, small business administration, he primarily does all these types of government lending and lately over the last several years he's been doing quite a bit of agricultural loans. And over the years too with the rural development programs, off and on over the years he's done food related type industries in financing. So, he thought that ADC would be an agency where, with his background and knowledge, he could contribute to the agency going forward. Especially, with the agriculture industry and food industry going forward and the responsibility ADC has with agricultural lands on Oahu and Kauai and some of the facilities they were talking about being funded, he hopes he can contribute going forward.

Chair thanked Mr. Okuhama and asked if the Board had any questions. There was none.

Mr. Watanabe said before closing he wanted to congratulate Chair for being the outstanding CTAHR alumnus.

Chair responded that was kind of fun.

G. Adjourn

Chair called for a Motion to Adjourn: Mr. Manuel; Second: Mr. Watts.

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objection, the motion was approved: 10-0

The meeting was adjourned at 11:19 a.m.

Respectfully submitted:

Lynette Marushige
Secretary