

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 17, 2023

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

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:

Warren Watanabe, Member-At-Large, (Chair)

Glenn Hong, Member-At-Large (Mr. Hong)

Sharon Hurd, HBOA, Ex-Officio Member (Ms. Hurd)

Jason Okuhama, Member-At-Large (Mr. Okuhama)

Karen Seddon, Member-At-Large (Ms. Seddon), joined the meeting at 9:35 a.m.

Lyle Tabata, Kauai County Member, Vice-Chair (Mr. Tabata)

Dane Wicker, Designated Representative (Mr. Wicker), DBEDT for Ex-Officio Member James Tokioka

Kaleo Manuel, Designated Representative (Mr. Manuel), DLNR for Ex-Officio Member Ms. Dawn Chang

Members Excused:

Jayson Watts, Maui County Member

Counsel Present, virtually:

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

Staff Present, virtually:

Mark Takemoto, Executive Assistant (Mr. Takemoto)

Ken Nakamoto, Project Manager (Mr. Nakamoto)

Lyle Roe, Property Manager (Mr. Roe)

Guests Present, virtually:

ADC Guest

Asokasaki

HDOA

LM

Mike Faye (Mr. Faye)

Mary Alice Evans (Ms. Evans)

Bill DeCosta

David Cho

Kaeo Kinoshita

Beth Amaro

Rmills

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Guests Present, physical location: Wendy Gady.

A. Call to Order

Chair called the virtual meeting to order at 9:04 a.m.

B. Roll Call

Chair conducted a roll call of the Board. Chair called the name of each board member and asked them to identify their presence with a “here” or “present” and to state who if anyone 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 will be approved on the same basis as the roll call.

Roll call: Chair, Mr. Hong, Ms. Hurd, Mr. Manuel, Mr. Okuhama, Mr. Tabata, and Mr. Wicker acknowledged attendance with no guests present. Ms. Seddon entered the meeting at 9:35 A.M.

C. Approval of Minutes

1. Board Meeting Minutes, July 20, 2023

Chair asked for a motion to approve the July 20, 2023 minutes.

Motion to Approve: Mr. Okuhama, Second: Mr. Wicker

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

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

Chair asked for board discussion. There was none.

Chair called for the vote. Mr. Manuel abstained from voting stating he was not present at the meeting. Hearing no further objections, the minutes of July 20, 2023 was approved 6-0: Chair, Mr. Hong, Ms. Hurd, Mr. Okuhama, Mr. Tabata, and Mr. Wicker. Mr. Manuel abstained.

2. Board Meeting Executive Session Minutes, July 20, 2023

Chair stated that during the executive session held on July 20, 2023 the Board received and discussed a report from the executive director search committee. HRS sections 92-4 and 92-5(a)(2) allow the meeting to be closed to the public when necessary to discuss matters affecting privacy. 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 July 20, 2023 when discussing approval of these minutes.

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Ms. Prescott-Tate noted that the executive session minutes needed non-substantive amendments.

Mr. Roe stated the amendment would be on page 2, first line of the first full paragraph, strike "They did not" at the end of the line; and the first line of the next paragraph, replace "Mr. Watts continued" with "Mr. Hong stated".

Chair asked for a motion to approve the July 20, 2023 executive session minutes as amended.

Motion by approve as amended: Mr. Tabata; Second: Mr. Okuhama

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

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

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

Chair called for the vote. Hearing no objection the Executive Session minutes of July 20, 2023 were approved: 8-0

D. New Business

1. Presentation by William "Bill" DeCosta, Councilmember, County of Kauai, regarding a ranching proposal for ADC's mauka lands in Kekaha, and follow-up discussion, TMK (4) 1-2-002:001

Chair called upon Councilmember DeCosta to present his proposal.

Councilmember DeCosta thanked the board for having him and started the presentation regarding a ranching proposal for ADC's mauka lands in Kekaha. (See PowerPoint presentation attached for reference.)

Following the presentation Chair thanked Councilman DeCosta and acknowledged that Ms. Seddon has joined the meeting at 9:35 a.m.

Chair asked for staff presentation.

Mr. Roe stated that staff has had discussions with Councilman DeCosta. Staff has a few concerns that the Councilman alluded to primarily erosion and the fact that on these lands are currently under a clean water act settlement agreement so as a result ADC does a number of tests at different sites. Mr. Roe explained that testing raises one area of concern is enterococcus and adding more animals up there increases enterococcus that were already over limit on. Mr. Roe stated that he forwarded the Councilman's presentation to ADC's consultants who do the testing. The consultants provided a summary. Mr. Roe read from

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the summary, which stated that in consideration of the history of elevated sediment and enterococcus levels, the potential additional contributions from proposed livestock and ranching operations will need to be considered and if approved appropriate robust best management practices will need to be adopted to prevent further increasing the settlement, enterococcus, nutrients, or other inputs related to the proposed activities. Mr. Roe reiterated that the concern really is the enterococcus and the fact that there's going to be animals up there tramping around potentially degrading those slopes that are considered at the moment to be highly erodible. We do have agricultural interest in those lands and ADC has let them know that due to the erodibility of those lands probably the best use of the land is orchard crops, where the trees will spread roots to stabilize the soil and you don't have constant disking tillage etcetera disturbing the soil. Mr. Roe went on and stated that although we have this presentation, we weren't provided with a farm plan so it's difficult to make a full analysis. Once we do receive a full farm plan we can run this past our consultants and do a fully analysis. Mr. Roe asked if Kekaha Agriculture Association (KAA) had any comments.

Councilmember DeCosta asked if Mr. Roe could educate him on enterococcus and asked for a definition.

Mr. Roe explained that it's bacteria that's naturally occurring in the soil and also comes from animal waste.

Councilmember DeCosta explained that in his slide presentation that area is DLNR's hunting area.

Mr. Roe stated that he believes the area is used for access and that no hunting on ADC lands was allowed.

Councilmember DeCosta stated that he was told by DLNR that there is bird hunting in the area and asked if ADC had any bird hunting going on.

Mr. Roe repeated ADC doesn't permit hunting on its properties. Hunters may be going through nearby, but ADC doesn't allow it as part of our license.

Councilmember DeCosta stated as a 4th generation hunter on Kauai the ADC lands are unmanaged and have been unmanaged since the 1990s when the plantation stopped. Those lands have wild pig, deer, and goats, but you cannot get rid of them because the grasses are so tall you don't know where they're hiding. With this prescribed grazing and lower grasslands the domestic animals will be able to bring out the wild animals; there will be a better harvest by getting rid of the large number of nuisance animals that are causing your enterococcus because your domestic animals, your cattle or sheep will be very limited to the amount of animals per acre. Those lands have not been managed well almost 30 years.

Mr. Roe explained that from their testing the concentration of enterococcus is highest at the border where it's coming in from DHHL land and DLNR land. It's slowly filtering out as it travels through ADC land. It doesn't yet appear to be coming from ADC property because we can track the concentration, which slowly reduces as it moves through ADC property.

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Councilmember DeCosta asked if anybody has shown interest in this property.

Mr. Roe stated ADC will be soliciting applications shortly.

Councilmember Decosta asked if they were going to use all 12,000 acres.

Mr. Roe responded ADC will be able to answer that when they receive the applications, but there has been interest in a substantial portion of the mauka lands.

Councilmember DeCosta asked how long ago was this application put in.

Mr. Roe explained they haven't received any applications yet but that the applications will be forthcoming.

Councilmember DeCosta explained that he's been working on this project for three years and that he's been talking with KAA and ADC and it seemed like he was given no consideration to put in an application and now you're telling me an application is forthcoming from another entity. Is this applicant a local entity or is ADC entertaining a mainland entity?

Mr. Roe explained he anticipates receiving an application from a Hawaii entity. Mr. Roe went on to explain that Councilmember DeCosta should submit an application and there's a reason why ADC invited him to make this presentation because we are giving you consideration.

Councilmember DeCosta stated that he hasn't turned in an application because he was told he had no financial numbers to go on the application; that you guys need five years of financial numbers to lease property on ADC and we didn't have that. Now that we have Keala foundation I believe we have something good for the community. Could we turn in an application under Keala foundation?

Mr. Roe replied you're certainly welcome to.

Chair thanked Councilmember DeCosta and asked if anyone from the public wished to provide testimony.

Mr. Faye introduced himself as the manager of the KAA. He stated that KAA has a hard time supporting this project. Mr. Faye thanked Councilmember DeCosta for all his community work he's put into this thing. The concepts he's presented are definitely engaging and highly creative, but he did not see the numbers that support it and in an earlier version of this that Councilmember DeCosta presented to KAA there were some numbers but they couldn't make sense of them. Mr. Faye explained they share the concern of highly erodible lands and finding a suitable use for it. We're concerned about overgrazing. We've seen it happen time and time again in spite of requests not to over graze. On a financial basis cattle ranching can pay about 50 bucks an acre max even when all the conditions are

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good. Mr. Faye explained that one head for ten acres is what they estimate. Running sixty head of cattle, butchering thirty a year; that's less than one a week. There's no real big economic impact here and KAA doesn't think this project can support Kekaha and ADC licensees shared cost of the infrastructure. All the members and licensees share the cost of the infrastructure and this project would need to be basically supported by the other licensees. KAA has concerns about liability with the children up there, with cattle getting on to the highways. For fire mitigation, we're a little bit unsure if converting this land to this organized farm would really truly mitigate fire. KAA is doing fire breaks along with DOFAW. KAA maintains about fifteen miles of firebreak roads. The bottom line is KAA doesn't think this is the highest and best use of the of the land considering alternatives. KAA doesn't think this project really meets the the goals and objectives of KAA, ADC, the legislature, or the governor.

Chair thanked Mr. Faye and asked if there was anyone else from the public that wanted to provide testimony. Hearing none Chair asked for board discussion.

Mr. Hong thanked Councilman DeCosta and stated if those lands are fallow now there's no contribution to the KAA costs. If you look at it from a larger perspective the issue of safeguarding our lands for future generations and preventing the fire hazard that is out there as shown by Kula, Lahaina, Big Island, Kauai, here in leeward Oahu, we've got to do a much better job managing our fallow land. Particularly those that have been in big ag before. He explained that he went to West Virginia and witnessed firsthand the impacts and benefits of good field management. Having that vision in my mind and looking at what is proposed here in terms of what Councilmember DeCosta was saying it makes sense to me to do something different than what we've always done before. Especially given the situation where you have these hazards to houses and to existing lands and how do we preserve all of this. Mr. Hong was concerned that if you put these mauka lands into orchards without doing the type of management of these invasive species that we're going to have the same problem over and over again. Mr. Hong stated he would be in favor of looking at this, investigating it, maybe doing a pilot program in certain areas to see how it works and study the results.

Mr. Wicker asked if ADC had a strategic plan for its Kekaha lands. If ADC has areas designated for orchards, vegetable crops and ranching, or are we continuing down this path of piecemealing. What is the strategy? Do we have alternatives? What's our long-term strategy? To acquire more lands? Does ADC have a strategy for its Kekaha lands?

Mr. Roe explained that he doesn't know if there's a specific strategy but we've always anticipated that the mauka lands would probably be orchard primarily because we're under the clean water act settlement agreement and we have to monitor enterococcus. Given all of these issues, including the settlement agreement that we have to consider that orchard is probably the best disposition for those lands because you don't have to till the soil; you don't get the soil runoff; you don't have animals up there with the waste product running down the hill into the to the communities and to the ocean. It's ultimately the Board's call.

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Mr. Wicker asked what type of orchard crops are we looking at based on the climate and ground conditions.

Mr. Roe explained we're still waiting to receive applications but we think tree crops. Something that's going to establish wide roots; hold soil in; doesn't require tillage.

Mr. Wicker asked if we have other land suitable for ranching.

Mr. Roe explained not in Kekaha. ADC has actively been removing animals and finding ways to mitigate runoff and most of it stems from the settlement agreement and the fact that our testing shows that we're high on enterococcus.

Ms. Hurd thanked Councilmember DeCosta for his well-prepared presentation. Ms. Hurd stated she believes in land management and she believes ranchers are excellent land managers. She knows there are plans for these parcels of land, but there's no plan right now. What we do have is a well thought out, mapped out, three year plan put together with a lot of thinking involved. What she found attractive was that there's a value added piece to this plan and that is workforce development, which we need. We need a place where kids can go and decide if they want to have a future in agriculture. The plan she saw today is a really good land management plan. There's potential. There's no other plan in place, an orchard is a great idea but it is only an idea. We have a plan in front of us and we have people willing to do it. It involves land management and they're ranchers. Ranchers are great land managers so she supports moving forward with the plan. An orchard is a good plan but when you have an orchard you do have transportation problems, you have to move things back and forth, you need machinery. Basically she's making a plan for people that haven't presented a plan yet. She supports the plan we have in front of us; it's a good plan.

Mr. Tabata thanked Councilmember DeCosta and asked Mr. Roe if there was something on the east side that was more conducive to growth that can be made available in Kalepa.

Mr. Roe stated that ADC does have 160 acres, the former unit J, in Kelapa and apologized to Mr. Wicker for not answering his question about other lands that might be available. The county has 400 acres that is available for them to use should Kauai County decide this is a project they want to support.

Mr. Tabata commented that starting back in 2003 to be exact, when we started diversified crops at Kekaha Sugar, they planted 50-100 acres of a variety of mango from the Philippines that is opposite the Hawaiian varieties, and it did very well. There is a farmer still farming a part of it and he has expanded it where his varieties are made available on the west side. Traditionally back in the sugar days all of the valleys was where we had the cattle, both at Lihue plantation and Kekaha Sugar. He explained the cattle had to climb all those hills so the beef was tough, but now we get all of these flat lands, it should be a no brainer but in the right location. They had an opportunity for dairy on Kauai a few years ago and his wife grew up on a dairy so he's very familiar with the outcome of what could happen as far as real fresh milk it's not double pasteurized as it is today. That's why he brought it up if it's possible to do a test plot on the east side where you don't need the

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irrigation; you can rely on the rainfall. There's opportunities and we just need to bring the right minds together and look at it more closely. It's been mentioned there are acres available in the Kalepa. It's on the other side of the island from where Councilmember DeCosta wants to set up, but it's a good area to at least try something.

Chair asked for any further board comments or discussion.

Councilman DeCosta thanked everyone who shared their mana'o and those who supported the project and was honored that his presentation made sense. The value added products is not only the meat in our local markets but giving our children an opportunity; the next leaders not only lawyers and doctors and nurses and firemen. We need farmers and ranchers. We don't need large companies. He asked Mr. Faye why he wasn't asked to be on the community resilience board when he and his family are from that moku or area. He will bring in revenue to pay for the ADC land. It would be an opportunity to mitigate fire; the dry grasses are very hazardous to the community of Waimea. The 400 acres cannot be used because that's going to be the County's housing project and the area collects water during the rainy season so your livestock cannot be in water. He asked the Board to give them a chance to do a small pilot project on 3 to 500 acres in an area that's adjacent to Kokee state road right above the Waimea Heights community and the Waimea community housing so we don't end up being Lahaina, and don't end up being Kula. He asked ADC to give them a chance. The community on the west side, the men and women of the west side want to do this project and humbly ask the board to consider the application that they're going to do with Keala foundation. If we put in orchards, the ground will need to be tilled, fencing would need to be installed, and the grass will need to be mowed. That's going to be intense labor and that's why no orchard plan came to fruition yet.

Mr. Manuel thanked Councilmember DeCosta for his presentation and asked Mr. Roe to clarify his statement made in his presentation regarding enterococcus.

Mr. Roe explained that was one of the things ADC agreed with EarthJustice to test for.

Mr. Manuel thanked Mr. Roe for the clarification. He wanted to clarify if it was the Waimea Watershed Agreement because that language is not in that agreement that you have with Earth Justice, which is tied to the commission. Just for the record, he doesn't want the agreement to be used as an a reason not to potentially consider this application.

Ms. Prescott-Tate clarified it's in another agreement.

Mr. Manuel explained he wanted to make it very clear it's not the agreement with the Water Commission or ADC as the parties; not the Waimea Watershed Agreement with the Water Commission

Ms. Prescott-Tate replied, this would be the clean water act case.

Mr. Manuel just wanted to clarified that this requirement was part of the Clean Water act case and not the Waimea Watershed Agreement; just to make it clear for the record.

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Mr. Hong reiterated the benefits of land management and if done well it can make those lands greener, more productive, and safer for the community. And maybe some of the native herbs and grasses that don't exist in this grassland today will make a comeback.

Chair commented that this is something he's going to pursue with other organizations. The NRCS is on Maui today going around looking at the damage to agriculture. He was notified by the Hawaii Farm Bureau president, Randy Cabral that they'll be meeting with Senator Hirono tomorrow to address some of the issues that we're facing on Maui. One concept I like in this plan is the fuel breaks. We don't have enough of them across the state and it's something he'd personally like to see increased or working with all these land owners to maintain those fuel breaks. That's a critical part of it.

Chair explained that this was just an informational briefing so there is no need for a motion or vote on this matter. He suggested that Councilmember DeCosta submit a formal application and the board can review it again.

2. Presentation by Mary Alice Evans, Interim Director of the Hawaii Office of Planning and Sustainable Development providing a brief progress update on the ADC Agribusiness Plan

Ms. Evans stated that this will be the first periodic status report on our work to complete the memorandum of agreement (MOA) we have entered into with ADC to do an update on the agribusiness plan for ADC. Ms. Evans highlighted that together with Mr. Wicker they went and saw a consolidated kitchen facility in Waipahu that showed how to take in local agricultural products and make them into local food products for sale. They had a meeting with the USDA Farm Services Agency to go over the kind of services they provide to local farmers and ranchers here because that will be part of what we'll put in the Agribusiness Plan they're a partner and they offer low interest loans to farmers and ranchers and that the economics of ranching and farming are one of the most challenging parts of growing agribusiness here in Hawaii. Ms. Evans explained that they were very fortunate to get an intern this summer who also worked with the USDA Farm Services Agency and she made a lot of progress on stakeholder engagement strategy and the analysis of accessory facilities and services.

Chair thanked Ms. Evans and asked the Board if there were any questions.

Mr. Manuel asked what's the time frame for completion of this plan?

Ms. Evans replied it's an eighteen month agreement. We won't have a final report for the board's consideration until next fall, but she will continue to make progress reports.

Mr. Manuel asked if there was any community engagement opportunity for participation in the planning process or is this clearly just agency to agency.

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Ms. Evans explained that the scope of work includes a public engagement strategy. They'll have that approved by the staff before we start that. They're looking to involve a variety of stakeholders including the licensees if the staff agrees for each of the main areas for ADC's licensees going out to them not asking them to come to us and also looking at language access as part of that. We haven't got that into a draft yet for the staff to review but we have a pretty good outline thanks to our intern.

Mr. Manuel remarked that's awesome. Is this all in-house, no contractor?

Ms. Evans said at this point, yes.

Mr. Manuel gave kudos to Ms. Evans and her team and thanked Ms. Evans for the update. As a planner he is excited that there is that community facing component, which is sometimes what we get criticized with as an agency.

Ms. Evans stated that with the support of Mr. Wicker they will be able to do whatever needs to be done to finish this plan.

Chair asked if there were any other questions.

Mr. Okuhama commented that it was good timing that we should be having a new Executive Director just as they are getting heavily involved in the agribusiness plan. He thinks it a good time to start on this when we also have a new Executive Director.

Ms. Evans thanked Mr. Okuhama and stated that the new Executive Director can initiate any changes to the scope of work that he or she feels is appropriate and that would come to the Board as a supplement agreement. She explained that within the MOA there's a provision for making midcourse corrections.

Chair asked if there were any other questions. Hearing none Chair thanked Ms. Evans and stated this was just an informational briefing so there is no need for a motion or vote on this matter.

3. Request for approval to enter into a Water Facility Agreement with Dole Food Company, Inc. to access water resources at TMK (1) 6-4-004:007 benefiting ADC parcels at TMK (1) 6-4-004:008, :006

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

Chair asked for staff presentation.

Mr. Roe stated that in February 2021, ADC advertised notice of available lands and they accepted application for those lands. In September 2021, the board approved a number of tenants including Hawaii Sustainable Agricultural Products for the subject properties. It was noticed at the time that these lands did not have approved access to water so the applicant approached Dole. However, Dole prefers to have the water use agreement with the

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landowner. ADC has been working with Dole to develop an agreement and now they are seeking board approval to enter into this agreement to provide ditch water and occasionally some pumped water to the subject parcels. One brief thing to change, he did receive word from Dole this morning that they're willing to enter into a five year agreement instead of a one-year agreement.

Chair asked for public testimony. There was none.

Chair asked for board discussion.

Mr. Manuel stated it was great to hear that it wasn't just a year to year agreement and he's glad there is some extended commitment to this water agreement. He did read the agreement and it does reference pumped water. Is it well water or water pumped out of the reservoir?

Mr. Roe stated that he was not certain on that but it was his understanding that all of the water is coming from Tanada Reservoir also known as the Upper Helemano Reservoir and the ditch water or surface water.

Mr. Manuel explained he just wanted to get that on the record and clarified.

Chair asked for any further board discussion. There was none.

Chair called for the vote. Hearing no objections the motion was approved: 8-0.

E. Old Business

1. Update regarding ADC-owned buildings in Whitmore Village, Oahu, Hawaii, TMK (1) 7-1-002:004, 009

Chair called on Mr. Nakamoto to provide an update.

Mr. Nakamoto said there was no real update. They are setting up a meeting with HIOSH on how to move forward and whether or not there was any additional testing they can do to determine whether or not the facilities are in decent or working condition.

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

Chair said that this was an informational update so there is no reason for a vote.

2. Update on the progress of the Executive Director search

Chair stated that he was happy to announce that Wendy Gady has been selected as the new Executive Director effective August 21, 2023.

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Ms. Gady introduced herself and stated that she was so humbled to be serving the entire state in this new role. She wanted to echo what Chair had said earlier in that our hearts and thoughts are with all of Maui which is part of everyone's community. To those people that don't know her yet that she has over 20 years of farm management experience 15 of which have been on Oahu managing, getting operators and farms off the ground, from a fallow state to a live production. She's managed land and water, budget, staff, regulatory issues, teaching operators the GAPS and FSMA rules regulations, as well as, state and I'm looking forward to engaging the entire state as we move forward to fulfill the ADC charter.

Chair thanked Ms. Gady and asked if the Board had any comments.

Mr. Manuel asked if she could pop her head in and say hi so they could see her. Mr. Manuel further congratulated her and welcomed her to the board.

Chair echoed welcome aboard and that they look forward to great things.

Mr. Tabata also said welcome aboard.

F. Acting Executive Director's Report.

Mr. Takemoto remarked that the Board should have a copy of his update. For fiscal year 24 the budgeted projects are: \$10MM to do a food product innovation network. They will be working with UHCDC to do the initial study. The funds are mainly for planning and this is for all the counties. So far, they've already met with some of the consultants and they've reached out to all the counties. They've reached out to Hawaii, to Maui County, Kauai and Oahu to start coordinating the project to try to get all the funds encumbered before the end of the fiscal year.

Chair asked if ADC identified the project for Maui. Mr. Takemoto replied, no and explained they are just identifying stakeholders and handing it off to UHCDC. They are look at existing or ongoing projects to see how ADC can support what the community wants.

ADC received \$2MM in the budget to complete the plans for the Wahiawa Wastewater pipeline. Funding to complete all the design work is pending the Governor's approval. At which time, they should be able to receive you know a tighter budget on what the actual project cost may be. So that's part of the Wahiawa wastewater pipeline.

Mr. Takemoto continued, \$3MM in FY24 is for the property that the board approved for ADC to start due diligence on the purchase. It was a property that was approved for purchase a number of years ago but during due diligence they found that there was a question on the title and Dole has gone through and taken care of the title question and now we're looking to do the due diligence to complete purchase.

Letter D is \$1.1MM CIP funds for the Aahoaka reservoir improvements. These funds were transferred to DAGS. They've been working on this since the beginning. This is on Kauai to complete the work on that reservoir. They requested plans and they are still waiting for those plans from DAGS.

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Reservoir 155 & 225 improvements. ADC requested \$6.7M on behalf of HDOA to complete the project. ADC is working with all of the players to complete these improvements in Kunia, Oahu.

The Central Oahu Food Hub. ADC requested \$5.65M that was given to DAGS. ADC will be working with DAGS as they proceed. This work is primarily infrastructure work and underground portions.

Letter G, the purchase of Well #24, #25, and #26. ADC anticipates the sale will close by end of August 2023. Once the sale is complete, ADC will be working on the permitting and connecting the wells. ADC has \$4M to complete the connections. Well #25 is operational. Well #24 is close to operational, but we don't have a connection. Well #26 will need some work.

Letter H, \$4MM CIP for slaughterhouse design and constructions. We're looking for a location. They have a meeting set up with HDOA and DLNR and some of the stakeholders to resolve that and then they'll be moving forward on doing design work and construction.

The Yardi property management software, we're already billing tenants. It's up and running. We hired an accounting consultant and an accountant and they're going to be setting up and managing the Yardi system;

Staff is working with the accounting consultant. The accountant will be starting on Thursday, August 24. The timing of all this worked out with the consultant, Yardi and the new Executive Director, so he believe ADC will have a good system, which addresses a big concern of the Audit.

Mr. Takemoto said the last item, the Wahiawa irrigation system. That's the project the state's acquiring the Wahiawa reservoir, dam and irrigation ditch system. Their consultant is starting on that. ADC's portion that we'll be working on is primarily some of the properties that are owned by state of Hawaii, they'll be doing due diligence on that and of course the ditch system. The work has started and the Consultants should have something done by the end of the year.

Mr. Takemoto asked if there were any questions on the projects. There was none.

Mr. Takemoto provided an update on vacant positions. The Accountant V will start on August 24. ADC will work with the Accountant V to hire the Accountant IV. For the other positions, the Governor will not give a blanket approval. It's not a hard no, but acknowledged that it will be tough to hire. This was in response to the impact to the state revenues caused by the Maui fires. ADC is working with HR because we are really short-handed.

Mr. Takemoto asked if there were any questions. Hearing none Chair thanked Mr. Takemoto for the report.

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held Virtually on August 17, 2023

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

G. Adjourn

Seeing no other business before the Boar, Chair asked for a motion to adjourn.

Motion to adjourn: Mr. Manuel; Second: Mr. Hong.

Chair called for the vote. Hearing no objections the motion was approved: 8-0

Meeting adjourned at 10:56 a.m.

Date of Next Meeting: The next meeting will be held on September 21, 2023, at 9 A.M.