

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held on November 16, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Suite 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 (Chair)
Glenn Hong, Member-At-Large (Mr. Hong) (joined the meeting at 9:17 A.M. – had connection problems)
Dexter Kishida, designee for HBOA Ex Officio Member Sharon Hurd (Mr. Kishida)
Jason Okuhama, Member-At-Large (Mr. Okuhama)
Karen Seddon, Member-At-Large (Ms. Seddon)
Russell Tsuji, designee for DLNR Ex-Officio Member Ms. Dawn Chang (Mr. Tsuji) (left the meeting at 10:00 A.M.)
Jayson Watts, Maui County Member (Mr. Watts)
Dane Wicker, designee for DBEDT Ex-Officio Member James Tokioka (Mr. Wicker)

Members Excused:

Lyle Tabata, Kauai County Member, Vice-Chair

Counsel Present, virtually:

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

Staff Present, virtually:

Wendy Gady, Executive Director (Ms. Gady)
Mark Takemoto, Executive Assistant (Mr. Takemoto)
Ken Nakamoto, Project Manager (Mr. Nakamoto)
Lyle Roe, Property Manager (Mr. Roe)

Guests Present, virtually:

18083757151
18086527531
Allison Fraley, County of Kauai (Ms. Fraley)
Amy Perruso
Anderson
Bryan Yee, Deputy Attorney General (Mr. Yee)
Dani Chu, Diamond Head Seafood
John Doe
Kawai Warren (Mr. Warren)
Kendall M
Kylie Wager Cruz, EarthJustice (Ms. Cruz)
Mark Ladao
Mary Rose Manar (Ms. Manar)
Mike Faye
Mike Irish, Diamond Head Seafood (Mr. Irish)
Mike Yonemura, Diamond Head Seafood (Mr. Yonemura)

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Ryan Murashige, Diamond Head Seafood
Scott Ishikawa
PTower
Sean Andrade
Troy Antonlis, Diamond Head Seafood (Mr. Antonlis)

Guests Present, physical location:

None.

A. Call to Order

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

Chair conducted a roll call of the Board. Chair called the name of each board member and asked them to identify their presence 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 are no objections the motion would be approved on the same basis as the roll call.

Roll call: Chair, Mr. Kishida, Mr. Okuhama, Ms. Seddon, Mr. Tsuji, Mr. Watts, and Mr. Wicker acknowledged attendance with no guests present. Mr. Hong joined the meeting at 9:17 A.M. Mr. Tsuji left the meeting at 10:00 A.M.

B. Approval of Minutes

1. Board Meeting Minutes, October 3, 2023

Chair called for a motion to approve the October 3, 2023 special meeting minutes.

Motion to approve: Mr. Wicker; Second: Ms. Seddon.

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

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

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objections, the motion was approved. Vote: 7-0.

2. Board Meeting Executive Session Minutes, October 3, 2023

Chair stated that during the executive session held on October 3, 2023 the Board discussed a hiring decision with the Board's counsel. HRS sections 92-4, 92-5(a)(2), and 92-5(a)(4) allows the meeting to be closed to the public when necessary to discuss matters affecting privacy and to consult with the Board's attorney. 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 October 3, 2023 when discussing approval of these minutes.

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Chair called for a motion to approve the October 3, 2023 executive session minutes.

Motion to approve: Mr. Wicker; Second: Mr. Okuhama.

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

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

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objections the Executive Session minutes of October 3, 2023 were approved. Vote: 7-0.

3. Board Meeting Minutes, October 19, 2023

Chair called for a motion to approve the October 19, 2023 regular session minutes.

Motion to approve: Ms. Seddon; Second: Mr. Okuhama.

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

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

Chair asked for board discussion. There was none.

Chair called for the vote. Hearing no objections, the motion was approved. Vote: 7-0.

Informational Item F-3 was taken out of order due to time constraints.

3. Presentation by Mike Yonemura on behalf of Diamond Head Seafood regarding Oahu Feed Mill in Kalaeloa, Oahu, Hawaii

Chair called on representatives of Diamond Head Seafood to give their presentation.

Mr. Irish introduced his team, then turned the meeting over to Mr. Yonemura and Mr. Antonelis who gave a PowerPoint presentation. *See* attached presentation.

Mr. Hong joined the meeting at 9:17 A.M.

Mr. Yonemura thanked the Board for giving them the opportunity to share their project and give an update at where they were at now, and asked if there were any questions.

Ms. Gady asked if they had a projection of what staffing levels would look like for the feed mill once production gets going.

Mr. Yonemura said outside of our current team they may add 4-5 new employees.

There were no further questions. Chair thanked Mr. Irish and his team for the presentation.

C. Chairperson's Report

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1. None

D. Committee Reports

1. None

E. Action Items

- 1. Request for approval to remove the “Sand site” from the Agribusiness Development Corporation’s portfolio of available lands in Kekaha, Kauai, Hawai‘i and issue notice to vacate the Pohaku O’Kauai Materials, LLC, TMK 1-2-002:001 (por).**

Chair asked for a motion to approve: Mr. Wicker; Second: Mr. Tsuji.

Chair asked for staff presentation.

Mr. Roe stated the right of entry license agreement for Pohaku O’Kauai was executed in 2013. They have removed quite a bit of sand. Last year we terminated the license and gave Pohaku a draft license that updated the terms including an increase in the rate. The license was never executed. For these reasons and because ADC has found internal uses for the sand, we would like to remove the site from our portfolio of lands that we license and reserve the raw resource for ourselves. That’s the gist of it.

Mr. Wicker said Mr. Tsuji has his hand up.

Chair called on Mr. Tsuji.

Mr. Tsuji had a question for staff. He was going through the submittal and noticed that an appraisal had just been done. How was the rent established in the first place? And secondly, if ADC has not utilized appraisals in establishing rents with this inventory, I strongly urge you to do so. With ceded lands, there is a public trust responsibility that goes along with managing those lands but there is apparently a very significant difference in the price that was being charged versus the appraised value. Can you comment on that?

Mr. Roe stated he was not with ADC when the license was executed and cannot confirm how the original rate was established. Once the appraisal was done, notice was given to Pohaku that ADC was going to open a discussion about increasing the rate.

Mr. Tsuji noted that the rent for an area of Campbell Industrial Park was \$500.00 per year is markedly below fair market value. There is a large divide between what ADC is charging for rent in Campbell and the fair market value. ADC might need to re-evaluate the rents based off of this discrepancy.

Mr. Roe stated that he would have to talk to legal to see if we can go in and change rates based on whether we have evidence that the rates should be different. He would defer to the AG’s office on that.

Ms. Prescott-Tate stated that if Mr. Tsuji is talking about the feed mill, she does not believe it sits on ADC property.

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Mr. Tsuji asked if that's the case why were they presenting?

Mr. Nakamoto explained that ADC has a contract with Diamond Head Seafood to do this pilot project for the feed mill. The property is with the Hawaii Department of Agriculture (HDOA), which is the one who established rent on this project.

Mr. Tsuji still wanted ADC to look at the rents on the leases and agreements they have on land. The board should know the fair market value of rent, so the Board does not believe that the rent they are currently charging is fair market value, when it's not. Then they can evaluate if there is a justification to go below fair market value.

Mr. Roe reiterated that once ADC became aware of the sand appraisal, ADC issued notice to Pohaku that they were going to renegotiate the royalty and rent.

Mr. Wicker asked for clarification on the structure of Kekaha lands. KAA has an agreement with ADC to manage the land and does that mean they don't set the lease rates that also comes through the board?

Mr. Roe explained that KAA sets their own infrastructure rates, which KAA assesses based on a cost per acre, per year. This is unrelated to the ADC lease rents.

Mr. Wicker asked that, on top of these lease rents, were there some sort of CAM [common area maintenance] fee.

Mr. Roe agreed and noted that for Pohaku the Board originally approved a lease fee as well as a royalty fee but when the right of entry license agreement was executed, it did not contain the same terms that were approved by the Board. When staff discovered the executed right of entry license agreement did not match the terms approved by the Board, staff sought approval from the board to terminate the license.

Chair asked if there were any questions from the board. There were none.

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

Mr. Roe noted that Mr. Hong has his hand up.

Mrs. Gady stated that in the chat box, Mr. Hong says his microphone isn't working.

Chair suggested that Mr. Hong put any questions into the chat box.

Mr. Okuhama had a question about the best management practices (BMP) letter mentioned in the submittal related to the 2018 Clean Water Act violation case.

Mr. Roe stated that ADC contracts with Stantec to conduct BMP inspections once a year to comply with the EarthJustice settlement agreement in the Clean Water Act case. Findings from the inspections are shared with EarthJustice. The tenants receive violation notices for noncompliance with the BMPs. These are separate and distinct inspections from the staff inspections.

Mr. Okuhama asked if there were any issues with this tenant.

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Mr. Roe stated that there is a pit in the ground and there's no NPDES [National Pollutant Discharge Elimination System] permit. No big violations but clearly things that need to be cleaned up.

Chair asked if there were any questions from the board. There was none.

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

Mr. Roe stated that Mr. Hong noted in the chat that he had no objection.

- 2. Request for the board to make a determination that it is necessary to conduct limited meetings for on-site inspections of ADC assets on Oahu and Kauai for purposes related to the Board's business of which public attendance is not practicable; and for approval to submit a limited meeting schedule to the Director of the Office of Information Practices for limited meeting concurrence.**

Chair called for a motion to approve.

Motion to approve: Ms. Seddon; Second: Mr. Okuhama.

Chair asked for staff presentation. There was none.

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

Chair stated that HRS section 92-3.1 allows the board to hold a limited meeting that is not open to the public when the Board determines that it is necessary to meet at a location that is dangerous to health or safety, or if the Board determines that it is necessary to conduct an on-site inspection of a location. To allow a limited meeting, at a regular noticed public meeting, after public discussion, the Board must determine that the specific locations on Oahu and Kauai, due to health and safety concerns, which makes public attendance not practicable. The limited meeting must be videotaped and later replayed for the public and no decisions may be made at the meetings.

Chair stated for the Board as a group to inspect its properties on Oahu and Kauai outside of a public meeting, the Board needs to make findings and determinations necessary for the Board to hold a limited meeting.

Mr. Okuhama agreed that site visits need to be limited. Board site visits to ADC lands on Oahu and Kauai need to be limited and not really open to the public due to safety concerns. These are active farms under productive business with chemicals, pesticides, machinery, equipment, and other hazards that could be very dangerous. Tenants also have liability if someone gets hurt on the property, and so on. There are also privacy issues due to confidential business operations, etc.

Chair asked if there were any other comments from the board. There were none.

Chair asked Ms. Prescott-Tate if the exact property locations should be specified or would locations on Oahu and Kauai be sufficient.

Ms. Prescott-Tate stated perhaps we could name the areas or towns where the ADC properties are located such as Kalepa or Kekaha, and Wahiawa, and we could fill-in the specific addresses later.

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And we do have some property and potential property in Waialua. So that will be the extent of our site visit, if we could find that those are the sites we can fill in the exact addresses later.

Chair stated another question for the board is should they hold a public meeting on Oahu and Kauai before inspecting the properties.

Chair asked if there were any other comments from the board. There was none.

Chair asked Ms. Prescott-Tate if we do hold a public meeting, it would have to be publicly noticed, correct?

Ms. Prescott-Tate responded correct, and asked if anyone from the public had any insight. Would they like the Board to have a meeting in Wahiawa or on Kauai?

Chair asked if anyone from the public wished to give testimony. There was one.

Ms. Manar said she was from Kekaha and that it would be a good idea to have public meetings periodically in Kekaha. It is a small and close-knit community, and they would like to be more involved.

Mr. Nakamoto said there was one more hand raised.

Mr. Warren said he was the Kapena for Na Kia'i Kai and we would also like to have public meetings so we can understand the impacts of ADC tenants on the near shore fisheries, our people, and our land. Thank you.

Chair asked Ms. Prescott-Tate if he needs a motion.

Ms. Prescott-Tate said that before the motion she will read the findings of the Board: ADC would like to do site visits to Wahiawa, Waialua, Kekaha, and Kalepa. The Board would like to schedule a public meeting on Kauai before that visit. The Board's findings are that the reason why it is not practicable to have the public go along on the site visit is because these farms are in active production. There are chemicals, pesticides, unstable footing, ditches; it's dangerous to the public. If an injury occurs, the tenant who is paying for their own insurance may be liable for the injury. There are privacy interests involved for the tenants, protection for the tenants confidential business information, and the tenants have their personal possessions on the property. Based on those considerations it might not be a good idea to have the public roaming around on ADC land occupied by private parties. Anymore?

Mr. Okuhama asked if this was for getting concurrence from the Office of Information Practices?

Ms. Prescott-Tate said correct these are the findings we will provide to the Director of the Office of Information Practices asking for concurrence.

Chair asked if the Board was clear on what was being proposed. There was no response.

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

F. Informational Items

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Chair reminded the Board that the following items are for informational purposes only so there will be no motion or vote needed.

1. Presentation by Allison Fraley on behalf of County of Kauai for an update regarding a proposed new landfill site to be located near Kekaha, Kauai, Hawaii TMK (4) 1-2-002:001 (por.)

Ms. Fraley gave a PowerPoint presentation regarding the proposed new landfill site to be located near Kekaha, explaining what Kauai County had been doing for the last twenty years in trying to site a new landfill. *See* attached presentation.

Following the PowerPoint presentation Ms. Fraley asked if there were any questions. There were none.

Chair thanked Ms. Fraley and asked if any of the board members had a question. There were none.

Chair asked if there were any comments from the public and called on Ms. Cruz to provide testimony.

Ms. Cruz introduced herself as an attorney with EarthJustice and explained that they've been partnering with community groups on the west-side of Kauai for many years to protect the environmental and cultural resources in the area. ADC can and should put a stop to Kauai County's plans to put a new landfill on the Mānā plain and should do it now because the county will then have more time to explore other options before landfill capacity is reached. It doesn't take an expert to know that landfills are not an agricultural purpose and doesn't fit within ADC's mission. From my understanding, the list of sites the county is considering is based on an old analysis from the early 2000's and the list has only been whittled down since then. Ms. Fraley mentioned Act 73, which prohibits a landfill within a ½ mile of a residential area, but just mauka of the proposed sites are DHHL lands where there are residential lots proposed. Ms. Fraley also mentioned tsunami inundation concerns. There's a DOH rule saying that you can't site a new landfill in a tsunami inundation area, but for some reason Kauai County can't find that map that falls under the rule, and it's undisputed that the Mānā plain is a tsunami evacuation area. On top of that, the proposed site is located really close to, if not in, a sea level rise exposure area. The Mānā plain is all former swamp land and our expert in another lawsuit against ADC said that all of the water in the ditches pulls ground water from the area and into the ocean, so it doesn't make sense to put a landfill in this area. And on top of that, there's a really long history of concentrating harmful facilities on the west-side. As Ms. Fraley mentioned, the only other landfill on the island is in Kekaha. There's the old sugar plantation lands and related infrastructure that are still contaminating the community today. We have ongoing water diversions, heavy use of restricted-use pesticides, and gravel and asphalt plant. I'm here to plant the seed and let ADC know that we strongly disagree that there should be a landfill on the Mānā plain. Thank you.

Chair thanked Ms. Cruz for her testimony and asked if there was anyone else who wanted to testify.

Mr. Nakamoto responded yes, Mr. Warren.

Chair said, go ahead Mr. Warren.

Mr. Warren stated he is the Kapena for Na Kia'i Kai and a cultural practitioner that gathers from the shorelines and rivers on West Kauai. He is a Department of Hawaiian Homelands (DHHL)

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beneficiary living in the Kekaha Hawaiian homesteads and is wait-listed for a pastoral site situated very close to this proposed site. Na Kia'i Kai strongly opposes this new hazardous waste forever landfill site proposal because of the environmental risk to near shore fisheries. The proposed site is located at sea level, surrounded by ditches that will discharge hazardous waste into our oceans during seasonal flooding and hurricane storm surges and flooding. As we learned from hurricane Katrina, the levies and pumps could not prevent flooding in Louisiana. Additionally, during flooding this hazardous waste material will contaminate our aquifers and spring waters located adjacent to this site as it percolates into the ground. DHHL is developing the land mauka of this proposed new land site for Kuliana subdivision, 244 homes. DHHL subdivisions are sited adjacent to this new landfill site. Future residents would be subjected to the smell of trash 24 hours a day. Furthermore, they will have to drive past the rubbish dump on a daily basis going up to their subdivision and coming out. Kawaiele Bird Sanctuary, 0.30 miles from the proposed site. During seasonal flooding, the sanctuary will be subjected to hazardous waste via drain ditches. PMRF [Pacific Missile Range Facility] beach cottages is located 0.84 miles from the new site, PMRF housing is located 1.1 miles from the new site. PMRF airport, which is a FAA certified runway, is located 1.0 mile from the new site. ADC is an agribusiness company and not a landfill company. ADC should return the unusable farm lands to the original fish ponds and marshes. This would increase our near shore fisheries, filter sediment during flooding, and be environmentally friendly for generations to come. I hope that ADC shuts down this new landfill site. Thank you.

Chair thanked Mr. Warren and asked if there were any further questions from the Board or the public. There was none.

Chair noted that Russel Tsuji left the meeting at 10:00 A.M.

Mr. Ken Nakamoto noted that Ms. Cruz had her hand up.

Ms. Cruz stated that Ms. Manar wanted to provide testimony.

Ms. Manar said her father was one of the first workers of Kekaha sugar mill and she started working there because she really wanted to clean it up. When the Kekaha mill started operating, we operated as one community, and it was a wonderful time in our history. However, over the years, our community has really suffered. I know that we have been trying to restart, not just agriculture but a lot of things for our community. If you saw from a bird's eye view what Ms. Fraley showed, you see all the beautiful lands and you see some of the farms that ADC put on the land continue to struggle. Before we even think about using such good land and water for something like trash, ADC should consider the original intention of the land. Kekaha still has a lot of descendants that come from farming and the plantation era and are very supportive of food sustainability. Our community was built on farming and ranching. We were very self-sufficient. If ADC can support our community and see it from our perspective of how we should be using that land, which is why I raised my hand to say that meetings are good because our Community has a huge silent majority that would like to understand and would like to support the use of the land in ways that Mr. Warren has spoken. Yes, we understand there's pesticide. Yes, we understand a lot of things. However, you know, I stand for just the voices of the people of Kekaha who would love to be here, but they're not able to. And I think ADC should consider all of our voices and all of our needs as well. That's all I have to say. Thank you.

Chair thanked Ms. Manar and the other testifiers and suggested moving on to the next agenda item, and called on Mr. Yee, supervisor of the Commerce and Economic Development Division, Department of the Attorney General, to talk about the Sunshine Law complaint.

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2. Update on Sunshine Law complaint (S APPEAL 24-02) by anonymous complainant dated August 21, 2023, and supplemental complaint dated September 22, 2023, regarding the hiring of the new executive director

Mr. Yee stated his intention was to go through the Opinion that was submitted by the Office of Information Practices (OIP) to opine for you where there is agreement, where there could be concerns that ADC could express and why, and then ask you what your preferences are with respect to a response to OIP and on what basis. I would normally do this in executive session, but it is certainly your right to have this discussion in open session. If I could confirm with you whether you want to go into executive session or not to discuss the rights, liabilities, duties, and obligations of this matter with your attorney.

Chair asked if the Board members would like to go into executive session or have the discussion in open session?

Ms. Seddon stated that it seems like it should be an executive session. Does Mr. Yee have an opinion on that?

Mr. Yee stated there's legal and policy issues involved. In most cases, I would expect to be in executive session. You should be informed that once we are in open session, there's no going back. You can't put the toothpaste back in the tube.

Ms. Seddon said so if there's legal issues, usually we go to executive session.

Mr. Yee concurred and said he certainly will be talking about legal issues.

Ms. Seddon stated she would like to make a motion that we go into executive session.

Chair agreed and said Ms. Seddon has made a motion to go into executive session, may I have a second?

Second: Mr. Okuhama.

Chair asked if there was any public testimony before going into executive session. There was none.

Chair called for the vote. Hearing no objection and noting the Mr. Tsuji had left the meeting, the motion was approved: 7-0.

Mr. Nakamoto asked for a five minute recess to send out the Teams link for the executive session.

Chair called for a five minute recess.

The Board exited the public meeting at 10:25 A.M.

The Board returned to the public session at 11:20 A.M. Board members present: Chair, Mr. Hong, Mr. Kishida, Ms. Seddon, Mr. Watts, and Mr. Wicker.

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Chair stated that we're back on public record at 11:20 A.M. and reported pursuant to Act 19 that while in executive session the Board received a report from Mr. Yee on his analysis of the November 3rd opinion by OIP. No further action will be taken.

Chair moved on to the rest of the agenda.

Mr. Yee asked if he could be excused as this time.

Chair agreed and thanked Mr. Yee for his presentation.

3. The Diamond Head Seafood presentation was taken out of order following agenda item B-3.

4. Update regarding ADC-owned buildings in Whitmore Village, Oahu, Hawaii

Chair called on Mr. Nakamoto for an update of the ADC owned buildings in Whitmore.

Mr. Nakamoto stated ADC requested follow-up testing from the last findings of hazardous materials. The contractor conducted air and swipe testing in 12 structures, primarily the structures where people are working or accessing the buildings. All of the areas that we tested, the results were that they did not exceed OSHA or EPA exposure levels. You received copies of the reports. We did notify the tenants.

Chair asked if there were any comments. There was none.

Chair moved on to item 5 and called on Ms. Gady for the executive director's report.

5. Executive Director's Report regarding project updates, budget updates, status of vacant positions, and a branding and marketing project

Ms. Gady stated that in the Board packet, you're going to see the executive directors update. I'll just highlight a couple of things. First of all, the \$10 million food and product innovation network, the funding got cut due to the budget crisis, moved from \$10 million down to \$500,000, a loss of \$9,500,000. This money tentatively could be pushed into next year's budget. But in the meantime, we are looking for additional funding in other locations. The same thing with completing the plans for the Wahiawa wastewater pipeline, that funding has also been reduced to \$500,000 and the purchase of the \$3,000,000 Oahu property was also reduced to \$500,000. The Central Oahu food hub was reduced to \$500,000. I think the Board members wanted to take a quick look at the budget, which was included in the Board submittal (pages 118-119). We don't always have a lot of control over what was passed by the legislature, and what programs and projects are going to be assigned to ADC. In the last legislative session a total of \$106 million was appropriated, but when it went to the governor, there was about \$88,800,000 that was line item vetoed. The governor reduced the amount to complete the designs to fully understand the potential cost of the R1 pipeline in Wahiawa ditch system. That's pushed to next year. The appropriation dropped from \$17.3 million to \$3.3 million, and what we're starting to see is a shift from general funds, which has kind of been our mainstay. For us as an organization we may have to start leaning into our bonding capability and our revenue bonds and so that's kind of a change moving forward. Are there any questions on the budget that you would like me to go into further detail?

Chair asked if the Board members any questions?

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Mr. Okuhama asked yeah, just wanted to ask about the reduction in the \$3,000,000 to purchase the property. The seller has been waiting for a while. I was just curious, I know we wanted to obtain that parcel, is it going to happen.

Ms. Gady asked Mr. Takemoto to speak on that.

Mr. Takemoto said that money was being placed into the supplemental budget request and of course that's not a certainty. We are still working with the seller, going through the due diligence process and there are some title issues that may need to be cleared up. So oddly enough the timing may work out quite well. Right now we're still proceeding. We are asking for the money to be reappropriated in the supplemental budget for 2025.

Mr. Okuhama thanked Mr. Takemoto and said you know some companies are getting rid of all their lands and patience was not really what they want when it comes to selling their parcels. But if there's title issues, then good we have time.

Ms. Gady continued that with the addition of the Accountant V hired in August, and the Accountant IV hired in October, they have been a huge support to the entire organization. They have been helpful not only in working on our current fiscal year, but the new staff is also going back to reconcile fiscal year 2023-2024. In the years prior to 2023, we are working with the consultant Spire and going back to reconcile as much information as possible. But it does provide like a clean slate moving forward. We are asking the consultant if we should go forward on QuickBooks, or do they think we should be moving forward on Yardi? And, in regard to Yardi, we have 90% of the information already in the system and our Accountant IV has an incredible working knowledge of the software. So that has been a wonderful addition and leaping us forward in some of our goals. In the vacant positions, we are still trying to encumber funds for two positions, the contract manager and the water worker. And I just want to emphasize that the water worker was a safety issue for us because we send the teams out in twos to take a look at the ditch. And currently we have 5 workers over 26 miles of ditch. That means each worker is trying to cover 5 miles of ditch. That's a pretty lean organization. I also wanted to let you know that my weekly reports are available to the public on the ADC website. One of the other things that's in your board packet is a questionnaire about branding and marketing. The Board originally thought it would be good to come in with some samples, like new logos, and then it was suggested to work with the stakeholders in regard to brand positioning. Ideally I'd like to get some feedback in the next 30 days. The questions are very general in terms of what colors you like, what colors you associate us with, what logos that you like and it's not just in the ag space, it's also in the marketplace as a whole. I think it goes to the heart of what our brand promise is for ADC and positioning and when I think about a couple of examples, I think about, you've got Mercedes-Benz, you've got BMW, and you've got Toyota. They're all car companies. But when you're buying a Mercedes, you're buying luxury; when you're buying the BMW, you're buying a performance vehicle; and when you're buying a Toyota, it's about reliability. So thinking long and hard strategically about what our brand promise is to our current stakeholders, to our current customers, to our future customers, we are relying heavily on the input from the Board. The information from the questionnaire is really, really important for us moving forward, especially in light of the fact that ADC is turning the big 30 in 2024. We should take a hard look at where we've been and where we're headed. Does anyone have any questions?

Chair called on Ms. Seddon.

Ms. Seddon asked Ms. Gady if she could send out the questionnaire separately so it's not buried in the Board packet?

AGRIBUSINESS DEVELOPMENT CORPORATION

Minutes of the Board of Directors Meeting held on November 16, 2023

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

Ms. Gady replied absolutely, that's an excellent suggestion.

Chair stated OK, seeing no further questions we appear to be down to five board members.

G. Adjourn

Having no further business before the Board, Chair adjourned the meeting at 11:32 A.M.

Date of Next Meeting: The next meeting is scheduled for January 18, 2024, at 9 A.M.

Respectfully submitted:

Ingrid P. Hisatake
Secretary III